

Legislative Assembly of Alberta

Title: **Tuesday, May 2, 1995**

1:30 p.m.

Date: 95/05/02

[The Speaker in the Chair]

head: **Prayers**

THE SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.

Amen.

head: **Presenting Reports by
Standing and Special Committees**

THE SPEAKER: The hon. Member for Medicine Hat.

MR. RENNER: Thank you. Mr. Speaker, the Standing Committee on Private Bills has had certain Bills under consideration and wishes to report as follows. The committee recommends that Bill Pr. 10, Calgary Regional Health Authority Charitable Annuity Act, proceed with some amendments. As part of this report I will be filing copies of the amendments proposed for this Bill.

Mr. Speaker, I request the concurrence of the Assembly in this recommendation.

THE SPEAKER: Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

THE SPEAKER: Opposed? So ordered.

head: **Notices of Motions**

MRS. BLACK: Mr. Speaker, pursuant to Standing Order 34(2)(a) I give notice that tomorrow I will move that written questions stand and retain their places on the Order Paper.

I also give notice that I will move that motions for returns appearing on the Order Paper stand and retain their places with the exception of motions for returns 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, and 222.

head: **Introduction of Bills**

Bill 33 Franchises Act

MR. DOERKSEN: Mr. Speaker, I request leave to introduce a Bill being the Franchises Act.

The purpose of this Act is to provide a new framework to assist prospective franchisees in making informed investment decisions by requiring timely disclosure of necessary information and to provide a means by which franchisors and franchisees will be able to govern themselves and promote fair dealings among themselves.

[Leave granted; Bill 33 read a first time]

MR. DAY: Mr. Speaker I would move that Bill just introduced be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

THE SPEAKER: The hon. Member for Bow Valley.

DR. OBERG: Thank you, Mr. Speaker. I'd like to table four copies of a report on activities of the International Year of the Family. It starts off with a salute from Henryk Sokalski of the United Nations giving recognition to Alberta for its International Year of the Family.

THE SPEAKER: Hon. members, pursuant to section 44 of the Conflicts of Interest Act I am pleased to table with the Assembly the annual report of the Ethics Commissioner. This report covers the activities of the office of the Ethics Commissioner for the period April 1, 1994, to March 31, 1995. A copy of the report is being distributed to all members.

The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thanks very much, Mr. Speaker. I'm pleased to table this afternoon copies of a letter dated February 7, 1995, from the Parents for Progress Association of Colonel J. Fred Scott elementary school in northeast Calgary. The gist of the letter urges the Legislature

to amend the Alberta School Act to mandate the right of access to fully funded kindergarten programming to a minimum of 400 hours per child per school year.

THE SPEAKER: The hon. Leader of the Opposition.

MR. MITCHELL: Thank you, Mr. Speaker. I'm tabling four copies of a draft of the Electric Utilities Act dated April 5, 1995, in which it states very clearly that there should be "openness and fairness among all competitors for generation of electric energy," which is quite revealing since the Bill that was presented earlier this week excludes that and in fact excludes Edmonton and Medicine Hat power companies from competing for the production of new energy in the future.

head: **Introduction of Guests**

MR. JONSON: Mr. Speaker, it is my pleasure this afternoon to introduce to you and through you to members of the Assembly a group of 40 ladies and gentlemen who are active members of the seniors' community in the town of Ponoka in the Ponoka-Rimbey constituency. They're seated in the public gallery.

Before introducing everyone, I would like to make two individual introductions from the group. First of all, I would like to ask Mr. Hugh Greene to stand. Mr. Greene happens today to be the bus driver of the Lions bus for our seniors' group, but Mr. Hugh Greene is national president of the Royal Canadian Legion, a great honour for our town and for this province, and I would ask you to recognize him. Mr. Speaker, also members of the group are Mr. and Mrs. Truman, the mom and dad of the Member for Three Hills-Airdrie. I would like to ask them to stand and receive the traditional warm welcome of the Assembly.

THE SPEAKER: The hon. Minister of Environmental Protection.

MR. LUND: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and to the members of the Assembly nine residents of Eckville. I would ask that they rise as I read out their names: Mayor Helen Posti, Rev. David Crawford, Kevin McEntee, Russ Ayers-Berry, Dr. Malcolm Campbell, Linda Taylor, Rebecca Taylor, Terry Engen, and

Deborah Baker. I would ask that the Assembly give them a cordial, warm welcome.

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

MR. WHITE: Thank you, Mr. Speaker. I wish to introduce to you and through you to the members of the Legislature a fine young man, a business student and a student of politics also. He is spending the summer in my constituency office and will be working very hard on behalf of the citizens of Edmonton-Mayfield. I'd like him to rise and receive the warm welcome of the House.

THE SPEAKER: The hon. Member for Little Bow.

MR. McFARLAND: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to members of this Assembly 11 visitors to our Assembly. We have six today, including a teacher, from the Boyle adult learning centre from the inner city here in Edmonton as well as five from the Vulcan learning centre in my constituency of Little Bow. Accompanying the nine students today are two of their teachers, Ms Bev Knutson-Shaw and Ms Jo-Anne Kobylka. Would they please rise in the public gallery and receive the warm welcome of the Assembly.

MR. TRYNCHY: Mr. Speaker, I'm honoured today to introduce to the Assembly from the growing and thriving community of Whitecourt some 125 students that visited us today. There were 62 this morning, and there are now 63 in the gallery, grade 6 students from the Percy Baxter school. They're accompanied by their teachers Karyn Bushrod and Mr. Wade Newbury, parents and leaders and two drivers, Jules Vandenhouten and Mrs. June Feist. They're seated in the members' gallery. I'd ask them to rise and receive the warm welcome of this Assembly.

1:40

THE SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the rest of the members of the Assembly a tireless community worker, Ron Williams, the mayor of Heisler. I'd ask you all to give him a warm welcome here this afternoon.

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

MR. DALLA-LONGA: Thank you, Mr. Speaker. It is my pleasure to introduce two gentlemen that are in the gallery this afternoon: Mr. Ben Baich, who is a retired Edmonton resident, and Mr. Paul Omell, who is also a retired Edmonton resident. Oh, yes. Did I forget to mention that they are directors of the Small Power Producers Association?

Thank you.

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

MR. CARDINAL: Thank you. Mr. Speaker, I'd like to introduce to you and through you to the Assembly Mr. Ernest Houle, who just walked in and is sitting in the gallery. Ernest is a former chief and is actively involved in various provincial and local organizations. I'd like Ernest to rise and receive the traditional warm welcome of the Assembly.

head:

Oral Question Period

Electric Utilities

MR. MITCHELL: Mr. Speaker, on April 5 the stakeholders had a consensus, and the government was committed to fair and open competition in power production in their draft electrical utilities Bill. By May 1 the government has chopped the words "fair and open competition" from the Bill and has explicitly precluded Medicine Hat and Edmonton power utility companies from ever selling new power into the grid. The result is that Alberta consumers will pay higher prices for power because there will be less competition. To the Premier: what backroom deals were made over the last three weeks to result in this change?

MR. KLEIN: Mr. Speaker, with all due respect, sir, this is on the Order Paper. It has been introduced as a Bill and will be open for debate. If the hon. leader of the Liberal opposition wishes to debate this issue, he will have ample opportunity. [interjections]

Speaker's Ruling Anticipation

THE SPEAKER: Order. [interjections] Order please.

The hon. Leader of the Opposition, bearing in mind the rules against anticipating debate on an item that's on the Order Paper for discussion later today.

MR. MITCHELL: Thank you, Mr. Speaker. I'm avoiding very carefully the specifics of the Bill to address the question of process and to address the general approach of the Bill.

Electric Utilities

(continued)

MR. MITCHELL: Mr. Speaker, to demonstrate his commitment to open government, will the Premier tell us today what representations were made by or on behalf of Alberta Power on this issue since April 5, representations that might have made him change his mind?

MR. KLEIN: Mr. Speaker, there were no representations made to me by Alberta Power but perhaps to the hon. Minister of Energy, and I'll have her supplement.

MRS. BLACK: Mr. Speaker, the hon. Leader of the Opposition has referenced a filing that he made earlier; I believe the date was April 5. In drafting a piece of legislation, there are several drafting phases the process goes through, and naturally we go, in particular in this process, and consult with the stakeholder groups as the Bill and the legislation start to evolve to try and gain a consensus position on this process. I can say that I had meetings myself as late as last Wednesday and Friday with the groups. Clearly, the agreement at the table was that the Bill proceed as it has been presented, and that is in fact what has happened. Clearly the decision on the content of the Bill is something that is debated not only by people in the public but also within the government, and the final decision on the position that the government puts forward is made by our caucus.

MR. MITCHELL: Well, regardless of what steps she went through to get to this conclusion, Mr. Speaker, why have the Minister of Energy and the Premier and this caucus rejected the recommendations of their own multistakeholder task force, which agreed to the free and open competition principles which allow

Edmonton and Medicine Hat to compete for future power projects? Why did they reject those recommendations?

MRS. BLACK: This process has been evolving for almost 23 months. It's a process where we brought the stakeholder groups together to look at developing a new framework for the province of Alberta. [interjections] This is important, so please listen. We had two basic principles. We had . . . [interjections] Mr. Speaker, I'd like to have the opportunity to explain the process we've been through, how we have arrived at this piece of legislation. We've had two basic principles that we have laid out from the very beginning and that have been the guiding principles for this new era of electricity within the province of Alberta. The first one was fairness. The second one was efficiency.

Within the province of Alberta, Mr. Speaker, we have two anomalies. We have Medicine Hat – it generates its own utility power – and we have Edmonton Power. As we moved through this process, we determined that we have to maintain a grandfathering process similar to what we've had in EEMA so that all the generation that is in place today would be grandfathered under what we had called the EEMA process. That is in place today. Then we moved to the new world where we are looking to have advantages for Albertans so that they have the lowest possible power available. That is provided through market forces and competition within that marketplace.

MRS. ABDURAHMAN: Where are the small producers?

THE SPEAKER: Order. Hon. Member for Clover Bar-Fort Saskatchewan, you don't have the floor.

The hon. Minister of Energy.

MRS. BLACK: Thank you, Mr. Speaker. I think this is very important. Going back to that principle of fairness, you must have competition within the system. In order to have competition within a market environment, you have to have a level playing field. So what was decided was to make sure that that fairness was there within the competitive market arena. That's how this Bill evolved, and that's where we are today, where we are going to move into this brave new world of market-driven competition.

MR. MITCHELL: Mr. Speaker, we all know what the process was: 23 months of stakeholder consultation and three weeks of backroom deals. They went with the backroom deals.

The policy issue here is a level playing field so that public and private utilities can compete fairly for future power projects. To the Minister of Energy: why did she and her government and the Premier reject the agreement from Edmonton Power that they would incorporate into their costs any tax advantages and any other advantages that might otherwise be seen to give them an unfair competitive edge?

MRS. BLACK: Mr. Speaker, clearly, this whole process has evolved from the stakeholder groups at the table. The players at the table as late as last week agreed that that level playing field could not involve the government in head-to-head competition with the private sector, that that level playing field did not exist. Therefore, because Edmonton Power didn't agree, the rest of the players at the table did agree. That's how we've evolved this entire process: through around-the-table discussions and coming forward with a consensus position. Now, because one player did not agree with that doesn't mean the whole process gets scrapped.

1:50

MR. MITCHELL: These public utilities can only be a threat to private utilities if somehow they are unfairly more competitive . . .

THE SPEAKER: Supplemental question, hon. leader.

MR. MITCHELL: If they drop those advantages, as they said they have, then they will be . . .

THE SPEAKER: Order. Hon. leader, please. Supplemental question. The question, please.

MR. MITCHELL: If Edmonton and Medicine Hat can produce power cheaper, why should these power utilities not be allowed to sell their power into the grid and pass these savings along to all Albertans?

MRS. BLACK: Mr. Speaker, the hon. member continually refers to if, if, if. What I have said very clearly is that the onus is on Edmonton Power and Medicine Hat not to tell me but to show me the plan of how that level playing field is created. That has not come forward, and I have said, "Don't tell me; show me that plan," because no one else at the table believes that one exists.

MR. MITCHELL: Given that three weeks ago the multistakeholders, all of whom had an interest in this . . . [interjections]

Speaker's Ruling Decorum

THE SPEAKER: Order. The hon. Leader of the Opposition has a member behind him that's making altogether too much noise for the Chair to be able to hear the hon. Leader of the Opposition. [interjection] Order. Hon. Member for Edmonton-Meadowlark, please try . . . [interjection] Hon. Member for Edmonton-Glengarry, order. [interjections] Order. [interjections] Order.

Electric Utilities (continued)

MR. MITCHELL: In light of the fact that the consensus that was achieved amongst multistakeholders three weeks ago has clearly now broken down or the minister has run roughshod over it, will the Premier commit to withholding this legislation until the fall so that further and more complete consultation and agreement can be undertaken and achieved?

MR. KLEIN: The Bill has been introduced, Mr. Speaker, and I would suspect that legislative process requires it to go ahead. It's not up to the Premier to say: this Bill is off the table. It is, though, up to the opposition to provide reasonable and honest debate, and they will have their opportunity over the course of the next few days to debate this Bill. I would be interested to see what the hon. Member for Edmonton-Glengarry has to say about this Bill, because part of the mess that we're in now is due to his actions when he was the mayor of Edmonton.

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

MR. DALLA-LONGA: Thank you, Mr. Speaker. All Albertans realize that electricity policy plays an important role in the economic development of this province. During the extensive consultation process . . . [interjection] The Treasurer thinks this

Bill is funny. During the extensive consultation process . . . [interjections]

THE SPEAKER: Order.

MR. N. TAYLOR: Why don't you feed them some bananas? That'll quiet them down.

THE SPEAKER: Order. That sounds like the pot calling the kettle black to the Chair.

The hon. Member for Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Speaker. I'll have to start all over now. All Albertans realize the role that electricity plays in this province in its economic development. During the extensive consultation processes that went on for the introduction of the Electric Utilities Act, the Minister of Energy made a commitment to stakeholders, yet another commitment, that she was going to deal with electricity policy "in a fair-minded and consensus-building way." Unfortunately, we learn that now one of the stakeholders, the Small Power Producers Association of Alberta, may not be given the opportunity to compete under the same conditions as the regulated industries. I'd like to table four copies of a letter from the Small Power Producers Association dated February 22 and resolutions dated February 21 and April 21, which have yet to be fully addressed by the government. My first question is to the Minister of Energy. Madam Minister, why has your department failed to address the concerns of the Small Power Producers Association that would not allow them equal opportunity in the marketplace?

MRS. BLACK: Mr. Speaker, the hon. member will remember that we have just come out of having a small power producers program in the province of Alberta to encourage ideas in renewable energy and other alternative energy sources within Alberta. It's been a very successful program, and there was an allocation on the grid that was made I believe in 1988 which allocated 125 megawatts from the grid for small power development within the province of Alberta. This program has been very successful and has demonstrated different types of energy development. That program has now expired, and along with it was a subsidy for the development of small power. In the new arena future generation will be determined by the market forces, by competition, and privately owned small power projects will certainly be able to compete in the marketplace if the market forces so determine that, not the government.

2:00

MR. DALLA-LONGA: Well, Mr. Speaker, the pot would like to ask the kettle one more question. Why would the Member for Calgary-North Hill tell the Small Power Producers Association . . .

THE SPEAKER: Order. Surely the government is not responsible for what the Member for Calgary-North Hill has to say.

MR. DALLA-LONGA: Mr. Speaker, I'll rephrase the question in a different way. Does the minister support the Member for Calgary-North Hill telling the Small Power Producers Association that they could appear before the standing policy committee on natural resources and sustainable development, which is four days after, according to the date, that member says the government intends to pass the Bill? Is this fair?

MRS. BLACK: Mr. Speaker, several groups appear before the standing policy committees of this government. We are an open government, and we're ready to listen to all groups in the community.

MR. DALLA-LONGA: My final question, Mr. Speaker, is to the Premier. I would like to file four copies of a letter signed by a director of the Small Power Producers Association of Alberta stating that he had this conversation that the Bill would be passed four days prior to them having the meeting. My last question to the Premier: in the spirit of consensus building, Mr. Premier, will you make a commitment to the small power producers, some of whom are here today, to arrange a meeting between the association and the committee prior to this supposed May 11 target date in order to address their outstanding concerns?

MR. KLEIN: Well, Mr. Speaker, I don't know what is to happen on May 11. Do the Liberals know something that I don't know? You know, perhaps the hon. member would share with me what is going to happen on May 11. I mean, they can debate this Bill until the cows come home, and as long as they want to stay in this Legislative Assembly and debate that Bill, I guess we'll all be here. Are they suggesting that we might be out of this place by May 11? Is that what they're saying? You know, that's entirely up to them as to when we get out. So it's their call.

Mr. Speaker, the hon. Minister of Energy has heard the member's statement, and I would take it that she will undertake to meet with the small power producers.

MRS. BLACK: Mr. Speaker, the process is very clear. If the group would like to meet with the standing policy committee, they put forward a request to the chairman of the standing policy committee for natural resources and sustainable development. That puts forward a process which involves presentations, and they try to accommodate all requests at the earliest possible time.

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

Border Trade Alliance Conference

MR. YANKOWSKY: Thank you, Mr. Speaker. We're hearing some good news for Edmonton and the province. The city of Edmonton, through an aggressive effort, outmuscled Toronto and Vancouver for the honour of hosting the annual Border Trade Alliance conference. This will see approximately 300 Border Trade Alliance economic development experts, business groups, and politicians from the United States northwest coming to Edmonton to talk cross-border trade. My questions are all to the minister responsible for Economic Development and Tourism. Mr. Minister, what potential does a conference such as this hold in the way of increased exports for Alberta businesses?

THE SPEAKER: The hon. minister responsible for Economic Development and Tourism.

MR. SMITH: Well, thank you, Mr. Speaker. It's always a pleasure to rise and speak about benefits that accrue to Edmonton as a result of hard work from not only the provincial department of economic development but from key players in the city of Edmonton in the economic development initiative, including Mr. Rick LeLacheur.

Now, the Border Trade Alliance is an opportunity for business leaders from the United States, those that are involved with

NAFTA, the public- and private-sector representatives to come to Edmonton and to speak about NAFTA and the opportunity to trade in a marketplace that represents 20 percent of all the trade on earth. You know, Mr. Speaker, when they do come here – they'll be here for a short period, about four days in the summer, with substantial benefits accruing to the city – they will probably talk to a number of elected officials from this city. So I hope that the elected officials from this city can put their best foot forward for the betterment of all Alberta.

THE SPEAKER: Supplemental question.

MR. YANKOWSKY: Thank you, Mr. Speaker. What part did the Alberta Department of Economic Development and Tourism play in this conference coming to Edmonton?

MR. SMITH: Progress is a painful thing, Mr. Speaker, to the unconverted.

In fact, the department worked very closely with those that feel a responsibility to stimulate economic development and growth in Edmonton, and my congratulations go out to the economic development group in Edmonton for the work they have done in co-operation with the department of economic development, which works in partnership with those that want to make this city take a step ahead.

THE SPEAKER: Final supplemental.

MR. YANKOWSKY: Thank you, Mr. Speaker. What other activities is the department undertaking to ensure that Alberta receives more opportunities such as this?

MR. SMITH: Mr. Speaker, it's really only in the interest of the time of this House that I won't go into a complete and full discussion about the partnerships and the alliances that are taking place between the city of Edmonton and the department of economic development as the Economic Development Authority of Alberta goes and works with all areas of Alberta to really in fact concentrate on wealth creation and job creation in this province.

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

Sales of Government-owned Companies

DR. PERCY: Thank you, Mr. Speaker. When the province sold the Husky upgrader and cut the province's losses at \$392 million, the sale included a provision that if the project made a profit, Alberta would at least recoup some of its losses down the road, an upside interest provision. Yet when we look at the sale of Gainers, \$207 million in losses, look at MagCan, \$164 million in losses, no such provisions were included. Furthermore, we don't know what's going to happen with the sale of the Swan Hills waste facility except that the losses will be in excess of \$300 million. My questions are to the Premier. Since firms in the private sector selling losing investments often include some provision to share in future profits, some mechanism to capture back some of the losses, why didn't this government include such features when selling Gainers, MagCan, and there's a list of other firms?

2:10

MR. KLEIN: Mr. Speaker, our primary objective was to get out of those businesses and to cut our losses. With respect to Gainers

there was a willing buyer and a willing seller. Thank God that Burns now is operating that plant and is operating it very effectively and very efficiently.

I guess there is a return. There's a substantial return to the province. People are employed at that plant. There's a great export of pork products in particular. The corporation itself is paying taxes to the province of Alberta. I would think that the Liberals, most of whom come from the city of Edmonton, would be very, very grateful that Gainers was sold and successfully sold to a company that is successfully operating that plant.

DR. PERCY: The issue, Mr. Speaker, is protecting taxpayers with an override.

Will the Premier commit to ensuring that the sale of the province's share in Swan Hills includes such a provision to share in future profits, if they should materialize, of such a privatized facility? Will there be some mechanism to recoup the at least \$300 million that we will lose on this facility?

MR. KLEIN: Well, Mr. Speaker, that is an assumption. Certainly there has been a subsidization of this plant over the years, but we also have to understand that the capital costs have been funded 60 percent by the private-sector operator. Over the long term, as I pointed out yesterday, this plant has served a very useful purpose. We're probably the only jurisdiction in Canada, perhaps one of the few in North America to be totally free of PCBs in their liquid form and other forms of contaminant. No other jurisdiction can make that claim.

THE SPEAKER: Final supplemental.

DR. PERCY: Thank you, Mr. Speaker. Since the Premier very adroitly failed to answer this question yesterday, will he commit today to table the MagCan loan guarantee documents so we can see precisely the nature of the sweetheart deal between ANG and the provincial government?

MR. KLEIN: Mr. Speaker, I'd be very happy to table all the details relative to the loan guarantee and also all the details relative to the sale. That will be done in due course.

Thank you.

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

1-900 Telephone Services

MRS. FRITZ: Thank you, Mr. Speaker. My question is to the Minister of Municipal Affairs, responsible for consumer protection. I have a constituent who is concerned that dating services advertise a 1-900 number which, when called, provides a service to the customer regardless of the age. This has led to a sizable long-distance bill because younger members of my constituent's household and their friends were unable to appreciate that 1-900 calls are not free and involve the cost being charged back to the owner of the phone. Younger people thumb through the newspaper thinking it would be fun to call up the number, not realizing that there is a cost to the call. Mr. Minister, I realize that parental responsibility is a must, but is there any other way to prevent minors from having access to a 1-900 number dealing with pornography and a variety of other services?

MR. THURBER: Mr. Speaker, that's a very important question in today's society as these phone talk suppliers are more and more

part of everyday life for a lot of people. Young people have been known to run up actually thousands of dollars in phone bills on their parents' phone to talk to these talk suppliers, whatever, on a variety of different issues. Parents can ask their local phone company to block access to the 1-900 numbers, and they are . . . [interjections]

THE SPEAKER: Order. [interjections] Order. [interjections] Order.

Hon. minister.

MR. THURBER: Thank you, Mr. Speaker. The suppliers of these phone talk messages are required to ascertain the caller's age by some means, to actually find out if they are over the age of 18, which they are required to be. You have to bear in mind that a lot of these calls originate outside the province and in fact outside of our country, and they are difficult, if not impossible, to enforce.

THE SPEAKER: Supplemental question.

MRS. FRITZ: Thank you, Mr. Speaker. To the minister: is there any organization other than government that monitors the 1-900 numbers that reflect these types of services?

THE SPEAKER: The hon. minister.

MR. THURBER: Yes, Mr. Speaker. The CRTC, the Canadian Radio-television and Telecommunications Commission, requires telephone companies to ensure that 1-900 suppliers disclose to the caller in a preamble the cost of using that 1-900 number. In fact if they don't do that, the caller can reverse the charges on them. The suppliers are also required, as I mentioned before, to try and verify the caller's age, and there are a number of other things that they are required to do but in fact they don't do in a lot of cases.

THE SPEAKER: Final supplemental.

MRS. FRITZ: Thank you, Mr. Speaker. To the minister: is your department looking at introducing any legislation to deal with 1-900 numbers?

MR. THURBER: Mr. Speaker, no, we're not because phone services are regulated by the CRTC and are outside the province's jurisdiction. Again, the parents may have a blocking service put in place to block the 1-900 numbers from their particular number.

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

Regional Health Authorities

MR. SAPERS: Thank you, Mr. Speaker. On April 7 of this year Ronald Williams, the mayor of Heisler, was denied access to the offices of his local health authority. On April 12 the Premier said in the Assembly that he did not condone this situation and that he would like to follow up with the individual so affected. To the Minister of Health: did the Premier or did the minister herself in fact meet with the mayor of Heisler on this issue, and what instructions were then given to the regional health authority?

MRS. McCLELLAN: Mr. Speaker, no, the Minister of Health has not met with the mayor of Heisler. I would be most pleased to do so. It is my understanding that the regional health authority

have also indicated that they are willing to have a meeting and, in fact, may have already.

MR. SAPERS: Well, it's only been a matter of weeks, but that's all, Mr. Speaker.

Why is the government allowing regional health authorities to close hospitals, lay off workers, cancel surgery, hide financial details of their budgets, all without insisting that they consult fully with locally elected officials?

MRS. McCLELLAN: Mr. Speaker, I depend very greatly on the regional health authorities to carry out their mandate and to carry it out in a manner of consultation. I would remind hon. members that consultation is a two-way street, and I would hope that both parties, whether it be elected municipal officials or the health authorities, are carrying that out.

I do believe that if anyone wants to check with my office, when I have been asked to meet, whether it was with municipal representatives – I met with all of the mayors of central Alberta about three weeks ago. I met all of the mayors from northern Alberta last Thursday evening. In fact I met with the mayor of one community as late as today.

Mr. Speaker, I am very available to meet with people, to hear their concerns. A request to my office and some understanding of the schedule that we are all under here, where we are in the Legislative Assembly most days till 11 o'clock at night – aside from my responsibilities in the Legislature, I am available. I meet with many people on weekends and will make that accommodation for any elected official, citizen, or organization that I can possibly accommodate in the schedule. In some cases we have asked if the meetings could be held after session, and when that's appropriate, people have agreed to it. If that's not possible, we fit them in.

MR. SAPERS: The question was about the regional health authorities, Mr. Speaker, not the minister's schedule.

Has the Minister of Health received the report regarding the election of regional health authorities, and if so, when will the date be announced that these authorities will be elected?

2:20

MRS. McCLELLAN: I believe I've answered that question more than once in this legislative session, but I will repeat it one more time for the hon. member. Mr. Speaker, I asked the health plan co-ordination project team, which was the team that was in place to put into place an orderly movement of Starting Points, the document we accepted for restructuring of health, to bring forward some recommendations. That committee was chaired by Roelof Heinen, the chair of the Alberta Association of Municipal Districts and Counties. That committee did bring forward a report with some recommendations in it. I have asked a group in my caucus to review those and to bring forward a process.

Mr. Speaker, the point in this whole thing is that the boards that are in place today are in place until June of 1996. They are appointed to that date. I have said before that I think it's important that the process be right, not that a certain artificial time frame be put on it for the sake of I'm not sure what. I have asked the Alberta Association of Municipal Districts and Counties, Alberta Urban Municipalities Association, and others for input. In fact I have challenged at every meeting that I have spoken on this issue and have had the question put to me: what will the process be? I have said: please, take your region; bring me forward a process; bring me some recommendations. I am still waiting for one.

THE SPEAKER: The hon. Member for Bow Valley.

Endangered Species

DR. OBERG: Thank you, Mr. Speaker. A discussion paper entitled A National Approach to Endangered Species Conservation in Canada was put together with federal, provincial, and territorial input. To the Minister of Environmental Protection: given the intense emotional debate that occurred in the American Pacific northwest over the spotted owl, why wasn't this discussion paper more readily available prior to the May 15 deadline?

MR. LUND: Mr. Speaker, the discussion paper that the hon. member is referring to is dealing with endangered species conservation. The discussion paper was put together by Environment Canada, and it's my understanding that they are currently holding workshops in the Maritimes. They started in eastern Canada and are moving west with the discussion. There will be a workshop in Edmonton on May 30 of this year in order to get input from the various provinces and interested groups. The workshop once again is May 30 in Edmonton.

THE SPEAKER: Supplemental question.

DR. OBERG: Thank you, Mr. Speaker. Under this proposed legislation could the federal government through its authorities on waterways close waterways to irrigation in southern Alberta in order to protect an endangered species of fish?

MR. LUND: Mr. Speaker, this is not legislation at this point. It's simply a discussion paper, and as it moves forward, it will be developed and no doubt will end up in legislation. Certainly the people of Alberta will have an opportunity to address it through the workshop and the opportunity to send in written submissions to the commission as they develop this legislation.

THE SPEAKER: Final supplemental.

DR. OBERG: Thank you, Mr. Speaker. Does the minister of environment plan to institute point 5 of appendix A in the discussion paper, which states:

Provide the authority to define critical habitats on private land and prohibit any activity that adversely affects the specified plant or animal species in the defined area?

MR. LUND: Mr. Speaker, it's my understanding that the appendix is simply a list of prohibitions that a jurisdiction could possibly implement, so we'll be very anxious to hear what Albertans have got to say about how we should deal with any endangered species within the province of Alberta.

THE SPEAKER: The hon. Member for West Yellowhead.

Tourism Marketing

MR. VAN BINSBERGEN: Thank you, Mr. Speaker. Yesterday the minister responsible for Economic Development and Tourism finally announced the long awaited birth of the Alberta tourism corporation, except that it's now called the Alberta tourism partnership. Unfortunately, even after a gestation period of over a year and a name change, the baby is still ill defined. There is, for instance, no recognition at all that any rural concerns regarding the size of the zone and the influence of marketing decisions have been addressed. So I'd like to ask the minister responsible

for tourism: since TIAALTA is dead and gone and the ATP will need almost a year to become viable, how will government marketing dollars be disbursed in the meantime?

THE SPEAKER: The hon. minister responsible for Economic Development and Tourism.

MR. SMITH: Well, thank you very much, Mr. Premier – Mr. Speaker. I guess that's the type of respect I have for you, Mr. Speaker.

The question from the hon. member is a good one, and I welcome the question as well as his support for the partnership out of this House. The department will be continuing to follow its plan as published in the three-year business plan put forth in January of this year. We will be following that program, and with the transition committee, chaired by the Member for Pincher Creek-Macleod, we will be then delivering specific services on a fee-for-contract basis.

THE SPEAKER: Supplemental question.

MR. VAN BINSBERGEN: Thank you, Mr. Speaker. Since the news release was sadly lacking in detail, how have the concerns of the rural stakeholders been addressed?

MR. SMITH: Mr. Speaker, that, in fact, is part of the component of what constitutes the partnership's board. The board will be shareholder based and have a board of directors of 22 people. There will be six regional representatives elected by industry. There will be four key player representatives, only four, and those are recognized as those who have a large marketing expenditure. There will be two chosen at large and then two appointed by the minister. There will be six sectoral representatives, three chosen at large and three appointed by the minister. There will be three at-large directors that are chosen to balance gaps in both sector and geographic representation and the size of the operator. These will all be elected. There will be one chief executive officer. There will be one MLA, as I had mentioned, the MLA for Pincher Creek-Macleod. There will be one senior official from Economic Development and Tourism appointed by the minister.

So in fact, Mr. Speaker, when you look at the composition of this board, the composition is there to accurately reflect the broad representation of those private-sector players that bring expertise to the industry and, secondly, those who spend the money and make their living from the tourism industry.

MR. VAN BINSBERGEN: Mr. Speaker, since it will take almost a year for the ATP to get organized, why didn't the government allow TIAALTA to survive until next year, until the ATP is ready to roll?

MR. SMITH: Well, Mr. Speaker, this is an interesting question because, in fact, unlike the Liberal opposition party we respond to the initiatives put forth by the private sector. The private sector in fact said that as we go into the transition of the tourism partnership, those moneys that would be used by TIAALTA for administration and to look at over 14 zones would be collapsed into a more efficient marketing organization that would allow careful deployment of administration dollars, limited administration dollars, and allow them to immediately start maximizing those dollars spent in tourism on those things that most influence the growth of tourism revenues, and that's marketing, advertising,

and promotion. So in fact rather than create, as the hon. member has suggested, tandem bureaucracies taking more costs associated with a private-sector bureaucracy and a government bureaucracy, we are in fact collapsing them into one cogent unit that will be designed to maximize marketing in the tourism marketplace.

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

2:30

Young Farmers

DR. L. TAYLOR: Thank you, Mr. Speaker. As I represent a constituency with a large rural component, I'm very concerned that I see very few young people getting into farming. In the odd opportunity I have to be at my family business, I see that regularly, and it's quite true. The reason they don't get into farming is because it's prohibitive in terms of cost, simply too expensive for young people to get into farming. So my first question is to the minister of agriculture. I'd like to know: what is the average age of farmers in Alberta?

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

MR. PASZKOWSKI: Thank you, Mr. Speaker. The hon. member has certainly identified a problem in agriculture, not only in Alberta or Canada but worldwide, in that the average age of farmers is increasing throughout time. In 1981 the average age of the farmer in Alberta was 46. In 1986 it was 48 years of age. In the last census, which was 1991, it was 49 years of age. So this is a concern and one that indeed we will have to deal with.

As I've mentioned, this problem is a worldwide problem though. When we were in Japan, the Japanese had identified the same problem. They indicated that indeed the average age of their farmer was in the very late 50s, and it was a major concern to them as well.

THE SPEAKER: Supplemental question.

DR. L. TAYLOR: Thank you. How many dollars are contributed to Alberta's economy from farming, Mr. Minister? [interjections]

MR. PASZKOWSKI: Well, it's interesting that the Liberals aren't interested in knowing what agriculture adds to the economy. I think that's really, really interesting.

Economic development is something that's very key to agriculture. Fortunately, indeed, this government is quite conscious of the role of the economic development that agriculture contributes to this province. In the past year crops produced about \$2,500,000,000, and the meat sector produced about \$2,900,000,000. So it's a very significant role. Processing, however, has also contributed slightly more than what the primary production has produced, so it's playing a very, very significant role. As far as employment is concerned, it's the largest employer in Alberta. As far as manufacturing is concerned, it provides the highest employment of any sector in manufacturing in Alberta. So, indeed, agriculture is very critical to the development of this province.

THE SPEAKER: Final supplemental.

DR. L. TAYLOR: Thank you. I always find it amazing that the intellectually challenged opposition are not interested in agriculture.

What programs will the minister implement to encourage young people to enter farming and encourage growth in this vital sector of our economy?

THE SPEAKER: The hon. minister.

MR. PASZKOWSKI: Thank you, Mr. Speaker. Indeed, we are working on developing programs that will allow the young, the new, and the entrepreneurial to be able to continue to engage in the agricultural community, and that's why we're so adamant in the process of developing an adequate safety net program that will indeed meet the needs of the young and the beginning farmers. We have an ADC program that allows for investment for young and beginning farmers. We have staff that is available to act in a facilitative role and in an information role that allows the beginning farmers to bring themselves up to speed as far as agricultural needs are concerned. So we're quite conscious of the needs of the young and the beginning farmers and will continue to work at developing programs that will meet their future requirements.

head: **Members' Statements**

THE SPEAKER: The Member for Calgary-Buffalo.

Homeless Awareness Week

MR. DICKSON: Thank you, Mr. Speaker. I rise to announce an important event which is going to occur next week in the city of Calgary. The event is Homeless Awareness Week, and it's been so proclaimed by Mayor Duerr in that city. The campaign is an opportunity for all Calgarians – and that includes the 20 MLAs elected by Calgarians – to learn about the children, women, and men who are forced to live in the streets of our city.

There are a number of events that take place next week, Mr. Speaker. That includes a forum on issues of poverty and homelessness. On Wednesday, May 10, that forum is occurring. There's a windup picnic on Saturday, May 13, at Olympic Plaza.

Mr. Speaker, I think that members recognize the high needs that exist particularly in urban areas like downtown Calgary. Connection Housing, an agency involved in trying to provide housing for low-income Calgarians, has some startling statistics. They've found that between October and December of 1994 1,145 new households registered with that agency. That's compared to 783 the year before. That is a 32 percent increase. Visible minorities make up 43 percent of registrations.

The average income of a household registered with Connection Housing is only \$619 per month, while the average market price of a one-bedroom apartment is \$445 per month. The average cost of food for two persons is \$265. It's clear that the numbers just don't add up, Mr. Speaker. There isn't enough money for these people to be able to survive on a day-to-day basis. Regrettably in many cases these are single-parent families, and as is too often the case, it's children who end up suffering.

Mr. Speaker, I'm going to encourage all members – and that includes not just my 19 colleagues but all Calgarians and all Albertans – to participate in this event through their attention and understanding.

Thank you.

THE SPEAKER: The hon. Member for Barrhead-Westlock.

50th Anniversary of VE Day

MR. KOWALSKI: Thank you very much, Mr. Speaker. This week marks the 50th anniversary of the liberation of Europe.

World War II affected everyone in Canada from our soldiers on the front line to our housewife factory workers at home. Canadians went to war in 1939 because of principle, the principle of freedom and independence for sovereign nations and their people. All Canadians heard the call to war, and millions participated in defence of this principle against the rampant oppression which had seized control of Europe, then Africa, and then Asia. The horrors of the various Fascist war machines had to be stopped. Victory in Europe came in May 1945. Victory in Asia would come in August of 1945.

All human beings have an opportunity to reflect upon some important historical realities this week: the fragility of peace, the horrors that mankind can inflict upon itself, the incredible cost to mankind when it is forced to liberate itself from oppression, and the importance of freedom.

Europe was liberated by determined men and women who risked personal injury and death. It is these people to whom we owe our deepest thanks and eternal gratitude. No monument or ceremony could ever do justice to the historic contribution that Canadian soldiers have made to our country and to the cause of freedom. Their example and sacrifice must be given a place of honour in the hearts and minds of every Canadian, of every man and woman who today has the privilege of living in a country in which freedom and honour should be paramount. Their sacrifice stands as an example of what any of us is expected to do at any time to defend Canada and freedom.

Freedom must never be taken for granted. We must remember that democracy and freedom must be nurtured and cared for, and importantly for us today we must not forget about the fanatical elements that are still present which would destroy our freedom.

To the souls of the men and women who gave their lives for us, we pray for you. To the heroes in our midst who participated in war for us and who survived, we thank you with all the grace that we can muster. We must never forget our war heroes.

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

2:40 Support for Children

MR. HENRY: Thank you very much, Mr. Speaker. We often get caught up in the day-to-day business of the Legislature and the thrust and throes of debate, but one of the things that I often think about when we're in the Legislature is that sometimes we forget what we're really here to do.

I had the occasion last fall to send birthday greetings to a 75 year old in my constituency, and she wrote me a letter in reply that I have carried around with me since. I'd like to read it into the record. It's addressed to me, Mr. Speaker. It says:

Thank you for greetings on my 75th birthday, October 22. It was a pleasant surprise, and [very] much appreciated that anyone should remember such an event.

I understand that the responsibilities of government members and officials are very heavy at this time. Great wisdom and insight into current problems are continuously demanded. If I could be granted one special birthday wish, it would be an answer to my concern for the welfare and future of the children of our province. While the basic responsibility for one's family lies with parents, unfortunately, for many reasons, some cannot handle their problems alone. It is important for truly successful societies to provide "a hand up" wherever possible, so that children are provided with adequate food, clothing and shelter, as well as a satisfactory education. Therefore, my wish would be that you always give your utmost consideration to the lives of children in all government decisions. They are our future.

Again, thank you for your thoughtfulness in sending me birthday greetings.

Sincerely,

[signed] Frances Batiuk

Mr. Speaker, those words often remind me of why I got involved in public life and the two objectives I set that hopefully some day we will achieve. I believe that if we can end children growing up in poverty and if we can end domestic violence, the rest will be easy.

Thank you very much.

head: **Orders of the Day**

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

Bill 208

Emblems of Alberta Amendment Act, 1995

THE SPEAKER: The hon. Member for Stony Plain.

MR. WOLOSHYN: Thank you, Mr. Speaker. I'm very pleased and honoured to move third reading of Bill 208, the Emblems of Alberta Amendment Act, 1995.

THE SPEAKER: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Speaker. Just a few comments in debate on Bill 208 in third reading. Members will recall that we had a lengthy debate in Committee of the Whole and in second reading on the importance of Bill 208 in that it will elevate this particular animal to an emblematic level for the province of Alberta. I stress once again for the benefit of all members that the recognition of the bull trout is simply not enough, that what it requires on the part of the government is that habitat protection programs and other proactive and positive steps be taken to ensure that this species does not lose any further ground in its viability, in its habitat, in its populations so that it can continue to serve as an important sport fish for many Albertans who enjoy the outdoors and who enjoy the fight that this particular fish puts up.

Mr. Speaker, I will in closing debate, in just making a few comments, congratulate the Member for Stony Plain for introducing the Bill this session. Members recognize that this Bill has been around for a while. We've now got it to a point on the Order Paper where it can come forward, be debated, and ultimately be passed so that we can conclude this process on this particular Bill. So I congratulate the member for picking up the torch as it was passed and introducing the Bill. But again to the Minister of Environmental Protection . . .

MR. BRUSEKER: Picking up the torch or the fly rod?

MR. COLLINGWOOD: The fly rod. The passing of the fly rod rather than the torch, as the Member for Calgary-North West suggests.

I leave with the Minister of Environmental Protection and all members: give it the significance that this Bill deserves and protect the bull trout.

Thank you.

[Motion carried; Bill 208 read a third time]

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

Bill 210
Teaching Profession Amendment Act, 1995

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

MR. SEVERTSON: Thank you, Mr. Speaker. It is a pleasure to be able to stand today to speak to Bill 210. I'd like to begin today's debate by talking about education in this province. We all know how important a good education is for our children and this province. That's why we'll be the driving force behind Alberta's future prosperity, and from what I can see, the future for Alberta and its children is in good hands. Our children and our grandchildren presently receive and will continue to receive an education of the highest quality taught by innovative, hardworking teachers. This is the basic building block upon which we build a bright future for our children, a future full of promise and potential beyond our expectations.

Knowing that Alberta's children will be able to have the opportunity to receive a high-quality education is important to me and all Albertans. No one in this Assembly wants to do anything to jeopardize the education and the future of our children. That's a part of the reason that we're here, Mr. Speaker, to make sure that government works well for all Albertans and to ensure that the education system works for our young children. That's what my constituents want and what I want for Alberta. That's why I've proposed Bill 210, the Teaching Profession Amendment Act.

This Act would give members of the teaching profession the opportunity to teach in Alberta whether they belong to the Teachers' Association or not. This Bill will change the laws regarding mandatory membership in the ATA, which was instituted in 1936 and has not changed since. Mr. Speaker, 1936: that's quite a long time, and let's not forget it was at the height of the Depression. Back then people wanted and perhaps they needed to have mandatory membership. But it's 1995, almost 60 years later, and we still force our teachers to join a union just to be able to do what they do best, teach. I think it's time that's changed and changed for the better. Bill 210 will give teachers in Alberta the choice to belong or not to belong to the ATA.

The reason that I initially brought this Bill forward was to address the concerns of some of the parents in my constituency of Innisfail-Sylvan Lake. They described a real situation to me that was in my opinion a tragedy. At the time there was a strike or a lockout in a school, and the children who attended the school could not get the education they wanted. Some concerned parents asked their close neighbour and friend, who was a teacher at the school, if the teacher would tutor their children. The student was in grade 12, and departmentals were coming up in a month's time. The teacher's response was that he couldn't because if the ATA found out, he could have his membership in the ATA taken away, and this would take away his right to teach in Alberta's public or separate schools. When I heard this, I thought: why do we have this kind of law in this province? Aren't we supposed to be living in a free society? Do we not hold freedoms such as freedom to associate as being important? Well, Mr. Speaker, apparently we don't, at least not since 1936.

I think that needs to be changed. Keeping restrictive and unneeded laws on the books is bad for Alberta and bad for the teachers. We do not need to keep this law. Quite simply, we don't. Bill 210 is a logical, progressive step to changing some of the outdated parts of the Teaching Profession Act.

Some might call this Bill union busting, but it isn't. The finances of the ATA will be maintained at the usual level. Although the Bill does not expressly state it, the Rand formula will apply to teachers in this province. Section 13 of the Teaching Profession Act presently requires that school boards have to deduct union dues from every teacher they employ. With this Bill, dues will still be paid to the ATA, thereby keeping the same revenue stream to the association that it has now.

The ATA will also not be harmed by having significantly less members. There will probably not be very many teachers that opt out of the ATA. That has been the experience in other jurisdictions and what I expect to happen here.

2:50

With this Bill, though, teachers that want to be associated with the ATA can do so. The Bill does nothing to restrict that, but it also permits those teachers, however few, that do not want to be associated with the ATA to be allowed that freedom. I think that's important, to ensure that we maintain the rights and freedoms of our hardworking teachers. People that work as hard as teachers do at ensuring a bright future for our children do deserve to be treated better. Bill 210 gives teachers that choice, the choice they rightly deserve.

I believe this Bill clears away some of the cobwebs that make the Teaching Profession Act so outdated. The thought that a teacher could lose his or her right to teach solely on the grounds that he or she is not a member of a union is unbelievable, particularly in Alberta. This is supposed to be a democratic province, not one which forces people to associate with certain groups.

Another item that was important to me was to ensure that the highest teaching standards of education in Alberta are maintained. Some people, including some teachers and a representative of the ATA, have expressed a concern that these standards would be disregarded, particularly by non-ATA members, if this Bill passed. This has been addressed by requiring that all non-ATA teachers have a valid certificate of qualification. The certificate would help to ensure that teachers meet a certain standard of excellence. If the ATA wishes to go beyond and provide services such as training, workshops, or seminars, then that's great. From what I understand, they provide some of these services now to the present teachers. Hopefully the ATA would continue to provide this service to nonmembers too, and that seems likely, given that nonmembers will be paying dues to the ATA anyway.

What we are debating here today is the future of fundamental freedoms, freedoms which are sacred and must be protected, freedom of association with whatever group you desire and not joining because you have to in order to keep your job because you want to teach in Alberta. Teachers have been denied the freedom for almost 60 years, Mr. Speaker. I think it's about time we gave it back to them.

I don't understand why we single out teachers and force them to accept this antiquated way of thinking. Other professions of equal importance do not have this kind of restriction placed upon them. Doctors, for example, must belong to the College of Physicians and Surgeons, but they do not have to belong to the Alberta Medical Association. The college governs the professional aspect of the profession while the AMA is more of a union for doctors. Having a similar system for teachers seems only fair.

This Bill will emulate the effects that we see with AMA. Almost all doctors belong to the AMA even though they do not have to. The same would apply to teachers if this Bill passes. I fully expect almost all teachers will continue to be ATA members,

but those that don't want to join don't have to. That has been the experience in other provinces that have implemented this type of legislation. Five other provinces currently have legislation of this type on their books, Mr. Speaker, and I think it has served them well. Although they have had very few teachers opt out, I'm sure these people are happy to have the opportunity to do so. It has done no damage to the teachers' union, and education quality has not suffered.

So why do we keep antiquated laws on our books? The answer, I suspect, is that the majority of teachers and especially the ATA want to keep this forced unionism and closed provision in legislation. Forcing people to do things this way is not a democracy. There needs to be some room for the little guy, the minority who want to work in the system. Part of our duty here is to ensure that the little guy is not stepped on and that the needs of the minority do not go unaddressed. If we ignore their calls, do we not fail as legislators? I think we do. Passing Bill 210 allows us to address their concerns in a responsible fashion. I think this is a good compromise which benefits all parties, from the ATA to teachers to our young children.

There are other concerns that I would like to address before wrapping up, Mr. Speaker. The first pertains to the collective agreements. Some individuals thought that part of the reason I introduced Bill 210 was to allow for nonmembers to negotiate freely with school boards for their benefits, salaries, and so on. This would introduce unnecessary and unneeded changes, so the intent was to not have this happen, and it doesn't. The ATA will continue under our labour law to be the bargaining agent for all teachers with a given school board. Essentially, the ATA keeps all of its bargaining powers, and financial differences between members and the ATA and nonmembers are nonexistent. There will be no monetary incentive to not join the union. The teachers dedicated to the profession who don't want to belong will be allowed to do what they do well, teach.

In addition I'd like to discuss other issues surrounding disciplinary action. Bill 210 addresses the concerns about having nonmembers unaccountable for their actions by maintaining the ATA as the disciplinary body for teachers. If we just allowed teachers to opt out without addressing the disciplinary issue, it would mean that they would not be subject to discipline of the ATA or ethical and professional guidelines. Disciplining them for ethical and professional misconduct would continue to be the responsibility of the ATA, with a change to section 16(1). By having this, we can further ensure that teachers continue to maintain the highest standard of professional and ethical conduct.

Another thing that I feel is important to address is the concerns of some people who say that this Bill is frivolous and doesn't do anything. It doesn't correct any injustice, at least none that has been recorded, but I submit to all members of this Assembly that this is not a frivolous, unnecessary Bill. It serves an important purpose. It protects the teacher who disagrees with the ATA. It protects the teacher who wants to tutor children during a strike or lockout because of their dedication to the profession. These teachers will be protected from the tyranny of the union which demands that they act in a particular way, and if they don't, the union threatens to take away their membership and their livelihood. Some say that this doesn't happen, but it does, Mr. Speaker. The school yard bully doesn't have to beat up on the little kid to take their lunch money away. The threat of the action is enough. The same applies here. This injustice occurs far too often, and it's time we put a stop to it.

This minor amendment will allow for substantial changes to the way the ATA treats its hardworking teachers and will give teachers an opportunity they haven't had for nearly 60 years. The reason I call this amendment minor is that very little will change. The ATA will probably maintain a substantial majority of its membership, and it will retain its funding. Educational quality and standards will remain the same, and the ethical and professional aspects of teaching will continue to be governed by the institution which knows the profession so well, the ATA.

3:00

In conclusion, Mr. Speaker, this Bill is good for Alberta. It's a step in the right direction. It helps those teachers who are afraid to resist the ATA. It stops the intimidation and makes for a better teaching profession. This minor amendment will make the teaching profession better for teachers and students, and that's better for all Albertans. I encourage all members of this Assembly to support Bill 210, and I look forward to the debate.

Thank you.

Speaker's Ruling Speaking Order

THE SPEAKER: Order please. Before proceeding, before recognizing the hon. Member for Edmonton-Centre, the Chair heard some unofficial reports after Bill 208 was dealt with that in the effort to go from one side to the other, some members who wanted to speak for or against Bill 208 got missed. The assumption that everybody on the government side would be for the measure and everybody on the opposition side would be against is not necessarily true. So in an effort to allow all members to give fair representation to this, the Chair would appreciate being advised by a note as to what the hon. member's position is with regard to the measure before the Assembly, if it is not the normal assumption that everybody on one side is for and everybody on the other side is against, so that the Chair can ensure that all members have a fair chance of representing those views.

The hon. Member for Edmonton-Centre.

Debate Continued

MR. HENRY: Thank you very much, Mr. Speaker. I rise to speak to Bill 210, sponsored by the Member for Innisfail-Sylvan Lake.

DR. L. TAYLOR: Are you for it or agin it?

MR. HENRY: Am I for it or agin it? If the Member for Cypress-Medicine Hat would like to sit in his chair, I'm sure he'll learn that in due course, but I doubt there'll be surprises.

The previous speaker indicated that he was concerned that this Bill might be considered frivolous. "Frivolous" was the word he used. One thing this Bill is not is frivolous. This Bill is very clear in terms of what this Bill does. This Bill in any other terms is a right-to-work piece of legislation. It has the same intent. It puzzles me as to why the member didn't withdraw this Bill at this particular time simply in terms of procedure, because we have a committee established as a result of a motion passed by this Assembly to study the issue of right-to-work, and before that committee has even reported, Mr. Speaker, we have this member bringing forward this Bill.

Mr. Speaker, the Alberta Teachers' Association in my understanding was not consulted with regard to this Bill, and as the representative of 27,000 teachers I would assume that their

executive, who is duly elected, would be consulted prior to this Bill being undertaken.

Mr. Speaker, I have to ask what the problem is. I listened very closely to the hon. member's statements, and I thought back to some of the other issues that have been raised in the Legislature. The issue, in terms of the hon. member's raising it, has to do with labour/management strife and what happens during a strike.

The collective bargaining system in our province works. Some may not like it, but it works. We have very few strikes, especially in education. We have very few job actions as a result of labour/management negotiations in education. Mr. Speaker, what we have is a system that works quite well. I recall, just two years to the month, that the previous Labour minister issued a report on provincewide multistakeholder consultations on collective bargaining in education, and I'm paraphrasing when I say that report said that the existing collective bargaining laws allow the negotiating process to work. What allows the negotiating process to work is when both sides have some leverage, when one side does not have an unfair advantage over the other side.

Mr. Speaker, what this legislation really does – it doesn't enhance the quality of education – is give an unfair advantage to one of those sides and tips that balance in favour of management. What it does in a situation where you're having labour negotiations and where perhaps you do lead to a situation where you are getting close to any job action – that only works if the employees collectively can put some pressure on the management to negotiate further. However, if management can simply go aside and hire employees and deal with employees who are not part of that collective body of employees, then that collective body of employees does not have any leverage. What this is meant to do is to break the Alberta Teachers' Association and to weaken the voice of teachers who collectively bargain in this province.

I can't figure out what this government wants. I recognize this is a private member's Bill, but sometimes I hear members of the government calling for provincewide collective bargaining for teachers. Now what I'm hearing from another member of the government is that we want to not have collective bargaining at all. We're going from one extreme to the other. Mr. Speaker, this government, we know many individual members of this government . . .

THE SPEAKER: The hon. Member for Highwood is rising on a point of order?

Point of Order Allegations against Members

MR. TANNAS: Yes, Mr. Speaker. I would plead mercy on 23(h) and perhaps (i) in that we're speaking to a private member's public Bill today and the private member does not speak for the government. If in the debate we try and characterize Bill 210 as somehow being a government Bill, I find that offensive.

MR. HENRY: If I can respond to that, Mr. Speaker. My comments were directly related to individual members who happen to be also government members and their expressions. I apologize to the hon. member if I coloured him in the same vein.

Debate Continued

MR. HENRY: We've heard members in the Legislature talk about right-to-work legislation, which is what we're dealing with here. We've heard members say that there is evidence to suggest that right-to-work legislation works, that it improves the job

situation, improves the economic situation, and improves productivity. Mr. Speaker, we're still waiting. We haven't seen any of that evidence. It seems to me that if the hon. member produces a Bill and says that it's a wonderful Bill, please support it, and calls it other than what it is – it would have been more up front to simply come and say: this is right-to-work legislation; I'm out to get the ATA; I don't think the ATA works.

On to the arguments. Mr. Speaker, the member proposing this Bill has suggested this afternoon that this Bill is necessary to have a free society where individuals are not hampered by having to belong to a union. I would be overjoyed if that individual member would stand up and say the same thing about a government caucus. It seems to me that we all know there are advantages and disadvantages to belonging to particular groups, whether it be a government or an opposition caucus. I would have been overjoyed if the hon. member had stood up when we were dealing with the Bill to require full access to kindergarten in this province proposed by the hon. Leader of the Opposition. I would have been thrilled if that hon. member proposing this particular Bill had stood up and had said in the Legislature: "I demand freedom. I demand from my Premier and from my Whip the ability for all of our members to vote according to the wishes of their constituents and their conscience, not to have the whip placed on them." Unfortunately, when we had an opportunity to provide full kindergarten for children in our province, the government private individual members all voted as a bloc. I didn't hear the Member for Innisfail-Sylvan Lake talking about a loss of his personal freedoms because he belonged to that particular group, or any of his other caucus members. He didn't talk about any of his other caucus members losing their freedoms. We know that some, essentially in the same vein the member is talking about, lost their freedoms on that particular vote.

That analogy applies to the structure of the Alberta Teachers' Association, where, yes, members lose some freedoms but they gain something as well. Back to the collective bargaining process: they've gained better working conditions; they've gained a better quality of education. Yes, they've gained better salaries over the years. We no longer have days in this province where school boards can arbitrarily decide that teachers are going to make less money. Recently, in the last year and a half, we've had the government requesting that teachers take a 5 percent rollback in salary. Mr. Speaker, the government did that by affecting the budgets essentially of the school boards. Lo and behold, their collective bargaining process worked, because while not every teacher saw exactly 5 percent less in their paycheque, 5 percent in personnel costs through benefits and salaries was achieved by every single school board in this province through negotiations with their Alberta Teachers' Association local. What would happen if those boards were allowed to say, "Let's not make it 5 percent, but let's make it 40 percent"? Or on the other side, what would happen if those boards had to have individual negotiations with hundreds of teachers because some teachers decided they didn't want to belong to the collective bargaining unit?

3:10

I wish again that the member would have gotten up and spoken about freedoms and the loss of freedom by belonging to a group when we were dealing with early childhood education. Mr. Speaker, the hon. member talked about the school yard bully, and in this instance I couldn't help but think that maybe he was referring to the government Whip, the Member for Stony Plain, who again required those members, who knew it was wrong to vote against the ECS Bill, to vote for the ECS Bill.

Mr. Speaker, this is right-to-work legislation clearly, and it seems to me that the member can rationalize. The member can talk about a situation that happened in Sylvan Lake, but the bottom line is that what the member is doing with this particular piece of legislation is, number one, weakening the Alberta Teachers' Association – and I believe partially because they haven't always been in agreement with government policies – and, number two, pulling the rug from underneath the collective bargaining process, which the government's own consultations and reports in the last two years have indicated works in this province.

Mr. Speaker, I know that many members wish to speak to this Bill. I won't belabour the point. I think I've made my points, and I urge all hon. members to vote against this Bill and put it right where it belongs, on the bottom of the Order Paper.

Thank you.

THE SPEAKER: The hon. Member for Peace River.

MR. FRIEDEL: Thank you, Mr. Speaker. I'm pleased to have the opportunity today to speak in favour of Bill 210. This Bill is about the right of an individual to choose, and I strongly believe in that philosophy. A few weeks ago I introduced a motion requesting a review of the implications of right-to-work legislation, and I see this Bill in exactly the same light. I believe teachers should have the same option to choose. Every employee is entitled to peace of mind at work without concern about being coerced either by an employer or a union.

Mr. Speaker, I'll probably be branded as being antiteacher because I dare speak in favour of this Bill, but nothing could be further from the truth. I just don't happen to believe that you can represent the best interests of any adult person by forcing them to belong to any organization against their wishes. I'm quite willing to speak out on this issue and risk some ire because my personal track record will demonstrate that I have on any number of occasions taken up the cause of a worker who appeared to be getting a bad shake. I'm not even remotely antilabour. I'll support the right to join a union just as fervently as I do this, just as long as the playing field is level and the options are equal.

Mr. Speaker, this Bill is about merit. Being able to get or keep a job as a teacher should be contingent on the person's ability to teach, not because they belong to a union. I think that teachers ought to be given that option. If they want to join, that's fine. If not, that's fine too. Many Albertans want to see the long-standing tradition of the right to join a union put on an equal level with the right not to join. I think it's as simple as that.

Bill 210 addresses that concern with respect to the teaching profession. Having a restrictive, undemocratic law that forces teachers to join a union in order to get or keep a job is just plain wrong. This law has existed unchanged since its inception in 1936 at the height of the Depression. The government of the day might have felt compelled to pass this type of legislation, but it's certainly unnecessary now. If the proper legislation exists, then you can use the absolute best measure of responsibility and accountability, and that's called competition. In this case, the competition is the option to opt out. If the union offers a better deal, it won't have any problems attracting and keeping its members, and if not, perhaps there's a hidden message to be heeded. I think only an organization that is uncertain of its grounds will be afraid to allow itself to be measured up by competition.

As it stands right now, the ATA can take away any public or separate school teacher's membership. A teacher who loses that membership cannot continue to teach in Alberta. Although they

claim that they have never done it, the ATA holds a discreet threat over the head of every teacher in Alberta. A professional person who has spent four to six years obtaining a degree just cannot afford the risk of losing that job. This threat is very powerful and is something that the ATA or any other union should not have, at least not in a democratic society.

I'm not concerned about the fact that teachers belong to the union. Unions serve very worthwhile purposes, and the right to belong is an option that I'll defend with equal fervour. The key word here is "option." This Bill is not union busting, as some have said. In fact, it requires that all private and separate school teachers continue to pay dues to the ATA. That's hardly union busting. If it were, there would be a provision to allow nonmembers to refrain from paying the dues. The membership of the ATA would not decline to a significant degree, as most teachers would certainly choose to remain in the union. That's fine; I have no qualms about that. But if the teacher is forced into that situation, then it's a problem, the problem that this Bill addresses head-on.

Other jurisdictions have addressed this problem, and there have been no noticeable problems. In all five other jurisdictions the teachers' unions have not experienced any noticeable decline in membership, but some teachers have chosen to opt out for personal or whatever reasons. Likewise, the quality of education has not declined. All of those teachers, whether they're public or separate schools, whether they're union or nonunion, continue to provide some of the best education in Canada to their students. From Newfoundland to Manitoba to British Columbia, legislation of this type has allowed numerous teachers the right to opt out of membership in their respective teachers' unions, giving those teachers the right that our teachers in Alberta don't have now. Our teachers here should be able to decide their individual priorities. They chose the profession because they want to teach. Anything else, including affiliation, should be their own choice.

Mr. Speaker, I believe the passage of this Bill is important for the teachers of this province, who deserve the choice of whether or not they want to join the ATA. I believe we have the obligation as legislators to give them that option.

Thank you.

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

DR. MASSEY: Thank you, Mr. Speaker. I'd like to stand and speak against Bill 210. I took the tabling of this Bill by the member as an opportunity to revisit the history of the Alberta Teachers' Association as told by John Chalmers in *Teachers of the Foothills Province*. I would commend Chalmers' book to those who have an interest in the Alberta Teachers' Association. I think it should also be mandatory reading for promoters of Bills such as the one we have before us now. I also have to confess that I must attribute many of my comments to Chalmers and the kinds of research that he did on the association.

It was back in 1916 that the Alberta Education Association passed a resolution asking then School Inspector Gorman, through a resolution, to set in motion those actions that would result in the formation of a provincial teaching organization, and nothing came of it. Gorman did nothing, and it's not surprising. He was a school inspector, and the Alberta Education Association was made up of professors at the university, of school inspectors, of trustees, of members of the Department of Education, of the Protestant clergy. It was made up of a wide range of people and a few teachers, so it was no wonder that Gorman dragged his feet and nothing happened. It was a year later, in 1917, that the

teachers, very late in the Alberta Education Association's convention of that year, managed to spring a surprise resolution and, given where it came on the program, have it passed. That resolution set aside some money to hire a secretary-treasurer. It also put in place the kind of directorship that would see the formation of what we know today as the Alberta Teachers' Association but was at that time called the Alberta Teachers' Alliance.

3:20

In 1916 teachers in this province had much to be unhappy about. In the midst of bumper crops and war-insulated farm prices their salaries had dropped an average of \$28 a year from 1913 to 1915. Teachers in those days could be fired with or without cause with 30 days' notice. School districts who might find themselves, for a variety of reasons, short of cash simply didn't bother paying the teacher, and many teachers to this day are still owed outstanding salaries from those boards who just simply walked away from the obligation.

Teachers with no preparation were being hired. In one year the province granted 11,000 certificates to teachers although there were only 3,000 places in the province. They couldn't qualify even for a third-class teacher's certificate. Other boards, when the money ran out, simply shut the school down and said: "That's enough for this year, three months of school. That's it. Teacher, on your way." So 1916 was not a happy year to be a teacher in this province.

The living and the working conditions for many of those teachers were, to say the least, hostile. The fortunate few who in rural areas went and boarded with good families, where there was good food and living conditions, were treated as family members, but that wasn't the majority of the cases. Many of them lived with families where the language spoken was unfamiliar to the teacher, where the food was less than adequate, and where they were treated as a family servant at best. The others – and this applied to a large number of teachers in our province – lived in shacks that were called teacherages at the time. Many of them were uninsulated, they were unserved, and they were certainly isolated and far from any kind of social interaction for teachers that were lodged there. The schools that they taught in were in many cases as primitive. Log and frame structures, they were lacking storm windows or insulation or any kind of water services. The resources were rudimentary. The teacher was often the janitor plus teacher. Sometimes that work of janitor was taken on by a youngster attending the school, but the general description of schools at the time was that they weren't very clean and that the temperature, depending on the season, matched the outdoors.

So teaching, to say the least, was not considered a job that many went into with any prospect of spending their entire life being engaged in that same activity, and as I said, very few looked on it in that way.

That these teachers believed that education would benefit from better teacher preparation, better salaries, less turnover, and better working conditions was really not very surprising, and in 1917 they finally got their own association. One of their first tasks was to try to establish minimum salaries across the province for teachers. That was preparatory to the move toward collective bargaining, and of course that wasn't without opposition, as you can well imagine. Trustees, who had had their way up to that point, pretty well took to this new organization very unkindly, and the Calgary public school board of the time made the argument that was made by many boards. They said that they didn't want to enter into an agreement with teachers that would pay all teachers the same salary because then they wouldn't be able to

reward the good teachers. You know, that's a fairly powerful argument: why pay mediocre teachers the same as good teachers?

Unfortunately, the Calgary board lost some credibility when they fired their entire staff one year and then rehired them the next year at a grid they had determined themselves behind closed doors. So their credibility, as I said, was really not that high, particularly among the teaching profession at that particular point in time.

The struggle, even as late as 1934 – and I have to disagree with the member on the government side, given my age, that 1936 wasn't really that long ago. The Teachers' Association was still having trouble, and at one of their general meetings they summarized the kinds of problems they were still being faced with. Teachers had the choice of paying exorbitant board or being fired. "You pay the board we want, or you're going to be fired." It was \$30 a month, mind you. School boards were paying less than \$840 per year even though many of them had extra cash on hand, so the wages were being kept depressed. Many of the school boards were paying their teachers less than the grant they were receiving for those teachers from the provincial government.

Kickbacks. This was widely done across the province. Kickbacks, particularly to secretary-treasurers, were commonplace. The secretary-treasurer of the Edmonton public school board would say: "Yes, you can have a contract with the Edmonton public school board, but you know that I own the insurance firm in this city. If you're taking out any life insurance or any other kinds of insurance, you know where you're to go for that contract." So kickbacks were the order of the day.

Teachers were being charged rentals, exorbitant rentals, on those teacherages. Appointments were being made. They auctioned off teaching appointments, so teachers would gather, and they would bid. The lowest bidder on the teaching job would get that position for the year.

School boards were terrorizing teachers with verbal threats. There's story after story. You don't have to read many of the histories of local communities across the province to find stories of teachers who were threatened because they happened to rap the knuckles of the board chairman's son in class and were told that if they did that again, they would be down the road within 30 days. That kind of threat was not unusual.

The last thing they listed was that they were firing teachers in order to hire teachers at a lower rate the next term.

So by 1934 the association really hadn't gained a lot for teachers. The struggle was on, but there was still much to be done.

I think that if you look at the association in that historical context – and I don't think you can divorce the association today from that history, because in many members' minds that history is still very real. If you look at what they did achieve, Mr. Speaker, and what has happened to teaching, they changed teaching or helped change teaching from a trade, from a job, to a profession. It was a long and hard struggle. They changed it from a part-time job with little respect in the public to what is considered today a respectable career, a respectable profession. They changed it from a poorly paying job to a fairly paid professional position. They changed it from the domain of ill-prepared and sometimes disinterested teachers to that of today's degreed professionals, and they changed it from primitive working conditions to schools that are envied worldwide.

THE SPEAKER: The Chair sincerely regrets having to interrupt the hon. Member for Edmonton-Mill Woods, but it being 3:30,

Standing Order 8(2)(b) requires that we move to the next order of business.

3:30

head: Motions Other than Government Motions

Criminal Use of Firearms

509. Moved by Mr. Zariwny:

Be it resolved that the Legislative Assembly urge the government to enter into negotiations with the federal government to ensure provisions in section 85 of the Canadian Criminal Code, which provide for the imposition of additional sentences of one to 14 years for the use of a firearm while committing an indictable offence, are used as a means to deter the criminal use of firearms.

[Debate adjourned April 25: Ms Carlson speaking]

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

MR. WICKMAN: Thank you, Mr. Speaker. I want to make my comments on Motion 509, where we had some discussion last week.

Mr. Speaker there has been a great deal of attention focused on safety, crime, young offenders, the gun control legislation. In many areas, particularly in the smaller communities in Alberta, I would suspect it's probably one of the major topics, particularly when we read of incidents in the paper that do tend to be very, very unfortunate, that do lead to death, particularly if they involve young offenders.

In some instances, yes, guns are involved. I guess it's always a question as to what measures can properly be instituted or incorporated to make guns less available. That, of course, is the way the federal government at the present time is approaching it or tackling it with their gun control legislation they're currently considering or they have before the House of Commons. However, Mr. Speaker, our Minister of Justice has gone on record as making his views very, very clear in terms of his opposition to the gun registry and such, which incidentally do coincide with a good number of the members of this particular caucus.

Mr. Speaker, where the minister and the government members have tended to not focus any attention, or very little attention, is an effort to strengthen up what is already there in terms of attempting to prevent the illegal use of firearms to commit crime or other indictable offences. When other options are tried, possibly there may not be the same cry for gun control legislation as there is now, or they may find that the same need or supposed need isn't there that they perceive to be there at the present time.

Motion 509 of course does attempt to give direction that would urge this government and particularly the Minister of Justice to pursue with the Crown prosecutors more effective charges and convictions under section 85 of the Criminal Code of Canada, the end result, Mr. Speaker, being such that with stronger enforcement, stronger penalties, more severe penalties for illegal use of firearms, that could very well and should very well result in less use of firearms for the committing of indictable offences for those illegal acts.

Mr. Speaker, I'm looking forward in particular to some comment from government members as to why they haven't responded with more vigour to this particular motion or their own initiatives in terms of trying to point out that there are provisions within the Canadian Criminal Code to deal with the illegal use of guns, the improper use of guns. However, the penalties that are imposed by the courts don't always reflect the offence that is

being used. So this motion that is in front of us dealing with the use of firearms as it pertains to section 85 of the Criminal Code, sponsored by the Member for Edmonton-Strathcona, attempts to achieve that, attempts to get a message to the government members to take that appropriate action which is deemed to be necessary to ensure that there is more serious attention given to section 85 and that section 85 is used more effectively as a means of attempting to control the use of firearms in pursuing wrongful criminal activities.

Mr. Speaker, I've made my comments very brief intentionally in that there are a number of other Members of the Legislative Assembly that want to address this very, very important motion. Particularly for those members on the government side, we want to ensure that they have full opportunity to exercise at this particular time their chance to air their opinions. I'm sure Albertans take a very, very keen interest in these types of motions that pertain to something that is highlighted on a day-to-day basis.

On that note I conclude, Mr. Speaker, and I thank you.

MR. SAPERS: Mr. Speaker, I'm surprised as well that there wasn't a member from the government side ready to enter into the debate at this point.

I would like to speak in favour of this motion. I think it's a very important motion. I think that certainly the country is in the midst of a very, very elevated debate about gun control and about the use of firearms during criminal activity.

Mr. Speaker, the provincial government of this province is on record saying that they want to get tough on crime. I think the Minister of Justice has talked about taking the gloves off when it comes to bad guys. I'm assuming he would mean all bad people. Certainly when I review the Criminal Code and I note section 85 of the Criminal Code, it comes to mind what the drafters of the code must have been thinking when they in fact had section 85 included. The federal government in the criminal law of course anticipates that the presence of a weapon during a criminal offence, particularly an indictable offence, has the potential for that offence or that situation escalating into a much more serious or violent one. The additional penalties called for in section 85 contemplate the abhorrence that Canadian society has for violence and the message that Parliament wanted to send to the Canadian public that the criminal law must be taken seriously and in fact the use of weapons will not be permitted in this society.

I've talked with many parliamentarians over the years from all political parties, Mr. Speaker, who convinced me of their commitment to ensure that we don't mimic the worst parts of the society to the south of us, that we do not import the culture of violence and we do not import the climate of fear that is attendant to so many American jurisdictions because of the presence of firearms and the propensity for them to be used. So I'm confident that the drafters of the Criminal Code had all of that in mind and were aware of all of that when they in fact wrote in section 85.

Going back to my academic studies, Mr. Speaker, I'm also aware of the research that I took part in, which others certainly have done before me and after me much better, looking at the relationship between aggression and the presence of weapons. Of course, the research has been pretty conclusive that the presence of weapons and the presence of the symbols of aggression in fact help develop aggressive behaviours and will lead to more aggression. It's an escalating feedback loop, where the presence of weapons leads to aggression and then you get more aggression to overcome that aggression. I think it can be well summed up by, you know, if the other guy's got a knife, you bring a gun. If he's got a small gun, you bring a bigger gun, et cetera, et cetera.

We've seen lots of examples of that. In this city of Edmonton we've seen how violent crimes – assaults causing bodily harm, murders, and attempted murders – have all been decreased because in the inner city over the last few years there was a concerted effort to make sure that knives weren't allowed into licensed premises in some parts of the city. There was a concerted enforcement effort on the part of bylaw officials, the licensed premises owners, and the Edmonton Police Service, and this led to a measurable, noticeable decrease in the amount of inner-city violence in this city. You don't have to go far to find other examples where if you remove weapons, you limit violence and aggression. So certainly there is ample evidence and support for section 85.

So the question really is: why isn't section 85 being used? Why is it being used in what appears to be a rather frivolous way? The suggestion has been made to me that police agencies use section 85 as a means of overcharging those who are accused, and then the Crown uses it as a bit of a bargaining chip to determine how they're going to proceed and what charges they're going to proceed with. I haven't seen any firsthand evidence of that, Mr. Speaker, and I would like to challenge those who make those accusations to produce the evidence that that is in fact what's happening.

I think there is a special responsibility on the Minister of Justice to ensure that his agents, Crown counsel across the province, take this as a serious issue, as a serious challenge and reflect on those earlier purposes for why section 85 was in the Criminal Code to begin with, those purpose which I've already enumerated. If in fact the drafters of the Criminal Code had it right and they recognize this link between the presence of weapons and the escalation of violence, then it is really the minister's responsibility in this jurisdiction to make sure that there is proper enforcement of that section. If the police are mischarging somehow, then the Minister of Justice should work with police agencies to deal with that. If Crown counsel are using it as a bargaining chip, then he should work with Crown counsel to limit their discretion in some way.

Most importantly, we should ensure that the criminal law is being used not as a blunt instrument but as a sharply focused instrument to deal with those social problems that it can best deal with. One of the problems that the criminal law can deal with, of course, is violence and the escalation of violence. So the Minister of Justice, I would suspect, would be very much in favour of this motion and would be commenting to his colleagues that they should also be supporting this motion. All this motion does is really give him one more tool, one more arrow in his own quiver, if I can put it that way, when he's dealing with Crown counsel, when he's dealing with police agencies in terms of helping them better understand what it is that the Members of this Legislative Assembly would like to see regarding both the application of the criminal law, the criminal law of course being a federal matter, and of most importance here how we would like to see the administration of justice carried out in this province, which is totally and fully a provincial responsibility.

3:40

So this motion doesn't really call for much. It just calls for recognition that there is in fact a section of the Criminal Code which is not being properly utilized. It calls on the government to develop mechanisms so that this section is more fully utilized. It would, I think, elevate the discussion away from what I think is really a frivolous discussion about some of the perceived inadequacies of the federal gun control Bill into a very much more

meaningful and realistic discussion about what it is that we can do as Members of this Legislative Assembly to help this community be a safer community.

I think, Mr. Speaker, that we can get off on to all kinds of wild goose chases about whether we should have a registry or not have a registry or do as the provincial Progressive Conservative Party wanted to do, I believe. I'm paraphrasing, but I believe what the provincial PC Party wanted to do was everything possible to fight the federal gun control legislation, as though that would be a helpful or constructive way of dealing with violence in our society. I think it's much more responsible to work with the federal government and to do something complementary, and certainly this motion would be a complementary motion. It is something that's meaningful, it's something that can be easily accomplished, and it's something that is just so supportable that I can't understand why any member would rise in the Assembly and speak against it.

So I think what we have, to conclude my comments, is a motion that would assist the law enforcement agencies. I think it's a motion that would help fill the sails of the Minister of Justice as he sails off to fight crime on behalf of all Albertans. I think it is a motion that is complementary to a very worthwhile initiative of the federal government, and I think it's coming at a time when all Albertans are properly focused on ways of reducing violence in communities right across this wonderful province of ours.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Minister of Justice.

MR. EVANS: Thanks very much, Mr. Speaker. I'll be brief with respect to Motion 509.

I have observed some of the rhetoric from the opposite side, and it does seem like some of the hon. members opposite are using this as an opportunity to talk about the gun control legislation. It seems like they're fixated on the firearms Bill, Bill C-68, and I appreciate them bringing attention to it, because it is an important issue.

With respect to this motion in particular, Mr. Speaker, I am in favour of the motion. We have worked diligently with the federal government up to this point to make some changes to section 85 of the Criminal Code, particularly with respect to replica weapons. We found that that's one of the reasons that we've been unable to proceed more readily, more consistently with charges under section 85 in instances of indictable offences where firearms have been used. We have lobbied the federal government to make an amendment to section 85 to include replica weapons, and it's my understanding from the federal Minister of Justice that that will be incorporated. Both the federal government and our province recognize that we have to use all of the tools that are available to us to deter serious and violent crime, and I believe that that will be a very positive amendment.

With respect to some of the statistics as to how many of these charges actually proceed, there is an evidentiary rule, Mr. Speaker, that we have to overcome to get a conviction. That's the same with all sections of the Criminal Code. Sometimes our prosecutors have found that they have not been able to prove their case beyond a reasonable doubt. We've not met that evidentiary rule, and that's the reason that we've not secured a conviction under section 85. There are other instances where the evidence has perhaps not been as clear and the proof as good as our prosecutors would like, and in those instances there sometimes have been some agreements made with respect to guilty pleas to the primary charge. Of course, it's always up to the trial judge,

in any event, to determine what the appropriate sentence is, given all of the factors related to a charge. Of course, our prosecutors can, in terms of sentencing after a conviction has been entered, bring up all of the issues, including the use of a firearm or a replica firearm, in connection with an indictable offence that has been charged and a conviction that has been entered.

So there is discretion, Mr. Speaker, with the presiding judge to take all of these factors into account and to sentence accordingly, and of course sentencing depends on the gravity of the situation. I would suggest that when a firearm is used in the commission of an indictable offence, our courts and our judges take that into account and that they do provide for a more significant and a lengthier penalty. Even if they are not proceeding and have before them proof beyond a reasonable doubt that a section 85 offence has been committed, they have that additional opportunity with respect to sentencing.

In summary, we do support the tenure and the tone of the motion. We are working with the federal government to make our laws with respect to serious and violent crime more effective, more enforceable. I believe we have made a significant step in the right direction by encouraging and promoting an amendment to section 85 to include reference to replica firearms, which, as I said, I understand the federal government has taken to task and will be incorporating into an amendment to section 85.

So my congratulations to the hon. member for bringing the motion forward, and it will certainly have my support.

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

MRS. SOETAERT: Thank you, Mr. Speaker. Just a few short words about this motion. I commend the Member for Edmonton-Strathcona for bringing it forward, because this is a time when many people are worried about public safety. If there are more tools that we can provide our law enforcement with and our courts with, then I think we are called to do that. I am pleased to see the Minister of Justice supporting this. I'm hoping the rest of his caucus will, because we do know that sometimes they don't always vote with him. So I am hoping that others will support this as well.

Just a few short comments here. This allows in section 85 for "additional sentences of one to 14 years for the use of a firearm while committing an indictable offence." You know, Mr. Speaker, even if the perception out there was that you will pay for the crime committed, that there are consequences for your action, that may prevent people from committing these crimes they take sometimes rather lightly.

Certainly here in Edmonton we were tragically reminded with the deaths of Trevor O'Dell and my friend Alexia Lema of what can happen when people just feel that firearms are toys and that they can use them at will. What they don't realize is that they're deadly toys, and we as legislators must do what we can to stop crimes like that and others from happening.

So I commend my colleague for Edmonton-Strathcona. I am more than happy to support this motion, and I would urge all members to do the same.

3:50

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

MR. BRASSARD: Thank you, Mr. Speaker. It's been an interesting debate, and I, too, would like to just take the opportu-

nity to stand in the House and support this motion that was put forward by the Member for Edmonton-Strathcona.

In some ways I wish it went a little further, and I guess that's the reason I'm standing and participating today. When I read statistics that indicate that 70 percent of the crimes today involve knives as opposed to firearms, and when I read that account of the young pair of juveniles that beat up that elderly couple with a baseball bat, I think that we can't limit our indignation to solely those crimes performed with firearms. I would like to see the motion broadened just a little bit to include almost any kind of weapon when it's used in the commission of a crime. I believe you're just as dead when you're killed with a knife or a baseball bat as with a firearm. All too often we see the firearm being held up as the be-all and end-all of crime, and it's not so. It's simply not that way at all, Mr. Speaker.

I would like to see a mandatory sentence imposed for any crime that involves a weapon, and it should be nonpardonable in any way. It should not be able to be negotiated by a capable lawyer in defence of his client. It should simply be a set term. I would suggest something like between five and 10 years that would be mandatory, that would be served not in conjunction in any way with the crime itself but stand alone. I would like to see all youth that are using any form of weapon in the commission of a crime moved to adult court and addressed in that fashion.

In summary, Mr. Speaker, I fully support this motion that's before us, and I applaud the member for bringing it forward. Thank you.

THE SPEAKER: The hon. Opposition House Leader.

MR. BRUSEKER: Thank you, Mr. Speaker. I, too, just want to add a few comments on this motion that we have before us today, Motion 509. In a sense I really regret that the member felt compelled to bring this motion forward. I think it's a sad reflection upon our society. I certainly intend to support the motion. I just wish it never had to even be on our Order Paper, because I would much prefer that we didn't see this happen.

You know, it used to be that fights were fistfights, and if you saw an argument, it might end up as a bloody nose or a black eye, but that would be about the extent of it. Nowadays you hear about fights escalating very, very quickly, with shootings and knifings and other weapons being used. Certainly from that standpoint I would like to see an increase in the tools that our courts have in order to try to correct some of those situations.

Mr. Speaker, you know, it's sad in a way. You look at, for example, the city of Calgary, and again, you know, a concern, but it's an attempt by the city of Calgary police to meet their ongoing battle against crime. They've had to now add shotguns into many of the police cruisers, which is a relatively new addition. Recently they've felt the need in fact to upgrade the side arm, the weapon they have themselves, to a semiautomatic Glock 9mm pistol, which is a much more rapid-fire and accurate weapon than the .38 calibre revolver they had, which only contains six shots. Again, I regret that the police have had to do that, but that's an indication of what they are having to face when they find themselves in a criminal situation.

So certainly the motion that we have before us is I think a very sound motion in that in my opinion it reflects the attitude that the courts have to work smarter, not harder. Here is a tool that has been before us in this country and before the federal government for a number of years, and it says that we should make better use

of that rather than plea bargain away section 85, which allows for additional sentences to be imposed.

Mr. Speaker, I guess the only concern that I have with the motion would be the potential cost factor that might be involved in terms of if it's fully imposed. Keeping an inmate in jail costs in the neighbourhood of a hundred thousand dollars per inmate per year, and of course if we're keeping them in for additional years, there's an additional cost to our society. However, when we're dealing with the kind of criminal that is referred to in this motion, I think we've got to take a hard-line stand and simply accept the fact that in the implementation and carrying out of the service of justice in our province and in our country, in fact those are costs we will have to bear.

So from that standpoint, Mr. Speaker, I support the motion. I will vote in favour of the motion. I regret that the hon. member felt the need to bring it forward. I wish we didn't have to live in that kind of a society. Having said that, I am very pleased that we are here in Canada as opposed to some of the things we read about coming out of the United States.

Thank you, Mr. Speaker.

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

MRS. BURGNER: Thank you, Mr. Speaker. I, too, would like to rise in support of this motion. I share a lot of the comments that have been expressed in the House this afternoon. Certainly the misuse of firearms is a serious concern to our society. Today the use of guns has become more and more popular with criminals. The distressing point that has been noted is that these often include now our children and our young people. The fact that that has prevailed into our community is very unsettling. We often like to think we are going to escape from that kind of abuse and violence in society. We've seen it in the media, on television for a number of years and think that the hideous crimes are going to happen somewhere else. They're happening in our own communities on a day-to-day basis, and of course all Albertans are shocked by some of the very serious crimes that have occurred quite locally.

Our statistics report that the involvement of youth in crimes is rising at a rate twice as fast as that of adults. Mr. Speaker, this motion doesn't address the serious concern of why our young people feel the need to move to the criminal element, but I do think, notwithstanding some of my colleagues' opinions, that the availability of firearms is an issue and has to be addressed. So I do support the Member for Edmonton-Strathcona in his motion.

I would like to see section 85 as it stands today provide that anyone using a firearm in the commission of an indictable offence is guilty of a separate offence and liable to imprisonment: in the case of a first offence a minimum of one year and for subsequent offences a minimum of three to a maximum of 14 years. I think we have to spell out quite seriously what the impact is of breaking the law and violating the rights of society. These sentences are already spelled out in the Criminal Code, Mr. Speaker, but the problem is that the courts are either not enforcing that sentence to the fullest or they're dealing with firearms charges separately and bargaining them away altogether. On that one particular element, I'm not certain that our communities and our society is aware of the fact that that particular process occurs in our judicial system. It saddens me that we do bargain. I realize my colleague's comments with respect to the cost of incarceration, but the fact of the matter is that a crime is a crime is a crime. If indeed Parliaments and Legislatures around this country have passed

laws, we expect them to be implemented, not bargained away. I think that's at the heart of some of our problems.

Mr. Speaker, the federal Justice department in their report released in January 1995 examined the provincial court data from Alberta and Quebec and revealed that a substantial number of charges under section 85 are laid annually. However, the report also found that a consistent half to two-thirds of section 85 charges were withdrawn, discharged, stayed, or dismissed. The report also found that there were no cases in which section 85(1)(d) was used, which provides for a minimum of three years' imprisonment for a second or subsequent conviction under section 85. So there is a problem, and it is obvious that the sentences under section 85 of the Criminal Code as it is being used today are not a deterrent for criminals. The federal report found that judges were of the view that the minimum penalties restrict their ability to give just sentences and that they are more likely to impose less severe sentences than the statutes provide for.

4:00

Mr. Speaker, let me give you a few statistics in the few minutes remaining in this debate. In 1993 5 percent of the criminals charged under section 85 of the Criminal Code were found guilty, 19 percent pleaded guilty, and 4 percent were found not guilty. But 70 percent, over two-thirds, of these charges were either withdrawn, dismissed, discharged, or stayed. I know this must be very frustrating for our law enforcement officers.

Most of the police organizations contacted for this report agreed that the greatest value of section 85 charges was as a bargaining chip to get the pleas on the substantive charges. Mr. Speaker, I don't think that was the intention, and I don't think it gives full validity to the seriousness of possessing weapons and using them in a criminal activity.

Most of section 85 charges arise in relation to armed robberies. It is often the case that armed robbers are charged with multiple counts. However, because the weapon used is seized by the police only after the last robbery, before the person is apprehended it is not possible to establish that the weapon was used in previous robberies, was a firearm as defined in the code. This means that only one section of the section 85 charge can be laid, even though a firearm was reported to have been used in more than one of the robberies.

Again, Mr. Speaker, there are some problems with the way the code is implemented. Because of the need to facilitate moving criminals through the justice system and the use of the plea bargaining, I believe this has caused the system to break down considerably, and we have this lack of public confidence in the restrictions that are in place to control legally owned and registered weapons within this country. So it means that unless the weapon is seized by the police, a conviction is all but impossible. Therefore, as it stands now, section 85 presents considerable difficulties for the prosecution.

Mr. Speaker, our government as well as those of other provinces have been asking the federal government to address these problems. That issue was mentioned by the hon. Minister of Justice. I know that further discussion on minimum sentences for other related activity would restore some public confidence in the judicial system. These new amendments that we would like to pursue will rectify the problem of prosecution to some extent, but there are still some significant enforcement problems in the new version. The penalties of other indictable offences associated with section 85 have not been increased.

Mr. Speaker, we have to start somewhere, and I would like at this time to applaud the hon. member for raising this motion. Thank you.

THE SPEAKER: Standing Order 8(4) requires the Chair to put all questions to conclude debate on this motion. Therefore, the question before the Assembly is: all those in favour of Motion 509 proposed by the hon. Member for Edmonton-Strathcona, please say aye.

HON. MEMBERS: Aye.

THE SPEAKER: Opposed, please say no. Let the record show that the motion passed unanimously.

Fish Marketing

510. Moved by Ms Calahasen:

Be it resolved that the Legislative Assembly urge the government to enter into negotiations with the federal government with a view to amending the federal Freshwater Fish Marketing Act to permit Alberta fish producers the option of marketing their fish through the Freshwater Fish Marketing Corporation, FFMC, or through private export.

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

MS CALAHASEN: Thank you, Mr. Speaker. I bring forward Motion 510, which addresses an important issue on the part of my constituents in the riding of Lesser Slave Lake. The commercial fishing industry is the chosen livelihood of many hardworking people in northern Alberta, and I am seeking this change in the way that the industry is regulated so that these fishermen can reap more benefits from their hard work.

Mr. Speaker, I'm going to spend a little time explaining just how the FFMC operates for I realize that this may be a foreign issue to some members of this House. At present all commercial fishermen in Alberta, the other two prairie provinces, the Northwest Territories, and a small corner of northwest Ontario are forced to market their fish through the Freshwater Fish Marketing Corporation, otherwise known as the FFMC. They don't send for a membership; they are automatically part of the corporation, whether they like it or not, by virtue of their province of residency. All commercial fishermen in these jurisdictions are required to sell their fish to the legislated monopoly known as the Freshwater Fish Marketing Corporation, that has been in existence since 1969 when the federal government created the corporation. The stated reason behind the creation of this monopoly was to increase the selling power of fishermen by means of marketing in an orderly manner through a single-desk selling agent.

The FFMC claims three objectives: to market fish in an orderly manner, to increase returns to fishermen, and to promote markets and export trade of fish. To lend balance to this monopoly, the FFMC is required to purchase all fish legally offered to it by its member fishermen. At the same time, the FFMC has to operate like a business. Obviously, if they're obligated to buy all fish produced regardless of supply and demand forces, this can only mean that there are significant price fluctuations. Many of those who are frustrated by the FFMC say that single-desk selling merely guarantees prices which ensure minimal returns on high-value species while effectively preventing fishermen from selling low-value fish to the corporation despite its obligation to buy it.

If the price that the FFMC offers for a particular species and grade of fish is lower than the cost of harvesting and shipping, what is the value of the guaranteed market? This is a question that many northern and aboriginal fishermen are asking with more and more frequency.

To be fair however, Mr. Speaker, there are many fishermen within the FFMC's control that feel the corporation has done a fine job of doing just that. I say: good for them. I have no problem if they choose to stay with the corporation. Let it be clear that my motion that is before us today does not call for the abolition of the FFMC. It only asks that fishermen be allowed to choose whether they want to be part of this system or market their own fish on the private export market. Those that are comfortable with the security of the marketing board, as many of the fishermen call it, I feel should continue to have it available to them as a voluntary co-operative. However, for those that think they can aggressively seek out new markets and obtain higher prices for their catch, I feel very strongly that they deserve such freedom.

Mr. Speaker, perhaps these issues sound somewhat familiar to members of this Assembly: single-desk selling, mandatory monopolies, the inability of large bureaucratic entities to achieve lucrative profits for its membership, regulatory mayhem, an inefficiency in marketing and transportation. If this sounds frighteningly similar to many of the rural members of this Assembly who have agricultural backgrounds, it should. The Freshwater Fish Marketing Corporation is very much like the Canadian Wheat Board in both objective and operation. In fact, the federal government openly recognizes that the Canadian Wheat Board was used as a model when the FFMC was created by legislation in 1969.

Mr. Speaker, I think back to the debate conducted in this Legislature in February on optional wheat and barley marketing. If members will recall, the primary buzzwords in that debate were deregulation, freedom to choose, competition, free enterprise economics, efficiency, and fairness. All of these terms transfer very nicely into the issue that I've brought before this Legislature today. Fishermen are lobbying me for the same freedoms and opportunities that grain farmers lobbied the hon. Member for Taber-Warner for. My colleague's motion was carried by this Assembly, and I will try desperately to persuade members to see that these same rights are endorsed at this time for the sake of commercial fishermen in Alberta.

Mr. Speaker, given the direction that this government has taken in terms of reducing the role of government and removing itself from the lives of citizens whenever possible, one would think that supporting the call for optional membership in the FFMC would be a no-brainer. Once members are made aware of how the corporation operates with its mandatory monopoly and its price pooling, we should be able to call for the question after five minutes of debate on the floor and send a clear message to the federal Minister of Fisheries and Oceans that he should indeed allow fishermen who want to go it on their own the opportunity to opt out of the corporation's control.

[The Deputy Speaker in the Chair]

However, I have heard the rebuttal to this many times: allowing individuals to opt out of the FFMC will undermine the corporation. Mr. Speaker, if the FFMC is as good and as efficient as it claims to be, then how will it be run out of business by a series of independent fishing operations? Furthermore, if those that think the FFMC would be undercut and destroyed by

optional marketing are right, then the FFMC will be proven to be an inefficient dinosaur and all would be better off without it anyhow. This is a win/win situation, if ever there was one. If the corporation can't compete, then we certainly don't want it impeding the livelihood and economic well-being of our fishermen as well as Alberta's economy as a whole.

4:10

Mr. Speaker, this debate is certainly nothing new where I come from. This issue is so polarized that even longtime friends and family members have differing views on the merits of FFMC security and stability versus the opportunities and freedoms of a free market.

I want to tell you a tale of two men. These men are close friends, both executives of the fishermen's association. Both are constituents of mine. Both are competitive, albeit differently. I'll start with Guy. I'll name him Guy. Guy favours the status quo and feels that commercial fishing in northern Alberta could not survive without the marketing board. He feels that the FFMC is effective for its member fishermen because of the high volume of fish that they market. Guy predicts that if it were not for the FFMC, the Northwest Territories would flood Alberta markets with top-grade whitefish, leaving Alberta fishermen prices for their fish as low as 40 cents per pound. He does not feel that the sparse fishing that occurs in northern Alberta could compete independently with the monster companies on the Great Lakes. Guy also says that fishermen would market their export-quality whitefish independently but continue to send all of their cutter-grade fish to the FFMC. For those of you who don't know, cutter whitefish are not suitable for direct human consumption in Alberta due to cysts in the body of the fish. They do not pose any health threat; it is simply for aesthetic reasons. Cutter fish are either sold directly in Finland or made into fish cakes and processed fish sticks. Anyhow, Guy argues that if given the choice, fishermen would choose the FFMC as a dumping ground for those low-grade fish.

This concern is echoed by others of his school of thought, but I would caution that this assumes that an individual will be allowed to market through the board and independently at the same time. Perhaps the best course of action would be to tell fishermen that they must choose exclusively between one or the other for an established period of time in the interests of fairness.

The other gentleman is James. James is one of the leading proponents of private fish marketing. His biggest problem with the corporation is the fact that the FFMC uses price reduction programs when they don't need the fish, yet fishermen cannot sell their product elsewhere. He points out that just because demand from the FFMC, his usual clientele, is low, that doesn't mean that there is not demand to be found in other markets. James would like nothing more than to be able to pursue these other markets. He concedes that independent fishermen would have a tough time competing with the larger players in the Great Lakes region and in Russia. He does feel that Alberta fishermen can be successful in tapping into regional markets such as the Pacific northwestern United States and selling to western Canadian markets on an unrestricted basis.

James also points out something that many advocates of private fish marketing have long realized. Under the FFMC system of packing and transportation fish are shipped whole to the central processing plant at Transcona, just outside Winnipeg, Manitoba. The fish are packed in ice and shipped in plastic tubs usually by truck. The ice and the tubs account for 40 percent of the mass of the fish shipments. This is not an efficient transportation method,

Mr. Speaker. This is compounded by the fact that the fish are shipped whole: heads, tails, bones, everything.

Now, if commercial fishermen in Alberta were not required by law to ship their fish to Transcona, they could establish private processing plants at the lakeside in these northern Alberta communities or all across Alberta. Not only would the returns to fishermen increase due to decreased transportation costs; the establishing of new processing plants would translate into jobs for Albertans. Somebody has to be hired to run the machinery, clean the fish, load it onto trucks, and all the other jobs that have been done in the processing of fish for market. I for one would prefer that these jobs go to Albertans rather than Manitobans. Such opportunities do not exist under the forced monopoly of the Freshwater Fish Marketing Corporation.

Mr. Speaker, I have stood here today and highlighted some of the problems that commercial fishermen have with the marketing board that controls their livelihood. I gave two examples, the tale of two men, and I certainly hope that I have made it clear that not all fishermen have these same problems. Fishermen in Brandon don't have the concerns about transportation and efficiencies that fishermen in High Prairie do. Fishermen who harvest high-value pickerel for \$2 to \$3 a pound don't have the same concerns as those who harvest cutter-grade whitefish for less than a dollar. Fishermen who are content to make a modest living within the security and predictability of the FFMC do not have the same concerns as those entrepreneurial go-getters who feel that there exists an opportunity to make a lot more money in being a commercial fisherman on their own terms.

In other words, Mr. Speaker, what I'm trying to say is that the FFMC is seen as a good thing by some and a hindrance to profits and self-sufficiency by others. In light of that, if I were to propose a motion calling for the outright abolition of the Freshwater Fish Marketing Corporation, I would certainly be out of line. However, the motion that I am urging all members to support asks only that fishermen who are not happy within the corporation's system of marketing be allowed a simple choice in how they make their living. This is fair. It is consistent with the direction of this government, and it is long overdue.

Mr. Speaker, in February of this year the Standing Committee on Fisheries and Oceans presented the federal minister of that portfolio with a report urging action on the future of the FFMC and how it operates. This minister has very recently commented that he will not be accepting the recommendations of the report which call for a disbanding of the FFMC and the transferring of control of fish processing and marketing to provincial and territorial governments. He has indicated that, instead, he will try to improve the FFMC in the areas that dissatisfied fishermen have been complaining about. He did not give specifics, did not indicate if private marketing would be allowed.

By passing this motion, this Legislature can make Alberta's position on the issue very clear to the Minister of Fisheries and Oceans. We can actually assist him in his decision-making and policy implementation by providing a clear message on how Alberta feels about forced monopolies and regulatory red tape. Mr. Speaker, I urge members to support this motion. In doing so, they can feel great about the fact that they are supporting the principles of free enterprise economics, supporting the freedom to choose how to make an honest living, and finally supporting the will of a large number of commercial fishermen in Alberta who desperately want this option.

Thank you.

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

DR. NICOL: Thank you, Mr. Speaker. It gives me great pleasure this afternoon to rise and speak to the motion concerning the opening up of the marketing of fish in Alberta. It's a motion that basically brings into question the idea of whether or not central-desk marketing, whether it be done for fish or any of the other commodities that we have in the province that are marketed in this manner, really satisfy the needs of all of the producers that are involved in the production process.

I listened with great interest as the member went through the issues, described her two hypothetical fishermen, and talked about their support for or opposition to greater freedom in marketing. One thing that is brought forth by this motion is the idea that as individuals look at their options, they have to deal with them in the context of how the product they're selling fits into the market context and the market process. Northern Alberta fishermen are in a position where they effectively have the highest cost or the highest markup situation to deal with in terms of their product because they have to transport it so far. So much of the product weight in terms of the transportation is a no-value product in the sense that the ice is there to keep it in shape till it gets to the market in Winnipeg.

4:20

I agree with the member that introduced the motion that these kinds of things really need to be looked at. If we come out and decide that this is the approach that has to be taken to provide fishermen, in terms of their catch, with a more diverse opportunity in terms of marketing, the question has to be raised again the same as it was when we started dealing with proposals that would give us a dual market in any of the other commodities that are being dealt with in terms of central-desk buying. We have to look at what's left if we do provide an option to the producer of the product, in this case the fisherman. The Member for Lesser Slave Lake has already pointed out that it's the high-quality product that would move into the open market. It's the lower quality product that would be marketed through the board on a continuing basis.

What we end up with then is essentially that the individuals who have the volume, who have the opportunity in terms of location or in terms of contact, they have the option to put together packages to market their product in the commercial area and capture some of the market margin that's lost by having to do it through the fish marketing corporation. We end up then with a situation where the marketing margin, because of its relationship to the volume of the product and the value of the product, in essence becomes much more of a burden to the low-value product that's left. We end up then with a situation that basically says that the high-value product moves out into open, competitive markets, but the low-value, hard-to-market product stays in. In essence, the price will drop significantly to the fishermen who are catching this product because of all the changes and the relative fixed cost of doing that marketing as it relates to the value of the product. In essence what we're doing is probably making a situation where the producer, the fishermen in this case, cannot competitively put their product on a market and cover their costs.

I guess I would ask the Member for Lesser Slave Lake if this is the kind of approach that she has looked at in terms of how much of an impact this would have on the financial viability of the lower quality fish producers in her area or represented by the group she's talked about and how they feel about this option to in

essence separate the marketing channels through the Freshwater Fish Marketing Corporation.

So what we end up with there is basically a situation where we have to look at the impact on the whole industry, the viability of the whole industry. We go back and look at a lot of the comments and concerns that have been raised by participants, sellers into the Freshwater Fish Marketing Corporation. We find that these reflect a lot of the same comments that are coming from producers who sell variable products into the same channel in other areas: a different quality of pork going through the pork marketing board, different qualities of milk, different definitions of milk product going through the milk marketing board. So we end up with the same kind of comment coming out in terms of all of these definitions, and I guess the end result is that we have to look at what we're trying to strive for in terms of the focus of Alberta in terms of its market economy, in terms of its mechanisms for allocation of resources. Then we have to decide: is it choice that we want for each of the individuals, or are there any benefits that accrue because of collective marketing strategy?

We can raise the same issues on this motion that we raised on Motion 501 concerning the Canadian Wheat Board in terms of: has the government proceeded with a systematic mechanism of getting information from all of the fishermen in the province who are currently marketing through the Freshwater Fish Marketing Corporation? Have they made an effort to find out how they feel in terms of how well this corporation has served their needs? Do they want to see a change, or is it just a small group who are promoting a change because they have a very highly valued product? We have to look at it from the perspective of maybe, as with Motion 501, a plebiscite being an appropriate mechanism to get the expression from the individuals involved in selling through this fish marketing corporation.

The end result is that the industry seems to be going through a review at this time. The federal government is looking at making some changes in it. The report that was referred to by the Member for Lesser Slave Lake is basically taking this to a next step, in essence prejudging the actions of the minister on how that report will be acted upon. I think if the Legislature passes this motion and uses that motion to send a message to the federal government that changes are desirable and that changes are appropriate in the Freshwater Fish Marketing Corporation, then what we're doing is basically pre-empting the opportunity of the individuals and the members of the industry in getting their ideas across and getting their views to the minister in Ottawa in a manner that is consistent with the kind of process that is generally followed when you're dealing with legislative change, legislative direction, or interference in market processes. I would guess that we would have to ask very directly whether or not it's the intent of the member with this motion to basically say that motions of the Legislature can replace the approach that producer input, fisherman input in this case, in essence becomes the basis for change, becomes the voice as a second step through the Legislature onto a second level of government.

I think it's appropriate that we deal with the base philosophy of marketing. We've heard the member refer to support for the economic system. I agree with all of the things she said, that basically an open market, a market that's determined by price, gives us the best allocation of resources. If we look at the concept of how we can best allocate resources through the economy, product to the consumer, the marketplace has to work. We have to give individuals the freedom to capture their market.

I guess the only concern I have in wholeheartedly saying that this is a good motion that should be supported is: how do we deal with control of the product when the time comes to look at a bunch of individual producers fishing out of a lake? Right now the quotas that are established by the Freshwater Fish Marketing Corporation are set quotas based on the ability of that lake to sustain itself. If we have a bunch of individual entrepreneurs out there, what we'll end up with is a situation where we have the Spanish in each one of our little lakes coming in and taking out where their quota doesn't exist. So we're going to have in essence in every little lake in Alberta a situation that we have on the Grand Banks with the Spanish fishing fleet. I think we need to be careful, if we end up with this kind of open market, that we put in place some mechanism to enforce and ensure that the quotas are assigned to the boat or to the captain or to the entrepreneur that's running the fishing operation, that they then are responsible for honouring that quota, and that they don't overfish our natural resource base on a free market basis.

THE DEPUTY SPEAKER: I hesitate to interrupt the hon. Member for Lethbridge-East, but the time limit for consideration of this item of business has concluded.

head: Government Motions
4:30 Heritage Savings Trust Fund

21. Moved by Mr. Dinning:

Be it resolved that the Legislative Assembly approve in general the report of the Alberta Heritage Savings Trust Fund Review Committee.

[Adjourned debate May 1: Mr. Germain]

THE DEPUTY SPEAKER: I guess we're going back and forth. The hon. Member for Pincher Creek-Macleod.

MR. COUTTS: Thank you very much, Mr. Speaker, and thank you for the indulgence from the hon. member opposite. I just want to take a couple of moments and give some accolades to where they're most deserving, and when I do that, I'm going to include a couple of people here, to the surprise of the hon. Member for Lethbridge-West.

When the constituents of Pincher Creek-Macleod got some of their brochures in the mail regarding the heritage trust fund review, they were wondering how they could be involved in helping to make that decision other than making their views known by mail. I brought that to the attention of the hon. member, and he immediately said: well, we'll gladly come out and talk to your constituents at any time. We had tentatively set up a meeting on March 4 in the town of Pincher Creek. It had been duly advertised. Being southern Alberta, it can come up with these frequent storms, and that's exactly what happened that particular weekend. We had to cancel the meeting. The hon. member regrettably had to do that. We were able to schedule it for two weeks following. Unfortunately, the Member for Lethbridge-West was not able to make that meeting, but I'm proud to say that I went and discussed his document with the constituents of Pincher Creek-Macleod.

We had a good meeting for two hours, and basically all we discussed was the discussion document. Some of the discussion around the heritage trust fund was amazing, because the results from the people of Pincher Creek-Macleod exactly paralleled the recommendations that came out in your report. I would like to

just let the hon. members know that even though it was done apart and he wasn't part of it, that was what my people were saying.

I really appreciate the effort that the hon. member went through to come out and talk to groups, large or small. He did that on an individual basis and deserves that credit. He even went so far, Mr. Speaker, as to come to another part of my constituency on a Sunday evening as he was traveling from Lethbridge-West to Edmonton. He stopped in the town of Claresholm and talked to a group of senior citizens there about the discussion document. Again, I know that those folks there really appreciated the time they had with the hon. member and the input they felt they gave our government and that particular committee. I believe he will find that that is consistent with many of the recommendations that have come through.

The other thing that I would like to do on behalf of the hon. Member for Lethbridge-West is give some special thanks that unfortunately he omitted yesterday in debate. The chairman, the Member for Lethbridge-West, and the members of the review committee have asked me to do this favour. In his comments yesterday he neglected to mention his appreciation to Anita Jenkins, who was the technical writer for the committee. Ms Jenkins prepared meeting and committee reports and also the hearing reports and did much of the writing centred around that report that was tabled in this Assembly by the review committee. The chairman would like me to recognize the work that this individual put in. He apologizes for omitting her, knowing that all of the people that work on those initiatives sometimes don't get the accolades that they deserve. This was just a brief oversight, and he has asked me to make that accolade known today.

So with that, Mr. Speaker, my congratulations to the committee and to the chair, the hon. Member for Lethbridge-West, for the job that they did. I am so pleased to see that the consultations with Albertans were fairly consistent across the province. It makes the people from Pincher Creek-Macleod feel very much a part of the consultation.

Thank you very much.

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

MS CARLSON: Thank you, Mr. Speaker. It's with pleasure that I rise to support Motion 21. The majority of Albertans said that they wanted the heritage trust fund retained, so then we as legislators have a responsibility to ensure that this happens and that it happens in an orderly and responsible fashion. That means that this fund needs to be addressed in a somewhat different fashion than it has been in the past. There need to be sunset clauses to review the uses of the fund and to examine the potential of the fund in conjunction with an overall economic situation of the province to ensure that Albertans understand the role of the fund and what place it plays in relationship to the debt that we're carrying.

In the recommendations that were brought forward as a result of the report, there were a number that I strongly believe should be supported. I'd just like to quickly review a few of them. One was that "the government should appoint an independent board of directors." I believe this is very important. It definitely provides a buffer between politicians and the fund management. It's essential that all Albertans feel secure about how the fund is managed and that it's managed independently and in the best interests of Albertans from an overall strategy. I'm not sure that

people had access to that information previously or that we could endorse that in fact it was happening.

One of the other recommendations was that "the government should define a process for appointing an independent management board for the Fund." Again I feel that this is incredibly important. It happens as a matter of course in business and therefore should also happen in government because it is good management. If the process includes appointments based on ability and merit and it excludes partisanship, then this recommendation would be a perfect recommendation for the government to move forward on.

[Mr. Clegg in the Chair]

Another one of the recommendations was that "goals [should be set] for the Fund and guidelines under which the board of directors will operate." Again this is another excellent recommendation, that the government should act on. There's no doubt that we need to define the objectives of the fund relative to the economic environment that we find ourselves in. It's hard to believe that this fund has operated for so many years, in fact decades, without this kind of a framework. If the board of directors doesn't have guidelines, then you can't hold them accountable, and in this day and age the least that we would expect from the board and from the management of this fund is accountability. Without guidelines there's just no way to measure their performance. Therefore I see this as a recommendation that's essential to the operation of the fund.

Another one of the recommendations was that "the board of directors [should] provide simple, factual and readable . . . updates on the Fund's performance." Well, we would say: of course that's what we would expect. Unfortunately, if you look at the history of this fund, that's not what's happened in the past, and that's why this recommendation has come forward. The only part that's missing in this recommendation is that these updates be readily available on an ongoing basis to all Albertans.

Another one of the recommendations was that "the government should debate in the Legislature having a requirement that the board of directors develop three-year business plans." Well, once again, this would be a matter of course if it weren't a government agency. It's never been acted on in the past within this organization and so certainly should become a part of the normal operations.

Another recommendation was that "the government should debate in the Legislature evaluating the board on the basis of the Fund's financial performance." Well, in a private corporation it would be the shareholders who would perform this function yearly. There's no doubt that all Albertans are the shareholders of this fund and should therefore have that right of review and evaluation.

4:40

We've seen over the years that the mechanisms of accountability and responsibility to Albertans for the operation of the fund have been eroded or have not been put in place at all. That's why these recommendations that I've spoken to here are crucially important to be adapted and adopted within the framework of the fund as soon as possible. Historically, we see that the Standing Committee on the Alberta Heritage Savings Trust Fund Act can only review past performance of fund investments and has no input on investment decisions undertaken through the fund. I think this is clearly a mistake and needs to be addressed. These recommendations address that, and I'm looking forward to them being adopted in a very hasty manner.

One of the other recommendations that came forward was "to maximize the Fund's income in the context of the objectives of the Fund." We have to be careful with this one in terms of we have to make sure that before they go ahead here, there is criteria established. We need to know what are acceptable investments. For instance, should we be looking at international markets? We need to establish who will be scrutinizing the objectives of the fund. Definitely we don't want to see an Orange county fiasco or an international banking fiasco, which has happened in the recent past in the global investment market. We don't want to see that repeated here, so we have to be very clear that we know what the objectives are and that we're managing properly. On the other hand, there should be some concern in continuing the extraordinarily prudent investment strategy that this fund has had in the past. Does it clearly meet the objectives of what the fund is and the investment strategy? So that has to be clearly defined before it goes forward. Having said that, it's mandatory for this fund to operate in any kind of a responsible fashion, that it does have some objectives, and that the board does attempt to maximize those objectives.

We in the Liberal caucus believe that definitive goals and objectives underpinning the investment strategies for the heritage fund must be developed and clearly communicated to all Albertans. This information has not been readily accessible in the past nor readily understandable, not only to all Albertans but even in terms of accessibility here in the House. So we need to make sure that this is addressed.

There are some strong examples of investment goals. We can take a look at the Alaska permanent fund, which has goals of protecting the principal of the fund through the use of prudent investment rules and maximizing the fund's total return over time at a real rate of return of 3 percent. So we need to determine what rate of return is acceptable to us and implement that and maintain the real value of the fund over time through inflation-proofing. We've all paid the price in this province of not having an inflation-proofing mandate here, and what's happened is that the real value of the fund over the years has been significantly eroded. These goals, which are protect, maximize, and maintain, are reasonable goals, and we should consider using those in the context of the heritage fund.

The strategies of balancing risk and rate of return are proposed to meet the goals of protect, maximize, and maintain. With that in mind, we in the Liberal caucus would like to recommend that consideration be given to seeking greater input from private-sector investment managers with the objective of achieving a more favourable rate of return on investments commensurate with an assessment of the risk involved. That's not currently a recommendation, and we would like to see that put in place and acted on. I'm sure that no one on the government side could find any reason to dispute this. There is no doubt that there's a need to draw on the expertise of the private sector in managing fund investments really as a means of achieving a more favourable rate of return on certain classes of investments. There's no doubt that we are not maximizing return, from anyone's perspective, on some of the current investments that we have, and that needs to be reviewed. No better person to do it than someone who has a background in this in the private sector. So by that means the use of private-sector investment managers really enhances the capacity to assess asset allocation and performance evaluation of investments.

We could also ask for assistance from bank custodians to help with the safekeeping of securities, collecting interest and dividend payments, and transferring funds when securities are traded,

essential to proper management and not that hard to adapt in this instance, also equity managers who buy and sell common stock rather than bureaucrats or someone else within the government mandate to do this. This is certainly a case where we're talking about the future of Albertans, where we need to make sure that we're using the best qualified people to do the job.

We also recommend the establishment of overall benchmarks and targets within the investment manual for aggregate and classes of investment that must be achieved by fund managers over a specified time period. This would be a given, once again, if you were in private practice or in a business outside of the government mandate. We've seen a start of establishing benchmarks and targets within this government. We see that they're still not really qualified to develop benchmarks and targets within their own system, so once again they may need some assistance in this area. There's no doubt that in order to really evaluate the overall performance, you've got to have some measurement tools, and definitely benchmarks and targets do that.

We also recommend that consideration be given to retaining a portion of the income generated by the fund on an annual basis to offset the impact of inflation on the fund principal and maintain its real value over time, once again just a fundamental economic policy which I can see absolutely no reason for the government not implementing. It just makes good, common sense. If we treat the fund as responsibly as we treat our own personal investments, then everyone in Alberta will certainly benefit.

Another recommendation we have is a targeted threshold of investments in foreign equities to be contained within the investment manual through an assessment of risk and the use of international benchmarks designed to produce a higher rate of return for the fund. So this falls in line with some of the recommendations of the committee. We only need to look at some funds in the global marketplace right now and see the kind of rate of return that they've earned over the past couple of years to know that it just makes good, common sense to have a balanced portfolio. If we take a look at the Alaska permanent fund, it earned a rate of return of 19.2 percent in 1993 and '94, which is significantly higher than anything that the heritage trust fund has earned in the recent past.

We have another recommendation in terms of consideration of setting a specific or threshold credit rating by Standard and Poor's, Moody's, the Canadian Bond Rating Service, and the Dominion Bond Rating Service, a rate within the investment manual that must be met with respect to investing in fixed-income classes of government securities or corporate securities. Once again it's a guideline that could easily be implemented in this strategy which provides a framework by which we can monitor and evaluate the performance of the fund.

We would also recommend a threshold value or a level of fixed-income cash and marketable securities at book value or market value specified in the investment manual relative to total fund assets and the setting of rules regarding average life to maturity of the various holdings. So specifically we need to talk here about government securities and the asset-backed securities and the corporate securities within the fund, once again just something that needs to be put in the manual to ensure that we maintain the integrity of the fund.

4:50

We would also recommend regular reports by investment managers to the board of directors in order to achieve a reasonable rate of return on investments and to minimize risk. These reports need to include amounts invested in various classes of

assets, yield at cost, unrealized gains and losses, the amount of each class of investment as a percentage of the portfolio, average life to maturity of marketable securities, and a comparison with recognized private-sector indices, such as the TSE 300, Scotia-McLeod T-bills, Standard and Poor's 500 index, or any of the other standard indices that are out there. Really this is the only way that we can begin to evaluate how well they're doing in terms of rates of return and minimizing risk. It's just one more item that will help establish the maintenance of the fund in a manner which I'm sure Albertans want to see.

Within the report there was a recommendation that stated:

The government should debate in the Legislature how to deal with non-performing portfolios in the context of the government's debt management strategy.

Definitely that needs to be in place, and definitely we do not have that at this time. Definitely this was an issue that was raised by Albertans during the course of the public review, and that was the actual worth of the heritage fund, not to third parties on Bay Street but to Albertans here, throughout Alberta. This is a rainy day fund that is owned by Albertans and not by investment dealers. So we need to take that into account. In this respect it's important that all Albertans understand that significant portions of this fund are invested in the debt securities of Crown corporations, such as AOC and AFSC and ASHC, or they're being used to reduce exposure to debt; in fact, \$2.258 billion as of March 31, 1994. I don't think that Albertans understand this completely.

This should be of great concern to people, that in fact we're underwriting our own debt, and that's something that needs to be explained in an easy-to-understand format to the people who believe in the integrity of this fund. As it stands today, the integrity is somewhat in question, and that's why we get differing evaluations on it from all people. The government has one thing to say, we have another thing to say, and rating agencies have a third thing to say. So how are Albertans supposed to know really what the fund is worth, how much of it is secure, and how much of it is really just underpinning our own guarantees? We need to see that the repayment of debt owed by these Crown corporations to the heritage fund is effectively guaranteed by the government of Alberta, so we're guaranteeing our own debt, which is questionable.

The ability of the province to receive market value for these particular investments is questionable since these Crown corporations all have very large accumulated deficits and are able to pay their commitments to the heritage fund only through direct subsidies from the general revenue fund. I am very sure that this is not clear to most people. I'm sure it's not even very clear to all of the people on that side of the House that this is what we're doing. You know, guaranteeing your own credit card debt with your mortgage isn't sound fiscal management, and that's what we've seen happen over the years with this fund. It's something that should raise questions for everybody.

If we take a look at the '93-94 year, AOC, AFSC, and ASHC received cumulative subsidies of \$303 million from the general revenue fund in order to allow them to make repayment of \$406 million in debt held through the heritage fund. As of March 31, 1994, the total accumulated deficits of the Crown corporations were \$329 million, certainly significant enough to raise concerns in everybody's mind.

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

MRS. HEWES: Thank you, Mr. Speaker. I'd just like to add a few comments, speaking in support of this motion from the

government. First of all, I want to thank the government for appointing the all-party committee to do this. I think it's a good example of how members from both sides of the House can work together with the people of Alberta and arrive at a legitimate, supportable conclusion. I think it paves the way for other all-party committees. I suggest to the government that this is an infinitely more democratic way of dealing with issues of this kind, where we want to test Alberta's thoughts. I want to congratulate the chair and the members of the committee because I think they worked very hard to bring this report forward and also the people of Alberta, who responded in great numbers to something that is important to them.

I think the heritage fund is symbolic in many ways of the pride that people have in this province. Albertans are proud of Alberta and they're proud of the heritage fund. I think it did reflect and does reflect in people's minds what they believe to be a very progressive province. I recall when it was put in place, Mr. Speaker. I expect you do too. Premier Lougheed, the Premier of the day, stated the objectives:

1. to save for the future
2. to strengthen and diversify Alberta's economy [and]
3. to improve the quality of life in [the province].

I think those were noble objectives and were received in that fashion by the people of Alberta.

Mr. Speaker, it came to mean that finally in this province we were allowed to play on the national scene. We got to play at that national level. As a result, I think this province became very attached to the fund in its symbolic sense as well as in its real sense. It symbolized that this province had come of age; this province had matured. This province was no longer a country cousin. Albertans believed in that and were comforted by its very existence. That we have a bank account in this province and we have a bigger bank account than anybody else in the country was impressive to the people of Alberta and very comforting. They were able to say, "We don't need handouts," to Ottawa and the rest of the country, "We are rich; we are smart; we're not just out here in the boondocks," and make that stick.

I think the fund served reasonably well over those many years when there were enormous revenues coming in from nonrenewable resources, and they went in annually. But the fund also became a bane as well as a boon to the province, and I think we all recognize that. As a have province we didn't get treated exactly in the same way as those provinces that were perceived to be poor. The existence of the fund raised expectations in the minds of Albertans and in the minds of other Canadians, who looked at us because we bragged, "We don't need you; we have our heritage fund." So on the one hand it was a boon, and on the other hand it was a bane. I think, Mr. Speaker, it's fair to say that some of the investments that were made by the fund in fact distorted the private-sector market, and some of them in fact proved quite disastrous.

Times have changed. We overspent for many years. The money in many ways was squandered. Oil and gas prices cratered, and the resource revenue wasn't pouring in as it had been. The government proceeded then to what are now, I guess, 10 successive deficit budgets, racking up a whopping gross debt of \$32 billion while the fund assets were gradually reduced.

5:00

I think there was a reluctance on the part of all Albertans to admit the failure that we had experienced with the fund. This was the symbol of what was happening in the province, that we had failed to be the stewards, that giving up the fund would be evidence of that, and people couldn't accept that, that our cushion,

our symbol of the progress of Alberta and the growing up of Alberta was gone.

Now, if there's one question that people ask me most frequently, Mr. Speaker, it's: how much is there? I'm sure this question was asked over and over of the committee. How much is really there? How much is there that can be liquidated or that we can get our hands on? Where is it tied up? The other questions they ask are: where did the money go? Where did it go? They also want to know: can we get it back? Can we get the money back? Clearly somebody benefited, and in many ways I suppose people are still benefiting from our fund.

Mr. Speaker, I'm pleased to support Motion 21 and to support the recommendations and the decisions that the committee came to. They arrived at decisions that were not unfamiliar to me, because back in 1986, when I was first in this House, the Liberal caucus, small as it was, did a fairly comprehensive paper on the heritage fund, making some recommendations then that we needed to review it, that we needed to depoliticize it, that we needed to bring it home to Alberta, that we needed to use it for the benefit of Albertans, that we needed to make it transparent. We made those recommendations back in 1986, and they are still valid today. The committee has, I believe, in their wisdom verified that because their recommendations in many ways mirror those of the Liberal caucus back nine years ago. You know, hindsight's great, but I'm grateful that we finally got to do it, because I think Albertans have deserved that for a long time.

Over those years and in between on the heritage trust fund committee Liberal caucus members have stood for a number of changes. They've insisted, Mr. Speaker, that the government should appoint an independent board of directors, that the government should define a process for appointing that board for the fund, that goals should be set out for the fund and that guidelines under which that board should operate should be set out, that the board of directors should provide simple, factual, readable, understandable annual updates on the fund's performance, responding to the desires of Albertans to know what's in there, how it is invested.

The Liberals believe that there was a requirement for the board of directors to develop three-year business plans, that there should be an evaluation of the board on the basis of the fund's financial performance over time. We believe that the involvement of private-sector investment managers in investment decisions should occur along with the staff of Alberta Treasury, part of the notion of bringing the decision-making back here into Alberta and bringing it home.

We believe that we should maximize the fund's income in the context of the objectives as set out for the fund and that we should deal with nonperforming portfolios in the context of the government's debt management strategy. We also have suggested over time that the maintenance of the fund be at its 1995 value. We believe that there must be a provision for a public review and for the public to review the role and mandate and operation of the fund on a regular basis, every 10 years, every six years, whatever is decided. We shouldn't have waited the 20 years; that was too long.

Mr. Speaker, let me go back to the Liberal position. We have acknowledged right along that the heritage fund has made a vital contribution to the quality of life of this province. As I say, it signified to me and symbolized that this province had grown up and had taken its place on the national scene. I think it has served a number of those very important functions, and it has achieved the objectives that were set out at the time.

It's provided the general revenue with over \$15 billion in revenues over those years to fund the very important programs that we must fund in health care and education. I think the liquid assets within the fund have also allowed the province the flexibility to reduce the requirements to finance a portion of the debt in capital markets and make us less susceptible, Mr. Speaker, to fluctuations in interest rates and exchange rates.

Times change, Mr. Speaker. In 1976 this was a province with an appreciable asset base. Our coffers, our revenues were burgeoning with natural resource moneys and little, if any, debt. Today we have a net debt of over \$13 billion and a gross debt of nearly \$32 billion, and Albertans are frightened by that information. We have continuously recognized in our party and in our caucus the need for a review and an ongoing review.

Mr. Speaker, the green paper that we wrote in 1986 in fact says the following:

With the Alberta economy now facing a series of chronic provincial deficits, service reductions, and tax increases, it is time to ask Albertans what they expect from the [heritage fund] and how they want it to be administered . . . The Alberta Liberal Party feels that it is critical for the future of the Fund that intelligent debate pertaining to the Fund be encouraged.

That was in December of 1986, nine years ago.

Further, the same month, the same year:

The Alberta Liberal Party believes a fundamental review of the purpose and structure of the . . . Heritage Savings Trust Fund should be carried out by an all party Task Force of the Legislative Assembly.

Since that time, Mr. Speaker, the necessity to review the mandate and role in this environment of fiscal uncertainty and high debt has been recognized by many observers who have certainly a reputation in this province for sound fiscal advice, among them the Alberta Financial Review Commission in March of '93, the Auditor General certainly in '92-93, the Institute of Chartered Accountants in February '94, the Fraser Institute in January of this year, the budget roundtable of 1994. All of these reputable organizations have advised a review, so I'm pleased that the government took that advice and conducted it with an all-party committee. Even the Provincial Treasurer, I think, has admitted that we have to have a review and review the role and mandate of the fund.

So, Mr. Speaker, here we are with the report in front of us which reinforces many of the things that we have said over the years: that we need to depoliticize and reorganize the fund management process. Hopefully, that's going to follow in a very short period of time.

5:10

A significant part of the fund assets have been invested in pursuit of an economic diversification strategy. As I mentioned before, Mr. Speaker, that has led us, I believe, down a rather slippery slope. We have distorted the private-sector marketplace, and I think that has been a mistake. While we were working at the feet and with the objective of diversification, I think we did in fact distort the marketplace unnecessarily and improperly. I believe the government in its commitment at this point in time to get out of business, to stay out of business, to stay out of loans to company A and not company B, has made some decisions perhaps reluctantly and too late for some of the investments that have been made, but I'm grateful that at least we're on that track finally. The losses and the impairment of cash flow resulting from investment projects such as the upgrader, Millar Western, Vencap are reminders that the government shouldn't be involved as a competitor with the private sector.

Mr. Speaker, our caucus recommends that immediate steps be taken to depoliticize the management of the fund and to increase accountability to Albertans by moving investment decisions from an investment committee of the provincial cabinet to an independent commercial Crown enterprise as defined under the Financial Administration Act. I hope that this is one of the recommendations that the government will see fit to act on immediately. We further recommend that the assets be managed by a board of directors composed of private-sector individuals and that the board of directors be given the responsibility to appoint an administrative staff and private-sector investment managers to implement their policy.

Mr. Speaker, some of the recommendations of the fund relate to the interchange between the heritage savings trust fund and this Legislature, and I'm pleased to support those as well. I think we need to do whatever we can to improve the means of accountability and responsibility for fund operations to Albertans, who in fact own the fund. We agree with the Albertans who responded to the questionnaire that there is a need for a clear accountability framework for the operation of the fund.

Further, Mr. Speaker, we recommend that the board of directors be required to present a three-year business plan for the fund on an annual basis which sets out the goals, objectives, action, performance indicators, and benchmarks for the fund itself in the same vein as the government has committed itself to setting out three-year business plans for the various departments of government.

The caucus recommends, Mr. Speaker, that subsequent annual reports of the fund be written so that the public can in fact understand, so that I don't get barraged when I'm shopping for groceries or at church with people saying: "Where did it go? What happened to it? How much is really there?" They do want to know. They own it, and I think this is a sincere and sensible request. So we want to see the reports made in the vernacular or in a fashion that the public can easily consume. We also recommend that subsequent annual reports of the fund contain an economic outlook statement which would provide readers with projections for the key economic variables that impact upon the fund performance.

Mr. Speaker, I realize that my time is speeding by. I also support the investment strategies that have been developed by the committee. I suggested that we could look to the Alaska permanent fund. I'm sure the committee reviewed some of their investment goals and how this particular fund, which is comparable to ours in some ways, has developed their goals and their means, their benchmarks of measuring success.

Just let me conclude by saying thank you to the committee again and to Albertans who've responded, because they did in great numbers. I think that indicated their deep concern and their interest in this. I've looked at the recommendations and have commented on a few of them here today, Mr. Speaker. I think what we need to do is agree with Albertans that the fund needs to be kept but it needs to be changed. I'm hopeful that the government will respond exactly to that.

THE ACTING SPEAKER: The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Speaker. I'm going to add a few comments in here and support the motion that is in front of us. When one looks back at the history of the heritage trust fund, it is interesting, because it was developed during an era, during a period of time when many, many parts of Canada envied us.

Alberta at that time was really regarded as being something special in terms of wealth. When I'd go back to Ontario to visit relatives and friends, it was sort of like "Oh, he's from that province with the golden tents surrounded with streets paved with gold." It was a period of time when money was coming in in very abundant amounts.

I can recall sitting on city council and then Premier Lougheed announcing a billion dollars to the municipalities. It was almost like an effort to get rid of money, and some people perceived that the heritage trust fund was a way to dispose of income that was almost becoming embarrassing in terms of how much wealth Alberta had. The concept of the heritage trust fund without question was good, and Albertans welcomed it. The original goals of it and the amounts that went in, of course, were certainly different from today because of the changes in the economy.

There has always been some misperception about the heritage trust fund. There are those that tend to inflate the figures a lot more than they actually are, and there are others that are convinced that there is no heritage trust fund, that it's all spoken for by hospitals being built, bridges being built, research funds, and so on and so forth. Of course, there have been studies that do indicate that the heritage trust fund is still worth X billion dollars if we were to liquidate it, but of course that fund does not advance itself in terms of growth anywhere close – in fact, it's fairly stagnant in terms of growth compared to the earlier days.

Now, this exercise that we've gone through, as the Member for Edmonton-Gold Bar has so rightly pointed out, has been a very interesting process, a welcome process. The concept of an all-party committee isn't always used, but it does allow for the expertise on this side of the House to be tapped and to be put to a productive use. It does benefit government in that motions or recommendations then come forward that this caucus supports because they were involved in or participated in that process and find themselves more readily able to concur. So it becomes a thing that has much more meaning to Albertans in that it is supported by most if not all members of the House.

Mr. Speaker, we obviously welcome the opportunity to participate. I would say that it's a given that our representation on the committee contributed a great deal towards the final recommendations that were made. I can look over the last few years and the numerous caucus meetings we've had where we've discussed the heritage trust fund out there in the community, on open line shows, and in written material and such. Basically, there are three main thrusts that have been incorporated. The management of the fund being at arm's length from the political process: that is extremely important. The involvement of the private sector in terms of investment decision-making: again that is very important. The third one is the requirement for the fund to be more transparent, for the fund managers to be more directly accountable to Albertans.

5:20

We've got to recognize that these dollars are not our dollars even though the concept was initiated at the political level. These dollars are dollars that belong to Albertans, particularly future Albertans, and our responsibility is simply to manage those dollars to the best degree possible. We've always got to remember that the dollars we are managing belong to Albertans; they don't belong to ourselves.

On that note, Mr. Speaker, I'm going to conclude my remarks, and I'm going to call the question as I conclude my remarks.

THE ACTING SPEAKER: Having heard the motion by the Provincial Treasurer, does the Assembly agree with Motion 21?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed, if any? Carried. Make it unanimous.

[The Assembly adjourned at 5:22 p.m.]

