

Legislative Assembly of Alberta

Title: **Wednesday, May 3, 1995**

8:00 p.m.

Date: 95/05/03

[Mr. Speaker in the Chair]

THE SPEAKER: Please be seated.

head: **Government Bills and Orders**
 head: **Second Reading**
Bill 36
Agreement on Internal Trade Statutes
Amendment Act, 1995

THE SPEAKER: The hon. Member for Medicine Hat.

MR. RENNER: Thank you, Mr. Speaker. It's a pleasure for me to rise this evening and move second reading of this Bill.

Mr. Speaker, this Bill is as a result of extensive negotiations on an interprovincial level. All 10 provinces in the country as well as the federal government and the territorial governments have been working over the past number of years to address a problem that I think all of us as Albertans and as Canadians realize is very important in that we want to create an environment where we can achieve free trade on an internal basis. There's been a good deal in recent years about the Canada/U.S. free trade agreement, about NAFTA, and sometimes we tend to forget that right here in our own country, in our own nation we have some of the most restrictive trade barriers there are going. The purpose of these negotiations . . .

THE SPEAKER: Order please. The hon. Member for Medicine Hat is trying to be heard, hon. colleague and neighbour.

MR. RENNER: Thank you, Mr. Speaker. The agreement on internal trade was completed a few months ago, and along with a number of agreements and rules that were developed – and I do have a copy of that agreement available for any members who wish to have a look at it – there was agreement by all parties that the legislation within each provincial jurisdiction would be analyzed and that any legislation that was not in compliance with the agreements within the articles in the free trade agreement would be amended. That's the reason why I stand before this Assembly tonight. That analysis has taken place, and the Bill consists of the various pieces of Alberta legislation which need to be amended to bring our legislation into concurrence with the free trade agreement and the internal trade agreement.

Before I get into the specifics of the Bill, I want to talk just a little bit about the significance of this, and I want to acknowledge the many, many hours of work on behalf of department officials. Federal and Intergovernmental Affairs have been leading the charge on this agreement. I have come in somewhat late in the process quite frankly, Mr. Speaker, and I'm very pleased that the hon. Minister of Federal and Intergovernmental Affairs asked me to bring forward this legislation. So it's really only been the last couple of months that I have been involved in this process. I find to be extremely intriguing the fact that all of these various jurisdictions across the country – 10 provincial governments, the federal government, two territorial governments: 13 different bodies – had to agree on a line-by-line basis with every line that's in this agreement. I think in and of itself that is a major accomplishment.

The reason that we're here tonight is to have a look at Alberta legislation. Mr. Speaker, we have some 420 different statutes on the books in the province of Alberta, and department officials from every department within this government have spent the past few months reviewing all of that legislation. I'm really pleased to say that this Bill, which will bring all of our provincial government legislation into accord with the internal trade agreement, is relatively short. We have only eight different sections in this Act, so I think that shows that Alberta has been living up to certainly the tone of the agreement. I think all members will agree when we get into the specifics of the Bill that most of the amendments that we're dealing with are relatively minor.

There are some areas that we as Albertans really need to be aware of, and I want to talk a little bit about some of the general rules of the free trade agreement so that members have a better understanding of exactly where this agreement comes from. There are six basic rules that I want to cover.

First of all, the agreement is nondiscriminatory. Provinces agree to treat residents, goods, services, or investment of any other province no less favourably than they treat their own. For the federal government it means they cannot favour one part of the country over another part of the country.

The next general rule is the right of entry and exit. It means that no import or export controls can be imposed by provinces. No unnecessary obstacles: any measure adopted or maintained must not operate so as to create an obstacle to trade. Fourthly, legitimate objectives: a measure can be in consistence with rules 1, 2, and 3 if the objective is to protect health, safety, the environment, consumers, and if the measure is carried out in the least trade-restrictive way. So there is room for provinces to keep in mind their local jurisdiction, but they must do so in the least restrictive way. Finally, the reconciliation of standards through harmonization, mutual recognition, or other means: really that's the process we're going through right now. The last general rule of the agreement is transparency. Measures must be visible and must be made readily accessible.

Mr. Speaker, this agreement I think is a real milestone for Canadians, and Alberta, I'm proud to say, has been a leader in this process. Alberta has led the negotiations right from the beginning, and quite frankly Alberta continues to lead the way by me standing up in the Legislature this evening and discussing the amendments to our legislation. Other provinces are in the process of doing the same thing. I may be wrong, but I believe our government is the first government that has actually introduced legislation.

There has been some discussion in recent weeks about the agreement in that news reports have come out. In fact, there have been statements made by leaders within municipalities, academic institutions, schools, and hospitals, referred to often as the MASH or the MUSH sector. I want to address those concerns, and I want all members of the Assembly to understand how the MASH sector is incorporated into this agreement.

The agreement states that provinces will have their legislation, the legislation that we will be debating in this Bill, in order prior to July 1 of 1995. It also states that prior to July 1 of 1995, negotiations will be under way and in fact hopefully will be completed with the MASH sector to bring the MASH sector into concurrence with the agreement but that the MASH sector will not actually be brought into the agreement until July of 1996. So it's still a year away. I am pleased that those negotiations have been extremely fruitful here in Alberta. While it's true that municipalities indicated at the outset that they had some concerns and had some reservations about being involved in the agree-

ment, I'm told that those negotiations in recent weeks have been extremely fruitful, and in fact the municipal authorities now are onside and are working with Federal and Intergovernmental Affairs officials to have that agreement in place with all members onside prior to July of this year.

Now, it's so important that we consider the MASH sector when we talk of internal trade and freedom of internal trade within the country, because the statistics are extremely interesting. This agreement will cover approximately \$100 billion in annual procurement throughout the nation. Of that \$100 billion, federal and provincial governments account for about \$25 billion, municipal governments for \$35 billion, educational institutions for \$10 billion, hospitals for \$15 billion. Of the \$100 billion in government procurement covered by this agreement, fully 60 percent, or \$60 billion, is under the jurisdiction of the MASH sector. So you can see, Mr. Speaker, why it's imperative that when we talk about having an even and level playing field across this country, we deal with the MASH sector as an integral part of this agreement. The other 15 percent, by the way, is in the form of Crown corporations. Crown corporations are also part of this agreement and also are a delayed part of the agreement and will be brought into accord as the negotiations and as time progress.

8:10

Let me deal very briefly with the Bill itself. I want to explain to the members some of the Acts that are amended by this Bill. This Bill is an omnibus Bill. The Act before us, Bill 36, deals with seven different Acts of this Legislature that need to be amended to bring our legislation into concurrence with the agreement. There are really three different areas that are covered. Firstly, there are provisions within this Bill that will allow for labour mobility to and from Alberta so that residency requirements within our legislation will conform with the agreement. There are a number of areas within this Act that deal specifically with residency requirements, and they are the Alberta Opportunity Fund Act, the Architects Act, the Child Welfare Act, the Land Surveyors Act. Those would be the ones that deal specifically with residency. Those Acts are being amended to either change or delete residency requirements that are within them.

We also will be dealing with the Apprenticeship and Industry Training Act. In that Act the amendments are required to allow for equivalency of training to be acknowledged by all authorities across the country but particularly in this case the Apprenticeship and Industry Training Act within the province of Alberta. The amendments here will create the authority for the board to assess equivalency in training and experience from other parts of the country and allow our board to accept their apprentices into our programs, allow trained tradespeople from across the country to compete for work in this province.

THE SPEAKER: Order, hon. members. Keep it down a little bit.

MR. RENNER: The other area that is also being changed by this Act is the Motor Transport Act, and this will allow truckers, primarily in the trucking industry, to compete on an equal basis, not dependent on where those companies come from. Mr. Speaker, it's absolutely imperative that Alberta truckers have access to all jurisdictions within this province. This Bill will set the standard so that all provinces will have equal access to our highways. It does so by adding a clause to the legislation that will recognize a safety fitness certificate. The safety fitness certificate is something that has nationwide status, is recognized and will be recognized by all provinces so that trucks coming into the province

of Alberta will not have to be reinspected, will not have undue obstacles put in their way before they're allowed into this province. More importantly, our Alberta truckers will have access to other provinces.

The last area that is covered by the legislation tonight is an amendment to the Government Organization Act. This amendment will allow the province of Alberta to appoint a screener. The screener is a very important position within this agreement. Mr. Speaker, as all provinces come into line, as all provinces have the legislation necessary to allow this internal trade agreement to be in effect across the country, if an individual, a corporation feels that they are trying to do business in a province within the country and that province is not living up to the expectations of this Act, then that individual can appeal to the province where the problem is originating. If that province does not agree that they have a case or is not willing to live up to the expectations of the Act, the individual can appeal to his or her home province.

Let's say, for example, that someone from Alberta was wanting to do business outside of Alberta and felt that they had been wronged and that the province where they were trying to do business was not living up to the agreement. Then the Alberta government could intervene on their behalf. The Alberta government may for whatever reason decide that the complaint is frivolous or has no grounds within the Act. There is an independent intervenor that then comes into the scene, and this individual will be known as the screener. The section that involves the screener in Bill 36 will allow the province to appoint a screener. It says very clearly that the province may appoint one or more screeners, and it also has provision that the province may appoint the Ombudsman as screener. There are a number of clauses within that section of the Act that deal with the Ombudsman acting as screener.

The most important thing that I want to point out to all members is the last part of this Act, section 8. It's the shortest one, but in my opinion I think it's one of the most important. "This Act comes into force on Proclamation." As I mentioned, Mr. Speaker, in the province of Alberta we have been leading this exercise right from the beginning. We continue to lead with the introduction of this Act. There have been concerns raised by some that Alberta could go ahead, amend all of its legislation to complete compliance with the Act, but if no other provinces do, if the other provinces do not live up to the expectations of the agreement, we could in fact be disadvantaged in Alberta because we are allowing the access of business and procurement to come into our province but we're not having the same access for our businesses to have access to the other markets.

By having the stipulation that the Act comes into force on proclamation as opposed to July 1, which is the date which is in the agreement, we can ensure that we do not proclaim our legislation until we are assured that other provinces have similar legislation. I think that's a good safeguard for the province, and certainly I think it's important. The Act, in fact, does not have to be proclaimed all at once. It can be proclaimed section by section.

So I think that we have protected ourselves. We have created the environment where businesses operating in this province will have access to the nationwide procurement market, which I mentioned is a \$100 billion market, and we have at the same time protected the businesses within Alberta from other provinces coming in and operating on an unequal playing field.

So with that, Mr. Speaker, I will conclude my remarks. I look forward to comments and suggestions from all members of the House. We can deal with those particularly during committee

stage of the Bill. I will take my seat. I encourage all members to support this important legislation for the province of Alberta.

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

MR. DECORE: Thank you, Mr. Speaker. I rise to speak in support of second reading of this Bill. I'd like to start by thanking the hon. member that has just spoken for his kindness in alerting me to the fact that the Bill was coming forward, in providing me with the documentation and the position of the government and explaining some things to me in the way that he did.

Maybe there's something in the water that they drink in Medicine Hat, because I'd also like to thank and acknowledge the work that the hon. Jim Horsman did in this area. It's a rare occasion in this Legislature when you can pick up a document and you can find 13 different representatives, each acting on behalf of independent governments, putting their signature to a document and saying: here's the way Canada wants to go. I think I've seen only two in this Assembly since I came in the spring of 1989. One happened to be something called the Meech Lake accord. Doesn't always work, Mr. Speaker. One of the things that I do acknowledge is the stick-to-itiveness, the tenacity, I think, on many occasions, the hard work that Jim Horsman put into this. We on this side were pleased that he was appointed to do this task, I particularly, and I'm pleased with the results.

8:20

DR. WEST: You never said that about him when he was in the House.

MR. DECORE: Yeah, I did. I did occasionally. I'm waiting for your turn to come up too, minister of transportation, but so far you haven't given me any opportunity to do that.

Mr. Speaker, there are a couple of concerns that we have. They're not major concerns. I think they can be dealt with. But there are a few overview comments that I'd like to make as well. As the Prime Minister of our country said when he signed the agreement, this is the first time in 127 years that 13 governments or as many governments as are now involved have come together to reduce internal trade barriers. For 127 years we've been building them up and, minister of transportation, mostly by Conservative governments, I'm sad to say. This is the first time that governments have struck down, taken down, removed those barriers, and that's an accomplishment that I hope continues.

It's extraordinary to see what's happening in Europe with the EC and how there is mobility of professions and occupations, how money flows freely on capital investments, how agricultural issues are dealt with in a very efficient and extraordinary way. We in Canada can't even come close to some of the tremendous strides that have been accomplished in that EC arrangement. I think that with . . .

DR. WEST: Because the Liberals split this country . . . [interjection] Well, a just society by a son of a gun that did split this country.

MR. DECORE: Mr. Speaker, I need to take a drink and an aspirin after that comment, and the minister needs to take a drink and a cyanide pill I think.

Mr. Speaker, the hon. Member for Medicine Hat referred to the fact that \$100 billion in procurement is undertaken by 60 percent of governments and agencies representing governments, and I must

admit that as a former mayor of the city of Edmonton I was involved in part of that trade barrier war.

MR. BRACKO: Steve, go hide in your constituency like you do when the press is after you.

THE SPEAKER: Order please, hon. member. The Chair is trying to follow the very illuminating comments of the hon. Member for Edmonton-Glengarry and would like to be able to hear them.

MR. DECORE: Mr. Speaker, I remember when I was the mayor of the city of Edmonton, the procurement people would bring to my attention, to the attention of the elected representatives how this province or how this city or how this municipality was promoting itself and its people and only its people and its businesses and only its businesses and shutting out Edmontonians from participating, from contracting, from bidding on things that were coming up that that particular government or agency needed. I got caught up in that. It's a natural reaction that when somebody puts up a barrier against you. You try to put up another barrier against that person, and so it goes until 127 years later you find that you've got a lot of barriers.

I remember in particular, hon. Member for St. Albert, that it was the mayor of St. Albert, who sat in this Assembly as well, who came and complained to me that the city of Edmonton was not being fair and that when one was considering contracts, one had to look at the whole of the greater Edmonton area and one couldn't say only architects or only contractors or only this or only that who resided within the city of Edmonton and paid taxes within the city of Edmonton could contract on a particular contract. Well, I'm sorry to say that I got caught up in that business of retaliation and barriers and so on, and I'm pleased that governments, our government and the federal government and all governments, have gone a long way to overcoming that.

Mr. Speaker, I remember, too, traveling on a plane - I used this example with the Minister of Federal and Intergovernmental Affairs during his estimates. I got on a plane and I sat beside a tradesman from Alberta who complained that tradesmen couldn't get access to the Quebec market, that they were skilled in this or skilled in that but there was this barrier. Then soon we saw barriers being put up by Ontario, not allowing Quebec tradesmen to cross the bridge and work in the other province. One moves to the next system of putting up barriers, and so it goes for 127 years, to the point where it's become ridiculous, to the point where we have all kinds of duplication in terms of trade unions and administrations representing trade unions, all sorts of duplication for teaching profession organizations, for lawyers, for doctors. I'm not sure if veterinarians fit into that field. They seem to travel and go about this country at will. Those are the issues that face Canadians that need to be dealt with.

The first issue that we see in this Bill that's being brought forward by the hon. member is to break down that whole area of holding back apprenticeship and trade union qualifications. There are still some things here that I hope don't cause any difficulty. When it says that the jurisdiction can recognize an equivalent jurisdiction in another province, we can play funny games with that, hon. member. I wish it were a little wider, a little broader in terms of its wording, but perhaps that will come in due course. It's easy for us to sort of fall back and say: "Oh, you know, the person didn't spend 15 hours. We spend 16 hours in our province. Therefore, you're not qualified."

I remember, too, Mr. Speaker – and you may remember this – that when the U of T law school in its arrogance decided to rate other law schools in Canada, they decided that they were number one and so-and-so was number two and they rated the University of Alberta, I think, last. They rated it last because one of the criteria used in the test was the number of hours that law students in Alberta were putting in on a weekly basis. They didn't know and didn't check that law students in Alberta went to school on Saturday, so they cut out three or four hours, and because they said we weren't living up to the standards of Ontario, we were put into this lesser category. It's those stupid things, it's those incredibly small minutia issues that have allowed this stuff to get away on us. So this is a good Bill.

Mr. Speaker, I'd like the minister and the hon. member to talk a little bit to us about screeners. I like the idea that an Ombudsman is going to be picked as a screener, but if the Ombudsman isn't available, if there's some sort of a conflict or there's too much work for the Ombudsman to undertake a particular task, how will the minister and the hon. member assure us that those people that are picked to be screeners are going to be the best possible people, people who understand a little bit about trade and business and aren't political hacks?

It can work from any side, a Liberal government or a Conservative government. I think the best interests of the province and the country have to be served. What, then, Mr. Minister and hon. member, will be the competitive process that allows for a screener to be put in place so that Albertans can know that they can go to that particular individual and have the right kind of individual representing them, not feeling that they have to run away or wait with their problem until another screener is available or hopefully an Ombudsman is available? Mr. Minister, how are you going to comfort me and us on that issue?

8:30

DR. WEST: Because we're Tories, we know what we're doing.

MR. DECORE: The minister of transportation answered that question by saying: because we're Tories, and we know what to do. Well, I remember the Auditor General writing in his report on NovAtel, Mr. Speaker, that the people that were appointed as directors of NovAtel were completely unqualified to do the job that they were doing, and part of the \$700 million or \$800 million or \$1 billion, minister of industry and development, that Albertans had to eat was because Tories were making some bad decisions in the people they appointed.

I want some comfort and Albertans want some comfort in knowing that the people that are going to be appointed are the best men and the best women, not political hacks like you used to do before, Mr. Minister. Now stand up. Mr. Speaker, I'd like the minister of transportation to stand up and tell me why he voted in caucus for those hacks to be looking after a \$700 million business. Why did he do it? Why does a Conservative minister say that Conservative ministers have a better way of doing this than anybody else when he was the biggest failure in the appointments to the NovAtel board? What about MagCan? What about Gainers? What about the other billion dollars in moneys that you've allowed to go? And Bovar? [interjections]

THE SPEAKER: Order. [interjections] Order. [interjections] Order. Hon. members, perhaps we can get back to the Bill and away from other, extraneous circumstances.

The hon. Member for Edmonton-Glengarry.

MR. DECORE: Thank you, Mr. Speaker. I knew that it was a mistake to start off by paying compliments to the government side. I knew there was a danger that their heads would get swollen, that they'd become a little arrogant and get carried away with themselves. That's exactly what happened to the minister of transportation and some of the other folks there.

I end, Mr. Speaker, by saying this. One of the provisions in this Act calls for the prohibition, the censure, the restriction against architects to be taken away. I think that's a really great move, because it seems to me that when you don't have an architectural school in your own province and you bring architects from British Columbia and Toronto and Halifax, they should have the qualifications, and they have had the qualifications to do the great work that they've done in Alberta. But what about the law schools and the medical schools and the teaching schools and this school and that school and the other schools? Hon. member and minister, I ask that you give consideration to that as the next move for success in this area.

Thank you, Mr. Speaker.

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

DR. NICOL: Thank you, Mr. Speaker. Just a few comments on this Bill. I'd like to say that it's a great step in bringing about what we need in Canada to give our industry and our business sector the opportunity to compete fairly and openly across Canada. It goes well with the philosophy that I think most people around the world have recognized now is the way to go in terms of economics and trade. It's basically the idea that we live in an open market. We allow both our consumers and our producers to operate where they can get the best for their product or provide the need they have at the least cost to them.

When you look through the different sections of Bill 36, you begin to realize that what we're doing in a lot of ways is just transferring the ability to regulate or control from a government to agencies in many cases. We've heard discussions already this evening about issues in terms of the trades and the professions. We've heard it in terms of the architects. We've looked at it in terms of some of the others in there as well, child welfare. What we're doing is basically saying that the government no longer sets the standards, that an Alberta-based or a Saskatchewan-based or an Ontario-based or a provincially based organization sets the standards. We're not defining these to be Canada-wide standard-setting organizations. Basically what I see is transferring the power, the control, just from the government level to organizational levels. I think we need to look at that.

I recognize that this is the process and the standard that is going on in many of the other areas. When we look at what's happening in Europe, when we look at many of the other trade zones that are developing, we in Canada are large enough that we deal with trade zones by looking at our provinces, whereas most of the rest of the world deals with trade zones by looking at country boundaries to try and bring down differences. If we're going to enable our economic system in Canada to produce in an effective way so that we have the opportunity to bring into play world-level production facilities, world-level, knowledge-based exchanges, we've got to be able to have our industry both from the production side and the demand side set up and able to operate within a market that has the capacity that they can bring into play effective and properly scaled industries.

In many ways we see this Bill starting in a way that we'll be able to look at the transfer of a lot of the inputs in terms of the

labour component, in terms of the design components. We'll be able to make these standard across Canada to provide us with an opportunity of developing Canadian, North American, and world-scale plants inside our province boundary rather than trying to put together little plants that deal with the ideas of satisfying a market that's defined by some boundary.

I think within recent history in Alberta the real example of this and the way this is kind of opening up is if we look at the control that issues like our marketing boards had in agriculture. A few years ago we had restrictions where quotas were tied to plants, to farms, and you had to have your plant and your farm at the same level before you could ever expand. If the plant didn't expand, you had to wait for someone who was selling to that same plant to want to sell before you could buy if you wanted to expand your production facility. So you ended up with all these little tiny restrictions. The producers within the marketing board structure of Alberta saw that this was a very restrictive component, and they began to relax these constrictions.

We've seen especially the dairy industry develop now to where it's basically, in terms of its production efficiencies, reaching world-scale capacity. The groups now have gone so far that this past year they're starting to talk about opening up basically interprovincial quota allocations. We're going to have quotas that are the western provinces and Ontario and Quebec as opposed to what we used to have, which was a little quota that dealt with one plant in one city for a certain set of consumers. So this is the kind of growth and the kind of proper movement that we can see in these kinds of trade-offs.

We look at the Bills that are handled here inside of Bill 36, where we talk about changing the wording to allow seven different areas of our economy to operate Canada-wide with standardized definitions. This is a really good move. It's a good start. What we need to do now, though, is to continue this dialogue with the other 13 jurisdictions. We need to start addressing some of the issues that we heard the Member for Edmonton-Glengarry talk about in terms of that kind of localism that we see. A lot of discussion goes on now at the local level: you know, "Let's buy local so we can support our own groups." We need to start looking at it from the perspective of whether or not these kinds of issues are really the kind of philosophy that we can start to break down a little bit.

8:40

I know some of the groups in the major cities, in the major areas, are starting to combine to get a volume buying capacity, where three or four groups who are not either product related or structure related in a given geographic area get together and buy, say, their paper in bulk and then distribute it to their individual needs. Or they'll buy a different product. They'll buy a service and share it. This is the kind of thing that we need to start looking at and promoting, and I see Bill 36 kind of setting the philosophy for this and setting the stage now where we can move beyond looking at just changes that exist in our legislation and start to go out and promote the idea that we want to deal with real access, real openness in the marketplace so that the consumer in essence is the one who gains. Every time we break down a barrier that exists, whether it's by legislation or just by practice, the consumers are the groups that gain in the end, because they get the products either in a greater variety at a lower cost or the individual product they were looking at a lower cost.

So I would just like to congratulate the government on the work they've done with the rest of the provinces and the other jurisdictions in Canada. As I've looked through the particular parts of the

Bill, other than the concerns that I've already expressed in terms of some of the definitions and the control that's being transferred to boards, I see this as a really great step. I'd just like to congratulate the government.

Thank you.

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

MR. DICKSON: Thank you, Mr. Speaker. I want to join my colleagues from Edmonton-Glengarry and Lethbridge-East in also acknowledging the important step forward in this province with this particular legislative initiative. It's no coincidence, I expect, that the member sponsoring this Bill is the one member we often see in this House coming forward with very constructive kinds of proposals and in a fashion that's not tremendously partisan in a Legislature that too often is excessively partisan. So I'm pleased to see that he's consistent in bringing forward this kind of initiative.

Mr. Speaker, of course all Albertans should celebrate this legislative initiative. It's been estimated that something in the order of 6 and a half billion dollars a year is the cost of trade barriers that have been erected across this country by provincial governments. This step in terms of what will hopefully start a process of facilitating trade and freer movement of goods within this country is an extremely positive move. I also take some particular delight in seeing an initiative which will have an enormous impact for Canadians but one that doesn't require constitutional reform. I think it's useful to be able to point out to Canadians that governments working in a co-operative fashion, being creative, can make enormous differences without having to sit and wrestle with Constitutions and constitutional change. So I think that's an important feature of the Bill we're dealing with, Bill 36.

I'm looking forward to the code of conduct that the Prime Minister has said will be developed to ensure and facilitate co-operation among provinces. I'm also enthusiastic about the increased mobility, the enhanced mobility that Canadian workers will now have to be able to move freely across provincial boundaries.

I do have a particular concern, however, that I want to flag, not a concern that would stop me from supporting the Bill. I want to identify a concern I have that I hope can be addressed in some fashion before we get to third reading. The sponsor of the Bill said, I noted, that the position of screener is a very important one. My particular concern is with the appointment of the Ombudsman, sir, as the screener. I know this is a recommendation of the Legislative Offices Committee, and I know it's been looked at. I'm not sure what other options have been considered by the government.

I understand the importance of having a screener and the importance of that screener being at arm's length from government, but I can't help but think of the other day, when we were looking at the 28th annual report from the Ombudsman for the province of Alberta. What you see page after page after page is the Ombudsman saying: we have an increasing number of written complaints; we're trying to do more in terms of letting Albertans outside of Edmonton and Calgary know that the office of the Ombudsman is there, trying to make the service more accessible. Now we're talking about layering on an additional responsibility, a new responsibility.

Now, I don't know – and I hope we get around to this before voting at third reading – how many times it is anticipated that

the screener is going to have to set aside the other valuable and important work he's doing for Albertans to be able to deal with one of these preliminary assessments. My understanding is that what the screener will do is in effect determine if there's a prima facie case, determine if there appears to be the bare bones of a legitimate objection. I don't know how much time that's going to take. My sense is that this is not going to be a single individual coming forward. It's more likely going to be a larger commercial enterprise, a business that's looking to carry on activity in a number of provinces or all provinces. Certainly we need somebody to be able to fulfill that function. But is this the best use of the Ombudsman's time?

It's interesting that we're in a time when we're seeing a proposal from the government that the Ethics Commissioner is going to wear two hats. You always start to wonder, Mr. Speaker, at what cost to Albertans who rely on the office of the Ombudsman? Is this going to mean that the Standing Committee on Legislative Offices is going to be able to provide the Ombudsman with a bigger budget? How much time is he going to have to spend on these? How many complaints is he going to do in the course of a year? What sort of an impact is that going to have on the work that the Ombudsman does that's so tremendously important now?

The work that the Ombudsman does is for people in many cases who don't have recourse to lawyers, because they can't perhaps afford legal assistance, to a whole series of other kinds of professional advisors. I expect that most of the people who are involved and make an application for the screener will have access to a battery of experts and professionals to assist them. So I'd like some measure of comfort, I guess, from the sponsor of the Bill that in doing this, this is not going to compromise the work of the Ombudsman.

When I think back to 1967, when George McClellan became the first Ombudsman in this province in a brand-new office, and all the things that were said about the role of the Ombudsman, I have trouble reconciling this particular application with any of the things that were said when they looked at Mr. McClellan's job qualifications and what was going to be required. That was an office that was set up to assist Albertans that didn't have the resources to access a lot of other kinds of assistance. My query is: are we going to lose any of that?

8:50

I would have thought that maybe the Auditor General might have been an even more appropriate person. If one looks at the rationale that was used for nominating the Ombudsman, there were four, as I understand it: firstly, independent; secondly, experienced; thirdly, trust; and fourth, economy. Well, the Auditor General or even the Ethics Commissioner are certainly as independent as the Ombudsman. The trust: I think Albertans have invested a great deal of trust and confidence in all of our legislative officers, who are all I think very fine people. I'd be hard-pressed to pick one of those people and say that they have more trust than the other legislative officers. Economy: well, if we used one of those other officers, like the Auditor General or the Ethics Commissioner, it seems to me that that would also avoid a whole new administrative structure. Experience: yes, the Ombudsman certainly has experience in terms of handling complaints against government, but they're a different kind of complaint than I expect the screener is going to have to deal with. So I hope that there'll be some fuller explanation than we've received to this point in terms of why the Ombudsman.

I do want to make it clear that I have no problem with the concept of a screener and somebody who's independent and so on, but I simply say that I don't know whether we necessarily have to jump at the Ombudsman, particularly if it may mean compromising some of the other extremely valuable work that the Ombudsman does in the province.

Mr. Speaker, those are the chief concerns that I've got. I hope that if this Bill passes – and I expect it will – and other provinces keep up with the leadership Alberta is showing, we're also going to be able to move quickly in terms of trying to harmonize standards and regulations, because I see that that still is a very substantial and significant barrier to interprovincial trade. I mean, this is a positive first step, but I hope we're going to be able to make some real progress in that other area of standards and regulations.

So with those comments I'll take my place, Mr. Speaker. Thank you.

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

MR. BENIUK: Thank you, Mr. Speaker. I rise in support of this Bill. I find it very difficult to accept that a country since 1867 and this province since 1905 had barriers on people being able to move across the country because their qualifications were not acknowledged in the other provinces.

DR. WEST: Well, that's because of Liberalism. I told you.

MR. BENIUK: I know, Mr. Speaker, that under the Liberal government in Ottawa this problem has now been removed, and I know that one of the great Prime Ministers of Canada, who I'm sure commenced this process, Pierre Elliott Trudeau, would be very pleased today that we are going to be passing this type of Bill. His disciple Mr. Chrétien, the Prime Minister of the day, I'm sure has been very instrumental in making this a reality. [interjections] I know that without the Liberal government in Ottawa provinces of Canada would have had a very difficult time coming together on this type of important legislation. I am sure that everybody in this House appreciates the precedent that has been established through the hard work of Pierre Elliott Trudeau and Jean Chrétien to make this possible.

DR. WEST: More. I want to hear this.

MR. BENIUK: It's coming.

There is a very important difference, Mr. Speaker, as we are aware, between free trade and a common market. Free trade allows goods to cross the border without tariffs or very low tariffs. The movement of people is not taken into account in the free trade agreements. Europe has come into a common market, where people can move from country to country throughout the common market and work. We are finally doing this by acknowledging that not only can people move, but their qualifications will be acknowledged in this province. I am very happy that the federal government commenced this initiative, and I am sure there'll be an interesting debate following shortly.

I thank you, Mr. Speaker.

MR. GERMAIN: I'm always grateful when the hon. members speaking before me get the House so emotionally charged. I hesitated in getting up because I thought the minister of transportation wanted to rise and make some comment. Comments that

divide Canadians, comments that balkanize Canadians, comments that criticize unnecessarily one group of Canadians against another group of Canadians are not in keeping with the spirit and decorum of this House that you yourself, Mr. Speaker, have established. I was hoping that the minister of transportation would stand up and say that any of his comments about previous Prime Ministers made from his seat tonight were misconstrued if they were interpreted to be insulting or divisive to all Canadians.

I want to talk segmentally about this particular Bill because it is a Bill that falls into several parts. [interjections]

THE SPEAKER: Order. [interjections] Order.

Hon. member, please continue.

MR. GERMAIN: Thank you very much, Mr. Speaker. The first thing I want to do is remind all Members of this Legislative Assembly that while the gist of this Bill is to encourage the mobility of individuals and to take away barriers on professional trades and licensing . . .

THE SPEAKER: Order. [interjections] Order, hon. members.

The hon. Member for Fort McMurray.

MR. GERMAIN: They're obviously having fun tonight over on the other side of the Legislative Assembly, Mr. Speaker.

I want to talk to them about a \$300 million Alberta opportunity fund, that's of interest to some Albertans but of no interest to the members opposite, it seems. I want to ask the Members of this Legislative Assembly if in their enthusiasm to remove the requirements of residency in the province of Alberta, it is appropriate that a taxpayer-funded special opportunity company would in fact give up its right to consider a criterion of making the loans . . . [interjection]

Perhaps the Member for Calgary-Shaw will be able to comment on whether the Alberta opportunity fund, worth over \$300 million, should be open to all Canadians. Since that's a unique fund established to promote Alberta business, it may be appropriate to keep the residency of Albertans as a requirement of that Alberta opportunity fund. That has nothing to do with interprovincial mobility. It has to do with taxpayers' money being loaned on commercial ventures, Mr. Speaker. One must wonder, therefore, whether the comment about residing in Alberta should be taken out of that loan criterion if for no other reason than collection of the debt from personal guarantors who have borrowed money from Alberta opportunity becoming increasingly different and more difficult as those individuals reside outside the province of Alberta. That has nothing to do with allowing a land surveyor, for example, to register.

I would have thought that many Albertans believe that the \$300 million Alberta opportunity fund is available for Albertans. It's taxpayer money. It's not charter bank money. It's not the Treasury Branch earned capital. It happens to be money invested from the province of Alberta and the taxpayers, and one has to wonder if removing residence in Alberta as a criterion of a loan under that Act is appropriate.

MR. SMITH: We should get rid of it then.

MR. GERMAIN: The minister of economic development is shouting from his chair that we should get rid of the Alberta opportunity fund. If that in fact is the government policy, then why are we amending that Act in this particular Bill? Why isn't

the minister on his feet telling us when he's going to remove the Alberta opportunity fund?

If in fact we are going to have that fund, Mr. Speaker, then maybe we should take another look at whether we want to remove the requirement of residency from the loans. I view that as a different category than freedom of professional mobility, which a lot of this Act speaks to. I hope that the member who sponsored that Bill will take a hard look at that section again, because I think what happened is that a computer scanned out all of the things that said "resident in Alberta," and this was triggered without thinking about why we would have a residency requirement in Alberta for making those loans.

9:00

I want to also take the attention of the Legislative Assembly to the section relating to safety fitness certificates, found on page 6 of the government's proposed Bill. Now, the interesting thing is that what they propose to amend is a section in the Motor Transport Act that says that

the Board may make orders . . . exempting the operation of any public vehicle . . . from the necessity of obtaining . . .

and what they now add is "a safety fitness certificate." Should there be in the province of Alberta, Mr. Speaker, any legislation whatsoever that exempts any vehicle under the control of the Motor Transport Board from good safety requirements?

We have seen several incidents in Ontario in the last few weeks where motor vehicles under the guidance of that particular motor vehicle transportation legislation of Ontario have been pulled over in spot checks and have been found to be very unsafe. That increasing spot check, Mr. Speaker, was as a direct result of tires separating from the vehicle and causing death, injury, and serious harm.

Now, this particular legislation, Mr. Speaker, allows the government to exempt a vehicle from the obligation to have a safety certificate. While many Albertans might trust the government explicitly, as an individual who drives with his family and with his children on the road, I want to speak for those individuals driving on the highways in Alberta with their young children in their cars. I want to ask the sponsor of this Bill why any vehicle on the road should be exempt from having a safety certificate if we in fact are now instilling that procedure. That is a safety concern that is of interest to Albertans, and I would hope that the sponsor of this Bill would deal with that issue prior to the final reading of it.

That, Mr. Speaker, concludes my comments on this Bill. I'm sorry I went on longer than I usually do. I must confess that I was distracted by the members opposite who continue their proud tradition of making their speeches sitting on their hands, on their seats, rather than standing up . . .

AN HON. MEMBER: Let's take a look at your attendance record. You're never here.

MR. GERMAIN: One of the hon. members suggested that I was never here, and I'd like him to rise in his place and retract that comment now, Mr. Speaker. My attendance record is as good as any member's of this Legislative Assembly, and I'd like him to stand and retract that. [interjections]

THE SPEAKER: Order. [interjections] Hon. members, order. [interjections] Order. Not appropriate.

Maybe the hon. Member for Fort McMurray could now be given the opportunity of concluding his remarks.

MR. GERMAIN: Thank you, Mr. Speaker. I again conclude by apologizing for the time taken for my comments, motivated and precipitated solely by the hon. members opposite making their speeches during mine while sitting on their hands at their chairs.

Thank you, Mr. Speaker.

[Motion carried; Bill 36 read a second time]

Bill 37
School Amendment Act, 1995

THE SPEAKER: The hon. Minister of Education.

MR. JONSON: Good evening, Mr. Speaker. I would like to start by moving second reading of Bill 37, the School Amendment Act, 1995.

Mr. Speaker, I am pleased this evening to set out the directions provided in the Bill before the House. As members will recall, the School Act underwent an extensive revision and rewriting in 1988. As well, in 1993 and 1994 there were significant additions made to the Act. In 1993 Bill 8 included provision for French language governance of schools and voluntary regionalization of school boards, and in 1994 Bill 19 provided for the restructuring and refinancing of education to ensure a more efficient and equitable system of education for the province.

I believe it's fair to say that Bill 37 does not rank in terms of those other pieces of legislation, particularly in 1988 and in 1994 with the kinds of fundamental changes that were reflected in those Bills. However, it is a very important piece of legislation, Mr. Speaker, and I'd like to offer comments on the essential features of the Bill.

First of all, Mr. Speaker, members of the Assembly will notice that there are a number of housekeeping amendments, such as the repealing of a subsection or the changing of references. There were a number of subsection references which are redundant or were repealed in 1994 or changing cross-references in the Act necessitated by a renumbering of certain sections when the 1993 and 1994 Acts were passed and a new consolidation published.

Secondly, in the Act we have the consolidation of a number of provisions in the School Act with amendments included in the Government Organization Act and the Municipal Government Act. It was necessary with these three pieces of legislation going forward in almost parallel timing, Mr. Speaker, to now back up and look at the consolidations and the cross-references among those three pieces of legislation. The complexity for the draftsman that works on this legislation was tremendous with these major pieces of legislation, and I would certainly commend the people in government that work in that area for the diligence that they exercise in keeping our legislation in order.

Thirdly, there are amendments necessary to fully implement the government's plan for full provincial funding of education and the restructuring and downsizing of school governance and administration. I would like under that third point to draw the members of the Assembly's attention to the following types of changes. For instance, there is reference in the Act with respect to clarifying what transportation obligations are faced by school boards, and there are a number of others. There are some changes relating to capital funding and accumulated capital debt of school boards, which, you recall, in the case of capital debt, Mr. Speaker, has been fully assumed by the province. There are amendments to the special school tax levy provision – that is, the 3 percent or a local plebiscite provision – to ensure that public systems in those parts of the province where no separate school district exists will have

an identifiable tax base upon which to make a requisition should there be a successful plebiscite in the district or division. There is, of course, no declared tax base in these parts of the province.

As well, the 1994 amendment relating to open enrollment of students, which I referred to earlier, makes clear the obligations of school boards under section 34 of the Act with respect to the provision of the transportation of students. It's important to note here that school jurisdictions, although students have the choice to move from jurisdiction to jurisdiction and all other funds follow them, are not required to transfer transportation money or to provide service outside of their district or division.

Moving into another section of the amendments in the Bill, Mr. Speaker, there are amendments which bring consistency in the treatment of school districts and divisions under the Act. For example, we have in this province school divisions introduced as far back as 1935 in a major restructuring of education at that time, we have regional divisions enacted through the 1993 and 1994 amendments, and we have school districts.

Many of the amendments in Bill 37 are aimed at ensuring that the rules for creating, amending, or referencing a ward system or representation by wards are the same for each type of school jurisdiction. For example, Mr. Speaker, we will now use the word "ward" consistently to define an electoral division within a school division, a school district, or regional division. The term "subdivision" has been dropped from the legislation.

9:10

The fifth area, Mr. Speaker, is by far the most important, and that is that the changes in Bill 37 reflect the extensive consultation process undertaken by the MLA implementation team working on roles and responsibilities in education and specifically on the necessary legislation and regulations with respect to school councils following the passage of Bill 19. I would like to commend the members working on that committee – the chairman, the Member for Highwood; the Member for Cypress-Medicine Hat; and the Member for Calgary-Shaw – who worked diligently on that particular effort.

Mr. Speaker, in this particular section we are proposing amendments to the legislation which would make the greater role, the greater opportunity of parents very clear in the legislation. It would for the first time give them a clear mandate with respect to their role. It provides for liability coverage under the auspices of a school board so that people participating in school councils would not feel that they have any liability or responsibility which could become onerous in financial terms if they take an active part in school councils. Thirdly, the establishment date was extended for school councils under the new format to February 15 of 1996, I believe it is, so that there would be adequate time to prepare and reorganize under the new format.

Certainly this is a very important section of the legislation, Mr. Speaker. It moves a long way from what existed in the legislation prior to 1994, which were some brief references to school councils, and for a school council to have any significant responsibility, this had to be delegated to them by a school board. Through the years that that previous clause existed, we have no record of any responsibility ever being delegated officially by a school board to a school council.

Now there is a very definite role provided for school councils in the legislation. It is a reasonable role and one that can be fulfilled and I think will lead to sound support for schools across this province. You can talk, Mr. Speaker, to school administrators, to teachers, to school boards, and to people who work right at the school level, and they will tell you that when you have the

active involvement and support of parents, and they feel that they are being listened to and being heard, you have an easier job and you are more effective in the delivery of education in the schools of this province.

I will conclude my remarks at that point, Mr. Speaker, and I look forward to the debate on second reading. Thank you.

THE SPEAKER: The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Speaker. I'd like to begin by commending the minister for not referring to this Bill as just a housekeeping Bill. He has, I think, instead used the phrase adjustments to the School Act. Nevertheless, he's chosen a different term. It sounds a bit more innocuous, although I must say that in going through the Act, I find that there are some very important changes that he's trying to, shall we say, sneak by us – no; put up for debate.

Mr. Speaker, I'd like to speak to the principle of the Bill, but considering it is a conglomeration of sections, to use the word of my colleague for Fort-McMurray, I will have to sectionalize a little here or segmentize, I think he said. I hope you will forgive me for doing that.

To begin with, section 3, dealing with school councils. I must say that by and large I agree with what has finally come out as far as we can see and indeed what we suggested I think a year ago after all is said and done. The tone has been somewhat, let me say, toned down as compared to what originally was contemplated in Bill 19. Instead of a school council "shall," it is now a school council "may," and I think that is a very important distinction there. It is also good in the sense that it is not really a major change, as far as I can assess, from the way parent advisory councils are now running if they do not wish to do anything differently. So in that sense they've been given a choice of carrying on the way they are now or perhaps assuming some more influence, if you wish. As I read it in this Bill, they will be allowed to have some more influence.

However, there is some difficulty here because once again the minister is reaching for that emergency brake of regulations. Therefore, we're really somewhat at a loss as to what exactly he is going to allow these school councils to do. I'm looking at – well, I don't quite know how to read this – 4(e) on page 1 of the Bill, where it says that "a school council may, at its discretion . . . do anything it is authorized under the regulations to do," but the regulations are not known. Therefore, we're debating giving school councils potentially carte blanche, and I really don't like doing that.

Then we go to the next page, clause (5). It goes on to say again:

Subject to the regulations, a school council may make and implement policies in the school that the council considers necessary to carry out its functions.

Sounds like carte blanche to me again, Mr. Speaker, and I find it really scary. In the old Act at least there were some restrictions written down in the sense that the policies could only be limited to the nature of the programs offered, the expenditure of money, educational standards, and management of the school. Mind you, that was quite a lot as it was, but now there's absolutely nothing, it seems. The sky is the limit. So that is a little scary, I find.

I'd like to know, and perhaps the minister can comment on this: how does he determine what should be included in a Bill and what should be left to regulations? I'm always interested in that because it seems – and it's not just this minister but I think any minister of this government – as soon as they have an idea, they seem to

immediately reach for the Bill writers and come up with a Bill that kind of contains the bare bones of an idea, a glimmer of an idea, with the flesh and the organs to be applied later through regulations. Of course, when you're talking about organs like a heart or a lung and so on, that's pretty significant stuff. I'd like to see that before agreeing to it. If I may respectfully suggest to the minister, perhaps it would pay to spend a little more time on the preparation of the Bill and flesh out those regulations so that we can ponder them in public debate.

I have a few more items, Mr. Speaker, that I'd like to refer to. The next one is, if I can get through my – oh, yeah. In connection with the school councils, I was wondering whether there will be any additional cost incurred by the school boards because of the insurance and liability in section 7, which requires that boards provide insurance for school councils in addition to providing insurance for all their other employees. Will there be additional costs in acquiring that insurance for these hundreds and hundreds and hundreds of school councils and school council members? Also, does this address the issue of liability for personal damages to students or staff resulting from decisions made by the school council or negligence of the school council? Again, because we don't know how extensive their influence could be, there is a possibility that they end up in fact decreeing or advising or determining certain activities or events in the school. A student may incur injuries and so on and so forth. Of course, the members themselves of those school councils could incur that kind of stuff.

9:20

The section referring to grants, section 5, has been repealed, so there's no more reference to the minister making "grants from money appropriated by the Legislature," et cetera, et cetera. Of course, the reason for that is that the minister can now do so under Bill 41, if I'm not mistaken. So once again I'd just like to point out that Bill 41 really gives the minister and his colleagues a great amount of power and takes it out of the Legislative Assembly for immediate scrutiny, just in case people haven't discovered that yet, Mr. Minister.

Transportation is an item of concern, and that is section 34. It's an interesting one here because the change includes the elimination of a number of kilometres, 4.8 to be precise, from the site of the school beyond which the student is entitled to ride the bus and be funded for it. At least that was the way it was. Now that has been eliminated, and I really find it curious why that is so. It kind of leads me to believe that eventually by the funding criteria the minister will be able to simply determine that that limit is going to be 10 kilometres, if he so wishes, thinking back probably to his own youth or that of his father, who had to go to school 10 miles uphill both ways and so on.

MR. SEKULIC: In the snow.

MR. VAN BINSBERGEN: Through the snow; right.

Anyway, that's one item. I'd like to point out that on this particular score there is some real dissatisfaction with the way in which transportation is being funded right now. I just happened to have a meeting with one of the boards in my area last week, and they felt that their particular transportation budget had been cut back by 18 percent because of the new regulations. According to them, there is no attention paid to their particular situation.

Mr. Speaker, in the town of Hinton, for instance, there are two parts to the town, about 5 kilometres apart, that necessitate an awful lot of moving of students, of course. The funding is tied to the number of kilometres – right? – as well as a full busload.

So the only way in which this particular jurisdiction can qualify for that funding is to take one bus and keep rerouting it through the town, which of course means that certain students will be on the bus for an hour and a half. That doesn't do any good either. By the time they come to school, they're tired for the day. I'd like to point out to the minister that that is an item of concern as well as the fact that in the town of Hinton, for instance, there is no possibility to take a bus under warranty. It means having to go to Edmonton. There is no consideration of costs like that. I know it's a flexible funding formula; it's a living formula. That means that it can be changed, and I hope the minister will look at this.

I'd like to carry on with section 60, which determines the accountability of the board: "A board shall develop a reporting and accountability system on any matter the Minister prescribes." This whole section is really, I think, a clear-cut attempt to grab centralized control. Again, if we weren't already sort of suspicious of that kind of thing, this is one of the many ways in which the minister is demonstrating that and clearly, I would say again, steps to further emasculate, if I may use that word, the power of the boards.

Then on the use of reserve funds for capital expenditures, section 11 speaks about centralization again. This is a real interesting one because what it allows the minister to do here is to say to boards: thou shalt dispose of thy capital reserves the way I determine thou shalt do it. It is a very tenuous kind of aspect here, particularly because at this particular moment several Catholic jurisdictions are embroiled in the courts. I think the term is that this particular item is sub judice, Mr. Speaker, if I remember my Latin correctly. It seems that the minister has pre-empted the decision of the appeals court by this particular clause, because the appeals court has not yet ruled on this particular appeal. So I find that one hard to understand.

The next section is section 12, assessment of property owned by individuals of different faiths, separate boards, and so on. Here we have another one that really doesn't sit well, particularly with many Catholic voters. Now, obviously it doesn't matter too much to me in the sense that they're not going to be happy with the minister, but I think it is outright unfair that in this particular section, by this particular clause, the minister appears to be turning the clock back to before 1988. That doesn't seem to make sense. I wonder what's happening, for instance, to the undeclared corporate sector? What's going to happen to the appropriate portion that used to go to the Catholic schools? I'm not sure, but it seems to be gone under this one, so perhaps the minister could comment on that.

Section 17, requirement for ministerial approval of debentures: again, another indication of the tighter control that the minister is applying slowly but securely, as the noose tightens ever more tightly.

Section 20, the sale of school buildings. I really find that an interesting one. What does it say here? Is amended by striking out "at fair market value." What that means is that "the Minister may in writing direct the board to dispose of that property" without the fair market value. It's almost as if he's saying: well, fair market value doesn't really matter. I don't quite understand that one, unless indeed it's the influence of the minister of transportation when he was disposing of ALCB assets, which all went at fire sale prices. Why take it out? It doesn't really make . . .

THE SPEAKER: Order. To the Bill, hon. member. To the Bill, please.

The hon. Minister of Transportation and Utilities.

Point of Order

Allegations against Members

DR. WEST: Under Standing Order 23(i) I take issue with that inflammatory remark, that impugns or, you know, leaves the allegation that we sold the liquor store at a fire sale price. We actually got \$5 million more than market-appraised value. I would like the hon. member to retract that statement because it's just not true.

MR. VAN BINSBERGEN: Mr. Speaker, first off I'd like to say that I wasn't inflammatory. I was cooler than the coolest cucumber. But I'm very pleased to see that the minister finally came legitimately to his feet rather than just barking from his seat.

Now, getting to the point of order . . .

THE SPEAKER: Well, hon. member, the comment that the hon. member delivered may have been delivered in a cool and dispassionate manner. Nevertheless, it isn't the manner of delivery. It's the contents of the item delivered that the hon. minister is objecting to, the Chair believes with some justification.

MR. VAN BINSBERGEN: Mr. Speaker, I was coming to that. Rather than retracting my remarks, I would like to provide an example of how the minister was able to get about one-third of market value for a particular premises in Hinton, where about half a year, I think in fact it was about . . .

THE SPEAKER: Order please. This could only lead to a much more lengthy debate on something that is not germane to the matter before the Assembly. The Chair would urge the hon. member to quickly come back to Bill 37, which is the matter we're supposed to be talking about.

MR. VAN BINSBERGEN: Thank you very much, Mr. Speaker. A wise ruling. Back I go.

9:30

Debate Continued

MR. VAN BINSBERGEN: I was on section 20, saving the school buildings, when I was so rudely interrupted.

We go to section 29, and I find it actually a good one. I'd like the minister to take note of my constructive remarks here. It's a good one in the sense that it pushes back the starting date for the new school councils from June 30 of this year to February 15 of next year. Am I right, Mr. Minister? Yes. Now, my question is though: why not go whole hog on this and push it back to September 1 of 1996, considering it is very likely, as has happened to regulations on other subjects, that they may be long in coming? We want them to be really good, Mr. Minister. So I would suggest you consider that perhaps it's better to postpone the beginning of the school councils until September 1, 1996.

[The Deputy Speaker in the Chair]

I think, Mr. Speaker, I have reached the end of my admittedly somewhat rambling discourse, but I must say that it is pretty hard to speak to the principle of a Bill that has been so compartmentalized and segmented. So I shall give way to the next person.

Thank you very much.

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

MR. DICKSON: Thank you, Mr. Speaker. I'm pleased to have the opportunity to follow my colleague from West Yellowhead. I think he's been able to go through and identify a number of legitimate concerns with respect to Bill 37. A couple of those I wanted to follow up on and perhaps give a somewhat different perspective.

When I look at this, Mr. Speaker, I come at it from the perspective in terms of whether it addresses the concerns that I've heard in my constituency of Calgary-Buffalo and indeed in the city of Calgary, and I'm referring here particularly to the model of school council. I think back to two particular consultations that were certainly useful for me, sir, in terms of understanding concerns that parents had. The first one was the two-day conference sponsored by the Calgary Catholic school board, that both I and the Member for Calgary-Bow attended at different times, where there were representatives from every school in the Calgary Catholic system. The second opportunity I had to get a great deal of input and advice from Calgarians concerned about education had to do with the workshop sponsored by the Calgary home and school association, that took place at Western Canada high school.

At that point, as I recall, there were something in the order of 240 concerned Calgary parents. I think we had representatives at that meeting from virtually every parent advisory council in the city of Calgary. Those parents in those two forums on two different occasions raised a litany of concerns, suggestions, and advice for the government. So that's the template, that's the test for me in evaluating this Bill, to see whether it addresses the concerns that those parents had. Certainly I see some progress, and I want to acknowledge now, Mr. Speaker, that the minister has certainly heard some of the advice he's been getting from those parents in Calgary as well as school principals and school boards, but not enough of the advice, concerns, and suggestions coming from Calgary parents is reflected in Bill 37, and I'd have to tell you that from my review of the Bill it falls far short.

I'll just back up and say that it seemed to me that at a time the government talks about trying to economize on tax dollars, what we've been through in the last year has been a wondrous, circuitous process. You know, we started off with the government coming along with this notion of a mandatory school council that was somehow going to wrestle away from school principals and school administrators vast areas of decision-making. Some of us in this Assembly last spring tried to advise the Minister of Education, tried to argue in this Chamber that that didn't reflect the needs, that didn't reflect what most parents wanted. I remain as convinced now as I was a year ago that most Calgary parents have neither the time nor the inclination to get involved in parent councils as the Minister of Education apparently in some fanciful way thought they wanted to.

So we had the consultation, that you, Mr. Speaker, were involved with and the Member for Calgary-Shaw, and there was another member as well, that traveled around and got a whole lot of input. I had the benefit of talking to many of the people that appeared in front of you, and while everybody would always appreciate your customary courtesy in dealing with those people making submissions, there was a level of frustration. They felt a lot of anxiety on where the government was going, and that wasn't allayed by the consultation that was undertaken last summer. That anxiety that parents, parent advisory councils have experienced has continued.

I have to say with some disappointment that Bill 37 I don't think allays those concerns. I'm referring particularly to section 3 of Bill 37. This is the amendment of section 17 in the School Act,

subsections (4) and (5). Whereas parents in Calgary at least want certainty, what they're given here is a whole lot of vagueness. We have much reference to regulations. I reference particularly what will be numbered 17(4)(e) and then sub (5), both those cases. In 17(4)(e) "A school council may, at its discretion, do anything it is authorized under the regulations to do." Then if you turn over to subsection (5), you have:

Subject to the regulations, a school council may make and implement policies in the school that the council considers necessary to carry out its functions.

Well, that still leaves an enormous amount of discretion and an enormous amount of uncertainty.

There's one thing that the parents in the schools – in Sacred Heart, Sunalta, St. Monica, Victoria, Connaught, Western Canada, and St. Mary's – have told me: they don't want this high level of uncertainty; they want a much clearer definition in terms of what they're going to be able to do, what they're expected to do on parent advisory councils.

9:40

I think of all the Bills that we've asked the government to bring in regulations in advance, probably never has that been warranted to a greater extent and with a need for that to happen as exists with Bill 37. We know already – and you, Mr. Speaker, know firsthand and the Minister of Education knows firsthand – that parents want to see those regulations. You know, this is a difficult sort of Bill to support without a commitment from the government that those regulations are going to be published in advance in draft form, without an assurance that they're going to be referred to the Standing Committee on Law and Regulations for some scrutiny and some review.

Mr. Speaker, I'm fearful that we're going to get in an area where we're going to have voluminous regulations because there's no oversight function. We all know what happens when well-intentioned administrators are given the power to make law. I'd like to see us reduce the number of regulations. I'd like to see us ensure that the regulations are clear and understandable. I think the best way of doing that is to ensure that there's some all-party involvement in at least overseeing the preparation of those regulations. So I'll ask the minister for some undertaking, some assurance that in fact that will be allowed, that that will happen.

The concern that parents have continually expressed to me – there are a large number of concerns. I see only two of them addressed in section 3 of this Act, whereas I'd say that at last count there are at least a dozen substantive concerns. I guess the minister is telling us that everything else is going to be done in the regulations, so the period of uncertainty continues.

Speaking of uncertainty, I want to follow up on a point made by my colleague from West Yellowhead on section 29(1). While I think Albertans will appreciate that there's been a deferral until February of 1996 for the school council portion to become effective, why in the middle of a school year would you have this new procedure kick in? You know, my experience on parent advisory councils is that you typically elect an executive at the end of one school year, in May or June, to take effect the following September. No parent advisory council I know of ever elected an executive in the middle of the year.

So what you have happening now is the rule changing halfway through, and that doesn't make a great deal of sense to me. One would have thought that, yes, defer, but defer it until the commencement of the next school year, in other words September of 1996. Starting it in the middle of the year just seems to me to be an invitation to confusion and to uncertainty. I think,

frankly, the well-intentioned volunteers who get involved in parent councils don't need that kind of uncertainty. They're there to assist as best they can. Surely our job is to make it easier for them, to encourage their involvement, not to frustrate it and simply create impediments to their useful volunteer involvement.

I think the provision in terms of dispute resolution, which appears on page 2 – this will be a new (7.1) to section 17 – clearly does respond, Mr. Speaker, to a concern that parents I've talked to in Calgary have expressed. I find it interesting that the board talks about "an appeal process" or a "conflict resolution procedure" as if the two were synonymous. Well, they're not, and one would have thought that parliamentary draftsmen would have caught that and would have recognized that those are two different processes.

What is it that's contemplated here? One would have thought that there would have to be an appeal process everywhere, but this suggests that if a school board has a conflict resolution procedure, they don't need an appeal process. That's a really curious proposition, one that doesn't accord with what parents have asked for, and one would ask why the minister didn't address that specific concern.

I'd also like to know, since this minister has resources that some of the small school boards don't: what sort of a model are they putting together? What kind of a package are they putting together that would be available to Alberta school boards to be able to utilize as and when required?

Mr. Speaker, I have a concern with respect to section 12, having to do with the assessment of property owned by individuals. What happens here is we have a notion that the faith of an individual is going to determine which system the assessment is directed to, whether it's public or separate. It seems to me that you have situations in terms of a mixed-faith marriage or other cases where this becomes much too restrictive, and in fact it doesn't give the kind of flexibility that parents have enjoyed in the past and that I think parents want to continue to enjoy in the future.

I think my colleague for West-Yellowhead has spoken effectively to concerns with respect to 29(2).

I'd just like to highlight section 20. As a taxpayer one would want to ask: why on earth we would remove the requirement that when property is sold that it not be sold at fair market value? I find that just an astonishing proposition. We're all ratepayers; we're all taxpayers in this room. Why would we want to condone property being sold at anything other than fair market value? Do we contemplate fire sales like we saw with the premature surrender of leases on liquor stores? I mean, is that the kind of inefficiency, the kind of wasteful forecasting that the government is about? I don't know, Mr. Speaker, and I hope we'll get some direction from the hon. minister on that before it becomes time to vote.

Those are the particular concerns I had, I guess, subject to one other, and that's section 8. This has to do with the inspection of documents. I have a concern here, Mr. Speaker. If one looks at what will be section 59(3) – this is on page 4 in Bill 37. It's identified as section 8. It's a change in terms of accessing records, and it now says:

An elector may not inspect a student record or information respecting a particular employee unless that information is included in financial statements of the board prepared under this or any other Act.

Well, given the fact that it's extremely hard to imagine a situation where in a financial statement for a school board there's going to be reference to an individual, is the information that can now be available that formerly could not be released under the old section 59(3) – is it only and precisely the information that's

reflected in the financial report? Or in fact is it additional information referencing the information included in the financial report? That's ambiguous. It's not at all clear.

One would think that if there's already provision for the financial statements' being available, then if somebody wants the information, you can give them a copy of the financial statement. My concern is whether this is the thin edge and it'll allow somebody to say, "Ah, there's a reference to what janitors are being paid in this financial statement; therefore, I want to find out what the pay is to Joe Btfsplk," who is the janitor in that particular school.

That would be preposterous, but it seems to me that that's invited with this kind of ambiguity. I'd ask the minister to reconsider, go back and talk to parliamentary draftsmen and see if the meaning can't be made much clearer, or at least we can get a more precise explanation from the minister because it looks on the face of it like section 8 is something of a tautology. I mean, it sort of goes around in a circle, and at the end of the day we're not sure we're further ahead or if any more information or any less information is made available.

So those are the concerns I wanted to raise at this time, Mr. Speaker. Thanks.

9:50

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Highlands-Beverly. Oops. Sorry. I have to go back and forth. The hon. Member for Calgary-Egmont.

MR. HERARD: Thank you very much, Mr. Speaker. I wasn't going to get up and speak with respect to this Bill, but some of the comments that I've heard from the hon. Member for Calgary-Buffalo lead me to get up and perhaps explain a thing or two with respect to how Calgary parents feel about some of the provisions that we will be discussing in detail in this Bill.

One of the comments that the hon. Member for Calgary-Buffalo made was that parents were not necessarily in agreement with having more responsibility and more accountability and so on with respect to school councils. I attended a roundtable session that was put on by the Calgary separate school board with respect to roles and responsibilities, and I must say that after spending a Saturday there, I found the process was at best very flawed. I want to explain that. We don't necessarily sometimes get the true picture when we get reports that parents don't want certain provisions to be enacted within school legislation, because sometimes the process itself would lead us to believe those things when in fact perhaps the process itself was quite flawed. So I'll give you a couple of examples.

First of all we should maybe look at Calgary for a minute and recognize that there's a history in Calgary of controversy when it comes to educational matters. I certainly don't believe that it's appropriate in any sense to begin a meeting with a prayer and then the following statement is that the agenda of the Klein government is to kill Catholic education. From that point on, nothing constructive can happen in that meeting, because as a Catholic I know how it feels to in fact consider the possibility that there might be an agenda to kill Catholic education, which I know as a government member there isn't. Try and picture what happens in a meeting when people are in fact told those kinds of statements.

The process in this particular case was that certain statements from the document Roles and Responsibilities were quoted within documents that were prepared by the Calgary Catholic school board. In some cases those statements were in fact only partial statements, and there was really no context in which those

statements came from. In other words, if you wanted to know what that statement meant, you had to go back to the original document of Roles and Responsibilities and read the entire thing to see what in fact this particular part of a statement really meant.

At the tables where I was sitting I was having difficulty understanding what the process was trying to do because these statements just seemed to come out of thin air and in fact didn't seem to have any relationship to anything. So when I would ask the question, "Where did this statement come from?" we would go back to the actual document Roles and Responsibilities, and we would find that. The parents would read the entire thing and say, "Oh, if that's what it means, then I don't have a problem with that."

So if you look at the process and you take certain quotations or certain pieces of statements out of the entire document and ask people to express their opinions solely on that phrase or partial statement, then you're going to get the kinds of results that I think the hon. Member for Calgary-Buffalo was referring to. What I was trying to express was the fact that perhaps when . . .

THE DEPUTY SPEAKER: We have a point of order. The hon. Member for Calgary-Buffalo will cite his citation.

Point of Order Questioning a Member

MR. DICKSON: Absolutely. *Beauchesne* 482. I'm wondering if the hon. member would entertain a brief question.

THE DEPUTY SPEAKER: Before Calgary-Egmont does so, again the caution: you either say yes or no. No reason need be given if it's no.

MR. HERARD: Thank you very much, Mr. Speaker. No, I won't be taking any questions.

Debate Continued

MR. HERARD: I will summarize this very quickly. Essentially sometimes things are not as they seem even though a process may have been followed to try and get information from parents, and perhaps we have to look a little deeper than just the summary of those kinds of activities.

On that, Mr. Speaker, I would move that we adjourn debate.

THE DEPUTY SPEAKER: The hon. Member for Calgary-Egmont has moved that we adjourn debate at this time on Bill 37. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

THE DEPUTY SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

THE DEPUTY SPEAKER: Carried.

Bill 39 Treasury Branches Statutes Amendment Act, 1995

MR. DINNING: Mr. Speaker, I move second reading of Bill 39, the Treasury Branches Statutes Amendment Act, 1995.

In short, Mr. Speaker, this Bill puts in place a long-called-for board of directors to oversee and provide governance to Alberta Treasury Branches, an institution with some 57 years of history and

confidence by Albertans. This move comes upon the advice of the Financial Review Commission in 1993 as well as the Auditor General in his report tabled just prior to Christmas of 1994.

Mr. Speaker, I think suffice it to say that this is an important step that will improve the governance. It will improve the accountability, and it will improve the autonomy which has often been a subject of some concern and some debate in this Assembly as it relates to the Treasury Branches, a proud institution with more than 850,000 deposit accounts, over 220,000 customer loan accounts, with deposits in the order of almost \$9 billion. That's no small change. Clearly Albertans have a confidence in this institution.

I often think of some Albertans who have come to me who serve on boards of directors of some of the larger banks in this country who won't admit it publicly but will quite honestly say privately: the Treasury Branches must stay there. Just as its proud past, it must have a strong future, because it keeps the big guys honest. It provides financing, important financing alternatives to the agriculture sector in your constituency, Mr. Speaker, in constituencies across this province, and most importantly Albertans have confidence in it.

So, as I've often said, there is no for sale sign on Treasury Branches. It will continue to provide services to Albertans with the full guarantee of the province of Alberta and of the Provincial Treasurer, and I'm proud to move second reading of Bill 39.

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

DR. PERCY: Thank you, Mr. Speaker. I rise to support Bill 39 on principle in second reading. There are a number of issues I'd like to address though. I think the most important consideration is that this Bill sets up a buffering mechanism between the Provincial Treasurer and the operation of the Treasury Branches, which is important, and allows it to be much more arm's length in nature. I think that's healthy both for the operation of the Treasury Branches as well as for the general perception that the Treasury Branches are indeed arm's length from government and from a particular party, particularly a party that's been in power for some length of time. So the principle of setting up the board makes sense.

Now, with regard to how the board is set up, again the mechanism that has been set up this time, Mr. Speaker, the selection process, will yield a board of directors I think that will do the Treasury Branches well in terms of the operation. But the general principle that significant appointments – and I don't think there can be any more significant appointment than to the board of directors of a \$9 billion operation. There's nothing set up in this Bill that specifies the continuing process by which new appointments will be made to the board.

10:00

AN HON. MEMBER: It's political.

DR. PERCY: It may well be political, as it has been in some other instances, and again that would then destroy the very purpose of setting up an arm's-length board, if in fact the choices are based on party affiliation not general competence particularly as it relates to financial markets. So the principle of open and transparent selection processes is not built into this Bill, and that is something that I think is lacking.

Another issue, a principle, concerns duration of appointment. There is nothing in the Bill, Mr. Speaker, that relates to duration of appointment. So the process both in terms of establishing a clear and transparent selection process and limits to the term of the directors is not embodied in the Bill. That's one set of issues that we will discuss in Committee of the Whole, because we do have concerns there.

Another issue, again notwithstanding the fact that I support the principle of the Bill, is that this is a relatively . . .

THE DEPUTY SPEAKER: Hon. members, I wonder if those who wish to engage in long-range conversations could do so in the lounge, and I'll buy.

DR. PERCY: Notwithstanding the fact that I support the principle of the Bill in setting up the buffer, one thing that does come to mind when you read the Flynn report – this is a very narrow version of the Flynn report, and a number of issues come to the fore, I think, that ought to be dealt with on principle. In fact, some of these principles have been articulated over the last two days with regard to Bill 34 and the issue of a level playing field.

The Treasury Branches receive significant benefit by being a Crown agency. They compete head on with community-owned credit unions. They compete head on with western-based financial institutions, Canadian Western Bank. They compete head on with the chartered banks. Yet, Mr. Speaker, they are not subject to tax. There's no imputation made for tax. They can draw on taxpayer dollars to correct their capital deficiencies. So when I look at the Treasury Branches and I ask myself if there are mechanisms in place in the current structure of the Treasury Branches Act or in these amendments to ensure that there is a level playing field between the Treasury Branches and other western-based financial institutions, I fail to see that. Knowing that hon. members on the other side of the House believe in logic and consistency, I think that we hope and we expect to see some changes in either Bill 34 or in this Bill to ensure a level playing field between Treasury Branches and western-based financial institutions.

The Canadian Western Bank, a private-sector institution that is western based, that has bought North West Trust, does not compete on a level playing field with the Treasury Branches. Credit unions – Capital City Savings & Credit Union, Southland Credit Union – do they get to compete with the Treasury Branches on a level playing field given the tax advantages that the Treasury Branches receive, given the self-insurance that the Treasury Branches receive? They don't.

DR. WEST: Mr. Speaker.

THE DEPUTY SPEAKER: The hon. Minister of Transportation and Utilities rising on a point of order.

Point of Order

Questioning a Member

DR. WEST: Well, 482 *Beauchesne*. A member can ask if someone would entertain a question in debate. I would like to ask the member if he would entertain a question.

DR. PERCY: Certainly.

THE DEPUTY SPEAKER: All right. Yes or no, and the answer is yes.

The hon. minister.

Debate Continued

DR. WEST: The reference being made was that the credit unions weren't operating on a level playing field with the Treasury Branches. Could the hon. member answer this question? Were you aware that over 600 million in taxpayers' dollars went into the credit union . . .

AN HON. MEMBER: Seven hundred and eighty.

DR. WEST: Seven hundred and eighty million as a subsidy? What would you call that in reference to a level playing field?

DR. PERCY: I believe, Mr. Speaker, that the Premier said it best. That was then; this is now.

So to continue, Mr. Speaker, on the issue of a level playing field and consistency of principles between Bill 34 and Bill 39, there isn't. I think that's an important point to be made, and I think it bears relevance in the context of debate. Notwithstanding that point, my concern over consistency and logic between the two Bills, I think this is an important step forward.

One other issue was mentioned in the Flynn report, and that is the issue of privatization. In fact the Flynn report makes reference to a study on the privatization of the Treasury Branches, but it does note that in fact it's not feasible given the capital deficiency of the Treasury Branches. So this Bill in part, then, sets up this independent board of directors, it makes the process arm's length, and I support it fully in that regard.

There are these other issues that were addressed in the Flynn report that have not been addressed in the statement of principle in the Bill, and to what aim then? Is this the first step on the road to privatization of the Treasury Branches? The Flynn report was pretty wide ranging in its discussion of the future of the Treasury Branches, and it said that the main impediment to any form of privatization was the capital deficiency which exists and which precludes, then, the Treasury Branches as an independent entity getting CDIC insurance. That is an issue the Provincial Treasurer hasn't addressed other than to say there's not a for sale sign with regards to the Treasury Branches. Yet the Flynn report in fact said that possibly putting out a for sale sign was contemplated at one time.

With those comments, Mr. Speaker, I will take my seat.

THE DEPUTY SPEAKER: Okay.

The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Speaker. I've had the honour over nearly 20 years of business in Fort McMurray and in Alberta to have met many of the superintendents, the executives, the managers, and individuals who are employed with the Treasury Branch, and I want to begin my comments by saying tonight that those that I've had the honour to meet have for the most part discharged their duties with what appears to an outsider looking in to be a lot of skill, compassion, and good grace.

Having said that, however, over the last few years and on many occasions the Treasury Branch has been tagged with some rather awkward loans, loans that some members of their own organization wish in hindsight and in retrospect had not been made, and some loans which, although discretion would prevent them from suggesting it, not only ought not to have been made but were encouraged either passively or directly by the government of the day, the province of Alberta, who ultimately backstops each and every loan that the Treasury Branch makes. So to the extent that

the Treasurer has come forward and has acknowledged that there are difficulties with the upper level administration of the Treasury Branch from the point of view of the appearance of government interference from time to time in the day-to-day activities of the Treasury Branch, then this legislation is good and should be encouraged.

I do, however, have some concerns with the Bill, and I want to point them out to the hon. Provincial Treasurer because I think he is on the right track and I think he can make this Bill better. I hope he will take these suggestions and not hide behind a wall of partisanship, take these suggestions and say: you know, there are some interesting observations that are made in debate, and let's change some of the ideas in this Bill. Otherwise the Provincial Treasurer is going to be hotfooting it in here again next time we reconvene or next spring with a bunch of things that have simply been overlooked, omitted, or missed out of this Bill, that is always marketed, from the Treasurer's point of view, as being about as perfect as he feels it can get.

So let me suggest some of the things to the Provincial Treasurer that he might want to take a good hard look at. He might want to take a good hard look. Hon. members, remembering how much money the Treasury Branch has and lends and remembering that the government backstops each and every loan of the Treasury Branch . . .

10:10

MR. DINNING: No, they don't.

MR. GERMAIN: The Treasurer says no. It's right in the Act. The deposits are guaranteed.

THE DEPUTY SPEAKER: Order, hon. members. A point of order if you have it.

MR. GERMAIN: Yeah. Well, let me explain it to the . . .

Speaker's Ruling Interrupting a Member

THE DEPUTY SPEAKER: Order. [interjection] Order. Hon. Provincial Treasurer, I know that you're most anxious to keep the record straight. That's your job. Mine is to keep only one member speaking at a time, and you're raining on my parade.

I would like the hon. Member for Fort McMurray to be able to speak. If you have a point of order, rise and be so recognized. If you haven't, you have the chance to catch him in committee and indeed when you wrap up before the Bill is finally moved at second reading.

With that, we would request the hon. Member for Fort McMurray to continue in the hopes that further interruptions will be in the proper form.

MR. GERMAIN: Thank you, Mr. Speaker. I heard the Provincial Treasurer apologize for his rudeness. I accept his apology for his rudeness.

Debate Continued

MR. GERMAIN: I want to explain this to the Provincial Treasurer in careful layout. You see, what happens is that the deposits are guaranteed by the Provincial Treasurer, but the deposits don't stick around in a safe form. The deposits are lent out in some loans that over the years have been questionable and have resulted in losses for which there is an appearance or a shadow that the loans were stimulated or encouraged as a result of the fact that the Treasury

Branch was a government agency expressing government policy as opposed to good sound financial principles. So when the Provincial Treasurer nods in disbelief when the poor loans are made, then the Provincial Treasurer is in fact guaranteeing those, because the money is not there to backstop the depositors, and thus the guarantee.

If you want to be technical about it, Mr. Treasurer, and if you want to look at it at the first level of the cycle of the money, then, yes, it's the deposits that are guaranteed by the provincial government. Of course, if those deposits are squandered, then Alberta taxpayers have to pay.

Now, against that backdrop, Mr. Speaker, I want to invite the Members of this Legislative Assembly to look at page 3 of this Bill, section 2.2(1)(e), and I know all members are whipping through the Bill now to find that point. You will be astounded to learn that somebody convicted of murder can become a director of the Treasury Branch. You will be astounded to learn that somebody convicted of indecent assault, sexual assault could become a director of the Treasury Branch. You would be surprised . . .

DR. L. TAYLOR: Even a lawyer might be able to become one, Adam.

MR. GERMAIN: The Treasury Branch's board of directors will be very blessed if there is a lawyer or two put on it. I respond to the hon. Member for Cypress-Medicine Hat, who continues to berate lawyers in his characteristic fashion, not having the courage to stand up and suggest what he has to say about lawyers publicly and on the record but berates them sitting on his seat, timid and quiet and devoid of the microphone picking up his abusive comments and insults about a profession that has been around since before the time of Christ.

Speaker's Ruling Provoking Debate

THE DEPUTY SPEAKER: Hon. members, as we can all readily observe by the reliable timing device at the console, it is quarter after 10. As I have asked the hon. Provincial Treasurer to abide by rules, I would also ask the hon. member to not go on at length with words that may inflame the passions of hon. members on the other side. So if you could address yourself to the Bill at hand, Bill 39, we'd appreciate that.

Fort McMurray.

Debate Continued

MR. GERMAIN: Thank you very much, Mr. Speaker. Again a wise ruling.

I want to ask all of the members in the Legislative Assembly to take a good hard look at that section that I've pointed out, and I want to ask members if they wouldn't be more comfortable if that section ended after "indictable offence." Anybody convicted of an indictable offence: one has to wonder whether or not they are to be established as a director of the Treasury Branch. It goes on to qualify them by saying that the indictable offence has to be "of a kind that is related to the qualifications, functions or duties of a corporate director." It seems to me that that is too narrow, given the situation that we find ourselves in.

I want to invite the Members of the Legislative Assembly to take a look at page 4, where someone can sit as a director even though they might owe the Treasury Branches \$200,000. I wonder if that is in the best interests of the Treasury Branch, for directors in fact to be indebted to the Treasury Branch at all. The hon. minister might want to take a good hard look at that.

Now, I want to point out to the Members of this Legislative Assembly that sometimes the directors of a corporation like this will want to make statements that are harsh and abrupt but that have to be made in their day-to-day governance of this particular Treasury Branch. I would wonder whether section 2.3(1)(c), that allows the Lieutenant Governor in Council to terminate the appointment of a director, would in fact create a director chill, Mr. Speaker, that would prevent people from properly speaking their mind and airing their grievances in a way that is appropriate to the people of Alberta but may not tickle the fancy of the then Provincial Treasurer. I think that that comment has been addressed by other speakers tonight. You have no termination provisions, and you do have the ability here to terminate a director who is performing ably simply because you disagree with the position that he is taking. I think, Mr. Speaker, that that is wrong. If we are going to have arm's-length governance in the Treasury Branch, we should do so.

I want to invite all Members of the Legislative Assembly, Mr. Speaker, to also take a look at page 6. One of the government's favourite, favourite approaches to the law in Alberta is to govern by bylaw and by regulation, and once again we find that the regulations are not going to be published. The Regulations Act does not apply to bylaws made under that section. It seems to me that the bylaws of the Treasury Branches of Alberta, given that they have an extensive economic mandate in this province, should be made public and should be published. There is no reason for them not to be published in the regulations.

I want to also ask the Provincial Treasurer to consider carefully the wisdom on page 8, section 3.2, the ending preamble, that says that a Treasury Branch won't enter into a business transaction with a "director," et cetera, or "the spouse of a director," and then it says:

for the sale of goods or the provision of services at rates or under terms that are more favourable than the rates . . . that are offered . . . to customers.

Well, the rate or the terms of a transaction, Mr. Treasurer – and I would have thought that you would have known this by now – is not usually the pepper in the eyes of the beast. The pepper in the eyes of the beast is often whether the loan can be justified or made, whether there is the economic wherewithal or business acumen to justify the loan.

Simply prescribing that the rates will be the same or that the terms will be the same is, in my respectful estimation, Mr. Treasurer, not good enough when you look at the connected class of people that are involved in that list of directors. It seems to me that nobody should be able to make any transaction with the Treasury Branch if they are sitting as nonaffiliated directors of the Treasury Branch. So I would like to ask the Provincial Treasurer to be reminded that rates and terms are only part of the issue. A poor deal is a poor deal even if it is at market rates, and a poor deal is a poor deal even if the term is the same that would be given out to a good deal. So I would suggest that the Provincial Treasurer take a good hard look at that section, 3.2.

You know, Mr. Speaker, the Treasury Branches of the province of Alberta have a warm spot in the history of the province of Alberta. In many cases in rural Alberta the Treasury Branches provided the only financial service when other organizations providing similar service would not or could not go into the area. The Treasury Branches are an important part of the fabric of Alberta, and as a financial institution their image and their credibility should be enhanced. This Bill, if the Provincial Treasurer looks at it and makes the fine-tuning adjustments that

have been suggested in some of the debate, will do much to continue the Treasury Branches into the future.

On that point, Mr. Speaker, I'll move to adjourn debate tonight, given the hour.

10:20

THE DEPUTY SPEAKER: The hon. Member for Fort McMurray had moved that we adjourn debate on Bill 39. All those in favour of this motion, please say aye.

SOME HON. MEMBERS: Aye.

THE DEPUTY SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

THE DEPUTY SPEAKER: Defeated.

The hon. Member for Edmonton-Manning.

MR. SEKULIC: Yes. Mr. Speaker, I rise to speak briefly to Bill 39, the Treasury Branches Statutes Amendment Act, 1995. I have risen in this Assembly a number of times to ask the Provincial Treasurer questions during question period pertaining to the very issues that we have before us in this piece of legislation. I am encouraged to see that he has responded not only to my questions, which I assume were his prime motivation, but also to the recommendations of the Alberta Financial Review Commission, the Auditor General, and the Flynn report.

Mr. Speaker, this Bill addresses the issues of autonomy and accountability and the governance of the Alberta Treasury Branches, and I think it's a long time coming. As I said, I will be supporting it at second reading, and I hope to speak more to it in committee and third.

With those comments, Mr. Speaker, I'll take my place and pass the floor to a colleague.

MR. DICKSON: Just three brief observations I wanted to make on Bill 39, Mr. Speaker. The first one is that it's important to recognize that when we passed the freedom of information Bill last spring, there was a tacit acknowledgment for the first time I think in this Legislature in any form of legislation that from time to time the Treasury Branches of Alberta have and continue to act as agents of the cabinet of the government of Alberta. Despite the fact that the Provincial Treasurer so often on written questions and so on will stand up and insist that the Treasury Branch never acts as anything other than a normal, arm's-length financial institution, the reality is that when the government accepted the amendment in section 2 of the freedom of information Act, there was that clear acknowledgment that the Treasury Branch from time to time does act as an agent of cabinet. My hope would be that with the passage of Bill 39 that will become a rarer occasion, and hopefully we'll have less opportunity to have to access information from Treasury Branch records under the freedom of information Act.

The second point has to do with section 4, the provision for regulations. I also ask whether the minister will commit that those regulations be referred to the Standing Committee on Law and Regulations before they become law.

The third point, the final point, is section 2.4 dealing with the bylaws. It's interesting that the bylaws are explicitly not subject to the Alberta Regulations Act, yet there is a provision that the bylaws must in fact be tabled in the Legislature. There's an acknowledgment that the bylaws in fact are a statutory instrument I think by that requirement, and I would ask the minister

for an explanation in terms of why those bylaws wouldn't also be referred to the Standing Committee on Law and Regulations.

Those are my comments, Mr. Speaker. Thank you.

[Motion carried; Bill 39 read a second time]

Bill 40
Government Accountability Act

MR. DINNING: Mr. Speaker, I move second reading of Bill 40.

This is an important, really a landmark piece of legislation, that puts into law current practice that provides for some of the most comprehensive financial reporting, a presentation of consolidated financial budgets, and the requirements to live up to those requirements, Mr. Speaker. Really, no other jurisdiction I believe in North America is required to meet such rigorous standards.

I don't believe that the hour would necessitate as long a speech as I might like to give on this. I simply want to say to my colleagues in government that I thank them for the courage of their convictions to not only make sure that we continue to do this but that we force the hands of future governments that they will be required to meet these high standards. I'm proud to have had the work of the people in the Treasury Department and most especially one gentleman, Mr. Paul Taylor, who has been a strong advocate of putting in place these standards and putting them into legislation.

Albertans will benefit because of this kind of legislation, Mr. Speaker, and that is why I'm proud to move second reading of Bill 40.

DR. PERCY: With regards to Bill 40, the Government Accountability Act, certainly I support the principles embodied in this Bill because when I look at this Bill, it reminds me very much of what the Liberal Party ran on in the election in terms of ensuring a provincial budgeting process that was transparent and open. Certainly under Laurence Decore, the hon. Member for Edmonton-Glengarry, the focus of the Liberal policies with regards to finances were fiscal responsibility budgeting and deficit elimination. What this Bill does is codify what the Provincial Treasurer has made current practices now. It goes a long way, then, to ensuring consolidated budgeting. It goes a very long way to ensuring that business plans are in place that set out benchmarks, performance indicators. It goes a long way in terms of transparency and ensuring, then, accountable government.

There are areas where we think there can be improvement. In the appropriations Bill we think there should be a much more explicit link between outcomes and appropriation. We think that in terms of accountable agencies, for example regional health authorities, the accountability that the government is imposing on itself in terms of annual reports, in terms of transparency should automatically be part and parcel of the responsibilities that accountable agencies such as regional health authorities should face. Since a significant share of the provincial budget in fact is grants to health authorities, we think the objective of ensuring accountable government means also accountability on the part of those authorities that draw grant income from the provincial government. Certainly providing budget documents at the time that they're tabled or submitted to the Minister of Health, for example, should be one element of a government accountability Bill.

10:30

So while we support many of the principles embodied in this Bill, we think there are areas in which it can be improved. In

Committee of the Whole we will in fact speak to some of the issues and bring forward amendments that we think can tighten up even further the mechanisms for accountability set out in this document.

I would also note that the accountability Act does draw heavily on but does not incorporate all of the recommendations that were made in the framework for accountability discussion paper that was put out by the Auditor General, which we think was and is a superb document, particularly in how it treats what are called in this Bill accountable agencies, such as regional health authorities.

[Mr. Herard in the Chair]

So, again, the principles we support. We certainly think the electorate supported them as well, since the parties that advocated a fiscally responsible approach to budgeting are currently represented in the House. There are areas where we think the Bill can be improved, and certainly in Committee of the Whole we will bring forward positive suggestions as to how to make government even more accountable, transparent, and responsive in terms of financial matters.

With those comments, I'll take my place.

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

MR. DOERKSEN: Thank you, Mr. Speaker. I wanted to make some comments briefly on Bill 40, the Government Accountability Act, and speak in support of the principles.

I mentioned earlier this week that I gave a speech to the Construction Association in Red Deer last Friday. Before I did that, I went back to my nomination speech and just reviewed what I had said there, reviewed the commitments I had made to the people of Red Deer. Over and over again in my speech – and I remember as I talked to people, as I got into this business – the word "accountability" came up time and time again. The people of Alberta wanted a government that was accountable for its actions.

I recall that upon arriving in this Assembly and becoming more acquainted with how the government operated, I was appalled to find out that not only did the government not produce business plans, not only did the government not produce quarterly financial statements, the government also did not produce consolidated statements, and the year-end statements were usually tabled some nine months after the year-end, when it was too late to make any changes. So I am very pleased to see that we are going to put into legislation requirements for future governments to put into place an accountability structure which holds it accountable to the public on a regular basis.

Some of these elements in here: "The Provincial Treasurer must prepare a consolidated fiscal plan for the Government for each fiscal year." That's a no-brainer. It should have happened years ago. "A consolidated fiscal plan must include the major economic assumptions the Provincial Treasurer made in preparing the plan." That's accountability, Mr. Speaker, because the revenue that you use to decide your spending levels is based on assumptions. If those assumptions are flawed or inaccurate or way out of line, you get into all kinds of trouble. We have seen that in the past as well. Assumptions have to be reasonable. They have to be tabled in a plan for scrutiny for all Albertans, for all members of this Assembly. "The Provincial Treasurer must prepare a consolidated business plan." It goes on and on in this particular Bill.

I'm pleased to be part of a government that has tabled this Bill in this Assembly to be accountable to the people of Alberta. It is something that I stood for, and I think this is a key part of our delivering our promises to the people that elected me and elected this government.

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

MR. SEKULIC: Thank you, Mr. Speaker. I, too, rise in support of Bill 40, the Government Accountability Act. The introduction of this Bill sort of reminds me of that phrase which is so often used in this House: closing the barn door after the horses have escaped. If only this had been in place, let's say when the now Treasurer was first elected, if only the Treasurer had had the foresight then to introduce a piece of legislation. As the Member for Red Deer-South just mentioned, it's fairly obvious. He was shocked upon his arrival to see that there was this absence of any reporting. This lack of reporting led us to where we are today, \$32 billion, and now we're closing that barn door. Now we're closing it.

What I do appreciate and the reason I will be supporting this Bill is that it does enshrine the current practice of financial reporting, business planning, and accountability into legislation. Mr. Speaker, under the proposed legislation government and individual ministries are required to prepare fiscal plans and business plans and annual reports including financial statements and the measurement of results.

I was curious when this piece of legislation was introduced in the Assembly. You know, as so often we do when the government introduces something here, we look to New Zealand, where the idea came from. In New Zealand they have something called the administrator of government fiscal responsibility, and the document is numbered 17. So I compared that document, the New Zealand fiscal responsibility Act, to the Bill that we have here. Its resemblance is significant. Bill 40 fails to include I believe four provisions.

The first provision is a budget policy statement prior to the introduction of the full budget that specifies the government's long-term objectives and broad strategies for fiscal policy by use of ranges, ratios, or other means. It includes the following elements: the Crown's total operating expenses, the Crown's total operating revenues, the balance between the Crown's total operating expenses and total operating revenues, the level of the Crown's total debt and net debt, and assess assets to the extent to which the intentions are consistent or inconsistent with the principles of responsible fiscal management and the reasons for departure. That's the first departure, Mr. Speaker.

Secondly, what's different here and what's lacking is a fiscal strategy report, a report that provides an assessment of the economic and fiscal update. It includes a progress outlook which includes projections for economic and fiscal variables over the long-term fiscal strategy and explains the reasons for any signifi-

cant differences from the previous progress outlooks. So, Mr. Speaker, it's not only important to state projections, but it's equally if not more important to state as well deviations from those projections and an explanation for those deviations, because that's the way we correct the mistakes, the deviations in future projections.

The third departure, Mr. Speaker, speaks to the economic and fiscal update. What we require here and what is the case in New Zealand is a detailed economic and fiscal forecast for a three-year period, including GDP, including the major components, consumer prices, unemployment and employment, financial position of the Crown, an operating statement reflecting forecast revenue and expenditures by source, a statement of borrowing, a statement of commitments, and a statement of specific fiscal risks and contingent liabilities including guarantees and indemnities given.

10:40

Finally, the fourth departure is the disclosure of policy decisions and other matters that may influence a future fiscal situation: the impact of all government decisions and all other circumstances that may have a material effect on the fiscal and economic outlook, quantification of fiscal implications of the policy decisions, and the full disclosure of nonquantifiable policy measures.

Mr. Speaker, once again as we see and we compare what's happening in Alberta and what's happening in New Zealand, it's interesting that there's an extraction in this area of some of the features, but other features which were positive weren't, I guess, imported. I'm curious as to why, and I'm sure the Treasurer has a perfectly good explanation. So when it comes to economic policy or some of the financial direction that the Treasurer is going in, I fully support it, particularly as made evident in Bill 40. Hopefully at Committee of the Whole or third reading we'll have the Treasurer stand and respond to some of those concerns or omissions.

With that, Mr. Speaker, I will be supporting this Bill as it goes forward.

[Motion carried; Bill 40 read a second time]

THE ACTING SPEAKER: The hon. Government House Leader.

MR. EVANS: Thank you very much for recognizing me, Mr. Speaker. Given the hour and the progress that we've made this evening and the tumultuous approval of my colleagues on both sides of the House, I would now move that the House stand adjourned until 1:30 o'clock tomorrow afternoon.

[At 10:43 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]