

Legislative Assembly of Alberta

Title: **Monday, March 20, 1995** 1:30 p.m.
Date: 95/03/20
[The Speaker in the Chair]

head: **Prayers**

THE SPEAKER: Let us pray.

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

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

Amen.

head: **Presenting Petitions**

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

MR. DICKSON: Thank you very much, Mr. Speaker. I seek your leave to present a petition from 40 residents of Nanton, Claresholm, and Stavelly requesting and urging the government to ensure that no hospital beds are closed in southwestern Alberta by an unelected regional health authority without adequate consultation with residents. That makes now 1,593 residents in those three centres, sir, with that request to the Legislature.

head: **Reading and Receiving Petitions**

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

DR. NICOL: Thank you, Mr. Speaker. I'd like to request that the petition I submitted on the 15th of March concerning early childhood services and the request to have 400 hours fully funded be now read and received.

CLERK:

We the undersigned Residents of Alberta petition the Legislative Assembly to urge the Government of Alberta to ensure all Alberta school boards provide the opportunity for each eligible child to receive a minimum of 400 hours of Early Childhood Services instruction per year.

We also request the Assembly to urge the Government of Alberta to allow Alberta School Boards to use money from the Alberta School Foundation Fund to fund 400 hours or more of Early Childhood Services, as determined by the local community, so that there are no ECS user fees for 400 hour programs and so that all Alberta children have an equal opportunity or "level playing field" to succeed and compete in life by having equal access to basic educational resources.

head: **Notices of Motions**

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

MR. YANKOWSKY: Thank you, Mr. Speaker. I wish to give oral notice that after question period I would seek unanimous consent under Standing Order 40 to consider the following motion:

Be it resolved that the Legislative Assembly congratulate the University of Alberta Golden Bears basketball team for winning the CIAU basketball championship in Halifax on March 19, 1995, for the second year in a row.

head: **Introduction of Bills**

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

Bill 21 Engineering, Geological and Geophysical Professions Amendment Act, 1995

MR. FISCHER: Thank you, Mr. Speaker. I request leave to introduce Bill 21, the Engineering, Geological and Geophysical Professions Amendment Act, 1995.

The intent of the major changes proposed under this Act is to bring the public representation and disciplinary hearing process in line with the principles and policies governing professional legislation in Alberta. The changes will also establish a more formal investigative process and an appeal board with public representation.

[Leave granted; Bill 21 read a first time]

head: **Tabling Returns and Reports**

MRS. McCLELLAN: Mr. Speaker, I'm pleased first to file with the Assembly four copies of my March 13, 1995, letter to all Alberta physicians. I undertook to do this in question period on March 13, 1995.

Mr. Speaker, I am also tabling a letter from Mr. Bill Grace addressed to the hon. Member for Edmonton-Glenora in response to allegations of conflict of interest that arose in question period on March 16, 1995. This tabling is at Mr. Grace's request, Mr. Speaker.

THE SPEAKER: The hon. Minister of Family and Social Services.

MR. CARDINAL: Thank you very much, Mr. Speaker. I would like to table four copies of a document that lists the mortgages that are held by agencies funded by Family and Social Services. These agencies will be approached to have new mortgages discharged under a onetime payment of redirected welfare dollars.

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

MR. BRACKO: Thank you, Mr. Speaker. I'd like to table four copies of a letter from David Forster of St. Albert. He is upset with the Education minister's attitude towards elected officials and constitutional concerns.

head: **Introduction of Guests**

MRS. MIROSH: Mr. Speaker, I'd like to introduce to you and through you a Calgary-Glenmore constituent who is on the Alberta Association for Community Living and has just been newly elected to the executive of the Calgary regional advisory council for persons with disabilities. Mr. Earl Misfeldt is seated in the members' gallery. Would you please rise, Mr. Misfeldt, and receive the warm welcome of the Assembly.

THE SPEAKER: The hon. Member for Calgary-Mountain View.

MR. HLADY: Thank you, Mr. Speaker. I'd like to introduce to you and through you two members also from the Alberta Association for Community Living, and I commend them for their hard

work with disabled persons. I'd like to ask Vicki Sannuto and Sjaune Sherley to please rise and receive the warm welcome of the Assembly.

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

MR. ZARIWNY: Thank you, Mr. Speaker. I'm pleased to introduce to you 34 members from the Faculty of Extension, University of Alberta. Thirty-two of these are enrolled in English as a Second Language classes 2000 and 1000. Accompanying them are two teachers Miss Penny Deonarain and Mr. Sandy McIntosh. I'd ask that they rise and we give them a warm welcome.

THE SPEAKER: The hon. Member for Lac La Biche-St. Paul.

MR. LANGEVIN: Thank you, Mr. Speaker. It is my pleasure to introduce to you and through you to all members of the Assembly three fine gentlemen who are seated in the visitors' gallery. They are Mr. Dennis Duchesneau, who is the treasurer, and Tim Bear, the CEO, of the St. Paul Abilities Network, and also accompanying them is Mr. Bill Forman. He's the family advocate for the Alberta Association for Community Living. I'd like them to rise and receive a warm welcome.

THE SPEAKER: The hon. Member for Red Deer-South.

MR. DOERKSEN: Thank you, Mr. Speaker. I'd like to introduce to you and through you to the members of this Assembly grade 8 students from the Red Deer Christian school in Red Deer. Accompanying the students are their teacher Mrs. Michele Darnell and parent helpers Mrs. Joann Montgomery and Mr. David Krajca. We'd ask them to stand and please receive the warm welcome of this Assembly.

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

MR. CHADI: Thank you very much, Mr. Speaker. I'd like to introduce today to you and through you to members of the Assembly 19 members of the Millwoods Society for the Retired and Semi-Retired. They are accompanied today by Mrs. Surinder Samra. They are in the public gallery. I'd ask them all to rise and receive the warm welcome of this Assembly.

head: **Ministerial Statements**

Adult Learning

MR. ADY: Mr. Speaker, five months ago today I rose in this Assembly and introduced New Directions for Adult Learning in this province. One of the cornerstones of this new direction is to build a system of adult learning that is more responsive to the needs of the individual learners and to the social, economic, and cultural needs of the province. To this end, we committed ourselves to introduce a new credential, the applied degree, to be implemented on a demonstration basis as a new and innovative means of preparing Albertans in the rapidly changing economy and the workplace.

1:40

Mr. Speaker, this government believes that a well-prepared and motivated workforce is key to Alberta's economic future. Historically public colleges and technical institutes have played a significant role in responding to the needs of the province's

economy with career and technical programs. Albertans would be further served if the colleges and technical institutes had greater flexibility to maintain their relevance to the economy by offering more in-depth programs that include a significant, credited, work experience component. It is our intention that the applied degree will go a long way to achieving this.

The first four programs I am announcing today are significant because they are unique in this country and perhaps on this continent. Their implementation is conditional upon approval of Bill 2, which will provide the necessary authority to our colleges and technical institutes to grant applied degrees. Each of these degrees will combine six semesters of formal instruction with an accredited work experience component of at least two semesters. This will ensure that knowledge and skill competencies identified by potential employers are met. These applied degree programs meet the needs of the learner and the economy and involve employers in program design, delivery, and the cost of the work experience component. I believe these new credentials are an important step in breaking down the cycle that so many students face: they can't get a job because they don't have the experience, but they can't get the experience because they don't have the right academic credentials.

Today I am approving in principle four applied degrees. They are, first, a bachelor of applied forest resource management at Grande Prairie Regional College; second, a bachelor of applied petroleum engineering technology at the Southern Alberta Institute of Technology; third, a bachelor of applied communications at Mount Royal College; and fourth, a bachelor of applied small business and entrepreneurship at Mount Royal College.

Decisions for funding these programs will be made by the Access Fund Advisory Committee this May. Given your support for Bill 2, these programs will commence this fall. I look forward to following their implementation and development closely.

Thank you, Mr. Speaker.

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

DR. MASSEY: Thank you, Mr. Speaker. The applied degrees announced today are a move in the right direction. We are particularly pleased to see these innovative degree programs being offered not only at colleges in Grande Prairie and Calgary but for the first time at one of our institutes, the Southern Alberta Institute of Technology. This is an important move in increasing accessibility and recognizing a wider range of student interests and capabilities.

As pleased as we are with this action, we would remind the minister that credentialing in this province is still a whimsical, ad hoc, and unrationalized affair. Seeking degree-granting status has been a frustrating experience for many institutions in the past who have seen their aspirations blocked by bias and a hidden playing field. The government, for its part, has seemed paralysed by the unexpressed fear that if more institutions granted degrees, it would cost the treasury more money. There has also been the fear among some institutions that somehow standards would drop. Experience elsewhere would seem to render the latter anxiety rather groundless.

As recently as last week we recommended to the minister and continue to recommend the creation of an independent credentialing body that would set and make public standards for degree granting. Patterned after the British model, colleges, institutes, and universities would know exactly the academic and technical qualifications needed by staff, the quantity and nature of instruc-

tional resources that must be in place, and the facilities required if degree granting is to be sanctioned. Such an agency would ensure that standards remain. It would ensure, among other things, that Alberta degrees were recognized elsewhere and that program components were transferable to other programs both within and beyond the borders of this province. Incidentally, the latter is a step I hope the minister can assure students he has taken before these first four degrees were approved.

Thank you.

head:

Oral Question Period

Regional Health Authorities

MR. MITCHELL: Mr. Speaker, Alberta's regional health authorities control a total budget of over \$2 billion annually, yet these nonelected boards have absolutely no obligation to release their budgets publicly until after they've spent all the money. These appointed boards even have the right to requisition elected municipal officials for taxpayers' money. My question is to the Minister of Health. Why won't the government release the budget documents for all of Alberta's regional health authorities to show Albertans how much of their money is going to be spent before it's actually spent? What's she afraid of?

MRS. McCLELLAN: Mr. Speaker, first of all, it is not required that the regional health authorities submit their budgets to the minister either; however, they do have a budget they must live within. I want to remind the hon. member of where we've come to with the regional health authorities and the release of information. Previous boards, some 200 of them – some appointed, some elected, some partially elected and partially appointed – were only required to submit an audited financial statement. That's all the requirement was, with the exception of seven provincial hospitals which we required to submit their statements, which were tabled in the Legislature.

The Regional Health Authorities Act requires each authority to submit an annual report which will include their audited financial statements and remuneration and benefits that are paid to members, officers, and senior employees. It will also require that it have in it other performance information that's specified in the regulations. So I would say that we have moved a great deal forward in the introduction of the Regional Health Authorities Act. We have given them budgets and tabled in this Legislature a three-year fiscal plan for health spending targets for each region. I think we've moved a long way forward in the requirements that we have on regional health authorities today as to what we had on our hospital boards or health unit boards in the past.

MR. MITCHELL: How can it be, Mr. Speaker, that when all government departments are required to submit their budgets prior to the coming fiscal year, regional health authorities don't have to submit any of their \$2 billion worth of annual budgets until the end of the year, after it's been spent? It's not good enough to say that the problem was bad before and it's just a little less bad now.

MRS. McCLELLAN: Mr. Speaker, the regional health authorities are not a department of government. The hon. member may not have thought of that. A number of departments of government allocate grants and do not require a prior budget on them. What we have done, though, is given each regional health authority a budget and some guidelines and said: you live within these budgets. There are some requirements on some of those

budget dollars. For example, regional health authorities cannot move community dollars into acute care or long-term institutional care. But other than that, we've said that we've got 17 regional health authorities who have, yes, appointed boards but boards who are made up of fine people in their communities: these are your budgets, and you deliver the health care in your region in the way that you know best. I mean, we do believe that people in the region maybe know a little bit more than someone who happens to sit in an office in the capital. They are expected to conform to the Alberta health goals that we have accepted and to the business plan that has been laid out by Alberta Health and by their own business plans.

1:50

MR. MITCHELL: Mr. Speaker, how can there be any accountability in health care expenditure in this province when the minister hands regional health authorities 20 percent of the government's total budget, the health authorities aren't elected, and the Premier and the minister say: none of our business; it's all to do with the regional health authorities? How do you get any accountability under that system?

MRS. McCLELLAN: I will try one more time. We have accepted in this province health goals for Albertans. We have accepted those. We have laid out a three-year business plan for health in this province. We laid out the first one a year ago and another one about a month ago. We have asked each regional health authority to submit a business plan. Those have been tabled, as well, Mr. Speaker, and those business plans clearly lay out the direction for delivering health services in each of those regions. By the 1st of April each regional health authority will be operating in their region and delivering services. They are accountable to the minister for their budgets, and I believe it is the minister and this department that are accountable to the Legislature in this Assembly.

MR. MITCHELL: Business plans, business plans. I bet NovAtel had a business plan, Mr. Speaker.

Health Care Layoffs

MR. MITCHELL: Nurses, lab workers, and other health care professionals are losing their jobs because of this Premier's and this minister's policies, Mr. Speaker. The frontline workers, however, receive no guaranteed severance packages, but it's a totally different experience when a highly paid administrator who's received yearly salaries of over \$200,000 loses his job. Apparently, the former president of the University of Alberta hospital will receive a huge severance payment. To the Minister of Health: since regulations require that the Minister of Health has to approve all severance packages given to any hospital employee, could the minister please give us some idea of exactly how much this golden handshake to the former president of the University of Alberta hospital will amount to?

MRS. McCLELLAN: When I spoke with the Council of Chairs regarding severance for senior officials, I told them that obviously they would have to honour existing contracts. I would remind the hon. member that many of those contracts were made by elected hospital boards as well as some appointed hospital boards. Mr. Speaker, if a hospital board put forward a severance package, the minister must approve it before it goes forward. What do I look for? I ensure that it does not exceed industry standards or the

terms of the contract that were laid out. I think this is the important point. We do have to honour all contracts that we have. As far as the other workers the member is alluding to, they negotiated their contracts as well, and they expect their contracts to be honoured.

MR. MITCHELL: That's all very well and good, Mr. Speaker, but I wonder if the minister could have just answered one question: how much is that administrator receiving in a severance package? Is it going to be in the order of half a million dollars, which is what we've been hearing?

MRS. McCLELLAN: Mr. Speaker, I would caution the hon. member to ensure that he has factual information. I do not have that information. I don't throw numbers around and damage people's personal affairs by doing so, and I don't intend to do that today.

MR. MITCHELL: The only personal affairs that are going to be damaged by that realization will be the minister's.

How can the Minister of Health justify big payouts to hospital administrators who are losing their jobs at the same time that the Premier promises nurses severance packages and then turns around and reneges on that promise?

MRS. McCLELLAN: Mr. Speaker, I have to point out one more time that the contracts were entered into for senior officials, and contracts were entered into by other workers as well. When I spoke with the Council of Chairs, I told them that obviously there were contracts there that were written by elected boards in many cases and obviously some appointed, but I did caution them that these severances were not in excess of industry standards. I just have to remind the hon. member again that we expect people to honour contracts in this Assembly, and this minister certainly expects that those contracts would be honoured both for senior officials and workers.

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

Mastectomies

MRS. SOETAERT: Thank you, Mr. Speaker. This government's attack on women becomes more and more pronounced with each passing day. Now we learn that total mastectomies are considered simply day surgeries in this province, meaning a woman gets sent home within a few short hours of having her breast removed. My questions are to the Minister of Health. How can you continue to hide behind your regional health authorities while women who go through the most mentally and physically frightening surgery of their lives are kicked out of hospital in just a few short hours?

MRS. McCLELLAN: Well, Mr. Speaker, surely the hon. member does not believe that the Minister of Health should set out the guidelines for discharge or for medical procedures in our hospitals. We depend on physicians, experts, as well as clinical staff at the hospital to determine when a person should be discharged. No physician in this province would discharge a patient before they felt that person was ready to be discharged.

MRS. SOETAERT: My second question to the minister: is this a new performance measure to see how fast we can kick people out of hospital right after major surgery?

MRS. McCLELLAN: Mr. Speaker, those comments are totally outrageous and ridiculous. The Minister of Health does not determine discharge patterns in hospitals. A physician and a clinical staff in a hospital determines their guidelines and their protocols for release of patients. To suggest anything else is simply wrong.

MRS. SOETAERT: What's outrageous is the way this government treats women.

My final supplemental to the Minister of Health: will you intervene immediately so that women undergoing total mastectomies receive comprehensive home support for both their physical and emotional needs and for their families?

MRS. McCLELLAN: Mr. Speaker, I do not have to intervene to assure this because there is already that mechanism in place. What is outrageous is that members would suggest that physicians and clinical staff are somehow placing an attack on women by releasing them from hospital early. That is simply not true.

Mr. Speaker, I would ask the hon. member to bring forward any documentation that she might have that shows that the Minister of Health has directed hospitals to release women with mastectomies the same day.

THE SPEAKER: The hon. Member for Calgary-Mountain View.

Managed Health Care

MR. HLADY: Thank you, Mr. Speaker. My questions are on accountability in health care as well but from a little different approach than the Leader of the Opposition. Accountability in our health care system is a question that is coming more and more into focus. To create an accountable health care system there either has to be a responsibility for the utilization on the patient/client or managed control of utilization by the people receiving money from our health care system. To the Minister of Health: given that the Canada Health Act does not allow for individuals in our society to be fiscally responsible for their own health but the Prime Minister suggests that we can't afford our current system and the system may change, will the minister commit to full discussion with individual doctor groups about introducing managed health care to Alberta?

2:00

MRS. McCLELLAN: Well, Mr. Speaker, I will certainly agree with the hon. member that accountability is extremely important. I guess in the preamble there was a reference to fiscal accountability or responsibility, and that is true. Under the Canada Health Act all medically required procedures that are insured procedures are paid for by the province. The issue of managed care has been raised certainly by the Alberta Medical Association. However, as it is a part, I understand, of negotiations, I would prefer not to speak directly to that. I would say that we're very willing to look at alternative methods of paying physicians. We're perfectly willing to have those discussions with the Alberta Medical Association, and managed care is one option in that.

MR. HLADY: To the same minister: by introducing fiscally managed health care, would we not save a great deal of money on administration?

MRS. McCLELLAN: Mr. Speaker, when we look at accountability and personal responsibility, yes, we could look at

ways, certainly, of better utilization and, in that way, cost savings. We do not spend an excessive amount of money in this province, indeed in Canada, on administration. The real key benefits, though, I think, of looking at utilization and personal responsibility are incentives for not having unnecessary services provided. I think those are discussions that we should have with the public and with the AMA.

MR. HLADY: Will the minister look at managed health care with other health groups as well, other than the doctors?

MRS. McCLELLAN: Mr. Speaker, our government has plainly said that we would look for innovative ways to deliver services, that we would look for new ideas. Certainly I would be prepared to review with any group a new and innovative way of delivering services, and managed care could be one of those.

THE SPEAKER: The hon. Member for Sherwood Park.

Special Places 2000

MR. COLLINGWOOD: Thank you, Mr. Speaker. Once upon a time the government of Alberta committed to protecting representative natural regions and subregions in Alberta under the World Wildlife Fund Endangered Spaces program. In Alberta we were going to call these protected areas special places. With the government adopting a watered-down version of this plan, it looks like Special Places 2000 was a fairy tale with a sad ending for Albertans who thought the government was serious about this program. To the Minister of Environmental Protection: if these protected areas are going to be available for development, including oil and gas development, why will you continue to call these protected areas special if you're not going to treat them as special?

THE SPEAKER: The hon. Minister of Environmental Protection.

MR. LUND: Thank you, Mr. Speaker. Obviously the hon. member has been doing his research in the newspapers again. We are working very hard to come forward with a program, Special Places 2000. We will be meeting our commitment to have a program in place by the 1st of April. We'll be making an announcement right shortly. Certainly at that time it would be fitting to comment on the paper.

THE SPEAKER: Supplemental question.

MR. COLLINGWOOD: Thank you, Mr. Speaker. I'd use the new version of the record of decision, but the minister hasn't released it.

My second question to the Minister of Environmental Protection: what was your rationale in accepting the recommendation that economic development, not tourism but economic development, be the new cornerstone for the Special Places 2000 program?

MR. LUND: Mr. Speaker, obviously the hon. member didn't hear what I said. Currently a question like that is purely hypothetical. We will be announcing very shortly the program of Special Places 2000.

MR. COLLINGWOOD: Mr. Speaker, to the same minister: why would anyone come forward and nominate an area for Special Places 2000 under this proposal that has been approved by

cabinet when the process allows your appointed local committees to refuse to negotiate the development of a management plan for that area?

MR. LUND: Mr. Speaker, we are working very hard on putting together a program, working out the details. We will be announcing it very shortly.

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

Hunting Licence Auction

MR. DUNFORD: Thank you, Mr. Speaker. My questions are to the Minister of Environmental Protection. One of the interesting items about being able to be let loose in the constituency on Fridays is what is going on in the local coffee shops, and this Friday JB's was abuzz about the auction of the bighorn sheep and the quarter million dollars. It raised this question to the minister: what was the outcome of the auctions on the other animals?

MR. LUND: Mr. Speaker, there is only one other permit being auctioned, and that is for an elk. That particular one was auctioned off about three weeks ago and sold for \$23,000 American.

MR. DUNFORD: Supplementary question, Mr. Speaker. Will any professional staff, in either the private sector or the public sector, have their salary supported by these auctions?

MR. LUND: Mr. Speaker, 15 percent of the money that's raised from the auction of these permits will be taken and can be used for the advertisement of the program. If in fact there is money left out of that 15 percent, it goes to the Federation of North American Wild Sheep. They do all kinds of projects for wildlife enhancement and management, and Alberta would be eligible to apply under that program. The rest of the money will be used for wildlife habitat enhancement and wildlife management. Now, of course with any program there are some planning and administrative costs, and those could be included in the program that would be financed under the sale of these permits.

THE SPEAKER: Final supplemental.

MR. DUNFORD: Yes, Mr. Speaker. Again to the same minister: given that my constituents can support the current program as constructed, what assurances can I give them that this program, however, will not be escalated?

MR. LUND: Mr. Speaker, we've just so far been speaking of the two permits that have been auctioned. There are two permits that will be in a lottery form in the province of Alberta for Albertans for a total of four permits: two sheep, two elk. There is absolutely no intention of expanding the program. As a matter of fact, if the program were expanded, it would take away from the uniqueness of the program and would defeat the purpose of the program.

THE SPEAKER: The hon. Member for Redwater.

Logging on Private Land

MR. N. TAYLOR: Thank you, Mr. Speaker. Also to the same minister. He's very popular today. The government does not seem to understand that to prevent environmental damage from logging, it is not good enough to record where the logs come from or where they are sold or to count the trucks. Even the

Minister of Environmental Protection must understand that it is difficult to stop damage once a tree is cut. So it is just common sense to have a process that starts by determining whether a tree should be cut or not. On the private lands will the minister replace the current system of checking after the trees are cut to one where the landowner needs to get environmental permission for a logging plan before they are cut?

MR. LUND: Mr. Speaker, we are working out the details of a new process that would in fact require the landowner to apply and receive a permit. What this will do is allow us to give them some information relative to the environment and how important it is that the banks of streams be preserved, how important it is that they do not log on steep slopes, those kinds of things. It will also allow our people to have a look at the site before there is any environmental damage.

Incidentally, Mr. Speaker, it's really interesting that on the sites our people have been checking – and they've been numerous – they have found no environmental damage.

2:10

MR. N. TAYLOR: Mr. Speaker, he's showing some signs of coming awake, but a tree cut this winter will not have any damage now. Wait awhile.

Will the government ensure that a permit is issued not to the hauler but to the landowner and only issued after conditions have been set to ensure that there are no negative environmental impacts from the logging?

MR. LUND: Well, Mr. Speaker, I guess the hon. member must feel that the agricultural people absolutely have no responsibility, and nothing could be farther from the truth. People that have grown up on the land and have had to rely on the land for their livelihood are not going to go out and destroy the land. The hon. member seems to think that every farmer is out there clear-cutting all of their timber. Well, my department tells me that about 70 to 75 percent of the timber that's been harvested on private land is selective logging. As a matter of fact, a number are using horses.

MR. N. TAYLOR: Mr. Speaker, we're not talking about the responsible ones. They may have even voted Liberal, for all we know.

Since Albertans are concerned about the long-term supply of timber in Alberta, will this newly established task force – and I see you have the three of them there, Three Blind Mice – come up with ways of reforesting the land that has already been so unwisely logged?

MR. LUND: Mr. Speaker, the last time that we did a check on the roads, we discovered that about 75 percent of the logs were coming off Indian reserves. We have no control whatever over the lands that are occupied by Indian reserves. I just described to the hon. member that another 75 percent of the cutting is selective logging. If the hon. member would like to come out to my farm, I can show him where we selective logged 15 years ago, and if there's environmental damage, I would sure like him to show me.

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

Women's Shelters

MRS. LAING: Thank you, Mr. Speaker. My question is for the Minister of Family and Social Services. The minister has said

that paying off the mortgages of shelters may be one way to redirect the savings achieved from his welfare reforms. Would the minister tell the Assembly if he has made any decisions regarding these mortgage payments?

THE SPEAKER: The hon. minister.

MR. CARDINAL: Thank you, Mr. Speaker. I indicated to this Assembly about two weeks ago that I would look at ways of redirecting some of the welfare dollars that were saved from the welfare reforms and found that when we reviewed the women's shelters in Alberta, the interest rates presently paid by the women's shelters were considerably lower than what the province can borrow at. Therefore, it wouldn't have been a wise investment to pay off those particular mortgages. In fact we will be assisting a women's shelter in Lloydminster and one in Whitecourt with the construction costs of new shelters, which means that they will not be taking out mortgages.

With the remaining dollars that were committed to this particular program, we will be paying off mortgages for facilities that provide child welfare services and services to persons with disabilities. We found that these particular mortgages were considerably higher than what we can borrow money at. Therefore, it was wise to pay off those mortgages.

THE SPEAKER: Supplemental.

MRS. LAING: Thank you, Mr. Speaker. To the same minister: can the minister please tell the Assembly how much money will be spent on this initiative?

MR. BRUSEKER: Anticipation.

Speaker's Ruling Anticipation

THE SPEAKER: Order please. There is this question of the estimates of this department being discussed later today, and this is certainly a financial question. I think we'll have to move on.

Video Lottery Program

MR. WICKMAN: Mr. Speaker, when slot machines were introduced in this province, there was a clear impression that licensed premises would each get up to 10 of the money gobblers, but with multiple licensing being approved, we now have situations of vast numbers of machines under one roof, such as the instance with the Nisku truck centre. To the minister responsible for lotteries: will the minister inform this House as to why his government has allowed for the conversion of hotels into casinos?

DR. WEST: We have not, Mr. Speaker.

MR. WICKMAN: Mr. Speaker, the minister has a habit of chopping everything around him. It's not surprising that he chops his answers.

Mr. Speaker, to the same minister: will the minister inform this House as to whether the Nisku truck centre has applied for yet another licence?

DR. WEST: Mr. Speaker, there are probably applications in for another anywhere from 600 to 800 VLTs. They come from across this province. I don't review them on an individual basis. They're done through the lotteries review process at the council

level. As I say, I'm not denying that there's an application in from this operation, but I have no knowledge of it at the present time.

MR. WICKMAN: Mr. Speaker, my last question to the minister: will the minister confirm that these slot machines are netting hotel owners an average of \$10,000 per year?

DR. WEST: Mr. Speaker, I don't know what each individual hotel averages in that sense. Out of every \$100 dollars that's spent at a machine, roughly \$70 goes back to the winner, \$25 comes to the government, and \$5 goes to the operator. So if you can go in to an operation and ascertain – the average expense per week per machine is \$1,471 at the present time, just take that \$5 out of every \$100, and multiply that by how many machines they have, and multiply it by that many weeks in a year, and you'll come up with the exact answer.

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

Seniors' Programs

MR. AMERY: Thank you, Mr. Speaker. My questions are to the minister responsible for seniors. The minister promised Alberta seniors that he would introduce an appeal process to ensure that they do not fall through gaps created by changes to seniors' programs and services. The seniors in my constituency are asking: when will this new appeals process be up and running, and why has it taken the minister so long?

THE SPEAKER: The hon. Minister of Community Development.

MR. MAR: Mr. Speaker, thank you. The hon. member correctly states that I did make that promise to make sure that people weren't falling through the cracks. The Alberta seniors' benefit program, of course, is still relatively new, and it continues to evolve. When I introduced it last July, I did make the commitment that there would be an appeals process put in place to make sure that there wouldn't be people who would be falling through the cracks.

From the outset of the program, Mr. Speaker, we have had an internal appeals process all along that has been operated through people in my department. That appeal process has had some direct impact on changes to the programs such as the raising of income thresholds for one-senior couples, but in the near future in accordance with one of the recommendations that was made by the seniors' benefit review panel, we will be looking at an arm's-length appeal process, and we'll be announcing the details of that shortly.

THE SPEAKER: Supplemental question.

MR. AMERY: Thank you, Mr. Speaker. Will the minister, then, please explain to us the parameters of the new appeals process?

MR. MAR: Well, generally speaking, Mr. Speaker, the process is designed to help seniors who are experiencing serious financial difficulty as a result of cumulative impacts of changes that seniors are experiencing in programs from various departments. While those parameters are important, I think the most important thing to recognize is that there must be flexibility in the process. We've got to recognize that the circumstances of each of the over a quarter of a million seniors that live in this province are unique, and that will certainly be taken into account.

2:20

THE SPEAKER: Final supplemental.

MR. AMERY: Thank you, Mr. Speaker. What has the minister done so far to get seniors involved in designing the new appeals process?

MR. MAR: Well, Mr. Speaker, I've said from the very beginning that we would involve seniors and listen to seniors and hear their concerns about how we can serve them better, and that is included in our changes to this new appeal process. What we've done is that we've listened to the seniors' benefit appeal panel and their recommendation to create an arm's-length appeal process. Additionally, of course, members of my staff have been meeting with members of the interagency council which acts as an umbrella group for seniors groups throughout the province. Thirdly, we've had direct input from seniors who have written to my office or written to the department, and many of those very constructive comments have been employed in making changes to our program and with respect to this appeal process. Finally, we've of course used the input that has come from the existing appeal process to make changes and to smooth out some of our concern areas.

THE SPEAKER: The hon. Member for Lac La Biche-St. Paul.

Disabled Persons' Programs

MR. LANGEVIN: Thank you. Mr. Speaker, families with children who have learning disabilities and community organizations that look after people with disabilities are concerned with the government's proposal to move services for persons with disabilities to Alberta Health. These people have a learning disability and not an illness requiring health care. In many instances these people are much better off in group homes in their own communities than being placed in large institutions. I would like to table 92 letters addressed to the Minister of Family and Social Services expressing this same concern. My first question is to the same minister. Will you commit to have a full discussion with the Alberta Association for Community Living before implementing any change in this area?

THE SPEAKER: The hon. Minister of Family and Social Services.

MR. CARDINAL: Yes, Mr. Speaker. We will commit, of course, to consult with all people that are interested in the process. It's a very complicated and sensitive issue, and I know a lot of people are interested in making sure that it works well in the future.

The third phase of the welfare reform package, of course, was persons with disabilities. A committee was struck close to two years ago and developed the first two phases of the community support model. The third and fourth phases of that particular process are under the jurisdiction of the Minister of Health, and no doubt she may want to supplement after I get done. Those third and fourth phases, of course, will come up with a detailed plan and design and implementation time lines, of course keeping in mind, only if we can provide a better service than what is out there right now.

We do have a high quality of service. We're spending over \$430 million in that particular area. It's a very sensitive area, and it needs careful planning and careful attention. Therefore it will take time to implement. You can be assured that it will only go forward if it's a better process than what we have in place now.

THE SPEAKER: Supplemental question.

MR. LANGEVIN: Thank you, Mr. Speaker. My second question is to the Minister of Health. Why would the government promote this change when the costs will be higher under Alberta Health and the service is much better under community organizations?

MRS. McCLELLAN: Mr. Speaker, I think the hon. Minister of Family and Social Services outlined the original work that was done developing the model for community supports. Certainly one of the concerns we have heard, and I think very legitimately, is a concern that the focus would be on a health or a medical model rather than on the community model. Also I think we have to recall that what people told us when we were developing this was that there are so many services in so many different government departments with different sets of rules that it was very difficult for people to access those services. So what they really asked was: put it in a co-ordinated fashion so that we make the access for persons with disabilities as eased as we can. That is the model.

While the program leadership is with Alberta Health, we have a committee that's been struck, and there are people from all areas on that committee to bring us forward recommendations as to what programs should be in the community supports model. I think that's the important thing: that we get that input from those people who are directly advocating on behalf of persons with disabilities.

THE SPEAKER: Final supplemental.

MR. LANGEVIN: Yes. Again to the Minister of Health: would funds transferred to the local regional health boards be conditional or unconditional in this case?

MRS. McCLELLAN: A very good question, Mr. Speaker. Those funds are conditional. They will not be allowed to be used in any other way or rolled in. However, regional health authorities can use additional funds for that program.

Charitable Fund-raising

MRS. ABDURAHMAN: Mr. Speaker, the Public Contributions Act was found by the Alberta Court of Appeal to be in violation of the Charter of Rights. This came about as a result of litigation funded by Great West Entertainment Ltd., who received substantial financial gain from raising money for charities. Legitimate charities are extremely concerned that this government is allowing private companies to take advantage of charities. My question is to the Minister of Municipal Affairs. Why is this government even considering allowing private-sector companies to exploit charities by taking as much as 90 cents out of every dollar raised?

THE SPEAKER: The hon. Minister of Municipal Affairs.

MR. THURBER: Thank you, Mr. Speaker. The hon. member is making quite an assumption that there are private companies taking 90 percent of the fund-raising for their operational funds. The main crux behind the new Charitable Fund-Raising Act is to make sure that if these people happen to be coming forward and trying to take 90 percent, they must tell the person at the door that they're trying to get the funds from what percentage of that money goes into administration and what percentage of that money actually goes to the fund that they're raising that money for.

MRS. ABDURAHMAN: Mr. Speaker, supplementary to the same minister: why is there no prior approval or a simple police check for all parties involved in fund-raising?

MR. THURBER: Well, Mr. Speaker, I guess you could go to a police state on everything, but that's not the policy of this government. We believe that if people are knowledgeable at the door when they're being asked for funds, if they know where this money is going, who's going to receive it, and have a guarantee that that money is going to actually go to that particular fund-raising organization or that particular charity, the people have a better way of making their decision at that point in time.

MRS. ABDURAHMAN: So it's all right to exploit Albertans; is it?

To the same minister: recognizing that the input from charitable organizations has been totally ignored, will you do the right thing now and withdraw Bill 15, the Charitable Fund-Raising Act?

MR. THURBER: Mr. Speaker, no, I'm not going to withdraw the Act. The other thing is that there's been a large amount of consultation on this before we ever put it down on paper because of the court decision.

MRS. ABDURAHMAN: No. You haven't listened to right person.

MR. THURBER: Did you want to hear the answer or do you want to ask the question again?

Mr. Speaker, we do know that the base reason was because of the court challenge under the Charter of Rights and Freedoms, and we have dealt with that in the legislation. If there are other items that need to come forward, certainly the organizations can bring them forward, and they have done so.

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

Team Alberta Jackets

MR. ZWOZDESKY: Thank you, Mr. Speaker. Alberta recently hosted the 15th Canada Games in Grande Prairie and Jasper a few weeks ago and quite successfully too, but while the athletes were there playing sports, it seems the Minister of Community Development may have been there playing politics. I want to table four copies of page 10 of the official VIP handbook for the 15th Canada Games, wherein it clearly states that the official provincial colours for Team Alberta are "white and royal blue with grey trim." My question . . . [interjections] Hang on. It's coming. Give him time to prepare. I understand.

Mr. Speaker, my question is to the hon. Minister of Community Development. Why did the minister add the colour orange to the Team Alberta jackets that he distributed up there?

2:30

MR. MAR: Mr. Speaker, in the province of Alberta that's a very popular combination of colours.

MR. ZWOZDESKY: A lot of people seem to think that may have been political opportunism.

However, my supplemental question to the Minister of Community Development is this: were these jackets that bear the logo Team Alberta and the colour orange officially authorized by the Canada Games to carry that logo and those particular four colours?

MR. MAR: Not only for these games, Mr. Speaker, but also for the Arctic Winter Games.

MR. ZWOZDESKY: Mr. Speaker, I simply wish to know how many of these jackets were made, at what cost, who paid for them, and who received these Team Alberta jackets? [Mr. Zwozdesky held up a Team Alberta jacket]

THE SPEAKER: Order. [interjections] Order. The hon. member should know that we don't use exhibits in the Assembly. It's totally out of order.

MR. ZWOZDESKY: My apologies, Mr. Speaker.

MR. MAR: Mr. Speaker, those jackets were paid for by the department.

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

Seniors' Boardinghouses

MRS. HEWES: Thank you, Mr. Speaker. On Thursday of last week the Leader of the Opposition asked the Minister of Health about the plight of senior residents in the West Park nursing home in Red Deer. The Minister of Health replied:

I am sure that the hon. member would not want people living in an institution that did not have the health and safety factors in it that we require in our very high standards to care for our frail and elderly.

That's page 631 of *Hansard*, Mr. Speaker. The minister is quite correct. On this side we want to see high health and safety standards for our frail and elderly in all circumstances: in institutions and, yes, in boarding homes and in group homes as well. My first question is to the Minister of Family and Social Services. The Minister of Health says that high standards are necessary for the frail and elderly in Alberta. The Minister of Family and Social Services and the minister responsible for seniors say that no standards are necessary. Now, Mr. Minister, I'd like you to tell me how you justify such an obvious inconsistency.

MR. CARDINAL: I mentioned earlier in this House that we are reviewing the whole area of persons with disabilities, which could include programs for some of the seniors because the programs do overlap a bit. At this time in fact my deputy minister is meeting with other deputy ministers to review the whole process as to what may be required if changes need to be made, Mr. Speaker. I can assure the hon. member that we will continue redirecting dollars to the most needy, and if this is the area where it is required, then we will put dollars in there.

MRS. HEWES: Mr. Speaker, we're not talking about putting dollars in; we're talking about action. Your own Member for Calgary-Bow has quite correctly raised this as well.

I need to know not what the minister is reviewing; I need to know what action the minister has taken to ensure that seniors living in boardinghouses will be guaranteed some minimum form of health and safety standards, the same as the Minister of Health speaks to.

MR. CARDINAL: Mr. Speaker, we do have regulations now when more than five individuals are looked after in a facility, and we are reviewing if those standards are sufficient at this time. If they are not sufficient, then we will make the necessary adjustments as required.

You know, we have to be careful. If individuals look after their grandparents, do they have to have provincial standards to look after their grandparents or parents? Those are very sensitive issues. I don't think individuals out there would want us to legislate or put in regulations to look after their parents. We will, of course, very closely monitor what's out there now.

Mr. Speaker, before I close off, I would like to ask the hon. member who put the question forward: what is the recommendation on that from the Liberal caucus? They do have a social policy, and they have a responsibility also to participate in design of programs.

MRS. HEWES: I'm glad you asked that, Mr. Minister.

My last question is to the Minister of Health. What representation has the minister made to the Minister of Family and Social Services on behalf of seniors and the Seniors Advisory Council? I'd like to table the recommendations of the Seniors Advisory Council to the Minister of Health, which is exactly what we on this side of the House believe needs to happen.

MRS. McCLELLAN: Mr. Speaker, I'm pleased to say that the Minister of Family and Social Services and the Minister of Health and the minister responsible for seniors have had extensive discussions over this issue, as well as including the Minister of Municipal Affairs. We're very pleased at the initiative that the Seniors Advisory Council took on guidelines. I think they're well developed and have been asked for by a number of areas.

Mr. Speaker, I believe the minister quite rightly responded to this question in saying that he is reviewing, his department is reviewing whether there need to be additional guidelines in any area. Certainly we ministers are collectively available to work with him on that issue.

THE SPEAKER: The time for question period has expired. The hon. Minister of Health has indicated that she wishes to augment the answer to a question that she gave last Thursday to the hon. Member for Edmonton-Glenora.

Capital Regional Health Authority

MRS. McCLELLAN: Thank you, Mr. Speaker. I would like to provide supplementary information to a question raised on March 16, 1995, by the Member for Edmonton-Glenora. The member asked me at that time to "unappoint" Bill Grace from the Capital health authority due to what he called a "blatant conflict of interest."

Mr. Speaker, the insinuation that Mr. Grace acted inappropriately is misguided, it is wrong, and it is incorrect. It is damaging to the Capital health authority and to Mr. Grace. Mr. Grace has written to the Member for Edmonton-Glenora and requested that I provide a copy to all members of the Legislative Assembly of this letter which I tabled earlier today. The letter clearly outlines the facts in this matter and shows that Mr. Grace did not violate any conflict of interest guidelines.

These key facts are important. One, Mr. Grace does not have any financial interest with the firm of Price Waterhouse. He retired in May of 1994. Two, the awarding of the information systems contract outlined in the March 7, 1995, Capital health authority minutes was done through a competitive tendering process. Mr. Grace operated within the guidelines laid out by the province and the Capital health authority. I am filing four copies of the Capital health authority conflict of interest guidelines from their bylaws as well as the guidelines provided to all regional health authorities. I am surprised that the member did not

research this matter. Mr. Speaker, I believe this highlights the importance of checking facts thoroughly before using them in the Assembly. It is something we should all be aware of. Incomplete information can be misleading and damaging to individual Albertans. A number of times this has occurred . . .

2:40

THE SPEAKER: Order please. I think now the hon. minister is entering into the purview of the Chair, and the Chair would like to say something before that.

But before that, the hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you, Mr. Speaker, and I want to thank the minister for bringing forward the supplementary information. I, too, received a copy of the correspondence from Mr. Grace to myself this morning wherein Mr. Grace sets out the facts of his involvement in this particular decision. It was not my intention to defame Mr. Grace or suggest that he personally benefited from the moving of the motion in question. Now, I withdraw any inference that his actions were motivated by self-interest, and I apologize to Mr. Grace if my comments have caused him any personal distress. But I will add that prior to asking the question, I attempted to contact Mr. Grace at his office at Price Waterhouse. I was informed by his secretary that he wasn't available at that particular time.

Mr. Speaker, this issue is not about whether Mr. Grace is a good or a bad appointee to the health board, and it's not about whether Mr. Grace is doing a good or a bad job. This is about whether or not the Minister of Health is aware of the potential for conflicts of interest, particularly in the perception of the people of this province, when the health system is already in such turmoil.

Speaker's Ruling Reflections on Nonmembers

THE SPEAKER: Order please. Before this matter is concluded, the Chair wishes to make a comment about members referring to persons outside the Assembly. In the past few months there have been some references made to persons outside the House which have received extensive publicity. Members are protected by privilege with respect to the words they speak in this Chamber. With that right comes an obligation to realize that persons outside the Chamber cannot reply in the Chamber. Such persons are at a serious disadvantage when their reputation or integrity is questioned. *Beauchesne* 493(4) states:

The Speaker has cautioned Members to exercise great care in making statements about persons who are outside the House and unable to reply.

The Chair again cautions members. The Chair is not attempting to muzzle any member. However, members may, depending on the facts they have, wish to consider the difference between asking about a situation and making a direct allegation about the situation.

head: Motions under Standing Order 40

THE SPEAKER: Now we have an application with regard to a motion under Standing Order 40. The hon. Member for Edmonton-Beverly-Belmont on the question of urgency.

CIAU Basketball Championship

MR. YANKOWSKY: Thank you, Mr. Speaker. I rise under Standing Order 40 to present this motion congratulating the University of Alberta Golden Bears basketball team. I think it is important that we take the time today to acknowledge the Golden Bears' accomplishment in beating some of the best basketball

teams in our country, and I ask for the unanimous consent of the House to proceed.

THE SPEAKER: Is there agreement in the Assembly to allow the hon. member to put his motion?

HON. MEMBERS: Agreed.

THE SPEAKER: Opposed?

The hon. Member for Edmonton-Beverly-Belmont.

Moved by Mr. Yankowsky:

Be it resolved that the Legislative Assembly congratulate the University of Alberta Golden Bears basketball team for winning the CIAU basketball championship in Halifax on March 19, 1995, for the second year in a row.

MR. YANKOWSKY: Thank you, Mr. Speaker. This last weekend is one that Edmonton's basketball fans will not soon forget. Despite the high calibre of teams in the tournament, the Golden Bears moved into rare company as repeat winners. Winning the championship once is a lifetime achievement, but to win two back to back is truly remarkable. The Bears never gave up during the entire tournament but played with tremendous confidence, beating the Concordia Stingers 84-66 to capture the victory. This championship is one that will be talked about among fans for years to come. Their success is an inspiration to others and may indeed encourage many to get out and get active in basketball or whatever sport they choose. This is the second time in a row that the Alberta Golden Bears have won the CIAU championship, and I think that we as legislators should acknowledge this outstanding feat. I would ask that all members of this Assembly join me in congratulating the entire Golden Bears team, the players and the coaches, and the parents for their hard work and dedication for a very well-deserved victory.

THE SPEAKER: The hon. Opposition House Leader.

MR. BRUSEKER: Thank you, Mr. Speaker. As Opposition House Leader I'm pleased to respond to this. Although one may wonder about a Calgary MLA speaking to this, I should also point out that I am an alumnus of the University of Alberta and had the opportunity to attend that fine institution for three of the years that I attended university.

MR. EVANS: Couldn't make the team?

MR. BRUSEKER: I didn't make the team, admittedly, because I didn't try out, hon. Minister of Justice.

The University of Alberta in fact, as I'm sure many hon. members are aware, has a long tradition of excellence in sports. This particular occasion, as the Member for Edmonton-Beverly-Belmont pointed out, deals with basketball, but certainly the tradition started elsewhere. It started in hockey and in football, and in fact the University of Alberta Golden Bears have a fine tradition with respect to other sports as well. In fact, the university takes its sports very, very seriously. I recall that when once upon a time there was a concern about whether there would be funding available for a continued sports program, volunteer efforts redoubled and redoubled yet again to ensure that the sports program would continue.

So I would like to join with the Member for Edmonton-Beverly-Belmont as an Albertan and as an alumnus of the University of

Alberta in extending congratulations to the University of Alberta for a remarkable achievement.

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

MR. SEKULIC: Thank you, Mr. Speaker. I, too, rise to speak to this motion. I was compelled to my feet because I also am an alumnus of the University of Alberta. Not only did I study there for some six years, but I also played Golden Bears sports. It so happens that I played soccer. I have a great deal of respect for the athletes and for the coaching staff from the University of Alberta.

I just wanted to add one oversight by the previous two speakers: this team went there as an underdog. It went there as a wild-card team. That's the way they got in. That they were able to gather the discipline and the skill and peak just at the right time I think speaks very, very well of the athletes and, in particular, the coach. Coincidentally, I watched this game played on TV, and I think it was just remarkable. We do owe them a round of congratulations.

Not to detract from this, but they do now join the Pandas, the women's volleyball team from the University of Alberta, who just recently won the national title. So truly this just goes to reinforce that this is a city of champions.

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

MR. BRACKO: Thank you, Mr. Speaker. After attending the U of A for many years and over many years, it is a privilege to stand up and congratulate the Golden Bears and the Pandas on their championship victories. However, even more important are the young athletes in the making that will be coming up to be the stars of the future: from St. Albert the petite A ringette provincial champions, the St. Albert Sports Wild Coyotes, who took the gold medal, and the Pro-Western Plastics Rascals, who took the bronze. Also, one additional: the Calgary Royals, who took the gold medal in the under-18 female hockey. These are future stars coming into the U of A, and I want to congratulate them.

THE SPEAKER: All those in favour of the motion proposed by the hon. Member for Edmonton-Beverly-Belmont, please say aye.

HON. MEMBERS: Aye.

THE SPEAKER: Opposed, please say no. Let the record show it passes unanimously.

head: **Orders of the Day**

head: **Government Motions**

18. Moved by Mr. Evans on behalf of Mr. Day:
Be it resolved that a substitution in membership of the following committee be approved by the Assembly: on the Standing Committee on Private Bills Mr. Tannas replace Ms Haley.

[Motion carried]

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

2:50 **Bill 2**
Advanced Education Statutes Amendment Act, 1995

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

MR. ADY: Thank you, Mr. Speaker. Having had Bill 2 before this Assembly and debated in second reading and Committee of the Whole, I would move Bill 2 before the Assembly.

[Motion carried; Bill 2 read a third time]

Bill 4
Medical Profession Amendment Act, 1995

THE SPEAKER: The hon. Deputy Government House Leader.

MR. EVANS: Thank you, Mr. Speaker. On behalf of the hon. Member for Olds-Didsbury I would move third reading of Bill 4, the Medical Profession Amendment Act, 1995.

[Motion carried; Bill 4 read a third time]

Bill 12
Marketing of Agricultural Products
Amendment Act, 1995

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

MR. PASZKOWSKI: Thank you, Mr. Speaker. I appreciate the support of members on both sides of the House on this particular Bill. It's a technical amendment to clarify section 24(1)(a) of the Marketing of Agricultural Products Act. It applies to marketing boards and commissions.

I move third reading of the Marketing of Agricultural Products Amendment Act, 1995.

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

DR. NICOL: Thank you, Mr. Speaker. We've spoken to this Bill on previous occasions and agree that this is a very worthwhile change that needs to be put in place to facilitate and more clearly define when the changes that are being made to marketing plans should go out to the members involved in the industry; in other words, the people involved under the board or commission or council.

I guess the question that has to be raised in terms of the approach that this Bill is going to do: even though it more clearly defines the parameters and the conditions for a plebiscite, we have the situation right now where the Legislature has asked for a plebiscite concerning the Canadian Wheat Board, yet the minister has not taken the initiative to ask marketing councils to deal with this. So if we have these kinds of plebiscites that have to be taken for marketing boards that control production in Alberta, then even though the jurisdiction extends a little bit beyond Alberta law in the sense of a Canadian law for the Canadian Wheat Board, the principle is there, and we have to deal with principle in putting forth our legislation as much as we do with the word of law.

I would just like to take this opportunity to ask the minister to make sure that he does act in the spirit of this law and look to a plebiscite when he deals with the idea of changes in the Canadian Wheat Board. Even though it isn't under our Act, the principle is there, and the spirit of how he is asking for changes to be put in place for marketing boards, councils, and commissions that are controlled by Alberta legislation should apply and should be as valid when we deal with the same kind of legislation that's imposed from the federal level.

So I would support the request that all members of the Legislature vote in favour of this. Let's put the spirit in place and get on with the plebiscite for the Canadian Wheat Board as well.

[Motion carried; Bill 12 read a third time]

**Bill 13
Bee Act**

THE SPEAKER: The hon. Member for Dunvegan.

MR. CLEGG: Thank you, Mr. Speaker. I'd like to move third reading of Bill 13, the Bee Act.

[Motion carried; Bill 13 read a third time]

**Bill 14
Irrigation District Rehabilitation Endowment Fund
Amendment Act, 1995**

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

MR. PASZKOWSKI: Thank you, Mr. Speaker. As stated previously, Bill 14 makes provision to dissolve the existing irrigation district rehabilitation endowment fund by paying out all of the fund to the 13 districts within the next three years. At the end of this month it's expected that the fund will total \$17.5 million. There's justification for the rapid passing of this Bill so that the irrigation districts, whose grants made up this endowment fund, can be paid these moneys before the end of the 1994-95 fiscal year, March 31 of '95.

It is appreciated that all members on both sides of the House support Bill 14. As the hon. Member for Lethbridge-East has summed up the intent of this Bill so well, it is very fair. Yes, indeed, this is a fair Bill, and I move that the Irrigation District Rehabilitation Endowment Fund Amendment Act, 1995, be given third and final reading.

[Motion carried; Bill 14 read a third time]

[On motion, the Assembly resolved itself into Committee of the Whole]

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

[Mr. Clegg in the Chair]

THE DEPUTY CHAIRMAN: Will the committee come to order, please.

**Bill 6
Balanced Budget and Debt Retirement Act**

THE DEPUTY CHAIRMAN: We're in committee to discuss Bill 6. Are there any comments, questions, or amendments to this Bill? The hon. Member for Edmonton-Manning.

MR. SEKULIC: Yes, Mr. Chairman. I propose an amendment to Bill 6. I'm not sure of the process in terms of amendments, so you'll have to walk me through this one. I've got copies, I believe, for the entire Assembly.

THE DEPUTY CHAIRMAN: Hon. member, we'll have them distributed very quickly, if you don't mind, if they're not distributed now.

MR. SEKULIC: They're not.

THE DEPUTY CHAIRMAN: Okay; just distribute them now, please. Just take a minute till the pages distribute them.

Okay. I'd call the committee back to order. Everybody have a seat, please. Yes, I understand that it is in order because Parliamentary Counsel has initialed it.

The hon. Member for Edmonton-Manning.

3:00

MR. SEKULIC: Thank you, Mr. Chairman. I move this first amendment to Bill 6 on behalf of my colleague for Edmonton-Whitemud. The amendment reads that section 1 in section 1(b) is amended by striking out "Crown, not including any liabilities respecting pensions" and substituting "Crown."

Clearly when we look at the liabilities of the province – and we've been quoted a net debt figure of somewhere in the area of, I believe, \$8.6 billion – this first amendment attempts to address the correct liability of the province and in fact doesn't put Albertans at the end of the line for being repaid but rather bumps them into equal status with the other creditors. So this would in fact bring the total net liability of the province, the total Crown debt, closer to what I think is an accurate reflection of what we're indebted.

Last week when we were first debating Bill 6, the Balanced Budget and Debt Retirement Act, in fact, Mr. Chairman, I think there was very little resistance to the concept, to the direction that this Bill leads us, but there was a real concern in terms of needing to review and reflect and ensure that what we define as debt isn't inaccurate, because I think some Albertans may be misled, believing that we have a debt of only \$8.6 billion.

I look to the example of a household. Sometime back I was in Calgary visiting with some people, and I was discussing the province's debt with them. I was saying what the Treasurer was proposing in terms of this Bill, this Balanced Budget and Debt Retirement Act, and the questions that they asked of me went along the lines of: "Well, you know, that's strange. The government continues to use this analogy of the household, how Albertans run their households, that they don't run deficits." Now, I think we all agree that Albertans in most households in Alberta attempt not to run deficits and in fact manage their finances quite well. At some point we all incur some debt, and the best example of debt that we all incur is that of our mortgages. We all purchase a property at some point, or at least most of us anticipate we'd purchase a property somewhere, and thus we have a debt. Now, by definition though, the common definition that we use in this House, that's gross debt.

So we go to the bank; we take out a mortgage. I know one of my colleagues used an example last week where we take out a mortgage of a quarter billion dollars. That could be the value of the house that we're mortgaging, and that's what we would ask that the bank forward to us so we could purchase the house. However, we can assume that we would put \$50,000 down, that we have that percentage, a percentage that we can put down and therefore have some equity in the house. That would be our first \$50,000. So we would only expect the bank to forward us \$200,000. So our gross liability would then be \$200,000, Mr. Chairman. Now, this is the amount of money, the amount of capital that we must take on as a liability to acquire this asset.

The problem arises when we start including other assets that we may own. Like, I may own a computer. I may own a vehicle and a number of other things that can total up to some, let's say, \$100,000, hypothetically. That doesn't decrease my liability to the bank nor my need for that bank to advance me the \$200,000 to purchase that residence. Now, here's where the problem lies. Many of the assets of the province, it's not only that you can't liquidate them as quickly, but we don't desire to liquidate them because we require them in terms of generating the business environment that we have, the quality of the educational institutions that we have, the health care system that we have. So certainly the debt that we carry as a province is very similar to the debt that we carry as a household. Because you have some assets, you can't just write them off and say, "Well, this is all we intend on amortizing," or "This is the liability we intend on amortizing over some 25 years," because it would be inaccurate. At the end of that time period you would still have an incredible amount of debt. For that reason I say that it's quite misleading to only say the \$8.6 billion.

Now, the gross provincial debt is closer to \$35 billion, so there's a discrepancy there of some \$25 billion. What we're asking in this first amendment is that Crown debt reflect approximately \$16 billion worth of total liabilities, that we include those amounts included in the liabilities respecting pensions in this I think worthwhile Bill, the Balanced Budget and Debt Retirement Act. So with that amendment, Mr. Chairman, I would hope that we could generate support from all members in the Assembly, because it is worth while. It is more correctly reflective of the reality of the liabilities of this province.

So with that, Mr. Chairman, I will take my place and permit one of my colleagues to stand and speak to this amendment.

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

DR. PERCY: Thank you, Mr. Chairman. I rise to speak to amendment A: section 1 is amended in section 1(b) by striking out "Crown, not including any liabilities respecting pensions;" and substituting "Crown."

I was struck by the context of debate, I think it was last week, by the hon. Minister of Energy in her discussions of PUITTA. When the provincial government had removed its tax allowance, she made the very valid point: this money stays in the province, whereas the money that goes to the federal tax goes out of the province. I think, following on the clear analogy brought forward by the Minister of Energy, this amendment proposes much the same. If you're going to look at paying down debt, which debt do you want to pay down first? I would argue, following on the logic of the Minister of Energy, that the debt that you want to pay down first is the debt that is held internally, because that's very much the nature of the argument made by the hon. Minister of Energy. She had brought a compelling argument, I thought, in this regard.

So I think, following along the lines of that type of argument, that if you look and line up your gross unmatured debt and you say, "Which do I pay first?" well, in part you would be driven by the need to pay your high-cost debt off first, particularly if you could apply any liquid assets that you might have in hand. I think that would be one rule you would want to employ. At the same time, to the extent that you could in fact pay down debt that is internally held and ensure that we have funds within the province, I think that is as well something you would aim to do.

Now, it's fair to say in the case of the unfunded pension liability that the interest income that we're talking about is imputed interest income. That makes it somewhat different, but

the issue is still the same. This is imputed interest income on a debt that is owed to Albertans, and one would like this debt to be on the same level playing field as debt that is externally held, because the issue is one of fairness. It's one of ensuring that we pay down as much of the debt as is possible. I note that when the hon. Provincial Treasurer circulates documents to the Securities and Exchange Commission or to the Euromoney market or in fact to Standard and Poor's and Moody's – in fact, I would note that as we speak, the hon. Provincial Treasurer is preparing himself to meet with the bond rating companies – when you look at what our net debt is there, our net debt includes our unfunded pension liabilities.

Now, the argument for striking them out and putting them aside separately has been that this is a debt that we're going to pay down over 40 or 60 years. I would note, Mr. Chairman, that we in the Official Opposition had in fact accepted that argument with regards to the Deficit Elimination Act. We felt that the imputed interest payments that would go to the unfunded pension liabilities for the purposes of the Deficit Elimination Act would not count as part of the deficit because it would imply that you would have to cut even more in each of the years over the course of the Deficit Elimination Act. We had accepted that on the grounds that we did not want to cut deeper and faster than was required. However, since it does appear that under the Deficit Elimination Act we will in fact reach a balanced budget if not next year – despite a forecast deficit of about \$500 million, it's likely, I think, given the cushions built in, that we may come very close to a balanced budget. I think it is time, if we're going to talk about debt retirement, that we bring up front the unfunded pension liabilities, because although we're paying them off over 40 or 60 years, there is no necessity that we do that if we can in fact pay them off earlier.

3:10

As everybody knows from the engine of compound interest, the longer you put off paying a particular debt, the greater is the accumulation of imputed interest and the greater is the cost of carrying that debt through time. So you have some debt that is spread out over 40 or 60 years, and you have other gross unmatured debt that you can pay off in 10 years. In fact, it makes sense with that debt that you're backending and putting way back into the future to try and bring it up front and try and pay it down faster.

Now, it is our position that we're referring only to the unfunded pension liabilities that are a liability of the provincial government. I would emphasize that we are not referring to the unfunded pension liability that is in fact borne by the employees. A payment schedule has been set out for them. We have made this dichotomy between what employees are going to pay. We believe that the plan should pay the employees' share of the unfunded liability over 40 or 60 years because, in part, they're not ultimately responsible for the emergence of this unfunded liability. The government was the steward of those programs. The government, in fact, pumped those moneys into general revenues and did not act as a prudent steward. In this sense, if the provincial government can then bring those unfunded liabilities up front and put them on the same level playing field as our unmatured debt held by foreigners – people outside of the province, the Eurodollar market – it makes sense. It makes sense on the grounds of fairness. It makes sense that if you postpone a debt and don't pay it off over 40 or 60 years, the interest costs of carrying that debt are extraordinarily high. It makes sense on the grounds that if, in fact, we're going to have a debt retirement

plan, the more of the debt that we can pay down, the less will be left at the end of the day, 25 years.

I would note to hon. members that when they go to their constituencies and they argue: "We have a debt retirement plan, but, oh, by the way, our gross debt 25 years from now is \$25 billion," I think they're going to have a very tough time, Mr. Chairman, selling this to their constituents as a debt retirement plan. As a platform of an election campaign it sounds good, but the reality is that when you're at the door and somebody asks you: "How much debt is left at the end of the day with this debt retirement plan set out under Bill 6?" and you truthfully answer them that 25 years from now we're going to have a gross debt remaining of \$25 billion, that is not going to sell well at the doors. It's not going to sell well at the doors either the fact that you're putting Albertans at the back of the bus with regards to unfunded pension liabilities and you're putting external bondholders in New York and in the Eurodollar market ahead of Albertans. It makes no sense.

Now, I'm very sympathetic to what the Provincial Treasurer said in terms of trying to get our debt under control. The larger your gross unmatured debt, the more vulnerable you are to capricious actions by the Bank of Canada, the more vulnerable you are to capricious actions by federal Finance ministers, the more vulnerable you are to highly volatile exchange rates. So we are in favour of debt retirement. We are in favour of trying to get down as much of the debt as is consistent with being financially and fiscally prudent. We think the net debt figure of \$8.7 billion is too low. So in principle we agree with the debt retirement Act, and that's why we allowed it expeditiously through second reading, where you debate principle.

But when it comes to the details of Bill 6, we do have concerns, and one of our majors concerns then, Mr. Chairman, is the size of the gross debt that will be left at the end of the day and the net debt as defined in section 2 of the Bill. We think the definition of net debt as set out in Bill 6 is too low. We think a better approximation of the net debt includes unfunded pension liabilities, and we think that if Albertans were faced with a plan that would allow them to have a gross debt at the end of the day, 25 years down the road, of \$25 billion as opposed to a gross debt in the neighbourhood of \$8 billion at the end of the day, they would be far more inclined to go forward with a Bill that paid down debt faster. Again, if you throw in this other element that the pension debt is a debt owed to Albertans and it's in part a reflection of previous governments' lack of stewardship of pension plans, I think you have a very, very strong argument for supporting this amendment.

The other point I would make, Mr. Chairman, is that when you look at the \$25 billion that would remain at the end of the day, 25 years down the road, I might add that you will be looking at gross interest payments in the neighbourhood of \$1.3 billion. Again, the principle we support. When it comes, though, to the implementation and the details of the Bill, we have concerns: too much debt left at the end of the day, too much debt servicing left at the end of the day, and still a significantly high exposure on the part of Albertans to external events over which we have no control. For each dollar of debt that we pay down, we save 9 or 10 cents on a permanent basis, which we can employ in our core health care, education, advanced ed, and social service programs. So I think that if we pay down more rather than less debt, we're in better shape.

I would note that other provisions of the Bill – I think it's section 6 of Bill 6 – allow for tremendous flexibility in the repayment schedule. If you have that flexibility where you have

to put a minimum of \$100 million down in any one period, you can afford then to have a higher net debt up front because there's already flexibility built into the Bill in terms of the amount that you must repay in any one year. It sets a minimum of 1 percent, and it says that over each five-year period you have to have paid down 20 percent. So I think there's sufficient flexibility in the Bill itself that allows you to have a higher net debt figure.

Again if you think of this, in terms of the principle of the Bill, that you want to get a handle on gross debt, I think amendments that would lead government to have a lower gross debt at the end of the day should be supported by all members of the House, because the Bill has been crafted in such a way to allow flexibility. If you go to a track meet, Mr. Chairman, and they allow you to jump over a pole that's two feet high, that is not what I would call a test. If, on the other hand, the height of the pole in the pole vault is five or six feet, then you're setting a standard that has to be met. It then requires you to be prudent on your other expenditures because you want those funds available to pay down debt. Each dollar you pay down of debt gives you a permanent savings of 9 or 10 cents.

So this amendment, Mr. Chairman, is aimed, then, at in fact providing greater funds to be allocated to our core health care, our core education, our core social services, and our core advanced education programs. Its intent is to get the debt paid down as quickly as possible.

So with those comments, I will take my seat. Thank you.

3:20

THE DEPUTY CHAIRMAN: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Chairman. I'd also like to address this amendment that we have to Bill 6. We've heard a very good argument now dealing with the approach that this amendment would take to the total debt of the province and the net debt situation. I guess the approach that we have to look at in terms of rationale for this type of an amendment is that we should be looking at the total package of options that are available to the government. We want to make sure that they can look at the total aspect of financial management in terms of how they can best approach the aspect of reducing the overall net debt or, as they define, Crown debt of the province.

What we want to do is make sure, as we go through the process, that the government can look at the components of the total debt position that they're faced with and deal with changes that can be brought about to retire those components of the debt package which are creating the greatest disadvantage, I think is an easy way to put it. So we have to be able to allow them the flexibility. To automatically exclude a major component of the provincial debt position, which includes the unfunded liabilities for pensions, is one of the components that needs to be put back in and allowed to become part of the net debt, or the Crown debt, elimination practice.

I recognize the fact that the government has in place a set of guidelines and a set of procedures to eliminate this over the next number of years, approaching 40, but what we need to do is look at how this affects and impacts on the overall strategy that we have to get rid of our Crown debt, as they define it in this Bill 6. So I think we want to make sure that we consider this amendment very seriously and look at it from the point of view of: do we want this definition to, in essence, restrict the options that the government can have in dealing with the total strategy that's available? We want to be able to look at the different interest

rates, the different focuses of payment, where the dollars are going, and how these dollars are being applied both to stimulate activity within the province and transfer dollars outside the province in terms of our financial situation. We want to be able to look at it, as the Member for Edmonton-Whitemud has already talked about, in terms of the impacts of currency exchange and look at it from the point of view of how all of those options will pull together to provide us with good management, a good strategy on behalf of the government to basically reduce their debt.

For that reason, Mr. Chairman, I think the members of this committee should look seriously at supporting the idea of broadening the definition of net debt to include the liabilities respecting pension, thereby giving us much greater flexibility in paying down the debt.

That's all I'd have to say. Thank you.

THE DEPUTY CHAIRMAN: The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Chairman. I, too, would like to speak in favour of this amendment, which really provides a better picture and a more realistic picture of what our net debt situation actually is when you include the unfunded pension liabilities that the government has to look after rather than leaving that unfunded liability out, which would mean that that particular debt would be discharged by the government over, I think, 60 or 70 years and therefore would be a terrific burden on our progeny. Of course, they've got already enough to contend with as it is. I think that with this amendment the government's Bill, Bill 6, would be vastly improved. Now, I'm saying that because it provides a clearer picture of our net debt, but that doesn't alter the fact that it still is a fairly timid Bill.

I found it very interesting that it's caused a very unlikely group to endorse the opposition's 2020 plan. I'm quoting here from *The Globe and Mail* of February 22, 1995. "Curiously, the plan puts [the Premier] . . . in the unusual position of being the dove on a fiscal matter." Another quote is in the *Alberta Report*, which is not noted for endorsing anything that has the Liberal stamp on it, but they are moved to say, for once being very realistic, I think, "The alternative debt retirement plan of the provincial Liberals . . . is far more aggressive." That's the *Alberta Report* of March 6, 1995, which also contains a quote by Jason Kenney of the Canadian Taxpayers' Federation. He says, "For a government that was so ambitious about eliminating the deficit, this plan is remarkably timid." So I think these quotes actually indicate that a greater measure of resolve is needed to do away with the debt in a realistic measure and a realistic fashion. I also want to ensure that provincial teachers and civil servants and other groups who hope to draw from the pension will be able to do so.

Therefore, Mr. Chairman, I speak fervently in favour of this amendment. Thank you.

MS LEIBOVICI: I, too, would like to speak in favour of this amendment. As usual our critic for Treasury has done a wonderful job with regard to trying to keep the government on track. Hopefully the government will not be true to its usual pattern; that is, to vote down any of the wonderful amendments that we bring forward to make the Bills that the government puts forward just so much tighter.

What this amendment basically tries to do is ensure that when we're looking at the debt within this province, we're not looking at some kind of fictional figure but that in fact we look at what

the total debt is so that we can be assured that when we're looking at some form of debt retirement, we are retiring all of our debt. That's why this particular section is so important. What the government by its legislation is doing is actually excluding approximately \$6 billion in pension liabilities. Thus the figure at the end of the day is a much reduced and not very true figure.

At this point in time debt servicing, as we all know, is the third largest department in this government, and even with the move towards debt retirement, that Bill 6 talks about, it will still remain the third largest department within the government. In fact, then, all the pain, the anxiety, the fear that people are feeling right now with regard to the deficit reduction will not be eliminated by the Bill that's put forward.

So I, too, put my vote behind this amendment. I think it presents a much truer picture of where the province is at and will allow for a better vision towards how we wish to approach this particular problem.

Thank you.

THE DEPUTY CHAIRMAN: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Chairman. You know, this is an opportunity in this Legislative Assembly for the members of the Assembly to do something with courage, to bring about some fundamental attitude adjustments as to how we feel in this province about debt. Now, I know that the minister of transportation hates debt, and I know therefore, although he has not jumped up to speak to this amendment, that he will in fact vote for the amendment, because we have a chance now to do something to cast the problem that we have, which is the debt of the province of Alberta, in its most open and honest light. Perhaps other amendments will appear here later, when we get down to dealing with the debt itself, never mind the issue of net debt, but the segregation of this definition of Crown debt has been artificially reduced in this Bill, and it has been alarmingly so.

3:30

Mr. Chairman, it's been artificially reduced first of all by taking into account some assets which may or may not ever lead to the capitalization and the cashing in of and the corresponding revenue, and it has also taken an obvious debt which this government, like all other governments in North America, has – that is, the obvious debt of pension liabilities – and it has excluded them. It seems to me that there is no reason to exclude any aspect of debt from the definition of Crown debt. To do so is to just pick an arbitrary, artificially low target and to aim for an artificially low target. Why should we in this Legislative Assembly plan to jump over a set of bars that are only three feet high when we think we can hit five feet? Let's go for the five feet. Let's set the debt fairly and squarely. Let's set the debt properly in this Bill, and let's tackle the realities of getting the debt solved.

So shortly, Mr. Chairman, when the question is called on this first amendment, I hope that all Members of the Legislative Assembly will vote in favour of the amendment.

THE DEPUTY CHAIRMAN: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Chairman. I rise to speak in favour of this amendment. Once again when we're looking at the financial position of the province of Alberta or

fiscal responsibility, I see a government speaking out of both sides of its mouth, and Albertans aren't realizing that this has happened. What I'd like to liken it to is the average Albertans' day-to-day understanding of how you meet your liabilities, and I'll use your home mortgage. It's like saying that you have X number of dollars coming into your home or into your budget process and saying: "All right. I don't really have enough money from my income to cover all the necessary expenditures." Rather than dealing with that, this government is doing what I would say is foolishness to such an extent that they do Albertans a disservice. If you can't meet all of your responsibilities or acknowledge those responsibilities, how are you ever going to get rid of your debt? How indeed are you ever going to balance the budget?

Now, by paying down the debt in an orderly and timely manner, I believe through that process you end up with more moneys indeed to balance your budget. This government has to be up-front and say what the exact amount of our debt is and not take that \$6 billion out and make it look better from their perspective. They've got to show the true number because it is a liability. It doesn't matter how you want to count it; it's a liability. It's no different than if you have a mortgage, and you've gone out for a second mortgage, and you don't want to acknowledge that second mortgage. You only want to acknowledge the first one and pay down your first mortgage in a timely manner. That's exactly what this government's doing. In the private sector you wouldn't get away with it. You wouldn't get away with it with a mortgage company. Yet here this very government is saying: "Oh, we don't really have this \$6 billion liability in our debt. We'll sort of put that aside, and when it's timely for us or politically expedient, we'll start to pay that down and acknowledge it." That's doing a disservice to Albertans.

Mr. Chairman, I would say once again in this House that Albertans have to realize during these debates that we're seeing the same symptoms of former Conservative governments when they're only telling a little bit of the full information and they're only dealing with a little portion of what we call fiscal accountability or being fiscally responsible. It's double-talk, and I don't know how we're going to get the message out of this Assembly to Albertans that this government is doing that, because that isn't what Albertans on the street understand that this government's doing. Somehow through this Assembly – and whether it be the media acknowledging that day after day we as the Official Opposition stand in this Assembly and say: "Albertans, wake up. You're not getting the full picture from this government. It's double-talk. They're not dealing with the debt in a commonsense way, and they're not being up-front about it."

Mr. Chairman, anyone who doesn't support this amendment is supporting a former Provincial Treasurer called Dick Johnston. I'm sure that when Dick Johnston sat at that cabinet table, he didn't really want to do what he was doing, but because the majority of the cabinet didn't really want that true picture to be shared with Albertans, he went along with it. I believe that same Provincial Treasurer of the past, Dick Johnston, regrets that he ever was party to that. Yet here in this Assembly we're seeing members, past and new, going along with the same philosophy. "What Albertans don't know won't harm them. We know what's best for them, so don't be honest about what our true debt picture is. Don't include that \$6 billion in it to try and make us look good, that we're really going to pay down the debt. Oh, no, they'll look at things through rose-tinted glasses." So I say that every member who doesn't support this amendment is party to that gross debt that this same government, this same Conservative

government accumulated. We hear ministers in this House day after day deflect their responsibilities. Once again it's a deflection of responsibility, the \$6 billion of unfunded pension liability.

Mr. Chairman, with those comments I would hope that we may see some risk-takers over there truly seeing what needs to be done and supporting this amendment.

Chairman's Ruling Referring to Nonmembers

THE DEPUTY CHAIRMAN: Before I call on the Minister of Energy, I just want to confirm what the Speaker said today about using names of former ministers of the Crown. I don't think it's really in order. The member obviously is not here or can't be here for whatever reason he or she chooses. I don't think it's really our place to be using people's names. If you want to use "former minister" or something, but to use specific names, I don't really appreciate. I don't think he would either.

The hon. Minister of Energy.

Debate Continued

MRS. BLACK: Thank you very much, Mr. Chairman. I'm going to be very brief with a few comments on this, because this amendment I believe is not going to do the job that the hon. opposition is attempting to do. I would, though, for the benefit of the opposition like to draw their attention to the budget document called Budget '95, that was circulated in this House and presented by our hon. Provincial Treasurer just a few short weeks ago. If you refer to page 53 of that document, you clearly can see the financial position of the province as it pertains to the supported and unsupported debt of the province. There's another element involved in that statement as it pertains to this amendment to Bill 6, and that is the portion that says the "unfunded pension liabilities subject to elimination under legislation," the portion that is listed on page 53 of the document. So there can be no doubt of clearly laying out the position of the province in total, which includes the supported and unsupported pension liabilities for the province of Alberta.

What this amendment does, though, and why I oppose it would be to go back and put a different position forward for clearing the unfunded pension liability than what is already in place and what was negotiated with our union representatives and our associations that were involved in the pension funds about three or four years ago. That was a very difficult position for both groups to come together and recognize that there was a long-term unfunded liability and it had to be remedied, but it had to be remedied together. Many of those groups agreed to make increased contributions to the pension fund to clear out the unfunded liabilities that had evolved in a lot of ways through a lack of contributions on both sides to the fund on the longer term. The plan to clear the unfunded liability was agreed upon, and each pension plan, by their pension representatives, sat at the table and determined what feasibly could be accomplished. That was why the pension liability was spread over the longer term so that it in fact could disappear. So clearly the unfunded pension liability is not being ignored. It has readily been identified by the pension participants as well as the government of Alberta and has been laid out in a plan to deal with that unfunded liability.

3:40

I would like to ask hon. members to go back and review the financial position a couple of years ago when the actuarial value was stated within the program and showed them an actuarial assessment here that showed a major decrease in the pension

liability. Don't quote me, but it was a number that I think about almost cut in half the liability, and that was done through an actuarial assessment. So that is an actuarial value that is in fact there.

When you lay out page 53 of this Budget '95 document, it clearly shows the financial picture of the province insofar as the outstanding liability. I would suggest that we should not be including the liabilities in respective pensions in this Act. In fact, they are being dealt with and have been agreed to by the participants within the pension plans over the longer term. So I would not like to see us go into anything that would disturb that agreed upon position by the participants. If the Liberal opposition is suggesting that they go and ask the participants to increase their contributions to that unfunded process through their own pension contributions, then I think you're opening a whole different kettle of fish here. I would not recommend that, because clearly they came together, they sat down, and they came forward with a plan to eliminate that long-term unfunded liability.

What's in this Bill is to get through a balanced budget and debt retirement, and clearly that is laid out in this Bill. It's dealing with the unsupported debt process. When the hon. Member for Edmonton-Manning – the print's awful small – talked about putting financing on . . . I think there's a plot here to make the print small on this stuff now. Anyway he talked about getting financing for his home, and we often talk about our debt retirement in relationship to a home. I think it's very clear that that's exactly what one does. When you go to buy a home, certainly you go and you identify a home. You have a certain amount of cash that you could put up front, but a market assessment is done on the property that you are interested in and then a mortgage applied for. Your ability to pay, based on what your earnings are and the cash that you have, gives you approval to buy that property, but keep in mind that the value of the property is what is held to offset the mortgage that is given to you over a 25- or 30-year period. So this is really no different from that. We have through support from our heritage trust fund and other investments the ability to support a certain amount of debt through those earnings, but it is the unsupported that clearly needs to be dealt with immediately.

So I would highly recommend that hon. members do not support this amendment and leave the Bill as is. Thank you, Mr. Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Chairman. I rise to speak to this amendment, a very important amendment, one that brings integrity and honesty to a Bill that Albertans want to see. They want to see the total amount of debt, not hidden parts like has been the case of – I know; we won't mention the name – the former Treasurer. The principles he used were flawed and misinformation given out to Albertans. Of course, we want to see the total debt. It should be amalgamated in this Bill so Albertans have a true picture of what is happening out there. They don't want, as they have in the past, to be given information that isn't accurate. It didn't include the total picture. They want to know the total picture. They want to know what the debt is, and pensions are part of that debt. You can't take them out and say that they're not. In fact, as the Minister of Energy has said, we can't do it because it's been agreed to in the past. Well, it would be easy for the government, if there's money, to pay off their liabilities to the pension debt earlier to save millions of dollars.

My students that graduated two years ago will be paying for the pension debts until they're 84 years old, and that is not appropriate. It is unbelievable that we would be doing that type of thing to the younger generation. They're the same generation that will be coming out of university and because of a lack of jobs may be owing \$40,000 to \$60,000. By the time they pay that off, they'll be paying off \$150,000 to \$200,000, and if both spouses have debts, \$200,000 to \$300,000, and we have laden them with this extra debt. It's unbelievable, the perception. When I came out, I owed a thousand dollars, paid it off as soon as possible because there were jobs everywhere. Even when you come out today, there's no guarantee that there'll be jobs. You may get contract work. You may not even be able to pay off the loans that you have. So it's important that as a government and as a Legislative Assembly we look at this very carefully. I went door to door and talked to 15,000 homes. Over 50 percent have paid off their mortgages in a much shorter time to save money. They expect the same from this government, from this Legislative Assembly, that it be paid down quickly to save money, that they use this money wisely for other things instead of having this horrendous overhead of debt that we have to continue to pay for the next multitude of years.

So it is important that we do it, that we look at the total debt, the total picture, and move forward with a plan. This amendment would assist in doing that: taking the total picture into account, moving forward, presenting it to Albertans so that they will see exactly what we owe. We want to pay it down, not like the government's plan, 25 years and still owe \$25 billion. We want to pay it down by the year 2020, so more reasonable and realistic, as reported in the *Alberta Report* and even the taxpayers association.

Let's take action. Let's have the courage to move forward. Let's have the courage to start to leave the next generation of Albertans what our parents left us: a much more positive Alberta. There was no debt when I started working, and this isn't going to be the case for many, many years. It's unfortunate we got to this stage. So let's take action. Let's do the right thing. Let's do the thing that Albertans want us to do, move forward with courage and with integrity so we know the total picture, and support this motion.

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

DR. PERCY: Thank you, Mr. Chairman. I would like to first, in terms of speaking to the amendment, address some of the issues raised by the hon. Minister of Energy. With regard to the unfunded pension liability, that was an issue that was initially brought to the fore by the former leader of the Alberta Liberal Party, Laurence Decore, and had been pushed and pushed and pushed as an issue. He was aided in this as well by the Auditor General, who consistently urged the Provincial Treasurer to carry the unfunded liabilities on the books as a liability. The fact that this wasn't addressed for eight or nine years is not the fault of the participants of the pension plans; it is directly attributable to this government and to some of the ministers that still remain in this government. The unfunded pension liability emerged because of poor stewardship on the part of government.

Mr. Chairman, if you can, imagine this: a period when the government is running up very large surpluses, the 1970s and earlier '80s, large surpluses that they're pumping into building buildings, airports, golf courses, hospitals. Rather than dealing

with the unfunded pension liability, they just presumed it did not exist. That was despite the exhortations of, as I say, the financial community, because in many provinces across Canada exactly the same issue was seen. In Ontario the unfunded pension liability was addressed well before it was in Alberta. Who is responsible? I would say, Mr. Chairman, that it was the government of the province of Alberta that was responsible for, first of all, not ensuring that the funds were properly invested, for continuing to put the funds into the general revenues. The unfunded pension liability, then, emerged not because the participants in the plan willy-nilly wanted in fact to be stuck with a very large debt that had to be paid off; it was because the government did not in fact sit down, do the actuarial assessments. Even when the actuarial assessments were presented, the Treasurer of the day ignored them and continued to refuse to bring the unfunded pension liabilities as a liability of the province of Alberta.

So I would argue the first point, Mr. Chairman, that the unfunded pension liability is an issue.

3:50

MR. EVANS: A point of order.

THE DEPUTY CHAIRMAN: A point of order, the hon. Minister of Justice.

Point of Order Imputing Motives

MR. EVANS: A point of order, 23(i): imputing false or unavowed motives to another member. Now, the hon. member opposite, Mr. Chairman, is an economist of great renown, and I have great respect, quite frankly, for his abilities, but I don't have a great respect for his memory. He is trying to create a case that earlier Provincial Treasurers were responsible for a lack of full funding of our pensions, all of the pension funds that the government established. I know he knows this. I was tongue in cheek when I said that I didn't have respect for his memory, because I do have respect for his memory. He knows full well that when those pension plans were established, there was the anticipation of revenues in this province that would have allowed billions of dollars to be placed within those pension plans. But we had this wonderful thing called plummeting oil prices, oil and gas revenues, that created a problem for us, and without that it would have been dealt with.

THE DEPUTY CHAIRMAN: Hon. Minister of Justice, I'm having a hard time relating this to a point of order. You're giving an awfully good speech; I will admit that. However, there is no point of order. There is certainly a disagreement here between members, but that is all it is.

The hon. Member for Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Chairman, for that wise and sensible ruling.

Debate Continued

DR. PERCY: With regards to the issue of the unfunded liability, I would then urge that this be seen as a primary debt of the provincial government arising in response to actions that were the result of this provincial government. It remains a Progressive Conservative government today as it was in the '80s when the unfunded pension liabilities emerged. A government cannot shed its skin and then believe that no liability is borne. So on that

issue of the unfunded liability I think it is an obligation, then, to be addressed.

With respect to the second issue that was raised by the hon. Minister of Energy, with regards to whether or not we are advocating that the employees speed up their contribution, we are not. We are not. We believe that in fact the government should increase and pay out its obligation faster, and then with the imputed interest income either put it to the employees' share or view it as being part of the net debt that's been released. I would argue, though, that the minister has brought up a valid point, that there are consequential amendments that follow from this particular amendment. The consequential amendments, then, would involve amendments to the various legislation that deals with our various pension plans. So the minister has brought up a valid point in that regard, Mr. Chairman.

So having addressed the first two points, one of which is who is responsible for the unfunded liability – and I've said, Mr. Chairman, that it is this government that was responsible and remains responsible. The second point that I'd like to bring up is: are there consequential amendments that come from accepting this particular amendment? I say, yes, there are. [interjections]

Chairman's Ruling Factual Accuracy

THE DEPUTY CHAIRMAN: Order. There's again a disagreement about who's paying whom, and it's not my position to decide who's right or who's wrong in that. Who's paying for whose pension: that's not for me to decide. The hon. Member for Edmonton-Whitemud has the floor. If any other member wants to speak later, they can do so.

Hon. Member for Edmonton-Whitemud.

Debate Continued

DR. PERCY: Thank you, Mr. Chairman. The third point that I'd like to raise is the whole issue of the analogy to a mortgage. We on this side of the House brought out our own debt management plan, well before this Bill was tabled I might add, that viewed in fact that if you were to have a debt retirement plan, by definition it would retire a significant portion of the debt. Again, as a number of hon. members on this side of the House have suggested – and I don't want to become repetitive – I would just note that at the end of the day if Bill 6 is passed unamended, you will have a gross debt remaining of \$25 billion. The gross debt today is \$32 billion. How can you go forward to the electorate and say, "We have a 25-year plan that's going to retire the debt, and, oh, by the way, we're still going to have a debt of \$25 billion at the end of our plan"? It doesn't sell.

I honestly believe that if you have a debt retirement plan, that debt retirement plan should reduce a significant share of the outstanding gross debt, and it should take a real whack at the unmatured debt that is out there. It should also treat all Albertans fairly. I would think, again, that the unfunded pension liability that is owed to Albertans because of the capricious and arbitrary acts of this government ought to be dealt with first and that Albertans should be on the same level playing field that bondholders in Alberta are, that bondholders in the rest of Canada are, that bondholders in the United States are, that bondholders in Japan are, and that bondholders in the European Economic Community are. I could go through all 146 countries that may or may not hold province of Alberta bonds, but I think I've made the point about fairness, Mr. Chairman. So this amendment, then, I

believe is worthy of support by all members of this House who want to see the debt retired as expeditiously as possible.

Now, again I want to go back to the analogy of pole vaulting. How high do you set the bar? If you set the bar too low, anybody can jump over it. Again, this Bill is like a two-foot pole vault. You know, if we were dealing, for example, with a league that was set up by the hon. Member for Calgary-Shaw for short pole vaulters, a two-foot bar might make sense. But I would argue, Mr. Chairman, that you want a bar that's set higher, where it sets a standard that has to be addressed. So I think that a net debt of 16 and a half billion dollars is more realistic than a net debt of 8 and a half billion dollars. I would argue very vociferously, and I will: larger net debt today, far smaller gross debt 25 years down the road, far smaller debt servicing. Again, I think every member on each side of this House will agree that each dollar of debt that you pay down saves you 10 cents if the interest rate is 10 cents, 10 cents that you have forever so that we can deal with core health care, core education, core social service programs, core advanced education programs. So I think that all members of this House have a vested interest in ensuring that we pay down the debt as promptly as possible.

Now, the issue then comes up: do we have the funds to pay this? Let me address this point head-on, Mr. Chairman. I would argue that if you look at the pension – and again I've been led to this argument by questions from the other side of the House, so I am relevant and I am dealing with the amendment. If you are to accept this amendment, it implies a higher payment on the principal. Now, I would argue that if you look at this year's budget, 1995-96, you find revenue cushion after revenue cushion. You find that there is, I think, a significant underestimation of corporate income tax revenues, that there is a very, very healthy cushion in natural resource revenues. I think that if you look at the Workers' Compensation Board, for the last two years it has had significant turnarounds in its fiscal balance. We've in fact heard hon. members on the other side of the House say that it's possible that it will yield yet another \$40 million or \$60 million because of, again, changes in actuarial assumptions.

4:00

We also have a growth rate of GDP in the budget that is modest. Again I have to commend the hon. Treasurer for coming forward with prudent and lower bound estimates of growth, because that implies, then, lower bound estimates of personal income tax revenues. But, again, most forecasting firms are suggesting a 4 to 5 percent growth of nominal gross domestic product. To the extent that the Provincial Treasurer underestimates the growth of the overall economy, the Provincial Treasurer is then underestimating personal income tax revenues. Our back-of-the-envelope calculations of what we think are reasonable estimates for the economy and for energy prices and for lease sales lead us to believe that there's possibly as much as \$700 million tucked away in little revenue cushions and that the forecast deficit of \$500 million may in fact turn out to be a surplus of anywhere from zero to \$200 million. We think that if you have a handle on the debt and start paying it down faster, that frees up money that's permanent, that you can apply to your core programs.

The hon. Minister of Energy does bring up a legitimate point: how do you ensure flexibility in an economy characterized by such high volatility of energy prices, corporate tax revenues, agricultural prices, and forestry prices? I think there are one or two ways you can do that. You can do as the hon. Treasurer has done with Bill 6: give yourself a lot of flexibility in terms of the payment schedule. I would note that section 4 – and I was

incorrect earlier, Mr. Chairman; I had referred to section 5 – and section 5 together provide the Treasurer with tremendous flexibility and latitude in terms of addressing the paydown of the debt. It sets a minimum figure of a hundred million in any one year, but it also provides that in any particular five-year period 20 percent of the net debt, as defined in section 1 of the Act, has to be paid down. I think that gives tremendous flexibility.

I would note, however, that the hon. Minister of Energy has brought up a point that I am concerned with; that is, the issue of volatility of revenues. On the one hand, the minister says: well, how do you know that you'll have the money to pay, then, these higher principal payments that would be associated with increasing the net debt from \$8 billion to \$16 billion? I would argue that that's a valid question that also should be addressed perhaps with regards to section 2, which is that "expenditures during a fiscal year must not be more than revenue," a sound principle, I might add. No deficits. On the other hand, the force of section 2 is to transmit all of that volatility on the revenue side directly to local governments, to hospital boards, to school boards, because the only way that a provincial government then can meet that constraint if there is a 1986 with plummeting energy prices, a 1981-82 with unfair federal policies, is in fact to cut back expenditures.

Now, if this is a permanent fall in energy prices, I would agree that we would have to permanently reduce expenditures, but if it's only temporary, you'll download that temporary shortfall completely onto local governments, all of whom themselves have to run balanced budgets, all of whom are locked into contracts with teachers, contracts with regional health authorities. So what section 2 does is transmit automatically the volatility in revenues from the provincial government to every local authority that relies upon the provincial government for transfers. I would argue that, yes, the Minister of Energy has a valid point, but if the minister believes strongly in that point, I would urge her and her colleagues then to bring forward amendments to section 2 that would allow some flexibility with respect to the extent to which expenditure reductions in any one year are brought forward and downloaded onto local governments, regional health authorities, and the like.

I do not view the amendment that we brought forward as being mischievous. I think that it's in the interests of all of us and is something that virtually all members in this House ran on in the 1993 election, which is: let's have a sound financial plan that ensures that we can free up the funds to finance education and health care. What this amendment does, in a sense, is provide a permanent freeing up of funds. Right now debt servicing is the third largest component of government expenditures. It is the lasting legacy of the last 10 years of this government to saddle this generation and the next generation with large debts and with reducing expenditures today to pay off the overexpenditures of previous governments. So I would think, then, that all members of this House, particularly the Minister of Transportation and Utilities, who is a well-known fiscal hardnose – how could that minister not be willing to support a faster pay-down of the net debt?

With those comments, Mr. Chairman, I will sit and take my place.

THE DEPUTY CHAIRMAN: The hon. Member for Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Chairman. I rise to speak in favour of this amendment, and I have a few words that I'd like to add to what's already been said by my colleagues.

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

THE DEPUTY CHAIRMAN: Yes. The hon. Minister of Labour.

**Point of Order
Concluding Debate**

MR. DAY: I seek clarification from the Chair. I was out for a couple of minutes, so I stand to be corrected, but I believe that the member introduced the amendment.

DR. PERCY: No, I didn't.

MR. DAY: Oh, he didn't introduce the amendment.

DR. PERCY: The hon. Member for Edmonton-Manning did.

MR. DAY: Okay. So you only spoke on it the one time?

DR. PERCY: Twice.

MR. DAY: Okay. He didn't introduce it. So he's not wrapping up debate. Thank you for the clarification.

THE DEPUTY CHAIRMAN: If I know the rules, and I obviously do, in committee stage you can speak as many times as you want to amendments.

MR. DAY: Thank you. I thought that he was closing the debate. You're a hundred percent correct. Thank you.

MR. DALLA-LONGA: The Minister of Labour goes out for a little while, and everything falls apart, in his mind at least.

MR. DAY: The only thing falling apart is your Grecian Formula.

MR. DALLA-LONGA: Jealousy will get you nowhere.

Debate Continued

MR. DALLA-LONGA: Anyway, Mr. Chairman, I'd like to say a few words to the amendment and try to stick to the amendment specifically. But first I'd like to say a couple of words about this Bill. This Bill is an attempt to satisfy the concerns of Albertans, of most Albertans at least, in that we want to get the debt repaid. However, I think the teeth in this Bill and the conviction are not as great as the title would indicate. As my colleague for Edmonton-Whitemud indicated, the targets are too low. They're too easy to reach, and it's not much of an objective. Quite honestly, we are concerned that revenues may fluctuate, particularly in the oil industry. We are subject to the vagaries of oil pricing, and maybe that's the answer. Maybe the debt retirement program is tied, to a certain extent, to the price of oil and gas, but that hasn't been done. I think that the intention here was, if I might say, to make it look like this government has got a serious commitment to retiring the budget, to retiring the debt, but in fact I don't think that the commitment is there as much as we would be led to believe.

I'd like to move on to the amendment itself. Under clause 1(b) we talk about Crown debt, and excluded from this definition of Crown debt is the outstanding pension liability. I have never understood how we can rationalize saying that \$6 billion is not a liability of this government, not a liability of the people of Alberta. I know the arguments have been brought up that over

time it'll be repaid through additional assessments and so on, but at the end of the day when there's a shortfall, this government is going to have to make up that shortfall.

4:10

In traditional companies unfunded pension liabilities are viewed as obligations of the company. I think that the test should be: what would Albertans want to know in terms of what their obligations are with regards to debt retirement? Is it just the debts of the Crown and liabilities of the Crown as defined in this Bill, or is it to include the pension liability? Would it make a difference to their decision? Would it have an impact on how they felt about the finances of the province? I would submit to you, Mr. Chairman, that it would, and therefore it's got to be considered as part of the debt.

You know, we talk about putting assets on the balance sheet that traditionally aren't on government balance sheets, things that were capital projects and that sort of thing, to bring us more in line with what companies would do, and the Treasurer has said that in the past. Yet we don't talk about treating unfunded liabilities in a manner more consistent with how companies do it. This whole argument is going to go back and forth, Mr. Chairman, and I would like to propose a new way of maybe dealing with this impasse – and I think it's going to be an impasse. I would challenge the members opposite to put this definition of Crown debt to the new Auditor General and see if he agrees with what's being done here. If the Auditor General agrees that this is fair disclosure, then I will encourage my colleagues on this side to stand aside and let this Bill go forward as it's presently drafted. On that basis I can't see how the members opposite could possibly have a problem. Someone independent from this House, not politically motivated, would decide whether this definition of Crown debt should include the pension liabilities. With that, I'll close.

Thank you.

THE DEPUTY CHAIRMAN: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Chairman. The Member for Clover Bar-Fort Saskatchewan I think is maybe a secret Tory, because she gave me a bit of toffee just before I got up, hoping that my jaws would be stuck together.

THE DEPUTY CHAIRMAN: Hon. member, I was just wondering if you were chewing Copenhagen or Big Ben.

MR. N. TAYLOR: Well, I've surmounted great difficulties in the past, and I'll surmount this one too.

My hon. colleague from Calgary-West makes a very admirable solution in this amendment to the problem that's facing the House now as to whether or not to include pension liabilities. The House should understand that you can see why the opposition is rather jumpy on this. It took us years, Mr. Chairman, to get the government of the day to include pensions as a liability, because it was such a huge liability. Now this government is trying to sweep it out the back door. I think that it's deceptive not only to the public . . .

MRS. BLACK: A point of order, Mr. Chairman.

THE DEPUTY CHAIRMAN: A point of order, the hon. Minister of Energy.

Point of Order Imputing Motives

MRS. BLACK: Mr. Chairman, 23(i). I believe that if the hon. Member for Redwater would clearly read the budget documents, he would see that the unfunded pension liability is identified, is stated, is dialogued, is footnoted all the way through this document. So to insinuate that there is any kind of thing to push this out the back door is wrong.

THE DEPUTY CHAIRMAN: On the point of order, hon. member.

MR. N. TAYLOR: Thank you, Mr. Chairman. The point of order is that that doesn't address what we're talking about with Bill 6. The budget may well say what she says it does, and it does as a matter of fact. This is one of the reasons why I'm rising to speak on this. I maintain that this is not in conformity with the words and the thoughts and the impressions and the aim as written in the budget. In other words – I don't know whether some little gnomes did it when the cabinet council didn't notice it – I think that any clause that says "not including any liabilities respecting pensions" is counter to the thrust and the spirit of the budget. It could not have been better than having the hon. Member for Calgary-Foothills get up and say that, because she is a hundred percent right. If they had followed the spirit of the drafting of that budget and everything else, this amendment that we're talking about would not be necessary. We're just arguing that you cannot strike out liabilities respecting pensions when it comes to Bill 6.

THE DEPUTY CHAIRMAN: Hon. member, you're getting right in to do your speaking. In fact, when the hon. Member for Edmonton-Whitemud was speaking, he was going into section 2, and he was way off the amendment to section 1. I notice that the hon. Member for Redwater is staying right within that section, and I do hope he stays that way, because I will be calling people to order if they start leading away from that section.

The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Chairman. It is always nice when two geniuses recognize each other.

Debate Continued

MR. N. TAYLOR: I am trying to stay very much within that. This is why I was surprised – I didn't craft this as a trap by any means – when the hon. acting House leader got up and said the words, even better and probably much more charmingly than I could, that indeed the budget did point out that we're going to try to include the pension liabilities. But section 1(b), by saying "not including any liabilities respecting pensions," has got to be as clear a warning as you possibly can get that the government is not moving in the lines that they'd set out for the pensions, not moving in the lines that the hon. Member for Calgary-North Hill had wanted to. I think that somebody in the department of Treasury has sneaked this in and that maybe the front bench doesn't realize that this is going counter to the thrust of the budget.

I'd also like to support the hon. Member for Calgary-West – and I don't know why all the good things are coming from Calgary today – when he suggested that they get the ruling of the Auditor General as to whether or not it would be possible to not include the liabilities respecting pensions. I'd like to suggest a better thing. Passing it and then trusting this government to

change it tomorrow is a little bit like saying, you know: will you still love me in the morning? I think, Mr. Chairman, that it's one of those things – it's not been honoured too often; let's put it that way. I would like to see the hon. member hoist it or pull it back. Pull this back until we've had an opinion. Take this whole clause, section 1, and pull it out until we've had an opinion from the Auditor General.

That's all I have to say. By now the toffee has been swallowed, and my jaws are quite limber. Unfortunately, the brain isn't keeping up, so I'll sit down.

Thank you.

MR. DAY: Mr. Chairman, I move to adjourn debate on the amendment.

THE DEPUTY CHAIRMAN: The hon. Minister of Labour has moved that we adjourn debate on the amendment. Are you all in favour of that motion?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed, if any? Carried.
Okay. We'll move now to Bill 3.

4:20

Bill 3 Managerial Exclusion Act

MR. DAY: Mr. Chairman, as I open my comments, I'd just like to table with the Assembly a number of letters: one from the Alberta Association of Municipal Districts and Counties, a letter of support for Bill 3, also letters from a couple of cities, and a letter reflecting the position of the AUMA, support for Bill 3.

Mr. Chairman, I do hope that members will truly address the committee stage of the Bill, which is to speak specifically to the Bill itself. Without going into long, long detail, I just want to remind members what the intent is here, because there have been some suggestions about this Bill that don't reflect either the intent or the spirit or the principle of the Bill. Again, to remind members, it is simply this. Within the province of Alberta, as a matter of fact within the nation of Canada, every union, in discussions with management, deals with the question of who could be designated to come out of a bargaining unit and be designated into management.

The reason that management has to be outside of a bargaining unit is because managerial functions are by their very nature at times difficult to perform within a bargaining unit, especially if you're looking at areas of discipline, if you're looking at areas of performance appraisals, assessing overtime, who's going to be getting it and when. There are a number of things which managers have to do which are difficult to do if a person is a member of the actual bargaining unit. So, quite properly, there is a means for a person who is moving into management to move or be designated out of the bargaining unit.

Now, also quite properly, history has shown that there can be concerns that management would unduly use this in any collective situation just to bring people out of a bargaining unit, deem them as managers and thereby weaken the bargaining unit, and there is some justifiable concern. Because of that, the Labour Relations Board has a very clear and extensive process. When two sides in a collective agreement cannot, in fact, agree on a person or persons coming out of the bargaining unit, then that can move forward to the Labour Relations Board for adjudication. In that particular case, because of well-defined and time-tested criteria,

it can be plainly indicated if indeed management is being mischievous and trying to dilute a bargaining unit or if in fact those members are indeed performing management functions.

[Mr. Tannas in the Chair]

That applies in Alberta to every single union and it applies in Canada to every single union, excepting, that is, the province of Ontario, where they have a similar provision, which is unique only to Ontario and Alberta, which in fact impedes that final step from happening. So if there is a disagreement between management and the union in terms of a firefighter coming out and moving into a management position, because of legislation that's been on the books for years, it's impossible for that discussion to go to the Labour Relations Board for adjudication. That is all Bill 3 is doing. It's putting the discussion on the same basis as every other union in Canada, other than in Ontario, where they're also looking at changing this.

Now, there have been concerns expressed in the past that this shouldn't go ahead. One of the concerns and the one that I have listened to is that in a fire fighting situation this is compared to a paramilitary unit, and therefore it cannot function if you've got officers giving commands to enlisted people. In fact, in a police situation you have a paramilitary situation where people are moving many times in tactical situations requiring lightning-like movement and directions and commands being given, and that functions very well even though they're not all lumped together in the bargaining unit like the firefighters want to be.

As a matter of fact, it's interesting the term "paramilitary" is used because in the military itself there are the clear distinctions between the rank and file, the noncommissioned and the commissioned officers, and they are constantly and consistently trained and going into life-and-death situations being led by officers who are commissioned and leading men who are not commissioned. It happens all the time; it happens every day. So I do have sensitivity to that particular concern, but it is not valid or applied in full military situations or in police situations.

Also, I would have to ask the question: if that is going to produce risk to firefighters – all this is doing is allowing the discussion to go to the Labour Relations Board – why are we not seeing the wholesale slaughter of firefighters in every other province that has the provision that we are promoting today? We don't see that wholesale slaughter going on. We see these units functioning with officers, with enlisted people, and I believe our firefighters are committed, professional, and dedicated. The firefighters that I know have told me a number of things about this provision when you talk quietly and individually to them. Number one, they are going to go about the business of saving lives with a high degree of commitment, and they will be working as a unit. They will also be respecting those in the unit who are making the decisions, be they in the bargaining unit or be they an officer.

Younger firefighters also tell me that they look forward to the possibility of moving into management without the strict application and the only application, as sometimes happens – not all the time but sometimes – of seniority. Sometimes the only reason you can move ahead is because of seniority. We know that the senior members in this Assembly may well be the most experienced and the most adept, but again they may not be. There should be a means of determining people's ability other than who has held the job the longest. I have talked to younger firefighters, young firefighters my age, who have said to me, though they can't speak openly about this, that they are looking forward to a

negotiated process which allows for firefighters to be looked at for management positions with qualifications other than who has been in the fire hall the longest. That person may be the best one for the job or in fact they may not be.

So please understand, I say through you, Mr. Chairman, to the members: all this Bill is doing is allowing, when there's a breakdown in negotiation, for the discussion to go to the LRB. The Legislature will not decide if somebody is coming out of a bargaining unit. No MLA will decide who's coming out of a bargaining unit. If it breaks down in negotiation, the Labour Relations Board, with its time-tested criteria, will make that decision.

I might say, Mr. Chairman, there's been a fascinating change of position with a number of members in the opposite party. Those who were previously serving on city councils were in favour of this when they were on the city council because they know full well that to manage properly, you have to have managers. There's been some kind of a Damascus-road conversion now that they've moved into the Legislature, and now they're operating in terms of numbers of people who vote for them. We all know that there's more firefighters than there are chiefs, and well there should be: 900 in Edmonton; 1,100 in Calgary. I would suggest, other than if they can explain to me, is it just the numbers game they are playing in opposing this legislation? Because they were all firm supporters. Quite a number of members opposite who sat on Edmonton city council wanted this, asked the government for this for years. You should look around, hon. member, because they're conveniently not here right now. I can name them for you if you like.

I would go on to say, Mr. Chairman . . .

4:30

MS LEIBOVICI: Standing Order 23(h), (i), or (j).

THE CHAIRMAN: The hon. Member for Edmonton-Meadowlark is rising on the point of order of 23(h), (i), and (j). Perhaps you'd enlighten us as to how that's relevant.

Point of Order Allegations against Members

MS LEIBOVICI: Well, that, plus there's one that talks about absence, which I just can't find at this particular point in time. But I think, on that point of order alone, the hon. minister is out of order. I think that when you look at 23(h), (i), (j), perhaps we could have a bit of a discussion in terms of "abusive or insulting language of a nature likely to create disorder," but I think the hon. minister is imputing false motives and making allegations against other members in terms of their purported absence from the Legislative Assembly. So I think that an apology is probably in order.

THE CHAIRMAN: The hon. Minister of Labour in reply to the point of order, please.

MR. DAY: In reply to the point of order, the member is quite correct in terms of a member referring to the absence of another member, and I withdraw that particular comment.

THE CHAIRMAN: Okay. There also was that if those members are not here, there was some motive that they have not avowed.

MR. DAY: Mr. Chairman, if I recall – and I'd have to check the Blues – I think that I used the word "conveniently" absent, and

that would insinuate a motive other than intended. I apologize for that and also withdraw that.

THE CHAIRMAN: Okay. Thank you.

The Chair has heard the withdrawal of the two points that seem to be in contention. If that's agreeable, we would then invite the Minister of Labour to continue on with his comments on second reading of Bill 3.

Debate Continued

MR. DAY: Thanks. I'll also further comment, then, about one member – I think we're allowed to say who is here – who I understand previously was a negotiator on behalf of the city on labour-related items. In fact, Mr. Chairman – and I would ask, when the time comes, that that member may want to clarify this – the member also was supportive of this approach and was quite concerned about the lack of ability of the city of Edmonton to take people out of the bargaining unit into management. I'll look forward to some explanation on that, and when I say Damascus-road conversion, I say that in the positive sense. That can happen. Certainly it happened to me in a spiritual sense, and it can happen to other people in a fiscal sense. I'm not taking away or suggesting any motive other than remarkable conversion on this particular topic.

Also, I will say, Mr. Chairman, that in listening to the firefighters, because of a suspicion which I'm not saying is justified but that is inherent with union representation about management, management sometimes attempts to dilute a bargaining unit. I've listened to that and I do think that's covered with the very clear criteria in the LRB, but I would like to add further protection. I have listened to that, and I think the firefighters deserve some further protection on that. There were more meetings last week – Thursday afternoon and all day Friday until about 7 o'clock – on this issue, again to see if there were other ways than legislation to resolve what is really a standoff. In fact, no other method was brought forward that was mutually acceptable. However, in discussion with the fire chiefs even as recently as today, a letter of intent is being drawn up by the fire chiefs that will go alongside the legislation and also every collective agreement, which shows that they will follow the due process and will not in fact try to jump the process and move people out of the unit unduly.

So not only will there be a commitment in writing which is really in excess of the legislation, but I'm also proposing an amendment today which recognizes the suspicion and the concern of some firefighters – and I want to acknowledge that – about, in fact, another bargaining unit being created by a wholesale movement of people out of the bargaining unit, which will be impossible to happen through the criteria of the LRB.

In fact, I would like to move the amendment as follows. It's being distributed right now to members. It strikes 3(b) and substitutes the following:

- (b) by repealing section 33(2) and substituting the following:
 - (2) Certifications for firefighters shall be granted on the basis that all firefighters of an employer shall be included in one bargaining unit.

So even though I feel – I'll just kind of slow down my remarks a bit here.

THE CHAIRMAN: I was just going to say, hon. minister, that we'll just take a brief respite here for a moment while the amendments are being circulated so that all hon. members can better follow the minister's explanation. We will characterize this as amendment number 1.

Mr. Minister, right now we don't have before us the initialed copies. That would be helpful.

Great. With that, we'd invite the hon. Minister of Labour to continue on with his amendment.

MR. DAY: Thank you. I think a member here probably has the rare privilege of having my actual autographed copy. I know they'll want to frame it and show it to their children and grandchildren. I've just sent other initialed copies over to you, Mr. Chairman.

What this amendment does, I believe, is it goes the second mile or, to be more politically correct, the second kilometre in terms of really underlying that firefighters are going to be protected from having their bargaining unit diluted, because that's a concern they have suggested to me. I think Bill 3 in and of itself does that. No question the LRB also adds to that, but this is like another layer. I'm always reticent to introduce excessive legislation, but this is another layer of protection, saying to firefighters – and this was raised with me by the representatives – that there will only be one bargaining unit. The fear of a double unit developing, which it can't without legislation anyway, is here dealt with.

So I would appeal, Mr. Chairman, to the members opposite to deal with the reality of the situation. If I can use a phrase pertaining to the profession itself, I would hope that they would not inflame the debate. It is an incendiary topic, and it is one that is easy for people to appeal, to quote the numbers game, because there will always be more people in the bargaining unit than in management, and it is easy to appeal strictly to numbers. I would ask that they see this in conjunction with the rest of Canada, in terms of every other jurisdiction except Ontario, which is also contemplating moving now in this direction, and see it as the ability to manage, yet providing the protection that is needed by those in the bargaining unit.

THE CHAIRMAN: The hon. Member for Edmonton-Meadowlark on the amendment.

MS LEIBOVICI: Thank you, Mr. Chairman. In looking at the amendment, I have some grave concerns with it, even though the Minister of Labour is ever persuasive when it comes to the rationale for putting forward a position. Though I realize that the amendment is what's on the floor at this point in time, I think there are some misconceptions, perhaps, that the Minister of Labour did put forward. I think it's important to look at those when we look at this particular amendment.

One of the items that the Minister of Labour spoke about was the fact that there were meetings held on Thursday and Friday of last week to talk about just these kinds of issues. Given that those talks were not finalized, given that there was perhaps an agreement forthcoming – and it's my understanding that the AUMA and the fire chiefs who were present at that meeting walked out of the meeting saying that they could not make decisions – I'm surprised that the Minister of Labour, who believes in consultation, as the Premier of the province does, as the Premier of the province promised the firefighters in May of '93 that he would have consultation, that in fact he would go this one step further when it's not appropriate to do so at this point in time. I know that the members opposite have been receiving requests from firefighters within their particular constituencies as to why this particular Bill is important. Again, why do we need to go through Committee of the Whole at this point in time when, if I can use the word loosely, the negotiations and consultation are occurring?

4:40

Now what we're seeing in front of us is an amendment that rumour had it was going to be put forward on the floor of the Legislative Assembly today. The rationale for this amendment, as I understand it, is a little bit different than what the Minister of Labour has put forward. My understanding is that in the discussions that were held on Thursday and Friday, the firefighter representatives said: well, if we look at the legislation in front of us, at this point in time we still have the option of perhaps forming a senior firefighters association, much like we see with the police.

I know that the minister likes to talk about how there are similarities and dissimilarities in certain parts of our legislation. Within this particular province there's a little bit of picking and choosing as to whom we would like to be similar to at what point in time. When I look at similarities in terms of legislation, that being one of the reasons to say that firefighters should be treated like all other employees within this province, why don't we look at the right to strike? Is that not something, then, that firefighters should be entitled to, like most employees within this province? Need I say that nurses are excluded as well from that particular provision? Perhaps that's something that we need to look at if we're going to have a generic labour relations code across the province.

The fact of the matter is that there are different occupations that require different kinds of legislation. That's why we have legislation with regards to labour relations that deals with police officers. At one point in time firefighters were covered under that particular piece of legislation. We have legislation that talks about different kinds of activities within the construction industry. We have legislation that allows certain sectors to strike, certain sectors not to strike. We have legislation that deals with firefighters and exclusion within those ranks. There is a reason and a rationale for these pieces of legislation to exist.

Now, if we're going to say let's take a piece of legislation, let's take a piece of a piece of legislation and let's change it, then why doesn't the minister open up the entire labour relations Act in this province and do a review in terms of what is and what isn't required within the different occupations that are covered by the Labour Relations Code? My guess is the reason that's not happening is that there's a wish from the Minister of Labour to look at picking and choosing, to look at trying to say: well, we like this little bit, but we don't like that little bit; maybe we'll give in to pressure from this group – in this case being AUMA and the fire chiefs – and maybe we won't listen to what the concerns of the firefighters are.

But if I can just go back to what the reasoning is for this particular amendment, it's that it was brought up – I'm not sure if it was on Thursday or Friday – that, look, there may be an ability to have something akin to a senior firefighters association.

When we talk about managerial exclusions, I think we have to be clear about the numbers that we're talking about. In a fire fighting force such as the city of Edmonton, which currently has between 800 and 900 members, approximately, who are in that particular division, in that particular branch, you may be looking at about 200 that could potentially be excluded. In a smaller fire fighting department, such as Lethbridge, you're still looking at approximately one-quarter to perhaps one-half of those members being excluded. We're not talking about two or three individuals. We're not saying a certain level within the organization. We're talking massive numbers of members who could potentially be excluded from having their rights protected.

Again, the concern of the firefighters is not so much, I'm sure, as some of the members across the way may come up and say: "Oh, well, firefighters are only worried about their membership dues, and firefighters are only worried about their potential bargaining strength." I have one member who is smiling at me with regards to that, because maybe that's within his arguments. That is not what the case is with firefighters. What they are looking at is public safety, and what they're looking at is ensuring that that spirit of co-operation, that spirit of team, that spirit of . . .

THE CHAIRMAN: The hon. Minister of Labour is rising on a point of order.

Point of Order Questioning a Member

MR. DAY: Mr. Chairman, *Beauchesne* does clearly allow for a member to rise and ask the member who has the floor if they would entertain a brief question.

THE CHAIRMAN: Member for Edmonton-Meadowlark, the Chair would ask you to either say yes or no. You don't have to give any reasons.

MS LEIBOVICI: Yes.

Debate Continued

THE CHAIRMAN: The hon. Minister of Labour.

MR. DAY: Thank you, Mr. Chairman. The Member for Edmonton-Meadowlark again demonstrates that she is more open than a number of her colleagues in terms of broadness of mind on discussion. I would like to ask the member: in her previous life involved with the city of Edmonton, at any time did she express interest in this type of approach which I am suggesting?

MS LEIBOVICI: Actually, I was going to address that issue, because the hon. member did broach it. I will, if not right now at some later point, but I will address that particular issue.

MS LEIBOVICI: When we're looking at this particular amendment, again my understanding is that what occurred was that the question arose, and the legal opinion on the firefighters' side was, "Yes, you could potentially set up two unions." The legal opinion from the Department of Labour was, "No, you can't do it." Interestingly enough, what we have in front of us is a piece of paper, is an amendment to ensure that that can never happen, to ensure that the Labour Relations Board does not have the ability to designate another bargaining unit for firefighters if it is so required. I think that's what needs to be put out very clearly on the table, that the intent of this amendment is not to facilitate, is not to ensure that there is a clarity. The intent of this amendment is to ensure that there will never be an ability for the individuals who are potentially excluded from the bargaining unit under this Act to have representation. Given what the minister is saying about the reason for this particular Act – it's nothing more or less than to ensure that there is equity across the province, to ensure that what applies to every other union here and across Canada applies to this particular group, to ensure that there's a negotiated process, to ensure that junior firefighters have the ability to move up through the ranks. Contrary to all this speech for freedom, what we're seeing here is an actual closing down of the process, and I am astonished that the minister would bring this forward.

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

THE CHAIRMAN: The hon. Minister of Labour is rising on a point of order. Would you share that with us?

**Point of Order
Imputing Motives**

MR. DAY: Citing 23(i) of Standing Orders, Mr. Chairman. A few moments ago, I erred and strayed into the territory of avowing false motives, and it was brought to my attention by the Member for Edmonton-Meadowlark. I realized I had erred into that territory and withdrew from that territory. I stated clearly in my remarks the intent of the amendment. The member is now saying that there is a totally other and somewhat nefarious intent here, and I believe that is clearly implying a false and unavowed motive.

THE CHAIRMAN: The hon. Member for Edmonton-Meadowlark on the point of order?

MS LEIBOVICI: Definitely. I have no desire whatsoever to impute false motives or to impute that the Minister of Labour is anything but honourable. What I am indicating though, in terms of debate and the spirit of debate, is that I believe this amendment does provide for a different intent than perhaps the minister is aware of.

4:50

THE CHAIRMAN: Well, I think that 23(i) does cover – you're saying, hon. Member for Edmonton-Meadowlark, that you were not intending to impute a false motive, but you are saying that there's an unavowed or unintended motive. Is that the essence of what you're saying?

MS LEIBOVICI: If you could repeat that, please?

THE CHAIRMAN: I'm saying that as I understood your response to the point of the order, you are not imputing a false motive to the hon. Minister of Labour, but you are imputing an unintended and therefore unavowed motive. Is that what you're saying?

MS LEIBOVICI: Well, perhaps a misunderstanding of what the outcome of this particular amendment can be.

THE CHAIRMAN: If we can characterize this as essentially a misunderstanding about the intention of the amendment, that's one kind of possibility, and members can debate that for as long as the committee will allow them. But when we come to the motive of the movers of these, then that's a different thing. You're saying that you're not imputing a motive but merely that there's a difference of opinion as to what the consequences of this amendment will be. Okay. If that is the understanding, then I think that would cover the point of order by the hon. minister.

MS LEIBOVICI: Just to clarify, I would never wish to impute that the hon. Minister of Labour was, as I indicated earlier, anything but honourable in his notions and intentions.

Debate Continued

MS LEIBOVICI: Given my background, as the Minister of Labour is well aware, words can become something else when they're put onto paper, and words have a different effect when they're read perhaps out of context and in context. I think when you look at what this particular amendment can well do, what it

can do is say that there will never be that ability to have negotiations or to have certain groups of firefighters covered under particular groups of bargaining units.

I think one of the questions I have to the Minister of Labour with regards to this whole issue is that given the fact that the negotiations were ongoing with respect to this particular Bill, what has prompted the Minister of Labour to bring this issue forward at this point in time? I think there can be a speedy resolution to this particular issue, but it seems as if there are certain of the members who are not able and do not have the ability to negotiate on behalf of their representatives.

One of the problems I guess I have with this whole process is that it's my understanding that the firefighters on Thursday and Friday went to these meetings with the clear intent that participants had to be in power to make decisions and that there would be, hopefully, some kind of a process at the end of it. What came out of it was that the management participants did not have that ability to make those kinds of decisions, walked out of the meeting saying that, and then told the firefighters: it doesn't matter anyway, what we've done here; we're going to see it come into the Legislative Assembly on Monday, and it will be passed. Again I have great difficulties with that, knowing the honourable status of the Minister of Labour, that he could even remotely be involved with a process such as this, and I believe it has probably gone on without his full knowledge of the details. Now that he's aware of the situation, I would hope that he would be instructing his department to try and come to an agreement.

Now, a letter of intent is no more than that. A letter of intent is usually brought about through a negotiating process. What I've heard the Minister of Labour say is that, well, there's been these discussions. There's been perhaps some form of consultation, perhaps some form of negotiation, mediation – it doesn't matter what we call it – some form of dialogue between all the parties affected, which I'd like to point out does not go to the full public consultation process that was promised by the Premier of this province to the firefighters. But there was some form of dialogue that went on, and now as a result of that dialogue everyone should go home, be happy, and say, "Okay; we'll get a letter of intent."

I have not seen the wording of that letter of intent. I don't think the firefighters who are part of that process of dialogue have seen the letter of intent. A letter of intent is usually signed by two parties, perhaps in this case three parties, to a collective agreement. We had the Minister of Health stand here not more than two hours ago and say: I can't get involved with a negotiated agreement; I can't open up any negotiated agreements to look at severance packages for nurses or for the health care workers. Yet we have the Minister of Labour saying: I can provide a letter of intent to a collective agreement. That's not the way it works. That is not the way it works.

If there's going to be some kind of letter of intent, that needs to be negotiated. That needs to be negotiated between the parties. What assurances do firefighters have that this letter of intent will not be pulled back at some point if it's unilateral, if it's a letter that either AUMA or the fire chiefs provide to the firefighters and say, "Okay, here's my letter of intent"? How do we know what the time limits are on that? How do we know, when a new collective agreement is negotiated, that that letter of intent becomes part of that collective agreement, unless the minister means something else than the letters of intent than I'm familiar with.

THE CHAIRMAN: Hon. members, the ambient noise is now exceeding the level of the present speaker. If we could cut that

down, we would be able to hear the arguments of Edmonton-Meadowlark.

The hon. Minister of Labour is rising on a point of order.

**Point of Order
Relevance**

MR. DAY: Mr. Chairman, I want to assure the Member for Edmonton-Meadowlark that I'm not trying to interrupt her train of thought.

THE CHAIRMAN: Do you have a citation?

MR. DAY: Oh, 688 *Beauchesne*. I'm not trying to be vexatious here, but 688 of *Beauchesne*, talking about the committee stage of a Bill, which we are now in, says:

The function of a committee on a bill is to go through the text of the bill clause by clause and, if necessary, word by word, with a view to making such amendments in it as may seem likely to render it more generally acceptable.

I haven't checked the timer's clock, but we've been going on for quite a number of minutes. The member has not yet referred to a clause. She's going through some interesting history, which I've already put in *Hansard* and I'll do again, but I suggest that we move to the function of committee and look at the clauses of the Bill and suggest how they may be improved.

THE CHAIRMAN: Well, hon. minister, before I call upon the hon. Member for Edmonton-Meadowlark, the Chair is under the understanding that we're not in fact allowed to deal with the clauses of the Bill at this moment because of the government amendment. We're on the amendment.

MR. DAY: I agree with you. We are in committee stage. The amendment is in committee stage. There is one clause in that amendment, and I suggest that the function of the committee is to address the clauses that are before us, albeit you are correct: it is an amendment.

THE CHAIRMAN: The hon. Member for Edmonton-Meadowlark on the point of order.

MS LEIBOVICI: As always, the minister brings up a good point of order. But on that particular point of order the fact of the matter is that I am speaking to the particular clause that's on the floor of the Legislative Assembly at this point in time. In order to understand the clause, I am referring to the context the minister himself brought forward. It was the minister himself who talked about a letter of intent. It was the minister himself who talked about how this was nothing more than a preamble to negotiations. It was the minister himself who said that this was a clause that was going to provide for much better labour relations within the firefighter departments. I am therefore addressing those concerns that were brought up in the context of this particular amendment.

5:00

MR. DAY: Mr. Chairman, I stand corrected, but I think the Blues will show that my discussion on the letter of intent and other preamble was given before I tabled the amendment. Certainly the member can refer back to those comments once we've moved from the discussion of the clause now before us.

THE CHAIRMAN: Hon. Member for Edmonton-Meadowlark, are you wishing to discuss the point of order further?

MS LEIBOVICI: Well, I think one of the things that we have to look at is that all of this ties together. It's nice to say that we can look at a particular clause without any of the surrounding background that's part of that particular clause. I think that would be a difficult argument to make.

THE CHAIRMAN: Indeed, the Chair finds it a bit difficult to slice out the fine points that are made here. We have before us an amendment, and Edmonton-Meadowlark is in fact, by and large, addressing that amendment in the context of the Bill and of the issues surrounding the Bill. To that extent we will allow the hon. member to continue. The Chair would remind that all of the discussion we have had on the point of order and on the second thoughts on the point of order is not counted against the hon. member's time. With that in mind we would ask the hon. Member for Edmonton-Meadowlark to continue.

Debate Continued

MS LEIBOVICI: Thank you, Mr. Chairman. As I was saying, the letter of intent process is something that I don't quite understand how that's going to work given that if we have passage of this legislation with this particular amendment in it, there are no guarantees to the firefighters that the exclusions they fear will happen as a result of this Bill, that the exclusions that they claim will jeopardize public safety will not in fact continue to go unchecked. I think that is one of the questions that was brought up with regards to the particular piece of legislation we have in front of us as well as the particular amendment we have in front of us.

I would have hoped that if the minister was bringing forward an amendment, that amendment would be based on the discussions that were had and that the members who were present at that particular meeting on Thursday and Friday did not have the ability to fully represent the people that they were representing in fact. So, in other words, certain things were agreed upon during those meetings on Thursday and Friday. There were agreements between AUMA, the fire chiefs, and the firefighters on ways to resolve Bill 3. Now, that's very important for everyone in this Legislative Assembly to understand, to fully comprehend that this was not an adversarial relationship, as some members on that side of the Legislative Assembly would like to think. Yet rather than bringing forward amendments that reflect that, that would in fact provide some safeguards, that would in fact reflect what the discussions were on Thursday and Friday – the joint tripartite, if I may use those words – what we have in front of us is a totally different amendment that basically says: "We're not going to listen to what you said. We're not going to listen to what you, as a group, thought of, but what we're going to try and do is plug a legal loophole." That's what this amendment does. It tries to plug a legal loophole so that there is no ability for these members to ever be represented by the unions.

I see that the Chair has a puzzled look on his face, and that is why I was trying to explain the context earlier in which this amendment was brought forward. I'll try and repeat it again for your edification. When the discussions were held, the question that the firefighters had, because their legal opinion was that there could be a union of firefighters set up and also a union of these excluded members much like the police association the police officers have within this province – there's a police association and there's a senior police association. The only members that are excluded from any bargaining unit in the police forces across

this province are your chiefs and your deputy chiefs: very similar to what you see in the firefighters legislation, no difference at all.

That was the question brought up in good faith by the firefighters. The Department of Labour's lawyers indicated that, no, that was not their understanding, that the included members could not become a member of another union. What this amendment does is try to block that loophole. My question is: why would we bring this forward? Why would we do this, other than perhaps to incite the firefighters, other than perhaps to light a fire, so to speak, under the blaze that is already going on in firefighters' unions across this province. That is the concern I have with regard to this amendment. This is not an amendment that reflects what was discussed. It's not an amendment that sets down on paper what was agreed to. This is an amendment that I think will just further inflame those firefighters that all of you have been hearing from. I am sure you have all been hearing from them. I know the Member for Lacombe-Stettler has heard from them. I know that other members have heard from their firefighters. This will not resolve the situation.

With those remarks, thank you.

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

MR. DUNFORD: Thank you, Mr. Chairman. I wanted to enter into the discussion on the amendment. I plan to confine my remarks at this particular time to that, but I've just had to listen for 20-plus minutes about one of the difficulties I guess that an opposition member has, that they aren't privy perhaps to meetings. They don't get the information, and of course, they have to stand in their places and oppose whatever comes forward if it happens to be from the government side. I want, as best I can from my perspective, to try to set the record straight.

MR. VAN BINSBERGEN: Point of order, 23(h).

THE CHAIRMAN: The hon. Member for West Yellowhead and the citation.

Point of Order Factual Accuracy

MR. VAN BINSBERGEN: Twenty-three (h). The Member for Lethbridge-West clearly stated an untruth. He said that members of the opposition are always opposing any, any suggestions and proposals made by the government. I voted just this very day in favour of the Bill that establishes the bee as the national fly here.

MR. DUNFORD: I'll retract that.

Debate Continued

MR. DUNFORD: This thing is a serious situation that we have here. The minister is under tremendous pressure in terms of trying to deal with this, and I would like to move this thing along on the amendment.

What I want to say is that at a meeting I attended, the minister and his deputy made a firm commitment to what I believe was the executive of the Fire Fighters Association representing the firefighters in this province. Those firefighters at that particular time refused to accept the direct word of the minister and of the deputy minister. I asked in that meeting: "You have the word of these two gentlemen. Is that not enough?" No, that was not enough. We now have an amendment put forward by the minister today that he lives to his word, and I think that the people, not

only in the opposition but in the gallery, should understand that the minister has met his word. So I'm going to support this amendment on that basis.

I would like to say, however, that the irony of this situation is not lost on me, and what that is is that this amendment gives the firefighters now a situation that no one else enjoys in this province, and that's what I was fighting against in the original situation of where we have a section in the Labour Act that says "except firefighters."

MR. GERMAIN: So vote against the amendment, then.

MR. DUNFORD: Well, what shall I say, Mr. Chairman, to the Member for Fort McMurray, you know, who is attempting to enter the debate. I guess he'll get his turn. I think there's a matter here of great concern, and that is: when members of the public in Alberta cannot accept the word of a minister and a deputy minister – I don't know what greater authority there should be than that. So now we have this amendment . . .

5:10

MS LEBOVICI: Point of order.

THE CHAIRMAN: The hon. Member for Edmonton-Meadowlark is rising on a point of order.

Point of Order Allegations against Members

MS LEBOVICI: Standing Order 23(h), imputing false motives.

THE CHAIRMAN: I think you want making allegations. Which do you want?

MS LEBOVICI: Making allegations. I would like to just put it on the record that we were not party to those discussions and that in fact we are not nor are the firefighters . . .

THE CHAIRMAN: Hon. member, you're entering into a debate, which is welcome. You're welcome to come on as soon as the hon. Member for Lethbridge-West has completed. If you're talking about an allegation, then fair enough, deal with that. But I think you're entering into debate on the point of order. So would you make your point of order without continuance of the debate?

The hon. Member for Lethbridge-West on the point of order.

MR. DUNFORD: I don't believe that there is one. I was not referring to any member of the opposition. I was simply referring to representatives of the Alberta Fire Fighters Association.

THE CHAIRMAN: Okay. The Chair would indicate, from the listening point of view, that it did not pick up that there was something that you might constitute as an allegation against another member. We are getting into what was said at a meeting which is, of course, outside the committee's capacity to know, and so we would invite the Member for Lethbridge-West to continue the discussion on the amendment.

Debate Continued

MR. DUNFORD: Well, I think I've made or I've tried to make my point. We have a situation here today where the Minister of Labour is living up to his word, and I believe that he is an

honourable person for doing that. I have placed the caveat to the fact that ordinarily I probably would have opposed an amendment like this, but recognizing the situation he has been placed in, I'll support this amendment.

AN HON. MEMBER: Question.

THE CHAIRMAN: The question's been called, but we have hon. members wishing to enter into the debate.

MR. VAN BINSBERGEN: Yes, Mr. Chairman. I would like to . . .

THE CHAIRMAN: Before we take further members, I just wonder if the committee would permit a brief reversion to Introduction of Guests. All those in favour, please say aye.

HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed, please say no.
The hon. Member for Edmonton-Meadowlark.

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

MS LEIBOVICI: Thank you, Mr. Chairman. I think I would be amiss if I did not introduce two members of the Edmonton firefighters association. They're Rob Hartmann and Keith Woodruff, who are listening with eagerness to the debate that's ongoing.

Thank you.

Bill 3
Managerial Exclusion Act
(*continued*)

THE CHAIRMAN: The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Chairman. I'd just like to say a few words, and I'd like to speak very clearly and succinctly, to the amendment of course. I've listened with interest to the passionate defence by the Member for Lethbridge-West of his Minister of Labour and deputy minister. Mr. Chairman, I fully believe that the intentions of the hon. minister and his deputy minister were truly honourable and always are and probably will be forever and ever amen. But I think there is an element here of perhaps misinterpretation that has entered into the fray. When we look back to correspondence and meetings that have taken place between the firefighters and the Minister of Labour, we get the distinct impression – in fact, on the part of the firefighters there is a distinct impression that no consultation had taken place whatsoever. There had been the odd meeting; there had been no consultation. We've also heard from them that they had very, very clear assurances that there was not going to be a change to any existing legislation, very, very recently. Now, I'm glad to hear that the Minister of Labour had a meeting a couple of days ago and that from that meeting originated the amendment. Unfortunately, the question still remains as to whether the firefighters are truly in favour of this particular amendment.

Well, Mr. Chairman, I have great difficulty in trying to figure out what exactly this amendment does to the Bill. I have not quite figured that one out. I certainly would like to hear the minister

go through that again if he doesn't mind. All I see is that once he has split off the people who carry out managerial functions under this particular Bill, he then is left with firefighters who are not engaging in managerial functions. They will be augmented, as I understand it, by new firefighters, and they will all be certified and included in one and the same bargaining unit. So as I understand it, the split-off of the managerial types, if I can call it that, would still exist. Therefore, I don't really see any reason to vote in favour of this amendment.

It seems to be, as far as we're aware, that the firefighters are certainly not in favour of two different unions. I think that's an important part to keep in mind as well.

Now, I think the minister has compared the firefighters' situation to a military situation. All I can say is that there is really a vast difference in the sense that you do not find any unions amongst the military. They probably would like it. In fact, I can assure you that there is one amongst the rank and file in Holland, where I used to serve well before the unions came into effect, and now they're bargaining to do away with the draft, amazingly enough. Speaking of comparing this in a military fashion, it seems to me that the minister is engaging here in a classical military move which is a very diversionary tactic. I could also call it an attempt to obfuscate the matter at hand.

Anyway, I have stated my piece here. I would like some assurances that in fact it does not mean what I say, but so far I'm compelled to vote against it, Mr. Chairman.

MR. DAY: Well, just addressing some of the concerns, the Member for Lethbridge-West brought up . . .

MS LEIBOVICI: Are you closing the debate?

MR. DAY: I'm sorry; I'm not closing debate. We're on an amendment, and members can speak as often as they like.

Chairman's Ruling
Concluding Debate

THE CHAIRMAN: I think the hon. members are worried that we have the Assembly rules. In committee, as long as we have a give and take, the minister or any other member may speak more than once to the motion, and it's the Chair's understanding that this is not the closing of debate. If it were, then I would have said: to close debate on the amendment. If that's the concern, then, it is not closure of debate but continuance of it.

MR. DAY: And I got ruled out. Thank you, Mr. Chairman, for that reading. The rules are abundantly clear, ladies and gentlemen: we're in the amendment stage, and members can get up and speak more than once.

Debate Continued

MR. DAY: The Member for Lethbridge-West raised an important point. When you're not actually in a meeting, it's very easy to get another view of what happened there. The Member for Lethbridge-West was at a meeting which I attended. I believe it was March 6.

MS LEIBOVICI: May I ask the minister a question?

THE CHAIRMAN: The hon. Member for Edmonton-Meadowlark is rising on a point of order.

Point of Order**Questioning a Member**

MS LEIBOVICI: I'd like to ask the minister a question, 482.

THE CHAIRMAN: Given the same explicit citation as used before to ask a question . . .

Debate Continued

MS LEIBOVICI: Thank you. I'd like to know if the minister was at the meetings on Thursday and Friday of last week.

MR. DAY: No, I wasn't, Mr. Chairman.

MS LEIBOVICI: Thank you.

MR. DAY: Talking about the meeting on March 6 – and neither was the Member for Edmonton-Meadowlark at any of the meetings that have taken place ever on this except when she was with the city, asking for this type of approach.

5:20

I would like to say that the Member for Lethbridge-West raised the point that when you're not there, it's difficult to get the correct picture. The members have asked for an explanation of this particular amendment. It was at that meeting that I was persuaded by what I believed was a sincere request from a firefighter representative. He had a concern that other bargaining units could indeed be developed by this process. I assured that person at that meeting, as did my deputy, that that was virtually impossible in law, but when I left the meeting, I thought: you know, that gentleman had a concern of his heart, a concern that a whole other unit could be developed which would undermine their bargaining unit.

It was at the request of a representative of firefighters of this province that I said to my colleagues: would you join with me, even though firefighters don't agree with the approach – and they never will, or their reps won't – in going the second mile and bringing in an amendment at their request which would prohibit mischievous activity that would set up other bargaining units and undermine theirs? It is at the request of the representatives of the firefighters that this is before us today, and I believe it was a sincere appeal on behalf of that particular firefighter representative.

Now, in the future – and I mean even as close as this fall – should there be unanimous agreement among firefighters that now they have a different idea and they'd like another association possibly to be formed, with that kind of one hundred percent request then we would look at taking this out. I can only go on the sincere requests that are given to me by the firefighters. I'm not suggesting that they change their minds. If that were to come forward in the future, obviously we would look at it. But this was based on a request from the firefighters for absolute protection against mischievous activity. That's why this is here, Mr. Chairman, for no other reason.

This is the last time I'm getting into the consultation game of saying: yes consultation; no consultation. I'll refer to *Hansard*, March 7, page 395, and I'll go quickly. March 23, '94, myself and the Fire Fighters Association on this topic. March 8, 1994, joint meeting. Joint meeting. Joint meeting. Fire Fighters Association and the fire chiefs. April 7, another meeting with the Alberta Fire Fighters Association . . .

MR. GERMAIN: Point of order.

THE CHAIRMAN: The hon. Member for Fort McMurray is rising on a point of order, hon. minister.

Would you cite the . . .

Point of Order**Questioning a Member**

MR. GERMAIN: Will the minister take a question under *Beauchesne* 482?

THE CHAIRMAN: The hon. Minister of Labour does not have to give an answer except yes or no.

MR. DAY: Yes.

THE CHAIRMAN: The answer is yes.

Debate Continued

MR. GERMAIN: To clear up all of that confusion, Mr. Minister, did you keep minutes of those meetings, and are you prepared to table those minutes in this Legislative Assembly?

MR. DAY: I take notes at all those meetings, Mr. Chairman.

October 7, 1994, in Red Deer with the firefighters. March 6, another meeting, Mr. Chairman, as a request, and by the way let's also – I'll come back. Let me finish the dates here. March 6, another meeting.

I refer to a news release from the Fire Chiefs Association, reading this. This wasn't March 6. This was well before March 6.

The Alberta Fire Chiefs' Association, on the direction of Alberta's Minister of Labour, Stockwell Day, undertook an extensive consultative process.

On my direction. It goes on to read – now, one group of citizens got this very clear – "Mr. Day made it extremely clear to the chiefs that an extensive consultative process was essential." Was essential. They go on. Besides the meetings I was at and that I asked for, not that somebody else asked for, that I demanded happen,

On November 10 . . . the fire chiefs presented a brief to the minister . . . Following submission of our brief . . .

This is from the fire chiefs.

. . . we had the opportunity to meet with the minister to discuss our proposed amendments. The chiefs also advised the Alberta Firefighters' Association that we were requesting amendments to the Labour Relations Code. Once the firefighters were made aware of our proposal, the firefighters then submitted a proposal to the minister.

The minister subsequently met jointly . . . on March 8. Meetings were then held between Department of Labour representatives and the chiefs and the firefighters on separate occasions.

More meetings.

On June 10, 1994 the president of the Chiefs' Association, [Dave] Hodgins, met with the then president of the Calgary Firefighters' Union, Harvey Rindfleisch.

Two weeks later, on June 24 . . . fire chiefs and firefighters from various locations in Alberta met in Red Deer . . . The chiefs submitted their final report . . . October 19.

I told firefighters and chiefs that this consultation has been going on for years, and for the first time a government has said about many issues: we're here to do what's right. This had come forward in other years. It had come forward saying, "This is the right way to go, but do you want a whole bunch of phone calls from firefighters?" We said: "Nah, we don't. Let's leave a

process that's very costly and awkward in place. We don't want a bunch of phone calls."

Do you know what, Mr. Chairman? This is a caucus that wants to do what's right, and we've had two years of phone calls from thousands of people. We're going to be doing what we feel is right for the firefighters and the fire chiefs and the people who are trying to manage the budgets of the cities and municipalities of this province. We've had lots of phone calls from firefighters, and we may get lots more. We are moving ahead with this even though we are stopping to make amendments, as we have on this one, as we go.

And you know what's interesting? I still haven't heard, in answer to my question, an explanation, a glorious explanation, of the Damascus road conversion of the members who were for this, the Liberal members who supported this at one time when they were trying to manage budgets. I'd like to hear the record of the Damascus road conversions. I'm not belittling it. I've already said that I believe that can happen. When I asked the Member for Edmonton-Meadowlark directly to explain the switch of her position, there was no answer.

Mr. Chairman, further meetings were held March 6, and following discussions and phone calls that I personally made to firefighter representatives not this weekend but last weekend, I said: "Listen. If there is something new on the topic that both sides can agree on that break the deadlock without legislation, I want to know that." That's why the meetings were set up Thursday and Friday. All afternoon Thursday, all afternoon Friday, until 7 o'clock in the evening. All afternoon.

SOME HON. MEMBERS: You weren't there. You weren't there.

MR. DAY: I also wasn't at some of the meetings held that the chiefs instituted with the firefighters, and none of these members were at any of those meetings. That's how much they care.

So, Mr. Chairman, I say again: the process has gone on not this year, not last year, but it has gone on for decades. Finally there is a government . . . [interjections]

THE CHAIRMAN: Order. Hon. members will have ample opportunity to speak to the amendments that we have before us, but the Chair, even though the level of the voice of the hon. Minister of Labour has increased somewhat, has difficulty hearing him so that he might follow his trend of logic.

The hon. Minister of Labour to continue.

MR. DAY: I raise my voice when the voices opposite get higher. Mr. Chairman, when somebody is speaking to you and you don't have an intelligent response, what you do is catcall and heckle and make ridiculous comments.

Mr. Chairman, I see you looking nervously at the clock. It is 5:30, and you're about to call the hour, I believe. I'll leave that to your disposition.

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