

Legislative Assembly of Alberta

Title: **Monday, March 13, 1995**

1:30 p.m.

Date: 95/03/13

[The Speaker in the Chair]

head: **Prayers**

THE SPEAKER: Let us pray.

Dear God, author of all wisdom, knowledge, and understanding, we ask Thy guidance in order that truth and justice may prevail in all our judgments.

Amen.

head: **Statement by the Speaker**

Commonwealth Day

THE SPEAKER: May I draw to the attention of hon. members that today, the second Monday in March, is Commonwealth Day. The Commonwealth of Nations is of special importance to us because it consists of a group of nations which share our own tradition of parliamentary self-government. To recognize Commonwealth Day, members will find a copy of Her Majesty's message on their desks.

The Commonwealth Parliamentary Association has enriched the sharing of parliamentary ideas with our colleagues. Last October delegates from up to 125 Parliaments and Legislatures of the Commonwealth met in Banff to attend the 40th Commonwealth parliamentary conference. A welcome aspect of the conference was the attendance of observers from the recently elected Parliament in South Africa, the first time South Africa participated since 1959.

March 26 will mark the 50th anniversary of our branch. I would like to quote from the *Journals* of Monday, March 26, 1945:

Moved by the Hon. Mr. Manning, seconded by Mr. Page:

Resolved that the Legislative Assembly of the province of Alberta hereby form a branch of the Empire Parliamentary Association.

The Alberta branch of the Commonwealth Parliamentary Association is comprised of all Members of the Legislative Assembly. The lapel pin, which you received today, is in celebration of our upcoming 50th anniversary.

Thank you.

head: **Reading and Receiving Petitions**

THE SPEAKER: The hon. Member for Grande Prairie-Wapiti.

MR. JACQUES: Thank you, Mr. Speaker. I kindly request that the petition I introduced on March 9 requesting the elimination of taxpayer funding of elective abortions now be read and received.

Thank you.

CLERK:

We the undersigned residents of Alberta petition the Legislative Assembly to urge the Government to:

1. De-insure the performance of induced abortion under the Alberta Health Care Insurance Plan Act.
2. Use the community-based resources that are already in place that offer positive alternatives to abortion.

head: **Notices of Motions**

THE SPEAKER: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you, Mr. Speaker. I wish to give the Assembly notice that I will at the appropriate place in the order of business today rise and ask for the Assembly's unanimous consent to congratulate the community of Fort McMurray for successfully hosting one of the provincial finals in the sport of ringette and to congratulate the Fort McMurray team who ended up winning that event.

head: **Introduction of Bills**

Bill 18

Environmental Protection Statutes Repeal Act

MR. LUND: Mr. Speaker, I request leave to introduce Bill 18, the Environmental Protection Statutes Repeal Act. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, this Bill will repeal the Alberta Environmental Research Trust Act, the Environment Council Act, and the Water Resources Commission Act.

[Leave granted; Bill 18 read a first time]

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

Bill Pr. 1

Missionary Church Amalgamation Authorization Act

DR. L. TAYLOR: Thank you, Mr. Speaker. I request leave to introduce Bill Pr. 1, being the Missionary Church Amalgamation Authorization Act.

[Leave granted; Bill Pr. 1 read a first time]

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

Bill Pr. 2

City of Edmonton Authorities Repeal Act

MR. YANKOWSKY: Thank you, Mr. Speaker. I request leave to introduce a Bill being the City of Edmonton Authorities Repeal Act.

[Leave granted; Bill Pr. 2 read a first time]

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

Bill Pr. 3

Alberta Stock Exchange Amendment Act, 1995

MR. HERARD: Thank you, Mr. Speaker. I request leave to introduce a Bill being the Alberta Stock Exchange Amendment Act, 1995.

[Leave granted; Bill Pr. 3 read a first time]

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

Bill Pr. 4

Galt Scholarship Fund Continuance Act

MR. DUNFORD: Thank you. Mr. Speaker, I request leave to introduce Bill Pr. 4, being the Galt Scholarship Fund Continuance Act.

[Leave granted; Bill Pr. 4 read a first time]

THE SPEAKER: The hon. Member for Leduc.

Bill Pr. 5
First Canadian Casualty Insurance Corporation
Amendment Act, 1995

MR. KIRKLAND: Thank you, Mr. Speaker. I request leave to introduce Bill Pr. 5, being the First Canadian Casualty Insurance Corporation Amendment Act, 1995.

[Leave granted; Bill Pr. 5 read a first time]

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

Bill Pr. 6
Colin Chor Wee Chew Legal Articles Act

MS CALAHASEN: Thank you, Mr. Speaker. I request leave to introduce Bill Pr. 6, being the Colin Chor Wee Chew Legal Articles Act.

[Leave granted; Bill Pr. 6 read a first time]

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

Bill Pr. 7
Concordia College Amendment Act, 1995

MS HANSON: Thank you, Mr. Speaker. I request leave to introduce Bill Pr. 7, the Concordia College Amendment Act, 1995.

[Leave granted; Bill Pr. 7 read a first time]

Bill Pr. 8
Milk River and District Foundation Act

MR. HIERATH: Mr. Speaker, I request leave to introduce Bill Pr. 8, being the Milk River and District Foundation Act.

[Leave granted; Bill Pr. 8 read a first time]

Bill Pr. 9
University of Calgary and University of Alberta
Charitable Annuity Act

MRS. LAING: Mr. Speaker, I beg leave to introduce Bill Pr. 9, being the University of Calgary and University of Alberta Charitable Annuity Act.

[Leave granted; Bill Pr. 9 read a first time]

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

Bill Pr. 10
Calgary Regional Health Authority
Charitable Annuity Act

MRS. LAING: Thank you, Mr. Speaker. I request leave to introduce Bill Pr. 10, being the Calgary Regional Health Authority Charitable Annuity Act.

[Leave granted; Bill Pr. 10 read a first time]

head: Tabling Returns and Reports

1:40

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

MR. DICKSON: Thank you, Mr. Speaker. I'm tabling a copy of a letter from Dr. Bob Hartog, who is now resident in Oregon, United States of America. The letter is dated March 9, 1995. Dr. Hartog had gone to school with me in Drumheller. He indicates that doctors are being driven out of the province by this government.

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

MR. FISCHER: Thank you, Mr. Speaker. I am pleased to table in the House six copies of responses to written questions 148 and 153.

MR. ADY: Mr. Speaker, I'm pleased to table six copies of the government's response to motions 212 and 213 accepted during last fall's session.

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

MR. SAPERS: Thank you, Mr. Speaker. Today I would like to table a copy of the Friends of Medicare Community Organizing Kit. The Friends of Medicare recently held a conference in Edmonton dealing with the crisis in health care in Alberta. It was attended by well over 100 people. They have circulated this kit, and I table it for the Assembly.

MR. MITCHELL: Mr. Speaker, I rise to table copies of three letters which address an issue which has occurred recently where an 11-year-old girl has been unable to receive lifesaving surgery. One of the letters is the minister's response, which says: well, it's not her responsibility; it's the responsibility of somebody else, the regional health authority and the hospital.

head: Introduction of Guests

MRS. HEWES: Mr. Speaker, I'm pleased today to introduce to you and through you to Members of the Legislative Assembly a group of 29 visitors from Holyrood school, one of the great schools of the Edmonton-Gold Bar constituency. They're accompanied by their teacher Mr. Redwane Cherkaoui and parent Mr. Allan Hobden. They're seated in the public gallery. I'd asked them to rise, and I'd ask the Legislative Assembly to welcome them.

THE SPEAKER: The hon. Member for Edmonton-Glengarry.

MR. DECORE: Thank you, Mr. Speaker. I would like to introduce 100 students from St. Matthew school who are accompanied by their teachers Miss Patton, Mr. Roy, Mr. Podilsky, Mr. Maximchuk, who I'm told is a brother of a classmate from Vegreville that I went to school with, and parents Mr. Payne, Mrs. Skish, Mrs. Diduck, and Mrs. Prystasz. I wonder if they would rise and members would greet them accordingly.

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

MRS. LAING: Thank you, Mr. Speaker. I would like to introduce to you and through you to the members of this Assem-

bly some special guests who are in the members' gallery: my constituent assistant Sheila Clayden, without whom I would certainly have some great difficulties, and her husband, Larry, and their special guests Don and Leila Richardson, who are here from Sheffield, England. I would like to ask them now to rise and receive the warm welcome of the Assembly.

head:

Oral Question Period

Health Care System

MR. MITCHELL: Mr. Speaker, an 11-year-old foster child urgently needs surgery not only to keep her alive but to alleviate her pain. Unbelievably, on February 24 this child was 30 minutes away from surgery, prepped and ready to go, when that surgery was canceled because there wasn't enough money for intensive care. Then last Friday the child's surgery was once again canceled because there were no beds, and there was inadequate staff to provide the postoperative care that she would need. That is unacceptable. To the Premier: what can the Premier say to this 11-year-old girl and her foster parents? And don't stand here and tell us that the health care system is as good as it always was, because it isn't, and nobody believes the Premier anymore.

MR. KLEIN: Well, Mr. Speaker, a lot of people believe the Premier. We're going through, as I mentioned before, some very difficult times relative to restructuring. Yes, I will concede that this case, if indeed it is as described by the hon. leader of the Liberal opposition, is a sad case, but I would like to know – and perhaps he can provide me with this information – what hospital it was, who the doctor was who attended this particular case. Provide me with some more details, and I will personally make sure that the hon. Minister of Health checks into this situation.

MRS. McCLELLAN: Do you want me to respond?

MR. KLEIN: Well, perhaps you can, yes.

MRS. McCLELLAN: If I might, I would like to let the hon. member know that indeed the Minister of Health has already reviewed the case. While I am not in any way permitted to discuss an individual's health concerns in this Legislature and I would hold that confidentiality very closely, I can assure the hon. member that we have reviewed it, that we have discussed it with the hospital. I want to just point out, Mr. Speaker, that we do have a number of pediatric beds in intensive care in this province, and there are times, albeit they may be rare, when because of some circumstance medically arisen in the community, there is stress on those beds. It is unfortunate that at some times elective surgeries do have to be delayed. I have reviewed it. I have communicated with the family, as the hon. member knows. He tabled a letter from me to the family. Certainly, in all cases it is up to the individual hospitals and the surgeons to manage their lists, but I have reviewed this situation.

MR. MITCHELL: The minister has reviewed the case, Mr. Speaker, but the reaction that she gave the parents is hardly acceptable.

Mr. Speaker, does the Premier think that it's acceptable for a case that's been referred to the Minister of Health to be responded to with something that says: it's not our problem; talk to the hospital that hasn't been able to solve the problem in the first place?

MR. KLEIN: Mr. Speaker, I would ask the hon. disputed leader of the Liberal opposition to table the letter so I can read it. [interjections] Well, hand it over. Just shoot it over. [interjections] Fine. The minister has just told me that what the hon. leader of the Liberal opposition says is in the letter is in fact not in the letter. I would like to see the letter and read it for myself. That's not an unreasonable request.

MR. BRUSEKER: Point of order, Mr. Speaker.

MRS. McCLELLAN: If I might supplement. Certainly, Mr. Speaker, all will have an opportunity to read the letter, but it certainly does not say: it's not my problem; it's somebody else's. What it does state is that management of beds and surgeries is done by the individual institution, and that is the case. I don't think that even the hon. Leader of the Opposition would believe that the Minister of Health should schedule surgeries in this province.

1:50

MR. MITCHELL: Mr. Speaker, the minister's letter says right here: "I am confident that" the patient representative at the University of Alberta hospital "and the medical staff will work to fully address your concerns." Does the Premier believe that it makes any sense whatsoever for him to continue to tell Albertans to refer their problems to the Minister of Health when she stands up in this Legislature or writes to them and turns around and says: it's not my problem; the hospital that can't solve it should be solving it? [some applause]

MR. KLEIN: Well, they can thump and pound all they want. You know, when you thump and pound for a statement that is totally and absolutely misleading, Mr. Speaker, I think it's disgraceful, but it speaks very well for the Liberal opposition.

The minister has already indicated, Mr. Speaker, that she reviewed this case personally with the family involved. She also indicated that she reviewed the case with the hospital, and what she has said in her letter – and I'll repeat it, but maybe I'll give it a little bit more emphasis. "I am confident that she and the medical staff will work to fully address your concerns." The minister also goes on to say:

Please be assured that this government takes the health care of all Albertans very seriously. As we restructure the health system, the ongoing provision of high quality, affordable health care continues to be a priority for this government. I am confident that once the restructuring process is completed, we will have a health care system that we can afford for generations to come.

Mr. Speaker, the last paragraph is the essence of what this government is doing. We know – and this will please the Liberals, because this is the kind of spending they like – that health care costs have gone up something like 220 percent over the last 14 years. We know that there was far too much administration in the system. The hon. disputed leader of the Liberal opposition has admitted time and time again, as a matter of fact is quoted widely as saying: there are far too many hospital beds in this province. So we have to go through that fundamental restructuring, and once again I would urge the Liberal opposition to work with the regional health authorities, especially in Edmonton, where they have most of their members, and bring about this rationalization of health care. Don't get out there in the communities and spread misleading and false information about what is going on. Do something positive for a change. That is the challenge.

MR. MITCHELL: He's got to restructure the health care system, Mr. Speaker, and he doesn't care how many 11-year-old girls . . .

THE SPEAKER: Second main question.

MR. MITCHELL: We're not talking about numbers, Mr. Speaker. We're talking about . . .

THE SPEAKER: Second main question.

MR. MITCHELL: As if this case isn't serious enough, Mr. Speaker, we now learn that the Edmonton regional health authority will be announcing up to 2,300 additional layoffs in Edmonton tomorrow. If there weren't enough nurses at the University of Alberta hospital so that an 11-year-old girl could have the lifesaving surgery she needed last week and the week before that, can the Premier explain what is going to happen next week after 2,300 more health care workers lose their jobs in this city?

MR. KLEIN: Well, Mr. Speaker, first of all, I don't have in front of me the budget of the Capital regional health authority, nor, by the way, does the hon. Leader of the Official Opposition.

MR. HENRY: Don't be so sure of that.

MR. KLEIN: Well, if he does, then let's table it. Does he, hon. member? If he does, let's table it. Let's table it, and we'll have the facts out long before the regional health authority is able to get those facts out on its own.

Mr. Speaker, I am going to wait and see exactly what happens over what period of time, how it is to be done. But understand: the regional health authority has been put in place to undertake a fundamental restructuring of the health care system in the city of Edmonton to deliver quality health care, the same level of health care at a lesser cost and in a more effective and a more efficient manner.

MR. MITCHELL: Since the Premier hasn't got the regional health authority's business plan, since he says that he hasn't seen their budget, since he doesn't know how many people they're going to be laying off tomorrow, how can the Premier continue to stand in this Legislature and tell Edmontonians that somehow he is certain that their health care system is in good hands and is going to be just fine for, as he said earlier, future generations?

MR. KLEIN: Well, again, I put it back to the Liberal opposition: are they satisfied with the status quo? Do they like the fact and is it acceptable that health care costs went up 220 percent over 14 years? Is that satisfactory? What is their solution? What I'm challenging the Liberal opposition to do is work with us, help us. Don't get out there and spread bad and false information. Yes, the regional health authority, as I understand it, will be making some darn tough decisions but decisions that will be made in the light of sustaining an adequate and a good health care system that can be operated more effectively and more efficiently. Mr. Speaker, I will concede to the hon. leader of the Liberal opposition that these are going to be tough decisions, and again I challenge these people over there to work with the authority and help us see this thing through.

MR. MITCHELL: I see, Mr. Speaker. We explain away the fact that his health care system cannot attend to the needs of an 11-year-old girl by saying: we have to make some tough decisions.

My final question to the Premier today: since – and maybe he doesn't understand this either – less than one-third of the Premier's health care cuts have been implemented so far across this province, how can the Premier possibly assure Albertans that they will have a health care system that they can depend upon when all of his cuts are implemented at the end of the next two years?

MR. KLEIN: Mr. Speaker, the hon. Minister of Health has indicated that indeed through the AMA there will be a monitoring system set up. She is strengthening the role of the Health Facilities Review Committee.

MR. MITCHELL: Oh, Ralph, stop with that.

MR. KLEIN: Fine. Fine. Okay. Mr. Speaker, the hon. member told me to stop. He said stop. He didn't want to hear the answer to the question. That's why I stopped.

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

MR. SAPERS: Thank you, Mr. Speaker. If the Premier would pay attention, the next question is for him. Today I refer to a letter that was just tabled by my colleague from Calgary-Buffalo from a doctor who is leaving Calgary to go to a place where he can practise medicine. Dr. Hartog has left the province because he has witnessed the steady erosion of health care and because he feels powerless to influence the process of health here in Alberta. His decision was not motivated by doctors. Mr. Premier, what is the answer to doctors such as Hartog who say that they no longer have confidence in the health care system that you are creating?

MR. KLEIN: Well, Mr. Speaker, it is sad that some doctors who don't want to be part of the solution and to accept change will find employment elsewhere. We can't stop them. As I said at the Premier's dinner before 1,400 people: we can't stop them. We can't stop the health care worker who doesn't want to participate in change. We can't stop them from going. We can't stop the educator who doesn't want to participate in change. We can't stop that person from going. We can't stop the social worker who doesn't want to participate in the new order of things. We can't stop that person from going. But we can appeal to these people: stay, stay. It's not a bad province. This is an inopportune time to leave to seek new opportunities, because I believe that there are great opportunities for all professionals in this province. Again, we are going through some very difficult times relative to restructuring. Once again I ask the hon. members across the way, the members of the Liberal opposition, to work with us and work with the regional health authorities and help us see this thing through.

2:00

MR. SAPERS: I wonder how many doctors have to go, Mr. Speaker.

How can the regional health authorities be expected to guarantee patient safety when the decisions that the government has forced them to make are driving doctors, nurses, lab technologists, and other members of the health care community out of this province?

MRS. McCLELLAN: Mr. Speaker, there is nothing of that nature happening. I think that one of the things we really should get involved with is working with the regions. We can go back and refer to the earlier question on whether there are beds

available. If we could consolidate all of the health services in this region to ensure that the dollars we have in acute care are going to patient care, I think that's what we really want to see. I believe that the members opposite might want to see that too. That is part of the fundamental restructuring that's occurring where there will be reductions in administration, where there will be more dollars freed up, where we will have programs that are consolidated, where we'll have one hospital in this city, although it might be on several sites. That is important so that we can reallocate those resources to make sure that the needs that are there are being met instead of the fragmented system that we have now. We have a person in charge of all referral hospitals in this city today rather than one on each site that is looking after individual site concerns. I think that the hon. member really should understand that this is a positive move towards allocation of resources. Physician resource management is a part of that, and we should be working with the regions to ensure that we have the proper physician complement in this province and indeed in this city to look after the needs and the concerns of our citizens.

MR. SAPERS: The Minister of Health doesn't know how many doctors it's going to take to run this system, Mr. Speaker. She doesn't know how many specialists it's going to take. She doesn't know how many pediatricians it's going to take. She doesn't know . . .

THE SPEAKER: Question. [interjection] Order. Unfortunately, the hon. member's question was not recorded because he was talking to himself. Would the hon. member care to put a brief, succinct final supplemental instead of making a speech?

MR. SAPERS: Asking this government questions is often like talking to yourself, Mr. Speaker.

THE SPEAKER: Order please.

The hon. Member for Red Deer-South.

Physicians' Role in Health Services Restructuring

MR. DOERKSEN: Thank you, Mr. Speaker. A recurring theme for the physicians that I talked to across the province is that they want to be part of the solution. They don't feel that they have been listened to in this province. My question this afternoon is to the Minister of Health. Can the minister answer the question for them: why are you not consulting with physicians?

MRS. McCLELLAN: Mr. Speaker, the member raises a question that is of deep concern to me as well. We have put in place a number of mechanisms to ensure that physicians are involved in restructuring. The key to that is the Alberta Medical Association, who we deal with directly. Through that process to look at physician concerns on a provincial basis, we have an administrative council. Also, under the AMA agreement – I believe it was under article 15 – there was put in place a requirement for physician liaison councils to be established in every region. That is the vehicle and the voice for physicians to have input into restructuring and to have messages back on restructuring.

Mr. Speaker, in other instances where there have been concerns raised that there were some inadequacies, we have set up a tripartite committee. That tripartite committee is made up of the chairs of the two major centres, the chair of one of the outlying regions representing all of the rest of the regions, and the AMA

and the minister to ensure that medical staff bylaws are put in place so that physician concerns are heard.

MR. DOERKSEN: Madam Minister, I appreciate your comments, but the physician liaison councils and other measures do not seem to be working. Can the minister tell me what actions she will take to make sure that they do work?

MRS. McCLELLAN: Mr. Speaker, again that's of great concern to me because I have certainly believed that working through the Alberta Medical Association, who represent the majority of physicians in this province, was the proper vehicle to go. However, as concerns have been raised more and more, I have undertaken to write to each of the physicians in this province. When physicians have had an opportunity to receive that letter, I will table it in this Legislature. I have outlined some of the methods that we have for input. I have asked the physicians to contact me directly if they feel that those mechanisms are not working, and I have also offered to meet with the physician liaison council, the chair of the region, to discuss these issues. So I do take it very seriously. We value our 4,500-plus physicians in this province.

MR. DOERKSEN: Can the minister comment on what the responsibility of the Alberta Medical Association is to communicate with its own members?

MRS. McCLELLAN: Mr. Speaker, certainly it is the AMA's role to communicate directly with their members. I am sure that they are attempting to do that. However, I am concerned, as I believe the AMA is, that all of the information is not getting out to their members. I have met with the AMA to discuss this and to look at ways that we can work together to ensure that physicians are being heard and are receiving the appropriate messages.

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

Hospice Calgary

MR. DICKSON: Thank you, Mr. Speaker. Hospice Calgary is a community-supported organization. This society has been helping the dying and their families in Calgary for the last 15 years. Two hundred volunteers have been involved supporting 135 families with grief and bereavement counseling, with palliative care, and with educational programs. This morning, actually just 2 hours ago, Hospice Calgary announced that it's closing. My question is to the Premier. How can you allow this valuable service to disappear?

MR. KLEIN: Mr. Speaker, if Hospice Calgary announced that it was closing, that is news to me. What I heard was that this program – and this was a rumour – was going to be cut out of the Calgary regional health authority's business plan or health plan. In discussion with the minister, the minister informs me that indeed no decision has been taken.

AN HON. MEMBER: By whom?

MR. KLEIN: By the RHA.

MR. DICKSON: The supplemental question, Mr. Speaker, would be this: will the Premier tell Albertans why a community model

like Hospice Calgary will not be supported and not get the kind of full support it deserves from this government?

MR. KLEIN: Mr. Speaker, again I have to reiterate that as far as I know, no decision by the Calgary regional health authority has been made relative to the hospice. There have been some rumours that indeed that's what might happen or partially what might happen. Certainly it stands to reason that hospice services along with all other medical services would be part of the restructuring program. I concur with the hon. Member for Calgary-Buffalo that indeed it is a valuable service, and I'm sure that the Calgary RHA will work through it with Hospice Calgary.

MR. DICKSON: Well, Mr. Premier, the announcement is that all of the funding in the Calgary regional health authority for palliative care is going to Agape Manor. There's no money in the budget and no money in the regional health authority for this valuable service.

MR. KLEIN: Again, you know, we're maybe cross-threaded here, Mr. Speaker, but I'm getting some information from the hon. minister through her contacts with the Calgary regional health authority that indeed no decision has been made.

2:10 Medical Graduates

MR. HAVELOCK: Mr. Speaker, as we hear more and more about the shortage of doctors in rural communities or doctors leaving our province because of health system reforms, I believe we need to remind ourselves of the substantial investment Albertans make in educating and training physicians. The cost in '93-94, excluding overhead and sponsored research, for a full-time equivalent student in the Faculty of Medicine at the University of Alberta was an estimated \$15,700, and at the University of Calgary it's an estimated \$22,800. My question is to the Minister of Advanced Education and Career Development. Would he consider directing the universities mentioned to allocate a certain number of medical spaces to students prepared to commit through contract to practise in rural communities where shortages exist?

MR. ADY: Well, firstly, Mr. Speaker, I should point out that students training as physicians, as opposed to master's degree and PhD work, only make up around 35 percent of the students in our Faculty of Medicine. So the figures that the member is referring to also include students involved in graduate work.

Having said that, to answer the member's question, no, I don't believe that I could consider a centrally planned quota system like the one he's suggesting. Our postsecondary system of education is based on the fact that we have bright, capable, and ambitious individuals who make their own decisions in a free and open manner, and I don't believe that I should move unilaterally to micromanage what students a university may choose to admit or not to admit.

MR. HAVELOCK: Given that the costs are far higher than the actual level of tuition paid for these programs, would the minister be prepared to implement a method by which taxpayers can get their money back if graduates from these high-cost programs leave the province prior to having practised in Alberta a reasonable period of time?

MR. ADY: Mr. Speaker, no. There is no mechanism today which allows us to get our investment back if a medical graduate

chooses to leave the province, but then neither is there a process in other provinces whose highly trained graduates might come to Alberta. So it's a free movement of students, and hopefully I think we gain as much as we might lose.

MR. KLEIN: Just supplementary to the hon. minister's answer to this particular question, there's an assumption that what is happening in Alberta is singularly exclusive to this province, that this is unique in Canada. It's interesting to note that the Liberal Premier of New Brunswick was in Ottawa just recently, I think, a couple of weeks ago, and I just want to quote. It says:

McKenna was not in town hustling jobs, nor was he here to complain about the budget, which shows how unusual a premier he is.

And he is; he's a very good Premier.

He was here selling the virtues of health-care cuts to a roomful of disgruntled doctors – 43 per cent of whom, if a recent *Medical Post* poll is to be believed, are thinking of leaving the country.

Not this province: "Are thinking of leaving the country."

Now, it's interesting to know what Mr. McKenna is doing in his province:

- cutting 51 hospital boards to eight regional hospital corporations, cutting administration, consolidating services and closing six per cent of [all] hospital beds.

As a matter of fact, if you go through the list in this article of what Mr. McKenna, the great Liberal Premier of New Brunswick, is doing there, it is almost exactly – exactly – what we are doing in this province, Mr. Speaker.

THE SPEAKER: Final supplemental.

MR. HAVELOCK: Well, thank you, Mr. Speaker. I certainly appreciate that additional information.

In light of the fact that we want to ensure that the needs in Alberta are serviced, would the minister consider introducing a policy that would require recent medical graduates to spend some of their time in Alberta; in other words, to support the province which has paid significantly towards their education?

MR. ADY: Mr. Speaker, I would just like to say that having visited with my provincial counterparts across the province only two weeks ago, what the Premier says is exactly right: they do have a concern with the amount of expense that they're spending and then having their graduates leave.

To answer the member's supplementary question, internship positions are highly sought after in Alberta as they are elsewhere in this country. It's a tremendously competitive thing in every province. As a result, most Alberta graduates do remain in this province for their internship. The member should be aware of that. For every Alberta MD graduate who is admitted into an internship program outside the province, there is more than one applicant from outside the province for available positions here.

THE SPEAKER: The hon. Member for Fort McMurray.

Magnesium Plant

MR. GERMAIN: Thank you, Mr. Speaker. In 1991 the Premier's good friend Norman Wagner took his company, Alberta Natural Gas, out of MagCan and thus set the stage for one of the largest economic fiascos in this province. The Provincial Treasurer is selling off the MagCan assets through an accounting firm, and those bids have now closed. The result of those bids will determine whether this is the fourth or fifth worst fiasco in

Alberta government investment in the private sector. My question today is to the Provincial Treasurer. Mr. Treasurer, can you confirm that Alberta Natural Gas or one of its agents has in fact put in bids to the receivers for some of the MagCan assets?

MR. DINNING: Mr. Speaker, when the government announced that it was going to go to Price Waterhouse to receive bids on the assets of the magnesium company south of Calgary, it was made clear in the press release at the time, full disclosure, that ANG would be eligible to put in a bid for these assets.

MR. GERMAIN: Why, then, would you have to pay accounting and consulting fees, Mr. Treasurer, to a company that because of their previous relationship would be privy to all of the details?

MR. DINNING: Because, Mr. Speaker, we made sure that all companies who were interested in making a bid for these assets would be equally privy to all the details. There's that level playing field there to ensure that all interested companies or individuals or potential investors would have access to this kind of information so they could put in their best-efforts bid. As the minister without portfolio for Economic Development and Tourism advised us the other day, there are some 43 bids that have been put in place: three for the complete assets and a number of others, I believe some 40 other bids, for part of the assets. Those are being reviewed by Price Waterhouse right now, and we will be in receipt of Price Waterhouse's recommendations as to the steps we should take next and which of the bids, if any, we should accept.

MR. GERMAIN: Sort of brings new meaning to the phrase double-dipping, Mr. Speaker.

Mr. Speaker, my supplemental question is directed to the Premier of this province. Mr. Premier, could you tell Albertans, please, what your government's policy is on allowing companies to bid in government loss situations where they previously were involved in the package that led to the government's loss in the first place?

MR. KLEIN: I think the policy, Mr. Speaker, is simply one of common sense, and common sense has indeed prevailed in this particular situation. We retained a firm, Price Waterhouse, to conduct an independent adjudication of all the bids, as the hon. Treasurer pointed out. There were three bids, as I understand it, for the complete facility. The remaining 40 bids were for components or parts of the facility. If Alberta Natural Gas is one of those bidders – and I just don't know what component they're looking at or whether they're looking at the whole of the situation. I would think that the Liberals in particular would concur with this side of the House that what we ought to be achieving in this situation is the best possible deal in the interests of Alberta taxpayers.

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

2:20 Food Processing Development Centre

MR. BRASSARD: Thank you, Mr. Speaker. The Leduc Food Processing Development Centre was opened to provide an opportunity for small and medium companies to develop, evaluate consumer acceptance, and manufacture test quantities of their products. Last week the Minister of Agriculture, Food and Rural Development participated in the 10th anniversary of this centre. In that this facility has received criticism from some members of

the opposition, can the minister assure my constituents that this centre is, indeed, providing meaningful benefit to this province?

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

MR. PASZKOWSKI: Thank you, Mr. Speaker. Indeed, the centre had a very successful 10th anniversary in that over 200 people who represented past and present users and over 350 additional public at large attended the 10th anniversary celebrations. There has been a strong response to the services of this facility, and I think it's important and critical that everyone understand the fulfillment of this centre.

In 1993-94 113 companies utilized the centre and developed 40 new products that were put on the shelf. In this past year there have been an additional 52 new products that have been put on the shelf, and the year hasn't been completed. There were 400 days of actual plant usage per company type last year. Certainly this is adding very significantly to our value added in our province. It's adding to the direction of our three-year plan, where value added is going to be one of the significant parts of the growth of agriculture in this province.

MR. BRASSARD: Can the minister indicate what negative reaction he has had to the recently announced fee increases?

MR. PASZKOWSKI: This is also an important part of our three-year plan. We feel that users should pay for the use of facilities that government provides. With that in mind, we've increased the charges very significantly to see that there is a realization of the input costs that are placed into this facility. To date we've had absolutely no negative response. As a matter of fact, we've had some new contracts that have been signed from people who haven't used the facility at all in the past. There's been a great expression of interest in continuing use of the plant.

MR. BRASSARD: With the increased interest, Mr. Speaker, has the minister given any thought to moving this facility to the Calgary area, which is fast becoming the processing and grocery distribution centre for all of northwest North America?

MR. PASZKOWSKI: Mr. Speaker, it's not our intention to move the facility. It's operating at almost 100 percent capacity and is proving to be very successful. Yes, indeed, Calgary is a very central and critical part of our whole grocery business. It is now the major distribution centre for groceries in all of western Canada as well as western North America. That growth is going to continue, and ultimately we're going to have to take that into consideration. Some consideration will have to be given to the area around Calgary as well, because that is a major processing centre, and certainly the growth potential is there as well.

THE SPEAKER: The hon. Member for Sherwood Park.

Special Waste Treatment Centre

MR. COLLINGWOOD: Thank you, Mr. Speaker. Under this government's obscene sweetheart deal with Bovar, Bovar makes big bucks operating the Swan Hills white elephant. Not only do they help themselves to taxpayers' dollars for operating the plant; they also get paid to consult themselves. According to the joint venture agreement, Bovar gets paid a minimum of \$100,000 every year to provide consulting services to itself. My question is to the

Minister of Environmental Protection. Tell Albertans why they're forced to fork over a minimum of \$100,000 a year to Bovar so that it can consult with itself.

MR. LUND: Mr. Speaker, as most people know, last December we put in place a new board. This board has been charged to look at all of the agreements, to look at the operating of the Swan Hills special treatment centre, and to look at how the government can remove itself from this enterprise. That's what they are currently doing.

THE SPEAKER: Supplemental question.

MR. COLLINGWOOD: Thank you, Mr. Speaker. I know that someday I'll get an answer.

My supplementary question to the Minister of Environmental Protection: how much money have we actually paid under this provision in the agreement, and what consulting services did Bovar provide to itself to earn the money?

MR. LUND: Mr. Speaker, that is an extremely detailed question, and I do not have those kinds of answers at my fingertips. If the hon. member wishes to get that kind of information, I would suggest that he put it on the Order Paper, and we will see what we can do about it.

THE SPEAKER: Final supplemental.

MR. COLLINGWOOD: Thank you, Mr. Speaker. Actually, I do want that information.

My supplementary question to the same minister: do Alberta taxpayers have to pay this consulting fee so that Bovar can in turn hire its own consultants like the former Premier of the province, Peter Lougheed?

MR. LUND: Mr. Speaker, it's my information that the former Premier is not one of the consultants. He happens to be on the board of Bovar, but he is certainly not one of the consultants.

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

Physiotherapy Service

MS HALEY: Thank you, Mr. Speaker. My question is to the Minister of Health. In a recent discussion with physiotherapists it was indicated to me that our move to community rehabilitation from the way physiotherapy is billed today will in effect preclude physiotherapists from being able to bill private insurance companies for the work they do outside that which would be contracted for by a regional health authority. Could the minister please explain to Albertans what the restrictions currently in place are for private insurers to cover physical therapy services, and will this change with the advent of the community rehabilitation program?

MRS. McCLELLAN: Mr. Speaker, today there is a preclusion to having physiotherapists bill a private plan, because they are insured partially under our health care insurance plan. Under the health care insurance plan you cannot bill a private insurance company. In fact, the contrary will occur; it will be the opposite when we move to a community rehabilitation plan. If a person receives services from a physiotherapist that are not in the community rehabilitation plan or provided by that plan, they will

have the ability to bill a private health insurance plan because the rules will have changed. It will no longer be under our health care insurance plan. Therefore, a private insurer will be able to offer that insurance.

MS HALEY: With respect to that, Madam Minister, it's been indicated to me that without a cap in place on the number of visits a person can make to a physiotherapist, indeed the private insurance companies cannot kick in.

MRS. McCLELLAN: Well, Mr. Speaker, actually the reason that private insurance can't occur now is because it's insured under the Alberta health care insurance plan. That will not be the case after July 1, so private insurers can insure. In fact, what will happen under the community rehabilitation program is that we are removing the cap so that an individual who requires physiotherapy will receive the amount of physiotherapy that is required. That determination will be made by a professional assessment. However, if a person wishes to access a physiotherapist outside of that program, they may do that, and they would have two choices: pay for it themselves or have private insurance to cover that.

2:30

MS HALEY: My final supplemental, Mr. Speaker, is: could the minister please explain how the community rehabilitation program under the new model will enhance rehabilitation for Albertans?

MRS. McCLELLAN: There are a number of ways that it will enhance it. One is that it is a multidisciplinary program, so a person will be assessed in that way. For example, a person who has a stroke may need a multidisciplinary therapy program, and that will be there. Secondly, again the cap is removed. The level of treatment that you receive will not be determined by dollars. You will receive it by need. Thirdly, that assessment will be made by professionals, and we will ensure that the high-needs areas are entirely met, Mr. Speaker.

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

West Edmonton Mall

DR. PERCY: Thank you, Mr. Speaker. On February 4, 1994, Nader Ghermezian of the Triple Five Corporation wrote a letter to the Premier requesting his co-operation in the refinancing of debt of West Edmonton Mall held through Gentra Inc. In his letter Mr. Ghermezian said, "We urge your government and/or the Alberta Treasury Branches to provide us with the assistance we need in connection with the refinancing." Nine months later the Ghermezians entered into an agreement with Nomura Canada and TD Trust Company leading to the refinancing of \$440 million of outstanding debt. My questions are to the Provincial Treasurer. Can the Provincial Treasurer inform Albertans what deal was struck between Alberta Treasury Branches, Nomura Canada, and TD Trust Company leading to the \$440 million refinancing? Recall, Mr. Treasurer, that Alberta taxpayers already have \$106 million tied up through Alberta Treasury Branches in West Edmonton Mall.

MR. DINNING: Well, Mr. Speaker, the hon. member, especially this hon. member, knows full well the relationship between Treasury Branches and the government of Alberta. The government of Alberta is the official owner of the Treasury Branches, but all of the assets, all of the deposits and loans of Treasury

Branches are those of the depositors. There is not a nickel of taxpayers' dollars involved in Treasury Branches.

I know that the hon. member would chastise me severely were I to stand on the floor of this Assembly and begin to talk about any one of the 800,000 deposit and loan accounts of the Treasury Branches, because I would be breaching a long-standing practice whereby the Treasurer, the government does not get involved with the activities of Treasury Branches in that that is a relationship between Treasury Branches and any one of its clients. I would simply ask the hon. member: if he wants me to be lured into this matter, where should I draw the line? Should I draw the line at any one of the Liberal members who may do business with Treasury Branches, draw the line at any one of the members on this side of the Assembly or any Albertan that is doing business with the Treasury Branches? I wouldn't know where to draw that line, Mr. Speaker, except that I'll draw it at point zero, and I will not cross that line.

DR. PERCY: Mr. Speaker, Albertans self-insure Treasury Branches to the tune of \$8 billion. We're on the hook.

My second question, Mr. Speaker, is to the hon. Provincial Treasurer. Are you telling the Legislature, Mr. Treasurer, in your capacity as the sole elected official to whom the superintendent of the Treasury Branches reports, the sole elected official, that you are unaware of the arrangements that were entered into by Treasury Branches with Nomura Canada and TD Trust Company regarding the refinancing of \$440 million in West Edmonton Mall debt?

MR. DINNING: Mr. Speaker, I do not believe it is my role to bring onto the floor of the Assembly the relationship between Treasury Branches and any one of its clients. As I said earlier, would I draw the line at any one of the member's constituents or maybe one of the constituents of Edmonton-Roper or Redwater or even Edmonton-Glengarry? For which one of those clients would the hon. member want me to reveal the financial dealings with Treasury Branches? Which one would they want me to put on the floor of the Assembly, and which one would they not want me to put on the floor of the Assembly?

DR. PERCY: Mr. Speaker, is the hon. Provincial Treasurer denying that Alberta Treasury Branches have backstopped a Japanese investment firm underwriting West Edmonton Mall? Are you denying any knowledge of the role the Treasury Branches have played in refinancing West Edmonton Mall and its linkages to Nomura Canada?

MR. DINNING: Mr. Speaker, what I will inform the Assembly of again – and I'm glad to address the hon. member directly through the Chair and share it with all Albertans, and I could take the hon. member out to coffee afterwards so that he fully understands. I do not, simply because I fear his admonitions, his finger wagging of caution saying: don't get involved in any one of those accounts, because you won't know then which line to draw after which client you've stopped interfering with and one which you will not deal with. I don't think it is right that I would stand on the floor of this Assembly and reveal to the hon. member the dealings between individual Albertans and their banker. I wouldn't do it for the Royal Bank. I shouldn't do it for the Treasury Branches, and I simply will not.

THE SPEAKER: The time for question period has expired. Before proceeding to the point of order that the hon. Member for Calgary-North West has given the Chair and wishes to discuss,

would there be consent in the Assembly to revert to Introduction of Guests?

HON. MEMBERS: Agreed.

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

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

MRS. GORDON: Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and through you to members of this Assembly 11 grade 10 and 11 students from one of my favourite high schools, Lacombe composite high school. They're visiting the Legislature today as part of their continued studies on the provincial government. They're accompanied by teachers Mr. Edson Phipps and Mrs. Bonny Kiap and are seated in the members' gallery. I would ask them to rise and receive the warm welcome of this House.

THE SPEAKER: The hon. Member for Calgary-North West on a point of order.

Point of Order
Referring to Leader of the Opposition

MR. BRUSEKER: Thank you, Mr. Speaker. My reference is *Beauchesne* 484. During the responses from the Premier to the questions put by the Leader of the Official Opposition, he made a reference to the Leader of the Official Opposition as the "disputed leader." Now, if you look at point 484, it says that . . .

AN HON. MEMBER: What's your point?

MR. BRUSEKER: If you'd shut up and listen, you'd hear.

It is the custom in the House that no Member should refer to another by name . . . The two main party leaders are generally referred to as "the Prime Minister" . . . or in this case, of course, the Premier . . . and "the Leader of the Opposition."

It goes on and says that "the House Leaders and Party Whips may also be referred to by their offices."

Mr. Speaker, I would encourage you to admonish the Premier to use the proper title as afforded in *Beauchesne* and as afforded as a custom of this House: the Leader of the Opposition.

MR. DAY: Well, Mr. Speaker, if it's a matter of the preface that goes before a particular name, I think the record will show very clearly that members opposite in the Liberal Party stray into that territory daily and constantly in terms of how they preface their questions and the innuendo that's constantly there and even in their preambles. So to take some kind of issue with the word disputed – anybody saying "disputed leader" in reference to the leader of the Liberal Party is simply stating a fact. The members opposite still dispute whether that particular leader was elected fairly, correctly, or anything else. All it was was a simple statement of fact.

THE SPEAKER: The Chair is prepared to rule because . . .

MR. N. TAYLOR: I've got a new point.

THE SPEAKER: Well, then, we'll discuss it under another point of order. If it's a new point, it's not this point. [interjection] Order.

The Chair has been waiting for this point of order, because over the last 10 days or two weeks this description has been coming forward quite regularly, certainly not always from the Premier. Today was the first occasion when the Chair heard the Premier use this term, but other members have. The Chair on other occasions has brought opposition members to order when they've referred to ministers without purpose, that description. The Chair really feels that these types of adjectives do not add to the free flow of debate that this Assembly is certainly entitled to. Therefore, the Chair would urge all hon. members to observe the normal courtesies that have been very long standing in our Assembly, and we would make better progress in the future. Thank you.

The hon. Member for Redwater has a new point of order?

2:40

MR. N. TAYLOR: Well, yes and no. Yes, Mr. Speaker.

THE SPEAKER: It had better be new.

MR. N. TAYLOR: What I wanted to say is that their argument in a way was a little bit of a dialogue of the deaf, because there is a difference between the Leader of the Opposition and the leader of the Liberal Party. [interjections] See; they're not listening. [interjections] It's 484.

THE SPEAKER: Order please. Well, then, perhaps in another day or two a fact situation will arise to allow the hon. Member for Redwater to precisely put his point of order. In the meantime, the Chair feels that this matter should be closed.

head: **Motions under Standing Order 40**

THE SPEAKER: We do have an application under Standing Order 40 to move a motion. The hon. Member for Fort McMurray has given notice of that, so the Chair will recognize the hon. Member for Fort McMurray on the question of urgency as to why this should be put to the House.

Ringette Provincial Finals

MR. GERMAIN: Thank you, Mr. Speaker. This motion is urgent today because the tournament to which the motion speaks was just concluded over the weekend. It's an opportunity for us in this Legislative Assembly to recognize female athletes and to recognize amateur athletes that are playing a sport for the love of the sport as opposed to the money in the sport. For those reasons, it would fall within the criteria on a social basis of what we consider urgent here.

THE SPEAKER: Does the Assembly agree to the hon. Member for Fort McMurray placing his motion under Standing Order 40?

HON. MEMBERS: Agreed.

THE SPEAKER: Opposed?

The hon. Member for Fort McMurray.

Moved by Mr. Germain:

Be it resolved that the Legislative Assembly congratulate the community of Fort McMurray for successfully hosting the ringette petite B division provincial finals on March 11 to 12, 1995, and further congratulate the players, coaches, managers, and parents of the successful winning team, the Fort McMurray Alcor Allstars.

MR. GERMAIN: Thank you very much, Mr. Speaker. Last weekend in Fort McMurray teams from all regions of the province of Alberta gathered in Fort McMurray for the purpose of playing a sport, the sport of ringette, which, members will recall, is a sport like hockey played in full hockey gear where the players, predominantly women players, utilize a little round hoop and a stick with no blade on it to move the hoop across the ice.

This was the occasion of the provincial finals for this particular division, and I was honoured to be able to represent this Legislative Assembly at their opening ceremonies to greet those nine-, 10-, and 11-year-old young women from all over Alberta. After two days of very good sportsmanship, tremendous fun, and a fine spirit of recreational achievement the Fort McMurray team did manage to come out on top, but all of the teams there from all over Alberta were winners, and I would like to congratulate them formally today in the motion which is before the floor.

Thank you very much, Mr. Speaker.

THE SPEAKER: Is the Assembly ready for the question?

HON. MEMBERS: Question.

THE SPEAKER: All those in favour of the motion proposed by the hon. Member for Fort McMurray, please say aye.

HON. MEMBERS: Aye.

THE SPEAKER: Opposed, please say no. Carried unanimously.

head:

Orders of the Day

head:

Government Bills and Orders

head:

Second Reading

Bill 2

Advanced Education Statutes Amendment Act, 1995

THE SPEAKER: The hon. Minister of Advanced Education and Career Development. [some applause]

MR. ADY: Thank you, Mr. Speaker and my hon. colleague. I rise to move second reading of the Advanced Education Statutes Amendment Act, 1995, known as Bill 2, which amends the Colleges, the Technical Institutes, and the Universities Acts.

It will allow colleges and technical institutes to grant applied degrees and the Alberta College of Art to grant bachelor of fine arts degrees. Applied degree programs will contain a work experience component and be designed with the objective of preparing students for careers. Another amendment to all three of the Acts will prohibit staff members who are involved in collective bargaining on behalf of staff from being members of the boards of governors. This amendment will reduce the friction that may occur on boards when individuals with conflicting interests serve as board members. Finally, an amendment to the Universities Act will clarify when educational institutions can use the word "university" in their names.

Thank you, Mr. Speaker. That concludes my remarks on the Bill.

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

DR. MASSEY: Thank you, Mr. Speaker. I'd like to make a few comments about Bill 2 and to first indicate that we support the

changes that the minister has proposed and in particular the new degree that is being made available to students across the province. I think it's a good move. It recognizes on behalf of students the kind of work that they've done. It gives them a credential that I think better recognizes that work, and we're in support of it.

We would ask though – and this is an opportunity to comment upon it – that the minister look at the whole process of degree granting because it has such a checkered history in the province. It seems that there has to be a great deal of lobbying and political behind-the-scenes work before institutions are allowed to grant degrees. We would urge the minister to take the matter in hand and firmly establish with the institutions across the province standards that have to be met before institutions are allowed to grant degrees and then make those standards public so that the playing field is open to all: that they know exactly what kinds of staff complements they have and that they know exactly what kinds of resources they'd be expected to have if they are going to be an institution that's allowed to grant a degree. I think what the move may have done is raise expectations at a number of institutions that now they are going to be able to grant degrees. So I think it might be timely for the whole process to be taken in hand. That's with regards to the degree granting.

I think the faculty membership on boards is a move that has the support of faculty associations. There's been some friction, as the minister indicated, in the past. I think it makes sense to exclude those people who are part of the bargaining process. We understand, that being part of the legislation, that now faculty members will not be excluded from discussions about financial affairs that the boards are undertaking. I think that's a good move for both the boards and the faculties involved.

There are some fears. There are still fears by faculty members and members on institute boards that they could be removed by boards of governors. I think anything that can alleviate those fears should be done in the interests of making these boards and the associations feel that they have a bigger part or a more legitimate part in the decision-making that goes on.

So with those comments, Mr. Speaker, we support the move and look forward to the changes.

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

MR. SAPERS: Thank you, Mr. Speaker. A couple of comments that I would like the minister to take into consideration regarding Bill 2. There are some concerns about access for students who are presently going to colleges or to non degree-granting institutions, particularly if they do not presently qualify or may not qualify in the future if academic standards rise sufficiently. There are some students who also choose not to go to universities and choose not to pursue degree-granting programs. Just a concern that's been expressed to me: will everything rise? Will academic requirements, et cetera, all rise? Will the colleges that presently offer certificate and diploma courses somehow be pressured in terms of hiring faculty, attracting private-sector dollars, tuition fees, et cetera, so that those students who either choose not to or who may not qualify for degree-granting programs will somehow be squeezed out or disadvantaged through this move?

2:50

There's also been a concern raised to me by members of faculty associations and a couple of colleges in this province: the potential impact of this Bill on part-time faculty. I would like some assurances from the minister that he's looked at this issue and that people in his department have taken this concern

seriously. The concern is, particularly at the college level right now, that there are many part-time faculty members who act in an adjunct way to the permanent full-time staff, many sessional instructors. In many cases these instructors may not have PhDs and they may not even be an ABD. They may have a master's level education or a technical education or they may have body of life experience that has made them acceptable to the institution for teaching and instructional purposes. Again if the colleges are pushed to get into competition with degree-granting universities, will there also be pressure on their faculty mix, and will this very, very talented and rich pool of instructors be pushed aside? Will such individuals no longer be able to receive employment, and will institutions no longer be able to receive the benefit of employing this very motivated, flexible, and highly qualified workforce?

Mr. Speaker, there are some concerns about transfer and equivalencies in terms of the degrees that will be granted. Has the department in fact undertaken a review of transfer? Have they looked at the current transfer guide? Have they worked with the universities and the colleges councils to make sure that with any of the new degrees or any of the programs students won't be penalized, that there'll be transferability in both directions, both into these new programs and from these programs to other established courses elsewhere in this province and indeed across the country? Have equivalencies been determined, or is that something that remains to be put on the table at a later date as the colleges develop new curriculum and offer these new programs? I think students certainly need to have some assurances that their mobility and portability won't be compromised because transfer and equivalencies haven't been looked into.

Finally, a concern that has been brought to my attention about graduate level education. This is pursuing perhaps a second degree, a doctorate level degree or a master's degree, after a first degree, a bachelor's level degree. Will there be some assurances that all of these degrees will be treated with the seriousness that they deserve? Will they somehow be seen as the new degree-granting institutions? What work has gone into ensuring that these degrees are held with the same quality and held in the same regard and with the same esteem that more established programs are? Will students, again, not be caught in a situation where they're pursuing a course of education, they receive their first degree in a program from in essence what is now a college that'll be able to grant a degree, and will the students not be penalized when they go to market that degree for enrollment into a graduate level program at another university?

So these are really just four or five sets of concerns that have been expressed to me about this Bill, and I hope that the minister will address these issues.

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

MR. HENRY: Thank you very much, Mr. Speaker. I would like to also make a few comments to the minister regarding Bill 2 and offer my support for the Bill. I won't reiterate what my previous two colleagues have said, quality colleagues. I see the minister nodding in agreement.

I did want to take the opportunity to raise one related issue with the minister; that is, there's a perception in some parts of the academic circle and around the province that has been raised with me that we need to look in a broader way at our entire postsecondary education system through perhaps fairly broad public consultation to more clearly define the roles of the various institutions. The kinds of issues that have been raised with me –

and I see that the minister talks about allowing in this Bill the Alberta College of Art to provide a fine arts degree, which I'm totally in support of, and also allowing applied degrees, which I'm also supportive of, not only the notion but the mechanism in terms of how the minister is pursuing that and trying it out rather than jumping in with all feet and going.

There is some discussion in the province with regard to the role of colleges, especially in Edmonton and Calgary, with regard to university transfer programs and whether these colleges are actually fulfilling the appropriate need there, which is different perhaps than in our secondary regional centres, where the university transfer program in the community colleges was designed to allow individuals to essentially stay in their home communities for two years. That doesn't apply to Edmonton and Calgary. Do we want a different role for community colleges and have that defined differently, or are, as some have suggested to me, community colleges inching more and more to becoming essentially competitors to the university in their jurisdiction? One would wonder.

Another suggestion that's been raised with me is with regard to the increasing discussion about the difference between the professional training programs and what may be described by some as the more traditional scholarly activities or liberal arts activities at our universities. For part of our public discussion we should be asking: do we want two kinds of universities, essentially professional training schools . . . [interjections] Should I give the floor to the hon. Treasurer, Mr. Speaker?

THE SPEAKER: The hon. Provincial Treasurer and the hon. Member for Edmonton-Whitemud seem to be having a conversation which maybe they could hold someplace else.

MR. HENRY: Mr. Speaker, no doubt the vote would not be cast in my favour if we looked at the entertainment value.

The final point I did want to make with the minister of advanced education is that it might be worth pursuing a broader public consultation and look at the roles of our various Alberta vocational colleges, NAIT and SAIT, and colleges and universities, not only to look at issues such as university transfer programs in our colleges but as well what the role of the universities is. Do we need to rationalize programs in our universities? We have two medical schools, two law schools, et cetera. Should we also be looking at one type of institution that provides essentially professional training such as medicine, dentistry, engineering and perhaps another type of institution that deals more with what might be defined as classic studies or traditional, more scholarly kinds of activity and research? I just offer that to the minister. I'm not asking for a specific response at this point, but if he would put that in his bag and perhaps mull it over, I'll raise the issue at another time and in conclusion just offer my support to the Bill.

Thank you.

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

MR. ADY: Thank you, Mr. Speaker. I would just like to say that I appreciate the comments of the members opposite. I must give them credit. They were well-thought-out questions and ones that I believe the system does have interest in. With their concurrence I'll respond to their questions in committee.

I would move second reading of Bill 2.

[Motion carried; Bill 2 read a second time]

3:00

Bill 4

Medical Profession Amendment Act, 1995

THE SPEAKER: The hon. Member for Olds-Didsbury. [some applause]

MR. BRASSARD: Thank you, Mr. Speaker. Thank you for that bit of breathing spell, colleagues. Today we're in the age of technology and specialization. The doctors that we deal with are able to do things that were never dreamed of years ago. I remember not that long ago, it seems, the first heart transplant by Dr. Christiaan Barnard. It was controversial, to say the least, and people felt that many of our medical practitioners were meddling in areas that belonged really to God. I'm reminded of that only because a couple of years ago at our Premier's prayer breakfast our guest speaker had had both lungs and his heart replaced and seemed to me, at least at the time, to be as healthy as a horse. I met with a member of the Lions Eye Bank on the weekend in my constituency. He was telling me that there are 193 people waiting for eye transplants, something that we hadn't considered that many years ago. Now we have laser beam technology that will enable me to go into a doctor's office, maybe not even a doctor's office but an optician's office, and have my eyeglasses replaced by surgery. We can disintegrate kidney stones and so on with laser beams. All of which leads us to the need for Bill 4.

What is called for in Bill 4 is an inventory – an inventory of doctors, of doctors' abilities, of doctors' primary areas of practice, their hospital privileges, their academics, their demographics, their educational credentials, and their licence restrictions – so that the College of Physicians and Surgeons will indeed have a true overall inventory of this medical resource.

It's interesting to note, Mr. Speaker, that this Bill is not being requested by the government. The Bill is in response to the doctors themselves. The College of Physicians and Surgeons of Alberta need desperately to develop a physician resource management plan. This Bill will assist the doctors in identifying areas of need and growth so that the doctors themselves will know what areas they should be expanding into and what areas are already overpopulated. This Bill will assist the medical organizations – that is, the College of Physicians and Surgeons – to assist the profession to provide better services in a uniform manner. It will help the regional health authorities, of course, in providing complete and comprehensive medical coverage.

Finally, Mr. Speaker, this Bill will benefit all Albertans who are the recipients of a well-trained, skilled medical fraternity that is organized and operating in a co-ordinated manner across this province.

I ask all members to support Bill 4. Thank you, Mr. Speaker.

MR. SAPERS: Mr. Speaker, at a time when the Premier and the Minister of Health are trying to assure Albertans that the health care system is not in crisis and that as recently as today in question period we had commentary from the government that it was okay if some doctors chose to leave, it is curious to hear the member opposite just now say that the AMA is in desperate need of a census on shortages of doctors. The fact of the matter is that nobody really knows in this province how many doctors are currently practising and in what areas of specialty or subspecialty. Nobody really knows what the future needs are going to be. I'm not talking about the long-range future; I'm talking about the future coming as soon as next week. It is so much in flux right now that it is almost impossible to say with a degree of certainty that some people in government have been saying that it's safe,

that we've got it covered, that there are enough doctors to go around.

In fact, there is a shortage of physicians in many areas of practice right now. If you look at just pediatrics as one specialty, and you look at the subspecialties in pediatrics, there is a shortage of doctors that borders on being unsafe. Many of these professionals are no longer thinking about coming to this province because they do not believe that they could provide the quality of care consistent with their own ethical standards. That, Mr. Speaker, is a shame.

Now, certainly it's about time that we did such a census, and I do in fact applaud the government for respecting the profession at least enough to bring such a Bill as Bill 4 forward. The Medical Profession Amendment Act will give Albertans some information that they don't have right now. It will give the government some information that the government should have had before they entered into this health care restructuring process, because it will provide a baseline of information on physicians, on doctors' resources, who it is that's practising, what kind of medicine, and where in this province.

Mr. Speaker, there is a degree of regional uncertainty. People don't know right now - I'm talking about physicians - whether they're going to be able to practise the kind of medicine they want. They don't know whether they're going to be able to move between regions. They don't know whether they're going to be able to respond to patients' needs outside of their own immediate geographic area. Perhaps this Bill and the census that it'll provide will provide some guidance to them. It certainly won't provide any reassurance to them, because as we've been told, it's not the government that'll be making those decisions. It's the regional health authorities. So this lack of balance and this uncertainty, I'm afraid, is going to continue in spite of this Bill.

There is a serious shortage of physicians in rural Alberta, particularly physicians who provide some specialties. Simply documenting that shortage isn't good enough. It's not good enough for any town in any place in this province. Mr. Speaker, we have to be able to attract and maintain physicians. The Lakeland health region in their business plan, as a matter of fact, even said that the biggest challenge they face is attracting rural physicians, and they went on to say that the way in which this government is doing their health care restructuring is making it impossible not just to attract but to maintain doctors in some rural parts of that region. So again the problem has been well identified. The census will simply document it in another way, but it won't solve the problem.

Mr. Speaker, this Bill will provide a practitioner's practice profile. It will talk about the practice affiliations, those being the service agreements and the hospital privileges and the university appointments, et cetera, held or entered into by the individual physician, but again this is going to be so much in flux. This is going to be an issue that, I believe, the importance of which is being underestimated, and once again simply documenting it won't solve the problem.

There is a possibility that this government is going to be forcing regional health authorities to enter into individual service contracts with doctors, contracting with doctors on an individual basis. Then the regional health authority from year to year may determine that we have either too many or not enough of some doctors. This census may not be used simply as an information and planning tool, but it may be used as sort of a club, a club with which to beat on the profession and say to the profession, "We're simply not going to allow you to practise." Mr. Speaker, while

it does have its uses, again I would say that this census provides some problems as well.

The Bill allows for the collection of information on the individual physician's "education credentials and [their] continuing competency activities," and this is very important, I think, as we move down the path of buyer beware in health care. Clearly that's where we're going, Mr. Speaker. The health workforce readjustment consultations were certainly an indication of that. This government seems to be moving in the direction where individual Albertans will have to know for themselves the credentials and the abilities of the individual health care providers they come in contact with, because as we move away from a scope of practice laws and as we move away from a regulatory environment, where the self-governing professions are truly left to establish for themselves membership and disciplinary requirements, and into a situation where really anybody who wants to can hang up a shingle and say, "I'm this or that kind of practitioner," and simply leave it to the informed choice of the consumer, we could see where information about a practitioner's educational credentials and ongoing competency training would be very important. But key to that will be communicating it, and I would hope that this Bill is at least operationalized, implemented in such a way that if the public is going to be put at this risk, at least the government sees its obligation to make sure the public is informed so that, to the extent possible, each one of us can make those informed choices.

Mr. Speaker, although there will be more paperwork and bureaucracy as a result of this Bill - and that is an unfortunate by-product of this type of legislation. I know that must stick in the craw of many of the government members, because they're so intent on getting out of the business of being in business, they seem to be intent on getting out of the business of being in government as well. So even though this Bill seems to fly in the face of that philosophy, and this will create more paperwork and bureaucracy, I do continue to agree with the Member for Olds-Didsbury that this Bill will be useful in determining the number of physicians who are required in various locations, who practise in those locations, and it'll also help determine what the relative shortages are. We hope that this legislation will help to eliminate barriers for doctors to move not just from province to province but also within the province, and I've addressed the concern that physicians and patients both have about how mobility is about to be restricted because of the real walls that are beginning to develop between regions.

3:10

We believe that if the physician supply can be addressed on a national basis, then provinces may be able to remove current caps which restrict the number of new physicians that can be licensed in any given year or the number of young people who can be encouraged to go to medical school and practise in rural Alberta. We hope that these will be by-products of this legislation. I suppose that remains to be seen, but we can keep our fingers crossed. Of course, having good things flow from this legislation, we'd be keeping our fingers crossed for a very long time.

Mr. Speaker, the database that'll be determined as a result of Bill 4 may help determine the appropriate number of medical students that should be trained. It's been noted in this Assembly how expensive it is to train physicians. Unfortunately, noting the expense about training physicians has somehow been confused in the minds of government members that therefore those people trained owe something back to society in a way that they should somehow put at a different level their own professional standards and their own professional ethics and concerns about the safety of

the practice of medicine. In fact, it's been suggested that because these physicians are trained in a very specialized and in a very careful way and that costs money, somehow these same physicians should, I guess, to some extent turn their back on that training, turn their back on what it is that they've been taught and compromise their sense of what's right and practise in a health care system that's being eroded in front of their very eyes.

I don't understand that logic whatsoever. Certainly we can accept the fact that it does cost money to train physicians and we should enter into agreements with the medical profession to ensure that there is access for all Albertans in some sort of an equitable way to physicians, but I don't think this means that we should hold up this government's political agenda for health care as some kind of a tool of terror to hold to the heads of doctors and say: "Boy, you know, you owe us for this. If it weren't for the public's support, you wouldn't be trained." That's just not the case. There are many schools of medicine across this country and around the world that provide training, and I think it's unrealistic of the government to use that particular argument.

So, Mr. Speaker, those are some thoughts about Bill 4, some concerns that I know the hon. member, at least, would have addressed. I don't know how successful he would have been with his colleagues in terms of having those concerns properly addressed, but I know he would have at least turned his mind to them. This is a Bill, as noted, that the profession wants. It does have its useful bits. It's just too bad that it's not a little more comprehensive in dealing with some of the other concerns noted.

THE SPEAKER: The hon. Member for Old-Didsbury to close debate.

MR. BRASSARD: Yes. Thank you, Mr. Speaker. I'd like to thank the Member for Edmonton-Glenora for his comments. While I don't agree with all of his comments, I certainly do respect some of the points that he raises. We don't even suggest that this is an ultimate answer, but we do believe that a problem identified is half solved, and that's really the intent of this. We would all like to see a better distribution of medical expertise, particularly in the rural areas, and I do think also that this Bill will help to identify the training requirements that are either surplus or wanting in this province. I don't agree that it's going to entail a great deal more paperwork. I do believe that once we have all of this information on computer, at least the College of Physicians and Surgeons will be able to identify their concerns more readily, and I do believe it's going to be beneficial to all.

So I'd call for the question on Bill 4.

[Motion carried; Bill 4 read a second time]

Bill 6

Balanced Budget and Debt Retirement Act

MR. DINNING: Well, Mr. Speaker, it's my pleasure, privilege, and honour to rise and move second reading of Bill 6, the Balanced Budget and Debt Retirement Act.

It has a nice ring to it; doesn't it? It's the first of its kind in this country. It is an important piece of legislation that follows the plan that this government spelled out in May of 1993 to get our financial house in order, just as Albertans had told us to do, putting forward a May 1993 budget presented in the Assembly on May 6, 1993, some 11 days before the Premier of this province asked Her Majesty's representative to sign a writ setting us into an election campaign, and 28 days later came back and said:

"Premier Klein and your colleagues, get on with the job. You have a mandate. Get on with the job, and secure Alberta's financial future."

We did it again in Budget '94, Mr. Speaker, when our government presented *Securing Alberta's Future: The Financial Plan in Action*, that spelled out three-year business plans, a multiyear financial plan that took us through a balanced budget by 1996-97. Then here we are in 1995 following on the heels of Budget '95 with a Bill that requires, that enforces, and that reconfirms this government's commitment as spelled out in the *Deficit Elimination Act*, a Bill that was debated in this Assembly just before the government went to Her Majesty's representative and asked to call an election. Not only did the government vote for the Bill but also the members of the opposition. At that time there were - I was going to say that there were fewer socialists in the House than there are now, but no, in fact there are fewer NDP members in the House today.

AN HON. MEMBER: Oh, no, there are way more.

MR. DINNING: Oh, there are more? And then there were all the Liberals, Mr. Speaker, eight Liberals at the time, and they voted in favour of the Bill that required a balanced budget, a fully consolidated balanced budget that disallowed any of that booga-booga accounting that the Member for Fort McMurray often wants to debate me on. The fact is that we require now a balanced budget, and what we are doing is putting in force the debt retirement plan as well.

We believe, Mr. Speaker, that having got our financial house in order, we're at the point where we're nearing the end of having to make those cuts to get our spending in line with our revenues. The balanced budget is now in sight, and while it's important to continue with the implementation of that, and as the hon. Member for Cypress-Medicine Hat would definitely agree with me, it's going to be a tough, tough year ahead of us. But that is in sight.

So now we have the opportunity to turn our attention to the future and retire that outstanding debt. We estimate that on March 31, 1997, we will have a net debt in the order of \$8.6 billion. The Act makes it clear and it is also described on page 21 of Budget '95: *Building a Strong Foundation*, the budget paper filed in the Assembly on February 21, that not only must the budget be balanced every year after this year and that the March 31, 1997, net debt is the focal point and that that must be eliminated in 25 years, but we've also spelled out five-year milestones for reducing the net debt that must be met. So starting in '96-97, we estimate that it will be \$8.6 billion. By the year 2001-02 it must be down to \$6.9 billion, another 20 percent by 2006-07, such that by 2021-22 the net debt of the province, as spelled out in Bill 6, must be down to zero. We estimate that would take an average annual installment of \$350 million, Mr. Speaker.

3:20

We've also prescribed in the Bill that revenue estimates for resource revenue and corporate income tax must be prudent and must not exceed the lower of the five-year average of actual revenue or 90 percent of the government's forecast of expected revenue. Of course, Mr. Speaker, all surpluses that are run by the provincial government cannot be hidden away in some off balance sheet accounting statement or fund or something, that other governments are prone to do in this country. I know deep down inside that the hon. Member for Edmonton-Whitemud is inside with us, when I see his smiling cherubic face over there, that he wouldn't want us to engage in that kind of booga-booga

off balance sheet accounting so that we could go with a budget stabilization fund. Another province adjacent to us has one of those. If I may use the word, Mr. Speaker, that budget stabilization fund is often referred to as a BS fund, and I think it's appropriately named. We will not participate in that kind of a plan.

I want to remind hon. members that if they look at page 23 of the document Budget '95: Building a Strong Foundation – you know, Mr. Speaker, the province has always had debt. Virtually every year since 1905 there has been some degree of debt carried on our books, even in the glory days just before the drop in oil and gas prices in March of 1986. We carried on our books at that time some \$10.2 billion in outstanding debt, some \$5.8 associated with the Municipal Financing Corporation, borrowings that we as a government had backed up to ensure that municipalities had access to that kind of funding for the operation and capital requirements of their municipalities.

The Minister of Municipal Affairs could comment on the Social Housing Corporation. In those days some \$3.9 billion went to invest in housing in the likes of Fort McMurray, which was a booming community at the time that was badly in need of housing and social housing, and the government, the taxpayer, was there to support that, Mr. Speaker, quite appropriate at that time. A case of that was then and this is now.

The debt, though, Mr. Speaker, is only one side of the balance sheet. We've always been blessed with significant assets. Even in those days, in March of 1986, we had financial assets of some \$16.5 billion, and today those have grown over that same period of time by \$1.8 billion, such that today they stand at \$18.35 billion estimated at March 31, 1994.

Mr. Speaker, much of our debt is a result of overspending since 1986, living beyond our means, and that is exactly what's behind this Bill: to ensure that that does not happen anymore. Today, Mr. Speaker, using March 31, 1994, actual numbers, we're saying that our total liabilities of \$31.7 billion – that's what we owe – is up against the \$18.3 billion, that which we own. That gives us a bottom-line net debt of some \$13.4 billion.

I must point out, though, Mr. Speaker, having described to you some of the assets that we have, that the one set of assets that is not on the books, not included as financial assets but serves only as a footnote so as not to inflate the value of the assets – and I know members across the way and my own colleagues on this side of the House would not want us to engage in that kind of inflated accounting. The footnote notes that the assets do not include the nonfinancial assets such as government land, our buildings, our highways, our bridges, and our dams, all of which had an estimated depreciated value of some \$9 billion at March 31, 1994. They are not – and I repeat, Mr. Speaker, they are not – part of the financial assets of the province, so in fact we've gone some distance to understate our assets. Most other corporations, private or public, would not try to do that, but we've gone the extra conservative mile to ensure that our books are not in any way inflated or distorted so that Albertans have a full understanding of our picture.

I want to take a minute, if I may, as we're debating Bill 6, Mr. Speaker, to say that the heritage fund has assets included in here. They're noted on page 23 as accounting for nearly \$7 billion of external heritage fund assets. That's a matter that's under review by a government committee right now that has the benefit of advice led by the able chairman from Lethbridge-West. He's also joined by the Member for Red Deer-South and the Member for Calgary-East. He's also joined by the Member for Lac La Biche-

St. Paul, and by golly, the valuable contribution of the Member for Edmonton-Whitemud cannot go unnoticed. I do appreciate the work that they're doing, having been out on the road hearing from literally tens of Albertans at each and every stop along the way. I should remind members that we have received well over 50,000 returned questionnaires on the heritage fund. That's significant. The professor from Edmonton-Whitemud could comment on the statistical significance of those 50,000-plus returns. I would welcome, when the debate occurs, that he would do that. This Bill does not contemplate a decision one way or the other on that. It remains neutral and does not in any way prejudice the outcome of that heritage fund review, notwithstanding that nearly 75 to 80 percent of those 50,000 returns indicate that the government, the Assembly would be wise to maintain the heritage fund for the purpose it was set out, for the future, not just for paying off today's debts.

Mr. Speaker, then I want to just point out that of the \$13.4 billion of net debt on the books, some \$5.1 billion is included in a pension plan for the public sector, which has been discussed and debated in this Assembly, which received the unanimous vote of all members of this Assembly including Conservative members, then NDP members, most of whom are gone. The eight Liberal members of the day even voted in favour of that Bill to establish a multiyear plan to pay down that unfunded pension liability that assists and supports some 210,000 employees and 580 employers who are exposed to that \$5.1 billion unfunded liability. Those payments are provided for in that plan, and it's being shared by employees, employers, and the government.

I would refer hon. members, therefore, to our bottom line of some \$8.3 billion at March 31, 1994, an estimated \$8.6 billion at March 31, 1997, which will be the focus of this Bill. I've already spelled out a number of the principles. I just want to remind members that the \$350 million average annual payment is an average. It's our estimated best effort. There are going to be years, Mr. Speaker, when we will be able to pay down more than \$350 million, and there will be years when we will not, when we will be able to pay down just \$100 million as a minimum requirement. But I think what that does is it imposes that discipline on the government, forces it not to just reveal or disclose how much is to be paid down, not just to contemplate or muse by way of legislation or a schedule to legislation what the debt may or may not be at any given hour of any given day of any given fiscal year-end but actually requires a payment. This is not just a monitoring Bill; this requires a payment to pay down that debt, having now got our financial house in order.

I'd just remind hon. members that that \$350 million annual payment is estimated. You know, you take about an 8 and a half percent interest rate, and that \$350 million payment will spin off at least an estimated \$30 million a year in savings, and I mean \$30 million a year forever, Mr. Speaker. We take that \$350 million burden off our back or, say, a billion dollar burden off our back in any given year, that means there's upwards of \$90 million to \$100 million that's available for Albertans' priorities. Whether that's reinvestment in our education programs, our advanced education programs, our health facilities, or if it is the priority of Albertans that they see that money back to them by way of reduced taxes, if that's a priority, then the government of the day should and I believe will respond to Albertans when they indicate just what their priorities are.

3:30

I should point out that these are principal payments, Mr. Speaker; these are not interest payments. These are required

principal payments. We already have by way of legislation a statutory obligation that says that we must pay the interest. This year, as hon. members know, our debt servicing costs, basically interest, are in the order of \$1.895 billion. So you combine that \$1.9 billion payment with a \$350 million payment, which is much like a mortgage principal and interest payment, and you're paying 2 and a quarter billion dollars of principal and interest in a given year. That's a significant amount of money, and our objective is to see that whittled down so that by the time this plan is completed in the first tranche, we'll see our net interest costs being overpowered by our revenue on the interest on the investment to the asset side of our balance sheet.

[The Deputy Speaker in the Chair]

I've spoken of the \$350 million payment kick-spinning off about \$30 million in interest income that's available, that is not dedicated to debt servicing costs but instead is dedicated to Albertans' priorities, such that by the time we're finished, we'll have upwards of \$750 million a year available for Albertans' priorities.

Let me conclude, Mr. Speaker, by advising the Assembly that this is a Bill that stands for balanced budgets, balanced budgets forever, a requirement that this government bring forward to this Legislature and ask the Legislature to adopt not one red cent, if I may appropriately refer to a Liberal colour, of a deficit. In fact, it must be in a balanced or preferably in a surplus position so as to be able to pay down those debts.

I know there will be some – and I look forward to the debate – who will rise and say, "Oh, oh yeah, but," the yeah-but crowd who says: "Yeah, but what if? What if we get into a problem? We should be able to run deficits." Well, Mr. Speaker, we don't believe in loopholes, in a law that will allow a great big Mack Liberal truck to drive through those loopholes in the Bill. We don't think that would be appropriate. That's not what Albertans want. Albertans have said, "You get your house in order, and you keep it in order. Don't run a deficit. Alberta households are not allowed to run deficits, so in fact the government should not be allowed." So it requires balanced budgets. It requires paying down our debt so that we get to a point where we own more than we owe.

The other thing that this Bill provides for is accountability: forced disclosure, forced information so that the Treasurer stands before this Assembly and provides those estimates of payments down the road based on certain well-spelled-out, well-disclosed, fully disclosed assumptions. They must be conservative assumptions on which the budget is built.

Mr. Speaker, we believe Bill 6 does provide a solid foundation to secure our future, and I would encourage all members of the Assembly – all members of this Assembly – to rise when the opportunity is before them to vote in favour of the Bill. I look across to my Liberal brethren and sistern and would hope that they would do exactly the same thing.

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

DR. PERCY: Thank you, Mr. Speaker. Certainly Bill 6 proposes both a balanced budget and debt retirement. In second reading we debate the principles of the Bill, and certainly it would be like arguing against motherhood to be against balanced budgets and debt retirement. However, hon. Provincial Treasurer, if I treated my mother like that, I'd be ashamed, because if you look

at the debt retirement Bill, as proposed by the hon. Provincial Treasurer, at the end of the road, 25 years down the road, there's \$25 billion in gross debt that still is a weight. Now, the hon. Provincial Treasurer has used time and time again the analogy of a mortgage, but I defy any single member of this House to pay off one-third of the mortgage and go in and ask for title. If they can do it without a mask and a gun, fine, but the rules of the game are that you have to pay off your mortgage.

So the first point. We are in favour of debt retirement, but we think the issue is: how much of the debt need be retired? That's one of the principles we want to debate. Again I think the Provincial Treasurer is on the right track. After nine successive deficit budgets of a government that he was a member of, they're on the right track, but the issue is: how much of the debt do you want to retire? The Provincial Treasurer has taken a figure of \$8 billion and small change to deal with and, as I say, that still leaves you a gross debt at the end of the road of \$25 billion, which we think is excessive.

The argument that the hon. Provincial Treasurer has used about debt is the exposure it provides to foreign borrowers. It effectively means that Alberta's fiscal policy is determined in London, in New York, in the Eurodollar market. That allows us to be hostage, then, to external conditions. So if the issue is the gross unmatured debt, this Bill will still leave us with a large lump of gross unmatured debt, much of which is going to be denominated in U.S. dollars. So we're going to face both foreign exchange risk and a significant risk of large fluctuations in interest rates. So in terms of its ability to free up a significant portion of money to allow the protection of our core programs in health care, education, advanced education, and social services, we think this Bill falls somewhat short of the mark, because it is the gross unmatured debt that is the problem.

The second point is that in their choice of a benchmark of \$8 billion and small change, they tend to put the members of the various pension plans at the back of the bus. It is fair to say that there is a regulated plan that pays out those pensions over 40 to 60 years. However, if you are going to start paying down the debt, why would you not pay down the government's share of the unfunded pension liabilities first? Why would you put Albertans at the back of the bus? They should stand exactly in the same line as external holders of our debt. We're not asking that the employee contribution be sped up, but we certainly do think that pension liabilities should be dealt with on a level playing field at the same pace as the external debt, because the imputed interest payments, our savings, real savings, down the road could easily be applied to the employees' share. After all, it was the government of the province of Alberta that allowed the unfunded pension liabilities to emerge in the first place.

So we are in favour of the principle of debt management and retiring the debt, but we think that that principle should be fully applied and a larger share of the gross debt dealt with. We are in favour of the principle of debt management, but we think the debt that is due Albertans in the unfunded pension liabilities should be dealt with first, Mr. Speaker, not last, and that it should be on the same playing field as external debt. We are in favour of debt management, but we think a plan that leaves \$25 billion at the end of the road is in fact not a debt retirement policy. So on the issue of debt management, I think there are serious issues of principle that we have concerns with, but we will support the Bill in principle and come forward with friendly, constructive amendments in Committee of the Whole.

Now, the issue that I also would wish to deal with – again it's an issue of principle, Mr. Speaker – deals with the role of the balanced budget constraints. Section 2 appears to be a very innocuous provision. It says, "Expenditures during a fiscal year must not be more than revenue." Now, who on a household basis could quibble with that? But let us address the full implications of that. I don't think some members on the government side of the House are fully aware of the power of that provision. Let me explain it in some detail.

3:40

The first point, Mr. Speaker, is that a balanced budget constraint of the form that they have incorporated means all of the revenue volatility that we've faced because of highly volatile agricultural prices and highly volatile energy prices, if we have an extraordinarily bad year or even a semibad year like 1986 or '82, will possibly – and this is the issue that should be debated – be transmitted directly to local government, directly transmitted to hospitals and school authorities. Many of those regimes are in fact locked into medium- and long-term contracts with their employees. They have no flex. That's one point.

Why will that happen? Well, the Provincial Treasurer has been ingenious. In fact, the way the budget is constructed, there are a number of revenue cushions in the budget, Mr. Speaker, for corporate taxes. We accept his argument that corporate tax revenue is highly volatile, in fact more volatile than resource revenues. Resource revenues themselves are highly volatile. Again it's prudent and it makes good sense to have these cushions. [some applause] Muted applause, Mr. Treasurer.

The issue is: what happens if you have a bad year and the cushions have dissipated. Well, in the context of this there is no mechanism whatsoever to increase taxes, because that would come in a subsequent fiscal year. The only mechanism that the government has to adjust, then, is to cut expenditures. They would have to cut expenditures to those various boards – hospital boards, university boards, school boards – and all levels of local government if those revenue cushions are completely absorbed by a completely unanticipated decline in corporate revenues or in natural resource revenues. That's the force of this. One can say, "Well, you just need big enough cushions." The point is that this is an economy that you can't predict to any reasonable level how large the fluctuations in revenues are going to be. That is the nature of the problem. This constraint, then, automatically means: if you have a significantly bad year, who's going to end up holding the short end of the stick? It's not going to be the provincial government, because the force of this clause is that government must restrict its expenditures. It will be levels of local government who themselves are constrained and can't borrow within the time frame that's required and can't run deficits either. So there is a potential problem here.

Another feature of this Bill is that it assumes somehow that we have a federal government that is in fact neutral, whose expenditure policies and fiscal policies are regionally neutral, and that there will be no unanticipated shocks to provincial government revenues from changes in the variety of federal transfer programs. So there are unanticipated changes in transfer payments, unanticipated changes in a variety of other federal programs that could impinge adversely on the provincial government. Again you combine that uncertainty with the uncertainty related to natural resource revenues, to the uncertainty related to corporate tax revenues, and you have a potential problem.

Now, again the Treasurer has tried to deal with that through these cushions. Under the fiscal regime of the province you

cannot liquidate the assets of the heritage savings trust fund to get around it because that would show up as an expenditure and you would be shown to be running a deficit. So in a sense this Bill already precludes any role for the heritage savings trust fund as a stabilization fund. The Treasurer had stated earlier that in fact there really were no changes with respect to the fund, and nothing about its role was dealt with in the fund. It is the force of the Bill to ensure that none of the principal of the heritage savings trust fund can be liquidated, should one need it in the future, to deal with an extreme revenue shortfall, because again it would show up as a deficit.

Again I find that peculiar. Let me explain why. You would have this savings account here. You suddenly run into an unanticipated revenue shock. They happen. Cold fusion could have been a reality. It wasn't, but it could have been. You could have some kind of shock like that, Mr. Speaker. You've got the heritage savings trust fund here, which is your cushion. It's the rainy day fund. But you can't use it in this Bill. You can use the interest income, and you can vary the extent to which you can filter the interest income again, but you can't touch your principal.

I can say, I think with support from the colleagues I was with on the heritage savings trust fund committee as we met tens of Albertans, that many Albertans said, "Look; the fund is a rainy day fund, and there is possibly a role for it in some way of trying to smooth out the cycle." This Bill precludes any such role for the heritage savings trust fund except to the extent that you can use the interest income. You can't touch the principal then. Again I offer that because there is a peculiarity that you could have such a large revenue shock, and you could think: well, it's only going to be one year; there could be some particular explanation for it. The issue is: do you want to undergo all of the economic adjustments for a sharp reduction in your expenditures when you have your cushion and your safety blanket, the heritage savings trust fund here? There are many people who view it as the rainy day fund. This Bill, then, precludes any access whatsoever to that fund, and it places all of the adjustment on other levels of government.

Now, this is a problem, because I think there is a role for a stabilization policy on the part of the provincial government. There has to be a role for the provincial government. It has no monetary policy. That's obviously done by the federal government. So there has to be some mechanism by which the provincial government can smooth out cycles. The issue is: where? This balanced budget Bill combined with the debt retirement Bill really requires the Provincial Treasurer to be extraordinarily capable in terms of the size of the revenue cushions. If you have a sequence of bad years, where your cushions are really eroded and you can't actually plan for a cushion, what do you do? Well, you can't touch your heritage savings trust fund, at least the principal of it. If you've sort of weaned yourself off the interest income, you might be able to start that up again, but you're really constrained under this Bill in terms of how you can adjust.

I can tell the hon. Provincial Treasurer that – I mean, this is one area that I've looked at extensively, Mr. Speaker, some of the structural attributes of the Alberta economy. Alberta is unique among regions in North America in terms of the high degree of economic volatility. The volatility here in terms of instability in personal income per capita, gross domestic product, and employment exceeds that of any other jurisdiction. It's in part the nature of our resource base and the extent to which provincial revenues depend on that highly unstable resource base. It's also a function of the fact that industry in Alberta is highly capital intensive. The ability, then, of our firms to make capital investments always

depends on their forecast of the future, and, you know, they change those with fluctuations in revenues and profits. So you tend to get this synchronization between government revenues and expenditures by the capital sector, and that really gives you large swings in economic activity in this economy and, consequently, large, highly synchronized swings in two major components of provincial government revenues: corporate income tax and natural resource revenues. So in a sense what this Bill does is it really requires a tremendous focus on the magnitude and size of the revenue cushions, because that's all that stands between local governments and very severe economic adjustments should there be a bad year.

Now, I am fully in support of the principles enunciated in the Bills of debt retirement and of balanced budgets. The real issue is: how do you do so in an economy such as ours in such a way that you don't transmit the volatility that's held by the provincial government to local government? That, I think, is one of the issues.

3:50

How do you set up stabilization funds? The Provincial Treasurer has pointed out that we can't touch the heritage savings trust fund without in fact it being viewed as an expenditure and adding to a net deficit on a consolidated basis. In a sense we've lost that as a tool for stabilization, so we have to build internally another tool for stabilization. The Treasurer has been forced, because of legislative requirements, to build implicit stabilization funds, and again that is prudent. Nobody is quarrelling with that; that's prudent and reasonable. The issue is: how much money can you squirrel away in those stabilization funds in such a way that you can buffer local government, buffer school boards, buffer hospital boards from unforeseen shocks in a given year?

It really depends if you think a year like 1986 was an anomaly or not or whether you think that every decade you may have one really bad year. You know, our history tends to suggest that there have been some bad years that have been market driven, like '86, others that have been policy driven, like '81-82. With those in our past, how do you deal with those types of shocks in such a way that's fair to all Albertans and at the same time meets the principles of a balanced budget and of debt retirement?

We're not quibbling, Mr. Speaker, with the principles enunciated in here. We think this is a reasonable move. The real issue, then, is stabilization in an economy such as ours and how we can stabilize in a way that's consistent with the principles of the Bill. I think it is an issue that ought to be debated. It's not an issue of one side or another being in favour of deficits. It's an issue of how do you try and buffer individuals, levels of government from the economic instability that is so highly associated with Alberta.

We're designing policy here, and this policy should stand the test of time. It shouldn't just have been: we have a bad year; then we amend the Bill. These are issues that we can deal with ex ante. We can come up with solutions that are consistent with the principles embodied in the Bill, and we can work in a collective fashion, come up with reasonable ideas.

I really don't think many levels of government are really aware of the power of this Bill in terms of what might happen to their revenues and the types of adjustments that might be forced on them. Ultimately, if provincial government revenues fall, it has to be the case that transfers to other levels of government must fall. Nobody is quibbling that. If you have a long-term shock or even a medium-term shock, you can't run deficits.

I think, you know, of the experience of the previous Provincial Treasurer, Dick Johnston, who was always hoping next year

would be a good year. You can understand. I mean, the reality is that in 1986 it might have been reasonable to say, "Well, this is an outlier, but 1987 might be an outlier." But at some point you realize that there's been a permanent decline in energy prices so there's been a permanent decline in revenues, and there has to be a permanent decline in expenditures in the absence of tax increases.

So the issue, Mr. Speaker, then is: what happens in the medium term when you can't tell whether you're dealing with a permanent decline or a temporary shock? It's very costly to other levels of government to undertake the adjustments that might be there only for a short-term shock. The real issue we're talking about here is: how do you adjust, where do you adjust, and how can you set up these mechanisms in this Bill so that you can ensure that you don't force unnecessary adjustments on levels of government but at the same time the signal is sent out that if there is permanent decline – and this is a long-run phenomenon – you deal with it? So it's really an issue, I think, of adjustment. How do we do this in a way that's fair to local government, that's fair to hospital boards, that's fair to universities, and ensures a planning horizon for local governments? In many cases, they're constitutionally unable to deal with those.

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

THE DEPUTY SPEAKER: Thank you.

Hon. members, would you give consent to briefly revert to Introduction of Guests?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed?

The hon. Minister of Agriculture, Food and Rural Development.

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

MR. PASZKOWSKI: Thank you, Mr. Speaker. It's an honour for us today to have two very accomplished constituents of the Grande Prairie-Smoky constituency in our presence listening to the debate on the hon. Treasurer's Bill. It's my pleasure to introduce Cal Carlson, who is the councillor of the town of Fox Creek, and another person that plays a very important role, the town administrator, Mr. Blair Alexander. I would ask them to rise and be recognized in the usual manner by the House.

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

Bill 6 **Balanced Budget and Debt Retirement Act** (*continued*)

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

MR. SEKULIC: Thank you, Mr. Speaker. I rise to speak to Bill 6. It was music to my ears to hear the Treasurer say, "balanced budgets forever." I'm sure that was music to most Albertans' ears. I thought of some comments that the Treasurer made some time back. As he often does, he refers to other budgets and other jurisdictions, and in this case it was federal and he referred to Johnny. In this case, I refer to that same quote, except I'd adapt it a little to suit this, and it is: better that Johnny came late than never at all. That's the way I describe Bill 6. It's time.

Mr. Speaker, this Bill isn't evidence of government doing what they said they'd do; it's rather a Bill which reflects government doing what it must do. There are no alternatives. I guess the analogy would be: it's like a multiple-choice exam without the multiple choices. There are no other avenues open to them, so in fact this isn't really, as a book's been titled, *The Klein Revolution*, but rather this is what must be done now under the circumstances that this province has been driven to.

So with that, I do support the principle of Bill 6. Albertans have long recognized the need for a legislative plan to be put in place to eliminate the net debt so that they are no longer held captive to interest rate shocks and fluctuations in exchange rates and to the whims of Bay Street and Wall Street financiers. The opposition, in fact, has been talking about the debt retirement and management since 1989. It seems that debt retirement is only a recent phenomenon for this Conservative government, Mr. Speaker.

When I first picked up the Bill, I looked at 1(b), and it's termed "Crown debt." I thought if I were just one of those Albertans to pick up this Bill, what would Crown debt mean to me? It's almost an oxymoron; it's like cruel kindness, Crown debt is. Crown debt is really what the taxpayer owes as a result of government actions or inactions or mismanagement, and in this case I think all of those would apply. For some time now, Mr. Speaker, this government and its predecessors have been quite busy giving us reason for such a Bill. They have been loading up on debt as if it were a hot commodity. It's a lot like the philosophy that they've had in their land deals, where their slogan must have been, "Buy high and sell low." This government brought our province into debt.

Recently we heard about a financial market phenomenon, and the Treasurer that day or the next day quickly jumped to his feet to say that, no, in fact there were no derivatives, that the Alberta government had not invested in derivatives and as a result hadn't lost any money on the derivatives in the financial markets. Mr. Speaker, that's because in Alberta this Conservative government had found something more effective than derivatives to lose taxpayers' money with. In fact, that totaled up to \$3 billion.

So, Mr. Speaker, I'll go back to the Bill here. The opposition some time back, in January actually, presented 2020 Vision. It was a proactive debt management and debt retirement plan that would manage our existing stockpile of debt smarter, legislate a debt repayment schedule which would eliminate all of our net debt – in fact, that's \$16.781 billion by the end of the fiscal year 2019-2020 – provide the flexibility required to improve the competitiveness of Alberta's tax regime, invest in our core programs on a needs-defined basis, and guard against any unanticipated revenue weakness that may impact on the province's annual surplus or bottom line.

4:00

Mr. Speaker, I believe that debt management and retirement means achieving a sustainable net asset position and sustainable surpluses, not simply a sustainable balance. I believe that the government's debt retirement legislation is not aggressive enough in dealing with Alberta's debt crisis, a crisis which threatens the sustainability of our core programs. I think that's one of the messages that as legislators it's very important that we put across to Albertans: one of our greatest threats is in fact our growing debt and the effect that erosion has on our future spending on those core programs such as health care and education.

[Mr. Speaker in the Chair]

Mr. Speaker, with our aggressive stand in 2020 we've been backed up by a number of agencies and groups that the government often praises and they are praised by. Some of them are the Fraser Institute, the *Alberta Report*, and the *Globe and Mail*. In fact, the *Globe and Mail* on February 22, 1995, reads that

Alberta applies brakes in its race against debt. Schedule for payments over 25 years even less aggressive than program proposed by Liberals.

The *Globe and Mail* saw the wisdom in some of what the Liberals were proposing to get at that debt and to prevent that erosion of our future spending on our core programs which we value so much.

Curiously, the plan puts Mr. Klein . . . in the unusual position of being the dove on a fiscal matter. The Opposition Liberals have proposed a much more aggressive debt-payment schedule, which would require annual payments of as much as \$1.6 billion and would eliminate the vast majority of the debt by 2020.

This is from the *Alberta Report*, March 6, 1995.

The alternative debt retirement plan of the provincial Liberals . . . is far more aggressive. The Grit plan, entitled "20-20 Vision," called for annual payments of roughly \$700 million over a [20-year] period and a pay-down of \$16.8 billion of debt. Moreover, the Grits leave Alberta with just \$6.7 billion of long-term cash debt, less than half of what will remain under the Tories' plan.

Similarly, Patti Croft of Wood Gundy, March 6, 1995, in the *Alberta Report* once again, said, "Given how much debt needs re-financing, it helps to present as aggressive a debt reduction plan as possible." Mr. Speaker, even Jason Kenney of the Canadian Taxpayers Federation was quoted in the *Alberta Report* of March 6, 1995, as saying, "For a government that was so ambitious about eliminating the deficit, this plan is remarkably timid."

As the Treasurer earlier alluded, when the opposition gets up to critique Bills, you hear: well, I agree with it in principle, and then the yeah buts come out. So this would be the yeah-but section.

Some of the weaknesses of the government's debt retirement plan as contained under Bill 6. Firstly, I believe it underestimates the province's net debt by at least \$6 billion by excluding the province's obligation to the unfunded pension liability. The Member for Edmonton-Whitemud certainly did speak to that. In its annual report to the U.S. Securities and Exchange Commission the Alberta government disclosed that its net debt by 1996-97 would be \$15.3 billion, not \$8.6 billion, Mr. Speaker, as this Bill addresses.

So why is the government telling Albertans a different story? I know this is a question we've so often asked. I think the Treasurer was quite correct when he made reference – he had certain terms he used, and this would be an example of those terms: booga-booga off-budget-sheet accounting. I'd certainly label this: if you travel to New York, Alberta's net debt is significantly different than if you were to travel to Alberta. I'm sure the Treasurer will jump up at some point and describe this discrepancy and how it happens that in the flight – and I'm not even sure what the time period is for a flight between New York and Edmonton. But certainly if you were to count in the billions of dollars, you could probably calculate billions of dollars per time unit as he did travel. That would be significant because if then the Treasurer were to use that same direction of travel, he could effectively reduce Alberta's debt to zero, Mr. Speaker.

The second yeah but of Bill 6 is that it fails to establish any proactive debt management policies to deal with risks associated with large stockpiles of high interest term debt – U.S. dominated debt – and to anticipate refinancing of maturing debt in volatile

money markets. Alberta's core programs, Mr. Speaker, will still be captive to Wall Street and Bay Street financiers under this Bill 6 plan as proposed by the Treasurer. So that is also a concern.

Another weakness which I foresee is that this Bill provides a loophole, and I know the Treasurer spoke to that a little earlier. He's familiar with loopholes, Mr. Speaker, because he's the architect of so many loopholes which we have in Alberta, and this is yet another example here. Bill 6 provides a loophole for the government to avoid making an annual debt payment if certain conditions are not met. The opposition plan, which we will be introducing on Wednesday, requires a minimum payment on a yearly basis with no exceptions and allows for acceleration of the repayment schedule based on the size of annual surpluses generated.

The next weakness, Mr. Speaker, is in the reporting. The reporting on the results achieved by debt management and retirement under Bill 6 is limited to meeting the five-year milestones, and that's found in section 4, no quantifiable benchmarks. Now, certainly this government is familiar with lack of benchmarks and the need to bring them out and make them public. I think it's an educational piece that if the public were to be privy to such information, they could direct more the actions of the government. So there are no quantifiable benchmarks. Here I refer to items such as net and unmatured debt as a percentage of real and nominal GDP, net and unmatured debt as a percentage of personal income, average weighted term of unmatured debt or U.S. debt as a percentage of total unmatured debt established to evaluate the performance of Treasury debt managers. These are the same managers that have left 41 percent of Alberta's unmatured debt to mature over the next three years.

The next weakness – the fifth one that I've seen – the yeah but, is that the financial projections on debt management and retirement are limited to a three-year window to be included in the budget documents. That's in section 7: no multiyear schedule over three years of debt redemption, refinancing, or underlying economic assumptions; i.e., the foreign exchange rates, interest rates, and provision for loss on foreign currency debt.

Going on with some of the weaknesses, Mr. Speaker, the next one is that, similar to the Deficit Elimination Act, Bill 6 requires the Audit Committee to report on the government's progress towards retiring the net debt, and that's section 10. Experience with the Deficit Elimination Act suggests that the Audit Committee would merely rubber-stamp progress reports and not offer any constructive recommendations for improving techniques for debt management and retirement. Remember that the Provincial Treasurer is a member of that Audit Committee.

Mr. Speaker, the next point is that although we're prepared to work constructively with the government, I think reflection on the Bill to be introduced on Wednesday will do some good and will improve the content of Bill 6, ensuring that the proposed legislation holds government accountable to Albertans for achieving concrete results and removing the vulnerability of our core programs to economic shocks and Wall Street and Bay Street bankers. I think that really what in effect this Bill must speak to most stringently is the protection of our core programs.

Okay. Now, some of the improvements that I think can be made to Bill 6, and I'll run through a few here. The recognition that Alberta has a net debt of \$16.781 billion to be eliminated, and a payment schedule would be based on that \$16.781 billion figure, rather than the government's \$8.583 billion figure. I don't believe it is fiscally responsible for the government to exclude \$6 billion in pension liabilities from the balance sheet, particularly

when the Wall Street financiers are being told that Alberta will have a \$15.3 billion net debt by March 31, 1996. So it's important that we sing from one song sheet regardless of our location on this planet.

4:10

Secondly, Mr. Speaker, I think the opposition plan attacks what we owe to Canadian and U.S. banks: the \$24.5 billion in unmatured debt by March 31, 1997. It attacks that more aggressively than the government plan because it recognizes the negative effect that a large stockpile of debt will have on the sustainability of the core programs in health care and education.

Mr. Speaker, I think more effective management of our existing stockpile of unmatured debt to cushion this impact of high interest rates and foreign exchange rate fluctuations on the cost of servicing our debt is important. Debt servicing has become the third largest department in government. That's a terrifying thought. When you think about protecting core programs, you have to reflect on the fact that our third largest expenditure – the third largest department, and certainly there's a portfolio without a minister – is debt servicing. For that reason, I do believe that we have to attack this as quickly as possible, and I think we should use available liquid assets in the heritage fund. I've said this before publicly and certainly in this debate, that we should use some of the assets of the heritage fund to pay down the 41 percent, or the \$6.391 billion, of our maturing Canadian and U.S. debt that comes due over the next three years, rather than rolling the debt over at high interest rates. This would save Albertans hundreds of millions of dollars in cumulative debt servicing charges.

One more improvement that I think we could look at, Mr. Speaker, is that payments towards the elimination of the net debt should be and must be made on an annual basis and specified within a schedule attached to the legislation. Minimum annual payments or average annual payments do not hold the government's feet to the fire. If we are generating sustainable surpluses now, we should be making the payments required or accelerating those payments so that we can reduce our vulnerability sooner. [interjection] I hear the Treasurer is somewhat tickled by the fact that we're suggesting that his feet be put to the fire.

We do not believe, Mr. Speaker, that it is prudent for our government to take a year off for good behaviour. If that were the case, I'm sure that they'd be taking more than one. So given the patterns of volatility inherent within Alberta's fiscal balance – and I'm referring to oil and gas revenues, the interest rates, foreign exchange rates – the opposition would encourage the acceleration of debt reduction if fiscal balances are larger than anticipated rather than simply to roll the dice and count on favourable interest rates or oil and natural gas windfalls in subsequent years.

So with that, I just want to make one final comment here. I'll allude back to – is it Yogi Berra, Mr. Treasurer? Well, Alberta's very own Yogi Berra recently, as he frequently does, commented on federal matters: when Johnny has been coming home with an F for so many years – in fact, let's use 10 – it's hard to get excited when he comes home with a C. It can be an A, Mr. Speaker, and if its focus was beyond merely political, I think it would be an A. So I think the Treasurer would be wise to look at some of the amendments that we'll be bringing forward and improve this Bill to be what it can be, what's best for all Albertans. I thought I'd leave out, given the divisive-by-design times that we have here in Alberta, that Johnny in this case shouldn't be cuffed but rather merely encouraged to pick it up from a C to an A.

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

MR. CHADI: Thank you, Mr. Speaker. I was really tickled this afternoon to hear the Provincial Treasurer say that the members on the other side of the House, in particular the Liberals, were going to rise one by one and say, "Yes, I'm in support of this Bill but" and go on to talk about the yeah buts or the howevers or any other adjective he can use. Well, I'm proud to say to you this afternoon that I am rising in my seat as Member for Edmonton-Roper to advise the Provincial Treasurer, through you of course, Mr. Speaker, that the yeah buts just stopped.

This member will not support this Bill. I think it's a stupid Bill. I'm all in favour of a balanced budget. I'm all in favour of retiring the debt, but this does nothing to retire the debt. It retires \$8 billion, and it's going to take 25 years to do so. I think it's crazy. I think we have to go back to the drawing board, Mr. Speaker, and inform the Provincial Treasurer that the yeah buts have to stop and we have to come to our senses. Nobody is going to go around saying that the Member for Edmonton-Roper is against balanced budgets, because that's clearly not the case. Nobody is going to say that the Member for Edmonton-Roper is against retiring the debt, because that's not the case.

Mr. Speaker, the net debt is much larger than is identified by the Provincial Treasurer and in fact by the Conservatives in general. Obviously, there isn't a Conservative member that's going to get up and say: "Oh, no. The Provincial Treasurer has made a mistake." In fact, they're all going to get up and say, "The net debt is exactly what the Provincial Treasurer has put it out to be, and that is predicted somewhere around \$8.6 billion." In fact, the net debt in 1994, in accordance with the documentation of Budget '95, page 23, is \$8.3 billion. So of course our net debt has gone up by about \$300 million by 1997.

I want to analyze this net debt for a bit. I want to talk about it because I want Albertans to know that in fact the net debt as stated in the document could not possibly be what is projected here. First of all, when we talk about the liabilities on the page, we talk about the general revenue fund liabilities. This is what we owe out of that fund apparently, out of that account: almost \$20 billion, Mr. Speaker. Then it goes on to talk about Alberta Municipal Financing Corporation, Alberta Social Housing Corporation. It talks about the Agriculture Financial Services Corporation and the AOC, Alberta Opportunity Company. Then we deduct internal debt holdings, it says, by the heritage fund, then it amounts to \$5 billion that we take off what we called the liabilities, and then we talk about unmatured debt. We talk about pension liabilities, accounts payable, and some others. We've got total liabilities, it says, in the range of about \$32 billion. Then it says, well, from that \$32 billion, in order to get the net debt, we have to take off our assets.

Let's talk about our assets for a second. It talks about external heritage fund investments, \$7 billion; loans to municipalities, another \$5 billion; loans to farmers and small businesses, another \$2.3 billion. Then it says "other." Other. It stands out there like no other: \$3.7 billion of other assets. Well, I don't know what those other are, but it's a significant amount of money that is other. Certainly, lumped together those other are larger than that one line that says, "Loans to farmers and small businesses" of \$2.3 billion. So it's kind of interesting to see that it's just lumped there as other, as \$3.7 billion.

Then it says that the net debt is \$13.3 billion. That's what it says, Mr. Speaker. Then it says that we can't do that because there are unfunded pension liabilities that are subject to elimination under legislation. That is going somewhere else, so take

another \$5 billion off that. So our net debt is \$8.3 billion. That's the joke. That's the joke; \$8.3 billion is not the net debt.

When you take that net debt and you say, "I'm going to eliminate 8.3 or 8.6 down the road in 1997," as stated in the document, well, I've been in business long enough to know that those assets are only as good as what somebody's willing to pay for them. If you're talking about receivables, they're only worth what the individuals that owe you the money are worth.

4:20

I don't know if we're going to get our money back from some of the other \$3.7 billion. How do we know that we're going to get it back? How do we know that it's worth \$3.7 billion actually? How do we know that some of those funds from the heritage fund are actually going to give us almost \$7 billion? We don't know that. You're assuming all of that. I think you're assuming somewhere in the range of \$18 billion dollars. I'm not saying that we're going to lose all of that or that we're not in fact going to get any of that or the total amount. All I'm saying is that I believe you've overstated your assets here. The Provincial Treasurer stands up and he says: we've understated our assets, understated them because we didn't put in things like government land and buildings and highways and bridges.

Well, Mr. Speaker, that government land I think came far before the debt came. That land was here for a long, long time and owned by the Crown. Now, of course, we shouldn't add that in. It was here before the debt was created, so therefore it ought not to be included. But then again, even if the Provincial Treasurer is correct in saying that we've understated by not including all of those, it amounts to \$9 billion. It amounts to \$9 billion. Well, in fact, Mr. Speaker, then we are still in the hole even if you included them. Even if we sold them off and paid off the debt, we still wouldn't have enough money to pay off the debt.

In fact, Mr. Speaker, we owe \$32 billion; that's what we owe. The net debt in this province, after we sell off assets, perhaps maybe the heritage fund, and we pull in some of those loans that we're talking about and liquidate those and turn them into cash, I think is going to be much larger than the \$8 billion as stated. Therefore, this Bill does not wash with me, doesn't cut it with the constituents of Edmonton-Roper. You've got to come up with something better than that, Mr. Treasurer.

The Provincial Treasurer rose in his seat earlier this afternoon and said that this is the first of its kind in the country. We forget that we have a Deficit Elimination Act as well. I mean, the Deficit Elimination Act said that we'll get rid of the deficit situation in this province. Mr. Speaker, the Bill says that we're going to have balanced budgets. Yup, we're going to have balanced budgets all right, but we have the Deficit Elimination Act, which I and my constituents supported in this Assembly. I think every single member on this side of the House supported it.

We talked about "balanced budgets forever." I agree with that concept. Nobody can argue with that. But something struck me as being rather odd when the Provincial Treasurer rose in his seat and he said that we were going to create some legislation here that will eliminate loopholes. It wouldn't be like the Mack truck loopholes of the Liberals. That's what they would be good for creating. Well, I can tell you, Mr. Speaker, that when I actually pulled the Deficit Elimination Act out of our archives here, I noticed that section 11 said, "The Spending Control Act is repealed." You see, Mr. Speaker, here was an Act that probably had so many loopholes by the predecessors of the Provincial Treasurer but certainly prepared and voted upon by the majority government of the day, and I'm certain it would have been a

Conservative government of the day. So in fact we had that Mack truck loophole Act a long time ago. Then we created the Deficit Elimination Act, and we said that we will ensure that there will be no more deficits in this province after 1996-97 and that we're going to eliminate the deficit that is incurring each year now. That I agree with.

Now, Mr. Speaker, we've got Bill 6 in front of us, and Bill 6 says that we're going to retire the debt. We're going to retire the debt. We're going to balance the budget. Well, the budget's going to be balanced. We said so in another Act; we made a law that said we were going to balance the budget. Well, we know it's balanced already. Now, it says we're going to retire the debt. See, that's the joke, Mr. Speaker. That's the farce here, because we're not going to retire the debt if we follow this document. It's too flimsy and too loose. I look forward to what the person who ought to be the Provincial Treasurer, the Member for Edmonton-Whitemud, is going to propose in terms of amendments in the Committee of the Whole.

So, Mr. Speaker, with those comments, I would like to take my seat and ensure that other members have an opportunity to raise their objections or their favouritisms.

Thank you.

THE SPEAKER: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Speaker. I didn't want to be rude; I hesitated getting up. I hoped that some of the hon. members from the side opposite would get up and join in this very important debate. Issues of profound importance for the province of Alberta are being affected by this debate and indeed the debate we had a couple of weeks ago on Bill 1. Nobody from the side opposite wants to get up and put their oar into the water on these particular issues of profound importance for all Albertans.

You know, this Bill 1 that we spoke of a couple of weeks ago and Bill 6 that I'm now speaking about today, Mr. Speaker, have a couple of things in common. The first they have in common is that they are political agenda driven items and not meaningful concerns about Albertans and about the future of this province. Secondly, they are both perceived to be necessary by the Provincial Treasurer, who himself does not have confidence in his government to do the right thing. That is a terrible testimony to the confidence level of the government as they pursue their agenda.

You know, the Liberal opposition gets blamed for a lot of things, Mr. Speaker, but one thing that we, the Alberta Liberal opposition, have never been blamed for is the reason why we need legislation such as this. I would feel a lot more confident speaking to the Provincial Treasurer about this Bill if I was not aware that during the dead days in Alberta politics when we went into debt \$30 billion or more, the Provincial Treasurer was right there, had the opportunity to stand up and be counted, had the opportunity to say, "Stop the madness," had an opportunity to encourage other members of the front row today to say, "Stop the madness," and did, instead, nothing. As a result, we are today in this debt dilemma.

Now, Mr. Speaker, the Treasurer, when he was introducing this Bill, used a phrase that I had never known before I got into provincial politics. He used the phrase "booga-booga accounting," and he credited that phrase to me. I think the author of that phrase is in fact the previous Treasurer or the present Treasurer. The present Treasurer wants to take credit for the phrase booga-booga accounting. Well, what he has done is he has replaced

booga-booga accounting with a new phrase, booga-booga legislative drafting, and I want to point out to the Members of this Legislative Assembly why that is.

Before I continue my comments, Mr. Speaker, lest they be misinterpreted by the mischievous Provincial Treasurer as he travels the width and breadth of this province, I want to make very clear that I, too, support the concept that we ought to live within our means and that the debt, this beleaguering debt that this provincial government has imposed on the backs of Albertans, has to be dealt with. I understand that, and I make that statement unequivocally.

Now, I want to return, however, to why this piece of legislation will not do that, to why this piece of legislation, Mr. Speaker, is nothing more than political rhetoric designed to take the public's mind off the fact that their schools and their hospitals are closing. Bill 6 has definition problems, and you don't have to look any farther than on the first page of the Bill, where we have the definition of Crown debt. It is – and I say this to the Provincial Treasurer with the greatest of respect – in my respectful estimation inappropriate for a government to describe Crown debt as a definition and then speak only in terms of it representing a net figure. If you want to bring forward a Bill to liquidate the spread between the assets you hold that are, by the Treasurer's definition, liquid and the total debt of the province, have the honesty and the courage to come forward and say that. Don't come forward with a definition of Crown debt that will allow you forever and a day to travel the province saying, "We're dealing with the Crown debt," when in fact you know and we all know that what the government is dealing with is only something called net debt.

4:30

Now, I could tolerate that. I could sit back, and I could close my eyes, and I could say, "Well, Albertans have been abused so much – with respect, Mr. Speaker – that this abuse of definition is one more indignity that they will tolerate," except for the fact that net debt, as defined by the government in their legislation, Crown debt does not lock in the value of the assets. So what the Treasurer can do – and he will undoubtedly respond to the negative when he closes debate on this Bill – is that anytime you have a net figure that is affected by asset and by debt, you can get to the same bottom line by increasing the notional value of your assets versus the value of your debt.

There is nothing that I could see in the draftsmanship of this Bill that would lock the government in to preventing them from burying the asset side of this equation; quite the contrary. I think the Treasurer, who would normally be concerned by now and smiling, has gone very grave in the Legislative Assembly, knows it is to the contrary. The government went out of their way to define something called net financial debt, which locks in for price reduction purposes the debt at a certain day, but they do not carry forward those lock-in concepts to the concept of Crown debt, leaving the government with the opportunity to tinker on the asset side of the value equation to be achieving their mandate. I think that while we can tolerate the government-spun definition of Crown debt, it will be very difficult to tolerate the fact that they have not seen and observed that observation and have not locked in that issue.

So this Bill has numerous drafting problems when you get into the concept of net debt. The sugar on that cake is simply to take a look at section 8, Mr. Speaker, because that deals with another trend.

You know, I heard a funny story once, and it was in the context of a distance runner running from Banff to Calgary, getting to

Calgary, and somebody saying to the distance runner, "Well, we'd have been a lot more impressed if you had run from Calgary to Banff," recognizing that the wind always flows from Banff to Calgary and the runner would have the benefit of the tailwind.

Now, what tailwind benefit has the Treasurer put into this particular legislation that's found in section 8? You notice, Mr. Speaker, that just about everything is protected in this Bill except one endangered specie. We've got the resource revenue protected; it's got to be disclosed. We've got the corporate taxes that have to be taken into account. The only thing that we don't take into account in getting to the definition of net revenue in this particular Bill is the ordinary taxpayer.

So, Mr. Treasurer, I say to you that if you really want to make a statement and if you really want to make a position statement, it would be a lot more attractive to members over here if you took your definition of revenue in paragraph 1(e) and you said: revenue means the revenue of the Crown from all sources without raising taxes. That would be a very interesting approach if the Provincial Treasurer intended to bring about legislation that would truly protect the taxpayer of this province and truly get rid of our debt. But since he is simply in this piece of legislation making a political statement, Mr. Speaker, I can understand why he will not do that.

I have already alluded to the difficulties, Mr. Speaker, that talking only in terms of the net debt has, and I want to suggest to the Provincial Treasurer, who always urges us to come up with useful ideas, that he deal with the concept of the total debt. What's wrong with having a little money in the bank at the end of the day? Let's deal with the concept of the total debt and let's get that total debt paid off. By ignoring the debt – and there have been other useful analogies made – this Treasurer is like the man or the woman who's going to pay off a third of the mortgage and then go to the bank and say, "Banker, you don't have to get any more mortgage payments from me now 'cause my house has gone up in value, so let's not worry about the other two-thirds of the debt."

The Treasurer should deal with the entire debt of the province, period; pure and simple. Mr. Speaker, it represents honest and open government, which this government prides itself on. Secondly, it avoids manipulation and juggling with aspects of this Bill such as the assets. Thirdly, it points out to Albertans what their true financial position is so that they can deal with it properly and make the appropriate choices for them and for their future. By dealing with the entire debt, it would encourage the Provincial Treasurer to pay off more quickly the entire debt. That seems to have an element of reasonableness to it, because by paying off the debt more quickly, we will in fact save money on a repeated basis in the future. Secondly, if we look at the dead zone of Alberta politics when the debt was incurred, by paying off the debt quickly it will mean that the people who received the notional benefit of the debt explosion, the baby boomers, will in fact cause and bear some of the pain of the debt payoff.

Now, Mr. Speaker, I want to go on to another concern that I have in this particular Bill, and that is that there are no fundamental guarantees in the Bill about the provision of services. You know, it would be very easy for the provincial government to balance its budget. It can simply close all the schools. It can simply close all the hospitals. It can simply give nothing back to the municipalities, even though it recognizes that the municipalities have much more limited sources of funding. So without any underlining guarantees that concern the quality of services or the delivery of the services, both the promise made in paragraph 2 of

the Bill – that is, we won't have any more bad years – and the promise made elsewhere in the Bill are very hollow. It seems to me that if the Provincial Treasurer was really interested in making a statement, then he would have dealt with these particular issues.

Finally, the last aspect in my comments today that I want to deal with is the amendments to the Deficit Elimination Act that have taken place. Now, the Provincial Treasurer will immediately be saying, "Oh well, the hon. Member for Fort McMurray hasn't read the Bill." I'm fully aware that this Bill we're debating now, Mr. Speaker, Bill 6, indicates that expenditures and revenues must be in balance. As a result of that, the Provincial Treasurer went back to the Deficit Elimination Act and tinkered with the commitment the government made in that piece of legislation, tinkered with it by removing the requirement that all deficits – the present wording in the Deficit Elimination Act is that for the 1996-97 and each subsequent fiscal year there will be a zero deficit. A zero deficit. Well, the hon. Provincial Treasurer has now seen fit in Bill 6 to remove that commitment of a zero deficit, and elsewhere the Provincial Treasurer has seen fit to tinker with paragraph 10, which indicates the last few years in which a deficit can be run.

Again the Provincial Treasurer is going to say: "Oh boy. Well, now that Member for Fort McMurray has walked into my trap, because of course with section 2 of this Bill 6 you wouldn't need that." Well, let me tell you, Mr. Treasurer; I want to make this very simple proposition to you. It might matter to Albertans in the future when the government falls on the shoal of being unable to honour its political promises and commitments. It might be interesting for Albertans to know that the Deficit Elimination Act the Premier spoke of as being virtually sacrosanct has in fact been amended, taking out the protection that's required in that legislation. I want to say as a general proposition that I would rather have the same requirement of "no deficit" being found in two pieces of legislation and ensure that there is no deficit, as opposed to it being found in one piece of legislation only and run the risk of a deficit. I think it sends a signal to Albertans that is inappropriate when we show Albertans how quickly we can tinker with something that was once the flagship of this Alberta government, the Deficit Elimination Act.

4:40

The other thing that happens is that the Deficit Elimination Act has become widely known around the province and around the country as a so-called hallmark of this government. I believe that in the court of public opinion the government would be branded more harshly if they breached the Deficit Elimination Act than if they breached this Bill 6. As a result, I suggest to the Legislative Assembly that that is why the Provincial Treasurer is in fact taking that protection for Albertans out of the Deficit Elimination Act and not simply because it is now redundant or simply now overworked.

Now, he will deny that. He will stand in this Legislative Assembly and deny that, and he will indicate that that proposition is ridiculous. But if it is ridiculous, then it seems to me that there is absolutely zero loss and zero downside to the Provincial Treasurer to leave those sections in the Deficit Elimination Act so that future governments would have to repeal both of these Acts to convince the Alberta public that they can, will, and do break their promises to the Alberta public.

Thank you, Mr. Speaker. Those conclude my comments on this piece of legislation.

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

MR. HENRY: Thank you, Mr. Speaker. I do want to make a few comments on Bill 6. We had the Spending Control Act, which, if I remember correctly, forced a brief adjournment of this Legislature because of the laughter. We have the Deficit Elimination Act. Now we have a Balanced Budget and Debt Retirement Act.

Mr. Speaker, one of the hallmarks of this government and dare I say this Treasurer and his predecessor has been to bring in legislation and then ignore the provisions of that legislation when convenient or when politically expedient. One has to rise and question the figures that the hon. Provincial Treasurer uses with regard to the net debt, the figures he uses here in Alberta and the figures he uses in New York. It reminds one of the days of John A. Macdonald, who quite often had stories about going to one part of Canada and saying one thing, traveling to another part of Canada and getting away with saying another thing. Well, unfortunately mass media has arrived, and the Provincial Treasurer has yet to identify or to justify why he can go to New York and follow the U.S. Securities and Exchange Commission regulations and say that our net debt is \$15.3 billion, yet come back to Alberta and say: gee, it really isn't that high; it's just over half of that high.

Mr. Speaker, this Bill is hard to support in its current form because it doesn't deal with reality. It deals with a fantasy that the Provincial Treasurer has entered into and is trying to con the rest of Albertans into accepting.

Having said that, the previous speakers have referred to the 2020 Vision that the Alberta Liberal caucus has released, has proposed for an orderly pay-down of the debt. Mr. Speaker, when we have the Fraser Institute and the *Globe and Mail* and the *Alberta Report* all saying we're on the right track, sometimes it makes one in my position wonder if maybe we should relook at our proposal. I indeed went back and looked at our proposal and tried to put it into terms that the average constituent in my riding can understand. What we have here and the basic difference – there have been several analogies – is that this government has created an enormous debt. We all agreed and we all ran in this Legislature on a platform that it would be irresponsible to pass that debt on to our children. Yet in dealing with just the net debt, however it may be defined by the Treasurer here or in New York, and not the actual gross debt, what we're essentially saying to our children is, "Well, we're going to pay off some of our debts, and we'll retire or move on to another life and hand you the house with a full mortgage on it or at least a two-thirds mortgage on it."

Mr. Speaker, nothing could be more irresponsible, and nothing could be more unfair to our children. There is a way to pay down this debt and to get us back on financial track, and unfortunately the Provincial Treasurer has simply ignored it. I wish I could believe the Provincial Treasurer even in the schedule that he provides here. I remember the Spending Control Act and the use of special warrants and the laughter in this House about the title of the Act when the previous hon. Provincial Treasurer tabled it in the Legislature. Then I remember sitting in very much disbelief that a minister of the Crown would simply ignore the legislation that was passed, given Royal Assent, and proclaimed and use special warrants in the old manner of previous Conservative governments.

Mr. Speaker, one of the issues that has to be addressed – and I would ask the Provincial Treasurer to respond to that – is that the Provincial Treasurer in this Act has said that if for some reason in the future we have another experience like we had in the early 1980s where we have a very rapid, significant drop in

revenue, there is no provision in this Act to allow for alternative raising of revenue through additional taxation.

Mr. Speaker, Albertans don't want more taxation, but I think there needs to be a clause that allows Albertans to make a decision if we end up in very unexpected times. Who, 15 or 20 years ago, would have believed that 1983-86 and from '87 on would have happened financially to this province? I would ask the Provincial Treasurer to respond to a suggestion that if we reach a level of a significant measurable drop in income, and suddenly, we have the option, rather than simply passing that on to those that are funded by government revenue, perhaps to put the question to the people in a referendum: do you want more taxation or do you want specific cuts in services?

Mr. Speaker, it's always been my view and the view of our party that what we must do is get rid of the fat in government. We must try to be more efficient. We must re-examine what government is doing and get rid of some of the no longer necessary – even if they were in the past necessary – functions of government. Then at a point, rather than start cutting core services or services that negatively affect people when people require those services – services such as basic health care, such as quality education – we should go to the people in a referendum and say, "Here are some options: you can either do with less quality education or less access to quality education or less health care, or dig in your pocket deeper," and let people make that choice.

Mr. Speaker, in all the time that I've been involved in community affairs and the relatively short time in public life, I've learned to have great faith in people's judgment: in the community's judgment, in the electorate's judgment. I believe that if we entered into that situation where we were faced with cutting services that were needed after having done all the other things you can do to reduce expenditures in government, if we went to people and asked them the question in a binding referendum – "Which would you rather have: less of these services or absence of these basic services or more taxation?" – people would make the right decision. Given what's happened in the last eight to 10 years in this province, I do not believe that we as legislators have the moral right to make that decision. By passing this piece of legislation in the form that it's in without amendment, we will essentially be saying to Albertans, "We're going to make that choice for you." If we have done all the things we can do to reduce expenditures in government, if we've done all we can do to move towards a balanced budget and all of a sudden something out of our control internationally happens and all of a sudden we're left with very significant drops in revenue to our government, we in voting for this Bill will be making the decision for Albertans that they will do without basic services.

The question that has to be asked of the hon. Provincial Treasurer is: has he met with the various health groups in the province? Has he met with the regional health authorities, the old Alberta Hospital Association, the School Boards Association, the Teachers' Association, the Alberta municipalities, and the Alberta Association of Municipal Districts and Counties? They all, every single one, especially the AAMDC and the health care and education, depend on significant transfers from this government in order to provide their services. So has the Provincial Treasurer actually gone to those groups and told them that with this Bill if in five or 10 years all of a sudden something happens internationally that dramatically and negatively affects our revenue, this will be the consequence? I daresay he hasn't. From my discussions with some of those groups, that hasn't happened, and I think that's a responsibility the Treasurer has prior to making the decision so

that they can go to their stakeholders. Especially since this government, in education specifically, has removed the right of local boards to raise revenue, the government then is not allowing those local communities to make that decision if and when – and this is certainly hypothetical – we reach the position that we have to choose between dramatic expenditure cuts and dramatic cuts in basic services or increasing our revenue through additional taxes or higher rates in taxes.

4:50

The school boards used to have more flexibility, when they were able to levy their own local requisitions, to be able to cushion the effect of lower revenues overall, but they're not going to have that opportunity in the future because of provisions in Bill 19 last year. Now that those amendments are part of the School Act, it's even more important that those local authorities are aware that essentially – again assuming that the Provincial Treasurer and the governments adhere to the provisions of the Bill after it has passed – this Bill will be making decisions for local communities that in my view, and I believe in Albertans' view, should be made by Albertans, and we should not have the arrogant attitude of saying that we know what's best for all. I've been around long enough, Mr. Speaker, to know that it's difficult to project the future at the best of times. We should allow Albertans as much flexibility and as much decision-making as possible and not presume that we have a crystal ball where we can look in Albertans forever.

Mr. Speaker, I draw on experience with the various pension liabilities. When the hon. Treasurer talks about the net debt and looks at the assets that will be used to apply to that debt – we have seen actuarial assumptions change; we have seen recalculation and recalculation and recalculation of the pension liabilities. Because of that, my advice to any member of the public service or otherwise who has an interest in the government-backed pension plans is to ensure at all costs that they have other options. We, the government here and the current and previous Treasurer, have tinkered with the actuarial assumptions I believe in a dangerous way, not simply to bring them more in line with reality but instead to bring them more in line with the government's objective so the government can present a view to the world or to at least Albertans that may not turn out to be accurate in the end.

Mr. Speaker, I also have to ask – and I believe here's the cynic coming out in me, believe it or not. One wonders whether the real objective here is for the provincial government and the Provincial Treasurer to tie Albertans' hands in the future and say that we are going to meet the targets outlined in this piece of legislation and, no, we can't look at enhancing any other revenue. So at one point we're going to go to the people and say: "Do you want your high schools to stay open? Do you want your hospitals to stay open? Let us bring in a sales tax because the legislation doesn't allow us to do anything else but that."

Mr. Speaker, if that's the government's agenda, I think they should outline it very clearly, and I think they should put a provision in this legislation that would require any such measure, any consumption tax by a sales tax name or otherwise – which in my view is regressive – be required to be decided by Albertans in a provincewide binding referendum.

Mr. Speaker, with those comments I will take my place, and I look forward to the Provincial Treasurer's response to some of my comments and the comments of my colleagues. I also look forward to debate in Committee of the Whole, where we can have, hopefully, some government amendments that make this legislation less of a political exercise and make it more believable and a real exercise in leaving a better Alberta for our children.

Thank you.

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

MR. DICKSON: Thank you, Mr. Speaker. I wanted to make a number of comments in three different areas. The first one relates to the theory of government responsibility that's behind Bill 6. The second thing I wanted to talk about was my difficulty with the role of government as it's envisaged or contemplated in Bill 6. Then finally, I wanted to identify a number of problems with the Bill and with the government's plan.

Firstly, Mr. Speaker, in terms of government responsibility. It's said that there's no zealot like the recent convert, and whether it's religion or whether it's politics, there's nobody that becomes more strident and . . . [interjection] We're never sure.

There's nobody who becomes more strident and more stubborn than somebody who's recently seen the light. When I read Bill 1 and when I read Bill 6, I can't help but think that what we're dealing with here is a gang that has suddenly found the truth as they see it, as they apprehend it. They think they've suddenly found the answer. So what we then see is a kind of myopia, a kind of blindness to all other alternatives. I think the chief victim with Bill 6 is one of a loss of flexibility and a loss of government responsibility.

It's interesting to me, Mr. Speaker. I see the Minister of Justice is here in the Chamber, and it seems not so long ago I heard him saying that he had all kinds of concerns about the Charter of Rights and Freedoms. He thought this was a problem. What I think is a paradox is to have a senior and certainly one of the stars in the government's cabinet openly discounting and speculating about the utility of the Charter of Rights and Freedoms. And what was that? That was an effort to restrain the power of government, to prevent government from abusing the rights of citizens. Although I think from time to time the Minister of Justice may misapprehend the purpose of the Charter, that's what it was there for.

Now what we have, Mr. Speaker, is a government that on the one hand suggests there's little role for the Charter of Rights and Freedoms and would like to see that curtailed, limited, rolled back, but here they trumpet Bill 6 and its companion, Bill 1, as some kind of a constraint on government. What utter nonsense. As any first year political science – I'll change that. Anybody in grade 6 who studies Canadian government knows that the Legislature is sovereign, and the only way the Legislature can be bound is if it's part of the Constitution Act of Canada. If the Constitution Act isn't going to be amended – and I hear no suggestion it should be made stronger or made broader – what we have is, I suggest, a transparent and a futile effort to try and be seen to be making some kind of a quasi-constitutional amendment. Ultimately, the responsibility sits with the people in this Chamber, and I think it's high time that legislators accepted the responsibility to do the right thing and to make sound decisions here.

I think what we should be saying to Albertans is that the past behaviour of the provincial government in this province has been aberrant. I mean, I think sound fiscal management, good fiscal stewardship of tax dollars shouldn't have to be some kind of a special campaign. It shouldn't have to be some kind of a stand-alone mission. It should be taken as a given of sound government, sound management of the resources, whatever end of the political spectrum the party in power is from. I have that problem with Bill 6, that we can't bind future governments. So why do we try and pass Bill 6 off as some kind of a constitutional restraint? It isn't. In this case, the emperor has no clothes, and I think Albertans deserve to hear that.

The second point I wanted to make, Mr. Speaker, is just in terms of a disquiet I feel about the government's apparent view of the role of government. In our haste to sort of rein government in, I think we forget the most basic kind of proposition, and it's no more convoluted and it's no more complicated than this: government is not an inherently evil instrument. Government exists to do things that you and I can't afford to do for ourselves. Government exists to do things that can be done in an efficient and in a cost-effective way. In the government's haste to sort of try and rein government in, it makes little sense if you and I as consumers have to go out and pay \$2 because we've saved the government \$1 of government expenditure. There's no saving at all, and it's preposterous to suggest that there is any.

5:00

Other speakers have spoken and I think spoken very well to a number of the principles in Bill 6, so let me move immediately to identify some of the specific concerns I have with this Bill. Firstly, in the definition section it's deficient. There's no definition of "emergency." If you look at section 9, where it talks about "an emergency or a disaster," that's not defined. Now, one of the interesting things is if there's an election. I would have thought that an election is neither an emergency nor a disaster because it can be forecast. It can be anticipated. The flexibility is that of the government. Nonetheless an election comes. So what happens then? You can't get a special warrant. What does government do? It's not an emergency; it's not a disaster. That would require a definition. [interjection]

Well, I hear one of the esteemed members of the cabinet saying: well, we get a warrant. The point is, Mr. Minister of Family and Social Services, through the Speaker, that with this Bill you've created a box for the government. Now, I'm not here to try and necessarily shore up what the government has made deficient in the Bill, but one would think that's the sort of thing one would anticipate. One would want to see some flexibility. I guess I'm astonished that the government, in their pell-mell rush to build up all these constraints, has taken away the flexibility that any government requires.

Sections 7 and 8 and 11 and 12 probably make good sense, although once again they're principles that one would think governments would adhere to anyway. But there are some problems with section 10. Section 10 incorporates by reference the provisions for the Audit Committee in the Auditor General Act. The Auditor General Act is one of those Acts that has existed for a long time, long before most provinces had freedom of information regimes. But it's a curious thing that section 21, which, as I say, is incorporated by reference into Bill 6, provides for this Audit Committee. Well, the Audit Committee isn't a committee of the Legislature. It's not made up of MLAs from both parties or any party. It's seven people appointed by the Lieutenant Governor in Council.

You know, we have in this Chamber a Public Accounts Committee. Why wouldn't we use the Public Accounts Committee, which meets in open, that has representation from both sides of the House? Why wouldn't we use that Public Accounts Committee instead of a committee that's appointed by cabinet, friends of the government? At least there's always the appearance that those are the people that will be appointed to it. We have a number of provisions in terms of the way the Audit Committee operates. The Audit Committee basically operates in private, not like the Public Accounts Committee, and it just surprises me that a government that purports to be about openness and accountability would embrace this secretive Audit Committee, which has no

obligation to share what they're doing with the taxpayers of the province, with the ratepayers of Alberta. So I see that as being a significant problem.

If you look at the provision for the Audit Committee, how does it operate? Section 22 says:

The Audit Committee may make rules, not inconsistent with this Act, respecting the calling of, and the conduct of business at, its meetings.

You have this little parallel process over here between the Auditor General and the Audit Committee and the cabinet, but somebody's left out of the loop, Mr. Speaker. The taxpayers of Alberta are left out of the loop. The only way that they would be introduced and brought in is if we involved a committee of the Legislature such as the Public Accounts Committee. So I think that has to be addressed.

Just to summarize, I have enormous problems with Bill 6, as I did with Bill 1, because it speaks not to a government responsibility as we know it in a parliamentary system but a transparent and I think a foolish effort to try and I guess in a very political sense to be seen to be trying to make amends for a long record of government mismanagement in the fiscal area. The second thing is that Bill 6, as my colleague from Edmonton-Centre said, ignores those key responsibilities of government. That's what government is here for. Government isn't here to present a tidy balance sheet; it's here to provide services for people that need them. Thirdly, there are some problems in terms of the machinery of this Bill to make it work. I've tried to highlight some of them, and I'm going to be interested to see what the Provincial Treasurer and his colleagues do in terms of working this up before they bring it back at the committee stage, if it gets to that point.

Thank you very much, Mr. Speaker.

THE SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thanks, Mr. Speaker. I'll just speak briefly to the Bill. In doing so, I would say that I support the principle of the Bill. However, when I look at the \$8.588 billion, it strikes me as being a questionable figure to base the debt retirement plan on and thereby throws the plan into suspicion in my mind. The Treasurer's claim of the \$8.588 billion, as I indicated, brings the whole plan into suspicion, and I would suggest that really what the Bill does is feed on the phobia that exists today in this country, in this province of deficit/debt retirement. I would commend the Provincial Treasurer, I guess, and his colleagues for capturing this phobia to further their agenda, but I would predict that that bubble will burst. I think it will burst when Albertans are hit one more time between the eyes with more horror health stories and more education experiments and more annoying Albertans forced to live and panhandle on the streets. I suggest that phobia will come to an end at that point when reality sets in.

I'd like to move on to a more analytical comment on the Bill, if I might, Mr. Speaker. I would suggest that when we look at the Bill, there has to be more accountability within the Bill. In my quick, cursory view and with my limited skills in this area there were several areas of accountability that were lacking, and I would suggest that some of these accountability tools should be included in the Bill to enhance it and make it a better Bill.

The first one I would suggest is that there should be presented quarterly reports on the progress of debt management and the retirement plan to be released in conjunction with the budget updates. These reports, as I envision them, would contain the estimated forecast statements of assets, liabilities, unmatured debt, appropriate benchmarks and targets. The forecast at that point

could be compared to the estimates, and any variances thereby could be fully explained, Mr. Speaker.

Another suggestion I would make is that annual progress reports be prepared on debt retirement and that they be included within the public accounts. They would contain information that would enable us to scrutinize the situation better. Those statements again, as I think they'd be beneficial, would include statements of the assets, the liabilities, the unmatured debt, a breakdown of unmatured debt instruments, the borrowing requirements to refinance maturities, and the likes of that.

5:10

One other suggestion I would make, Mr. Speaker, would be to make greater use of private-sector investment managers to maximize the rate of return on government assets. I don't say that with any disrespect to the government money managers. I think that when we look into the private area of money management, the experts are clearly drawn to and practising in that field. To do so would only improve our vested return.

So, Mr. Speaker, I support the Bill in principle, as I indicated. However, I would ask the Provincial Treasurer to exercise caution simply because, as the Member for Edmonton-Centre pointed out, he fails to acknowledge the difference in his quoted debts. One in New York, as Edmonton-Centre pointed out, was about \$15 billion, and in Alberta we're quoted about \$8.55 billion. So I would suggest that we're setting Albertans up for a disappointment, and I would say disappointment because the Treasurer hasn't been forthright in realistically setting a plan to deal with the realistic debt. Consequently, I would envision that the core programs in the province of Alberta will undergo another round of brutal cuts, if I could use that term. In my view, we're at that very critical point where very little in the way of cuts can be withstood further within the core programs.

The Provincial Treasurer often uses the analogy of a home budget and that they can't live beyond their means. Well, I'd like to use a similar scenario to illustrate perhaps in reverse what the Provincial Treasurer is stating. If I were to purchase a home for \$250,000, Mr. Speaker, and I were rich enough to put \$50,000 down, that would leave me with a mortgage of \$200,000. Securing that \$200,000 from the bank would be based, of course, on my potential to pay. When we have secured that mortgage and I tally up my assets and my assets come in at around \$100,000, I would then advise the bank that my net debt really is only \$100,000 because I have \$100,000 in assets, and as a consequence it's my intention to only pay \$100,000. In fact, if they didn't particularly like that, of course they could grab my assets, but they wouldn't tolerate that, and I don't think Albertans will tolerate the scenario that the Provincial Treasurer is painting in this situation as well. Albertans wouldn't buy into that situation, just as the bankers wouldn't buy into it.

I would suggest to the hon. Treasurer that he set his pride aside and have a close look at the Liberal 2020 plan. It has been recognized by many very reputable financial agencies in this province as being a very sound plan and a very desirable plan to implement. To me, in the way I view this job, it doesn't matter where the idea originates. If it's best for all Albertans, we should embrace it. I would suggest that that particular plan put forth by the Liberals is an excellent plan to address the debt. So I would ask the minister to keep that in mind, or if in fact he doesn't feel that he could accept that, that he, then, be open minded when some of the amendments come forth with this Bill to make it a stronger piece of legislation, legislation that more realistically addresses a realistic debt.

So with those comments, Mr. Speaker, I would conclude.

MR. DINNING: Mr. Speaker, I rise to close debate. I've been galvanized by a couple of my colleagues across the way to rise and make a few comments, not as exhaustive as you would want me to, though, certainly given the hour.

First of all, I must admit that Edmonton-Manning pressed a nerve, and others have echoed – it's sort of like an echo chamber over there. I will refer hon. members to Budget '94, although they may not have the documents in front of them. In Budget '94, which was brought before the Assembly on February 23, 1994, we acknowledged at that time that our net debt at the end of '94-95 would be in the order of \$15,964,000,000. It's right there: page 13, Budget '94, just so *Hansard* knows. Clearly, it spells that out on the assumption that the deficit was going to be \$1.55 billion for '94-95 and \$2.468 billion for '93-94. That's on the record. We made it clear. We told New York that, too, when we filed our prospectus with the Securities and Exchange Commission, and that was the best knowledge at that time.

Members will recall that in late June 1994 we had time to celebrate, that we took out time, about 37 minutes, to celebrate the fact that our deficit no longer was \$2.468 billion, but in fact the Auditor General audited statements that said our deficit that year was \$1.384 billion. Did we hear celebration from the other side of the Assembly? No, Mr. Speaker. You know, all we heard was hand-wringing, saying, "Oh, God, they're doing it too fast; they're doing it too fast," and "Oh, gosh, they've got too much revenue." There was angst galore on the opposite side that 2.7 million Albertans had benefited by that infusion of oil and gas and corporate tax revenue.

The fact is the Auditor General, an independent officer of this Assembly, audited the statements that showed that our deficit was at \$1.384 billion. He is now about to commence another audit, Mr. Speaker, and rather than a \$1.55 billion deficit for '94-95 we are faced with the prospect of running a \$110 million surplus. What do we hear from the yeah-but gang across there? We hear: "Yeah, but they're going too fast." "They're doing this too hard, and they've got too much revenue," is what we heard.

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

MR. DINNING: Oh, we've touched a nerve, Mr. Speaker.

Well, Mr. Speaker, may I just, then, get to Bill 6, in responding to the comments of the members across the way, which galvanizes me to say that clearly this is a Bill that does impose discipline on the Assembly. It imposes discipline on the government, and it imposes discipline on this Assembly in not allowing this government and this Assembly to run a deficit.

It's a hard thing to do. It's hard for all of us to operate under that, but we as a government are not afraid to bring forward a strong Bill that says clearly at section 2 – there is absolutely no doubt that section 2 makes it clear, and Fort McMurray will want to listen to this: "Expenditures during a fiscal year must not be more than revenue." Is greater clarity actually required about running deficits?

SOME HON. MEMBERS: No.

MR. DINNING: No, I didn't think so, Mr. Speaker. It says, "Expenditures during a fiscal year must not be more than revenue." That's as simple as it can get, and Albertans understand that simplicity, not having it locked up in some kind of shroud of legal sanctimony that other members might want us to do.

Mr. Speaker, the Member for Edmonton-Whitemud has – by George, he's finally got it. He has finally got it. Here we are.

We made it clear in May of 1993. What were we going to do? We were going to reduce our spending by \$2.7 billion.

SOME HON. MEMBERS: How much? How much, Jim?

MR. DINNING: Mr. Speaker, they want to hear it again, that we were over four years going to reduce our spending by \$2.7 billion. Why? Not as the yeah-but gang across the way would say, to hurt Albertans or to harm or undermine health or education. No. It was to ensure and secure the future of those quality health and advanced education and education and justice and environmental programs, because we were not going to ask Albertans to be exposed once again to the volatility of oil and gas. Our objective was to get our cost structure down to a point where we could afford to deliver quality programs and secure those programs in good times or in bad. But the members across the way are saying: "No. Yeah, but we can't do that." The fact is that no responsible government should do any less than that.

5:20

That's why we have taken the plan of May '93 across this province, that's why Albertans elected the Conservative government under the Member for Calgary-Elbow, and that's why they rejected the Liberals across the way under the leadership of Edmonton-Glengarry. The fact is that it is Premier Klein – excuse me, Mr. Speaker – who is leading the charge today. It is not the Member for Edmonton-Glengarry. It is not the Member for Edmonton-McClung. It is the Member for Calgary-Elbow. Albertans bought his plan. They're buying into it, and they continue to support the plan because it makes sense.

One final comment about the plan is that this Balanced Budget and Debt Retirement Act goes one step further to make sure that no government, this government having raised the bar, the standard, no government will ever be able to drop that standard.

I'd just make one final comment to the Member for Fort McMurray. You know, he talks about deficits. He talks about how he would have done things differently. Mr. Speaker, the amount of money that his party proposes to spend in their speech to the throne would take our deficit this year of \$506 million and would inflate it another \$830 million. Next year not only would they increase spending even more; they would break the law. The

members across the way stood at that hallowed hall that once served as this Legislature, McKay Avenue school, and proposed that this Legislature break the law. That's what they would do if they were in government. We will not do that, but that is what they have said.

Now, Mr. Speaker, I know that we're nearing the end. We should probably draw nigh to close debate and vote on this. I know that the Member for Edmonton-Whitemud has ferreted the Member for Edmonton-Roper out of the building so that there will not be a no vote on this. I do wish he were here so we could see at least one member stand and oppose that. Unfortunately I fear, I truly regret that that will not happen. But his opposition to this Bill is plainly on the record, and maybe, just maybe, other members across the way will vote against balanced budgets, will vote against debt retirement. But I know, having spoken with all of my colleagues, that they know what Albertans want: they want balanced budgets, and they want the debt of this province retired.

Mr. Speaker, I move second reading.

[Motion carried; Bill 6 read a second time]

THE SPEAKER: The hon. Deputy Government House Leader.

MR. EVANS: Thank you very much, Mr. Speaker. I know that all members are waiting with much anticipation for this evening at 8 o'clock, when the recharged Provincial Treasurer will yet again have an opportunity to talk about the economic future and the vision of this government. Accordingly, I would like to move that we call it 5:30 and that when we do reconvene tonight at 8 o'clock, we do so as Committee of Supply.

THE SPEAKER: The motion of the Deputy Government House Leader is that the Assembly do now adjourn and stand adjourned until the Committee of Supply rises and reports. All those in favour, please say aye.

HON. MEMBERS: Aye.

THE SPEAKER: Opposed, please say no. Carried.

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