

Legislative Assembly of Alberta

Title: **Wednesday, March 18, 1998** 8:00 p.m.
 Date: 98/03/18

head: **Committee of Supply**

[Mrs. Gordon in the chair]

THE DEPUTY CHAIRMAN: I'd like to call the committee to order.

head: **Main Estimates 1998-99**

Legislative Assembly

THE DEPUTY CHAIRMAN: The first thing on the agenda tonight is to vote on the offices of the Legislative Assembly. Are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:

Support to the Legislative Assembly	
Operating Expense	\$21,986,219
Office of the Auditor General	
Operating Expense	\$12,089,210
Capital Investment	\$404,500
Office of the Ombudsmen	
Operating Expense	\$1,460,500
Office of the Chief Electoral Officer	
Operating Expense	\$1,761,021
Office of the Ethics Commissioner	
Operating Expense	\$197,732
Office of the Information and Privacy Commissioner	
Operating Expense	\$1,582,724

THE DEPUTY CHAIRMAN: Shall the vote be reported?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

Community Development

THE DEPUTY CHAIRMAN: The hon. Minister of Community Development.

MRS. McCLELLAN: Thank you very much, Madam Chairman. On behalf of the Member for Calgary-Currie, the chairman of AADAC; the Member for Calgary-West, the chairman of the Seniors Advisory Council; the Member for Lacombe-Stettler, the chairman of the lottery programs secretariat; and the Member for Calgary-Cross, the chairman of the human rights, citizenship and multiculturalism education fund, I want to thank all of the hon. members in the Assembly for their very good questions and dialogue during the two occasions we had the opportunity to debate the estimates of Community Development.

We haven't responded in some detail to the first round of questions, and I will give the hon. members the assurance that we will respond in detail, in writing, to the queries that we had in our debate Thursday last. I apologize that we were not able to have those all to you for tonight, but we will respond. We will also take note of any questions or input that is given tonight and likewise respond to that.

Madam Chairman, I can tell you that on both occasions there

were very good questions put. I think some good advice was given on performance measures, some requests for information on the business plan, which we have taken, and we'll certainly work on that information for the development of our next business plan. We want these business plans to be clear.

So with that, Madam Chairman, with my thanks to my colleagues in the Legislature who have assisted in this debate, I look forward to any further comments the hon. members of the opposition or this side might have.

Thank you.

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

MRS. SOETAERT: Thank you, Madam Chairman. I'm pleased tonight as well to be able to speak to Community Development. Interestingly enough, despite the fact that we've revisited this – this is the third time now – this is my first opportunity to speak to it. There are some people who love this department because of course it applies to all of us, as everything does, but we seem to enjoy more of the benefits of Community Development in our communities.

Just a couple of things that I'd like to talk about specifically in my constituency. First of all, I want to thank the minister for sending me the names of the athletes in my constituency. That's done without even asking for it, and I truly appreciate that. I know that the young kids out there love a note from one of us. They couldn't care less which political party we're in.

MS OLSEN: She really likes you, Shirley.

MRS. SOETAERT: Maybe in another life we would have been friends.

I think they really appreciate a note from you. I know they do because one of my nieces has been involved in the games at different times, and they quite enjoy that. Even if I tell them it's from the other side of the House, they still put it in their albums. That's good, and I thank you for that.

I also acknowledge the fact that you are a minister that truly cares about sports and that you go to those events because you enjoy them. I know that the athletes enjoy seeing you there as well, and I thank you for your role in that. This is too nice for me, isn't it? I know.

MR. SMITH: Get to the estimates.

MRS. SOETAERT: That is all to do with the estimates. How the minister spends her money – I actually approve when she's involved in the sports. Be it in Winnipeg or in Manitoba or in Quebec, I appreciate the fact that she's representing us. Okay. You've got the old Colleen back, so here we go.

I want to ask something about the lottery dollars and the lottery boards. One of the things that I know was asked on my behalf last time – but I'll ask it again. You got a letter from me and from the three communities out in Spruce Grove, Stony Plain, and Parkland. Could you tell me where that's at and what's going to happen with that? One of the things I was wondering: as these lottery boards – and you know I still think we should give them some administration dollars. That's been argued out, but that's my opinion on it. As those moneys are given out, if there's anything left over at the end of the year, does it follow through to the next year or does it have to go back to the government at the

end of the fiscal year? I realize she can't reply to that, but I know I'll get that answer. Could, then, a community build up, wait for bigger projects, or is that still going to be the CFEP dollars? Is the CFEP program, then, still alive, totally separate from lottery boards? What would be the average cheque that a lottery board would cut for a group? What are you looking at? Would you mind giving me that range of what kind of dollars they're going to distribute in different pockets?

MRS. McCLELLAN: The community will decide.

MRS. SOETAERT: Okay. The CFEP grants that are given out. I've seen the . . .

AN HON. MEMBER: Light.

MRS. SOETAERT: I've seen the light. That's why I'm a Liberal.

I've seen the results of the good works the CFEP dollars have done. My question is: would the minister consider that when a CFEP cheque is cut out to my constituency – it's not your department.

MRS. McCLELLAN: But you can ask.

MRS. SOETAERT: I'll ask you and you'll relay it.

Could I present the cheque in my neck of the woods instead of whoever's twinned with me at the time? It's usually the poor Minister of Public Works, Supply and Services.

MR. SMITH: We don't hand out cheques.

MRS. SOETAERT: Yes, you do. I think that would be a very nice nonpartisan gesture. I'm usually there anyway, and I'd be glad to do that for you.

Now, I want to speak for a few minutes. Women's issues is within your department, is it not? What's your department's role within this task force that is going on looking at maintenance enforcement and access? Could I ask where that's at? And when will that be reported back? I think you and I both know that that's a real headache in this province. We've had tons of headaches within our constituencies with the maintenance enforcement department, trying to get some help for people. I guess I'm asking where that process is at. I used to be the critic for that, and it's like your name is in red lights if they know you're in women's issues. You get all the maintenance enforcement calls from across the province. I really sympathize with those people going through that. So I guess I'd appreciate – tell me where that's at and when we're actually going to do something, some legislation on it that can help.

8:10

I hope that one of the suggestions that comes out of that – and if it doesn't, I'll give it to the minister now. One of the things that I think could work if we worked with the feds is if they took the maintenance payments right out of people's cheques, just like they do – what's it called? You know, your income tax, the whole bit. It came right off your cheque for maintenance. [interjection] For maintenance? They garnishee the wages.

MRS. McCLELLAN: And refunds.

MRS. SOETAERT: Yeah, but what if we didn't even have to do

the whole garnishee of wages thing? It was just set. It came off so that there's never a contact about money between two people who are apart. Then maybe the only issue they'd have to deal with is the children instead of this money, because it's a heartache and a headache and a hassle. So if it was just an automatic when the judgment was made that it went into the big internal revenue that's in Ottawa somewhere and automatically came off the cheques, and rate it on a scale of number of children and income, instead of going back and forth to court. Like, that is such a headache. I don't know. I just think there's got to be an easier way to do it. I'd be willing to help on any of those committees.

What else did I have to say? I don't know if you've been to the multicultural centre in Stony Plain. That's not in my constituency exactly, but it's a wonderful place. Next time you're there, call me and we'll have a piece of pie together, because it's the best pie in Alberta. I just appreciate the fact that those things are supported by this ministry, and the people who work for them are just excellent people in the community, and I appreciate that.

The other portfolio that I know you have is seniors. I know you're very sincere about the direction of care for seniors, but with an aging population, how does your ministry work with the Department of Health? For example, the other day I was talking about auxiliary hospitals and nursing homes. Do you have anything to do with that or just in an advisory role? I'm hoping that will change with that task force. I see that as a real stumbling block for a lot of the nursing homes. I saw you nodding the other day, so I'd appreciate knowing your involvement in that, and maybe I'd feel a level of comfort here if you had some involvement with that.

The seniors' benefit. We have these in our constituency offices, and I appreciate that. To be very honest with you, certainly my constituency worker knows more about the programs than I do. I do have a concern, and I don't know if the ministry has looked at it in a long range plan, but seniors who are on a fixed income – maybe there are lots who still have incomes from different things, but I would say that the majority are on very fixed incomes – are facing rising utility costs, rising phone costs. One senior said to me: I don't know how much money I have because I don't know how long I'm going to live. I think that's a sad statement about the insecurity that seniors feel. Is there a long-range plan? Our population is getting older. How are we accommodating that? I'm glad to see – well, no, I'm not glad to see that task force review on seniors' accommodation, because I think it's a waste of time. I think we should just act.

I appreciate the opportunity to speak to these. Many of my questions have been asked prior to tonight, but I do appreciate the opportunity to ask these questions. I will let other members ask their questions, if they so desire.

Thank you, Madam Chairman.

THE DEPUTY CHAIRMAN: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Madam Chairman. It's a pleasure to once again get to ask the Minister of Community Development a few questions regarding her department. I, too, first would like to thank her for her letters to some of the younger members of the Edmonton-Gold Bar constituency on how well they did in the Winter Games at Red Deer. I really appreciate the list that she provided for me. I would again like to express my gratitude on behalf of the constituents of Edmonton-Gold Bar.

Now, on the Community Development programs I have some

specific questions for the minister regarding ministry support services. As the hon. Member for Lethbridge-East is always talking about, there is less money to be spent in the department of agriculture, yet the administrative costs are going up. I see here in line 1.0.3 on page 71 where for the same finance and administration the costs are going up in your department as well. If you could outline the reasons for the cost increase, I would be very grateful.

In program 2, community and citizenship services, on page 72 of the government and lottery fund estimates, line 2.1.4, the element for human rights and citizenship, it looks like there's going to be \$500,000 less spent there than there was last year, Madam Chairman. After what we went through here last week in our regard for human rights in this province and the reflection of that in Bill 26, I am curious as to why human rights in this particular context would have less money spent on it. If the minister could also in due course, either by letter or later on this evening, explain to me, please, why there's that reduction, I would also be grateful.

I see below that sport and recreation, which is important. We were talking about that earlier, about the young people from different zones getting to compete against each other. There is a substantial increase in that budget and in volunteer services, and if she could explain the volunteer services program not only to me but to other members of the House, Madam Chairman, I would also be very grateful.

I see the library operating grants. I know the library in the public school that my children attend is always in need of books and other materials; there's never enough. Some of the books in this particular school go back to when I was a child. I read the same books.

MS OLSEN: That wasn't very long ago.

MR. MacDONALD: That was longer than you would think, Madam Chairman.

The \$2 million here: is this going into the purchase of books? Is it going into the operation of libraries, the maintenance or the construction of libraries? And which libraries is this money being spent on? If she could explain that to us, I would also be grateful.

Now, in program 4 on page 74, services to seniors, I see element 4.2.3, special needs assistance grants. It looks like \$3 million less between last year and this year. Could she tell us what exactly is in that program and why there is less money being spent this year. That's quite a substantial reduction.

On the seniors' programs we all know – I think I should give the House a little background on what happened in the last five years. The minister I'm sure is fully aware, but the last five years have been particularly unkind to certain sectors of the senior population. As I go on here, I will explain myself a little further. In the last four years the Alberta government announced the end of age-based universal benefits available only to seniors. The programs that had benefited all seniors regardless of income were eliminated, including property tax reductions and the waiver of health care premiums. Universal programs such as medicare that benefited seniors and nonseniors alike were retained. Seniors in Alberta would henceforth be treated like all other Albertans. Less financially well-off seniors would qualify, of course, for the seniors' benefit.

8:20

We must note, Madam Chairman, that income testing coupled

with age, not age alone, defines entitlement. With this government there's a clear movement away from universal entitlement towards entitlement-based need. In other words, those who are able to pay their own way will be required to do so; those who cannot pay will receive assistance.

This government might well expect that future seniors will be increasingly independent. With more and more seniors qualifying for the Canada pension and further – and this is the most important part – with more women working in the labour force and earning private pensions, in the future there will be more double-pensioner retired families. The one group that has been left aside in all this restructuring – and we need to talk about this – is the women who are now retired, their husbands have passed on, and with the passing on of their husbands their pension or their income has been reduced because when they were younger and eligible to be in the workforce, they were stay-at-home moms. Raising the next generation is perhaps the most important job in society. They stayed at home. They're not eligible for CPP. They're living on very, very modest incomes, and this is the group that has fallen behind. Hopefully they're not going to be forgotten by the Minister of Community Development or other members of her government. I certainly hope that these people are not forgotten.

Alberta seniors have faced net cuts of over \$100 million in their provincial programs and benefits since this government was elected, promising to protect the people who built this province. Total spending on seniors has dropped from about \$1.1 billion in 1992-93 to about \$1 billion for 1996-97. Over this same period the population has aged, but not at the dramatic rates that many people think. Alberta has a very, very slow rate of aging in its population. By 2017 the population age of Albertans over 65 will equal that which exists now in Manitoba, Saskatchewan, and British Columbia, and those provinces are managing very well, thank you very much, with that percentage of seniors retired. That, I believe, is 14 percent of the total population. In Alberta right now, Madam Chairman, I believe it is a little better than 9 percent. It could be closing in on 10 percent of the total population that is over 65. That is an inaccurate fact that is used by many people: that there's an aging population in this province and therefore we have a crisis. It's the furthest thing from the truth.

There were about 240,000 senior citizens in 1992. Today there are about 290,000. [Mr. MacDonald's speaking time expired] Oh. I will have to come back later and finish my remarks.

THE DEPUTY CHAIRMAN: Yes, hon. member. The 20-minute time allocation is up.

Agreed to:

Operating Expense	\$307,651,000
Capital Investment	\$110,000

THE DEPUTY CHAIRMAN: Shall the vote be reported?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

We will now move on to the next department.

Intergovernmental and Aboriginal Affairs

THE DEPUTY CHAIRMAN: Hon. minister.

MR. HANCOCK: Thank you, Madam Chairman. This afternoon

I tabled the responses to questions asked in subcommittee earlier, so tonight I'd like to just address a few remarks with respect to the role of the department.

As Minister of IAA, my vision of the province is a strong Alberta open to the world in a prosperous, united Canada where the rights and aspirations of all Albertans are respected. Our department plays a key role in helping make that vision a reality. We promote a restructured united federal system that better serves Alberta's needs. Through our responsibility for trade policy we are achieving a more open domestic and world trading system. Through our international activities we are strengthening Alberta's intergovernmental relations with our key trading partners. We act as the province's representative in Indian land claim settlement processes, ensuring settlements that are fair and equitable to all parties. We encourage and support aboriginal communities and organizations in achieving self-reliance.

During subcommittee there was a question about the need for a stand-alone Department of Intergovernmental and Aboriginal Affairs when, for example, in Ontario and British Columbia these functions are managed through their Premiers' offices. Well, in fact, Madam Chairman, British Columbia has a minister responsible for intergovernmental relations and a secretariat that is now within the department of advanced education and has its own minister responsible for aboriginal affairs. In British Columbia the combined spending in '97-98 for intergovernmental relations and for aboriginal affairs was \$27.85 million, with a total staff of 169 people. These numbers do not include the responsibilities for trade policy, protocol, or translation.

In Ontario there is a Ministry of Intergovernmental Affairs and a native affairs secretariat, each with its own minister. International affairs and protocol are part of a separate department. Ontario's combined spending for intergovernmental affairs, aboriginal affairs, and international relations and protocol was \$27.3 million for '97-98, with a total staff of 106.

Saskatchewan also provides an interesting comparison. Saskatchewan has a Department of Intergovernmental and Aboriginal Affairs with responsibilities similar to those of Alberta. In '97-98 it had a budget of \$30.69 million and a staff of 70 people.

By comparison, I would remind members that when the \$22 million transfer to Métis settlements is taken into account, the department's remaining budget is \$11.8 million, with a total staff of 90 people.

While dollars and cents and position totals don't tell the whole story, they are useful indicators. It's also useful to examine some of the department's other accomplishments. In addition to those that I've mentioned, during the last year Intergovernmental and Aboriginal Affairs co-ordinated the province's extensive national unity consultation process, compiled all provincial departments' responses to the recommendations of the Royal Commission on Aboriginal Peoples, negotiated a federal/provincial contribution agreement which resulted in a transfer to the provinces of some \$6 million in softwood lumber export fees, and co-ordinated the Premier's participation on the Team Canada mission to Latin America.

Clearly, Intergovernmental and Aboriginal Affairs plays a very important role with and on behalf of the Alberta government. Through the department's informed and experienced leadership, Alberta has earned an excellent reputation provincially, nationally, and internationally. I believe our achievements on behalf of Albertans represent extremely good value when compared to other provinces and extremely good value on a stand-alone basis.

Intergovernmental and Aboriginal Affairs has a strong and continuing record of accomplishments, as I've mentioned, and we intend to continue to build on this for the future.

I'd be pleased to answer any additional questions that might come forward from other members of the House, and I'd respond to any further questions they might have as a result of the tabling of answers that I put forward in the House this afternoon.

8:30

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

MS OLSEN: Thank you, Madam Chairman. I do have a few questions for the minister. I'm looking at goal 2 on page 272 of the Agenda for Opportunity: "To enhance Alberta's relationship with Aboriginal people." As you're aware, there have been some problems over the last year in relation to the Stoney reserve and financial management and mismanagement and a number of other issues on the reserve. I think in the end, after the audit is done, we may indeed see some actual criminal charges come out of there.

I guess I have some concerns with your role in the broader perspective, not just with the Métis people in the province but certainly with the other aboriginal communities. Now that we know that 15 bands in Alberta are running deficits – and deficits is not a good word in this Legislature – and also recognizing that the bands are in fact a federal jurisdiction, what has the minister done to follow up and ensure that on the reserves that are in a deficit position, the needs have been addressed for the particular reserves: the poverty levels on those reserves and the child welfare issues, that the minister of social services might be interested in? I'm concerned that what happened at Stoney is we're now in a position of having the very expensive although necessary regressive step of having an audit done. Plus we also have the actual band management in the hands of third parties.

This is not a cheap process; however, there's an education process that has to occur. I'm wondering if the minister is going to undertake to work with the reserves in terms of assisting bands to come forward with some new ideas. Will the minister come forward with maybe different management practices and try to determine what the problem is and if he can help out at a provincial level? I think those kinds of things need to happen, because although the aboriginal community, those that live on reserves, are living on federal land, we have to also recognize that these are Albertans, and given that they're Albertans, there are certain responsibilities we have to them.

I'm also wondering in relation to outcome 2.2, "effective Alberta participation in Aboriginal self-government discussions," what discussions have actually occurred with the minister. As we know, many of the royal commission recommendations fall into provincial jurisdiction. What negotiations, what protocols are being set up to address those issues?

I also notice that there's some contingent liability set out, and I'm wondering if those land claims and that money set aside for future land claims is within reason and if that money is indeed going to be used this year. Is it going to be set aside forever until the settlements occur?

The other aspect of it. Knowing that this Legislature and the government of today encourages the use of alternative dispute resolution, the government is working with the Indian Claims Commission through the federal government and encouraging the use of mediation in terms of land claim settlements as opposed to the court process and using the courts for this particular activity.

We know what it costs to run through the courts, especially if decisions end up in the Supreme Court for a Supreme Court ruling. So I'm wondering about that and where the minister is with that.

We know that approximately 4.4 or maybe up to 5 percent of the population of Alberta is aboriginal, and we also know that we have a fast-growing young population. We're in a position now where many of our aboriginal folks live in poverty. We now know that 15 reserves are in a deficit situation. What is the minister doing to encourage all parties at all levels of government to work towards better education, better health care, and encouraging young aboriginal kids to stay in school? What responsibility does he feel he has, or does he just feel that this is a federal responsibility?

What role is the ministry taking in terms of child welfare on reserves? We've got the redesign of children's services happening, and we know indeed that the aboriginal communities, especially the urban aboriginal communities, want to take control of their children. In respect to that, is the minister working with the Social Services minister to ensure that that particular transition occurs?

We also know that there are some problems in hiring and even with getting aboriginal community members appointed to the Family and Social Services boards that are being developed. Part of that is because they have to go through some records checks with child welfare. What is the minister doing to alleviate the problems that are going to occur and the barriers that are already systemic? What is he doing to help reduce those barriers to ensure that we meet the goal of having 50 percent of aboriginal members on the boards?

My other concerns revolve around the issue of Métis rights, some concerns about the legislation as it exists undermining Métis rights with respect to the federal government. We're wondering if there have been any comments made to the minister or through his ministry by the grassroots aboriginal or Métis folks, that maybe aren't on settlements or don't feel they're represented at the Métis grand council or the settlements council, in terms of the Métis acts leading people to believe that the Métis are a provincial responsibility. I'm wondering if the minister can reflect on what is being pushed and stated in the acts. It would seem to me that the whole issue of the Métis community in the province – you know, people are led to believe that it does fall within the responsibility of the provincial government when indeed those responsibilities and rights under sections 35 and 91 of the 1982 Canadian Constitution are actually giving that responsibility or delegating that responsibility to the provinces. There are some of the grassroots aboriginal or Métis people concerned that they're not being well represented, I guess.

The other thing – and I know we have legislation on the table, so I won't get into that – is that there certainly are some concerns that the actual settlement members are not all going to be represented and haven't been represented. So I'm wondering what the minister is going to do about that public consultation with all the aboriginal communities, not just with the Métis settlements council or the grand council and the councillors. What is the minister doing to ensure that there's a democratic process in obtaining feedback on anything to do with the Métis settlements?

With that, I would leave it to my colleague from Edmonton-McClung to deal with FIGA.

THE DEPUTY CHAIRMAN: The hon. Leader of the Official Opposition.

8:40

MR. MITCHELL: Thank you, Madam Chairman. I have a number of questions and comments I'd like to make to the minister, and I look forward to his responses.

First of all, as he is a member of the Conservative Party, I'm dying to know whether or not Jean Charest is actually going to run for the Liberals in Quebec. This is, of course, critical. It could be critical in the national unity debate, for which the minister has a responsibility on Alberta's behalf. I thought that with his inside and intimate knowledge of the Conservative Party, he might actually be able to tell us whether Mr. Charest is going to do that.

MR. HANCOCK: You can count on it, Grant.

MR. MITCHELL: Count on it. Okay; I'm with him on that.

Then the corollary to that of course – and this would have some consequences for national unity; we don't know quite which way perhaps. Will the Premier of the province be running for the federal Conservatives? [interjections] Well, there it is. Yeah, that could probably be arranged. [interjections] Given that they don't have much to do, it wouldn't be much of a change for him. Although the mistakes that he might make wouldn't be as disastrous for the province of Alberta as the ones he's recently made. So I'd be interested in knowing.

Could he perhaps comment on the statement that was made by the Premier in the newspaper today or the *Globe and Mail* recently that said he was one of a number of people who were pushing to have the federal Conservative leadership delayed for a year? Now, would that kind of enhance the likelihood of him running and give him some time to build his case and raise money and put himself in a strong position – to be relevant to this minister's department – to have a national role in the national unity debate?

I would, in all seriousness, like to congratulate – he's probably never going to hear this again, so he might want to listen to this – the minister on the excellent work he did in the time leading up to the December national unity debate and the work that he did during that debate. Yes, it was excellent work, well done, and the results were very satisfying I think for everybody in the House. So congratulations to him.

Madam Chairman, given the new business orientation of the business plan and now the revenue and expense statement in the department – the income statement we call it – I am dying to know exactly what the forecast \$6,000 revenue in the department of intergovernmental Affairs would be for. Is there somewhere in this business plan that he's actually going to work at increasing it? I'd like the minister to just give us some background about his thinking on the MAI, both with respect to its schedule and also with his assessment of its impact. [interjection] Absolutely. We'd take it.

MR. HANCOCK: We all have to take it.

MR. MITCHELL: Yeah. It must be tough. At least we don't have to listen to it in caucus.

Now, the other thing I want to talk about is Alberta's national image and its international image, the relevance of which I think is captured for the minister's job in his mission statement, which is

to lead the development of government-wide policies and strategies for Alberta's relations with other Canadian govern-

ments . . . the Aboriginal community, and international governments and organizations.

Elsewhere in the business plan, under major strategies: "Canadian foreign policies and positions which reflect Alberta's priorities and interests." Explaining that is another statement: "Advance Alberta's positions in Ottawa and internationally on priority issues." In all seriousness, I wonder whether the minister could indicate to the House how he feels the coverage and the exposure received for this government's failed but nonetheless attempted initiative to bring in the notwithstanding clause and to abuse people, to trample, if I can use that word, on vulnerable Albertans' rights – how does that promote the interests of Albertans and Alberta with other provincial governments, and certainly how does that promote Alberta's image internationally, where the questions of rights are relatively sensitive and important questions? Not only does it reflect on what we are as a people in Alberta and send a message that is not very becoming and is not true about what we are as a people, but it can also have economic consequences. If this government keeps sending messages like that to other provinces and internationally, then it becomes less and less appealing at some point for people to invest externally, to invest in Alberta, and to come here.

That becomes compounded by two other factors. One factor is that we are having a diminished quality of health care. That message is getting out there. I think we're going to start to see some survey results that indicate that that message is getting out to Canadians who think that our health care system is not a very good health care system. That message is going to get out that our education system is one of the lowest funded in North America. While they can argue that taxes attract people, I'll tell you what will discourage people from coming here: messages about how this government neglects and abuses people's rights, messages about how our health care system is one of the worst funded in the entire country and is beginning to show with concrete consequences that fact. A third thing is that the message is being sent out about our education system, which is very profound to businesses and executives and managers and people who make the decision to come here, because they don't want their children to live in a place where their rights won't be respected, where their rights can be taken away on a whim, and where their health care and their education are not being properly supported.

Another point under this concerns me and underlines to me that the kind of apology we saw last week on the notwithstanding clause, which sent these negative messages across the country, wasn't necessarily a genuine, heartfelt concern amongst your caucus members. We saw a glimpse of that today in a question from the Member for Little Bow when he said – and there was anger in his voice and on his face – "If in fact you want to make more room, many of my constituents have asked me to ask you, Mr. Treasurer, if you'll look at reducing some of the social engineering commissions that we have [here]." That is a value-laden – well, I use that word loosely – pejorative and ugly, ugly statement, and it underlines yet again exactly the sentiment that we saw last week on Tuesday.

MR. McFARLAND: You know what you're calling my constituents, Grant.

MR. MITCHELL: Barry, you can stand up and you'll have your chance to talk. You can talk anytime you want. You know exactly what you meant with that question, Barry, and you're angry about . . .

THE DEPUTY CHAIRMAN: Order. Order.

MR. MITCHELL: Well, he's talking to me. Tell him to stop talking to me.

Chairman's Ruling Relevance

THE DEPUTY CHAIRMAN: Now we have before us the estimates and business plan, not what happened in question period today. Let's have some relevance here.

Carry on, hon. member; you have a minute and 56 seconds.

MR. MITCHELL: I'll just get up again.

MRS. SOETAERT: You can't. It's the final one.

MR. MITCHELL: Oh. Well, I'll just finish it off.

Debate Continued

MR. MITCHELL: The fact is that that ugly, ugly attitude that we saw last week on Tuesday and on Wednesday is still alive and well unfortunately in that caucus. He can say whatever he wants, but this minister has a responsibility to stop this stuff because it's sending messages across this country that are ugly messages that don't reflect what we are as Albertans.

Finally, I would like to say to him: what is his strategy to deal with the fact internationally of the impact of a Premier who stands up in Beijing and says, "Let's forget about Tiananmen Square"? That sends very ugly messages about us. Then he goes to Hong Kong and compounds it by saying: I don't want to meet with prodemocratic groups; I want to meet with people who are positive. Will the minister stand in this House and say he's going to start to take some responsibility for the kind of messages, ugly messages, that are being sent across this country and around this world that are hurting Albertans' image? I'd like to see him say that, and I'd like to understand that he's going to sit down with Little Bow and sit down with the Premier and sit down with the Justice minister and just tell them to watch what they say and watch what they do, because the time has come that if we want to be sophisticated in international circles and we want to be sophisticated in increasingly globalized economic circles, we'd better be sophisticated about what we do and say in this Legislative Assembly. Notwithstanding clauses and social engineering are ugly, ugly ideas that he's got to stop.

Thank you.

8:50

THE DEPUTY CHAIRMAN: After considering the business plan and proposed estimates . . . [interjections] Order. Order. Hon. member, you have finished speaking. Order. And through the chair.

After considering the business plan and proposed estimates for the Department of Intergovernmental and Aboriginal Affairs, are you ready for the vote?

HON. MEMBERS: Yes.

THE DEPUTY CHAIRMAN: Opposed?

Agreed to:

Operating Expense

\$24,350,000

THE DEPUTY CHAIRMAN: Shall the vote be reported?

HON. MEMBERS: Agreed.

THE DEPUTY CHAIRMAN: Opposed? Carried.

head: **Supplementary Estimates 1997-98
General Revenue Fund, No. 2**

THE DEPUTY CHAIRMAN: We will now move on to supplementary estimates, day two of two.

The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you very much, Madam Chairman. I realize last night we debated these estimates, and I am pleased to add some of my comments and concerns about them.

I guess you need supplementary estimates when you don't plan well. So I guess that's why we're here: because there wasn't good planning done on all of this. Though I will admit . . . [interjection] What did you say, Mr. Minister? You're here because you have to have supplementary estimates because you couldn't figure it out with the first estimates.

However, to be an ever accommodating member of the opposition, I will say that under Transportation and Utilities, the disaster services, that was virtually to provide assistance to Wood Buffalo to offset costs from the closure of the winter road from Fort MacKay to Fort Chip. So of course I would support that. In fact, interestingly enough, I wrote a note to the minister of transportation that day indicating that I was going to ask him a question: how could he allow that road to melt?

AN HON. MEMBER: It was the warmth of his personality.

MRS. SOETAERT: Yeah. It was the warmth of his personality. Fortunately he appreciated my humour. I did not ask the question in question period, but I thought, personally, that it was kind of funny.

Another thing in these supplementary estimates was \$130 million for the new millennium so that our computers can be in sync with the world. Of course we need that money. I'm disappointed to see that there's not more money for basic needs other than computers, but of course we need to make that change. I'm surprised it's coming in at this time. I thought it was something that hon. members on both sides of the House had brought to the minister's attention for actually a couple of years. So I guess the fact that it's going now, they'll have about a year and a half to work at that. It will be interesting to see the end result of that expenditure.

I see also that there were some dollars spent on support services in Health. No; it was just the computer. Okay.

Something else here in Education. Now, it's interesting that the Minister of Education, with his entire department and I'm sure all the people and information at his fingertips, hasn't figured out what his mortgage is. That virtually is what it is: you didn't figure out that you were \$4 million short on this. Is that correct? Yes, in simplistic terms, that is kind of it.

[Mr. Tannas in the chair]

The minister of intergovernmental affairs, IGAA – is it just IGAA? That's a bad acronym, IGAA. The Minister of IGA says: ah, what's \$4 million? However, \$4 million is a lot of money. I would suggest that with all the expertise within your department, maybe you could do a little better at financing there and figure out exactly what you owe. One would expect one

wouldn't do that with their own mortgage: just be \$4 million short. However, we can always hope that things will improve.

I want to talk about the Economic Development estimates, the lottery fund payments. Now, I can't help but think that those lottery dollars are virtually a slush fund that any one minister can spend on a whim, on a political whim, on pressure from, oh, an MLA for maybe internal lobbying for all kinds of favours. Oh, they're shaking their heads: "No, no, no; there's no payment in my neck of the woods. Not me, no. No more halls there with the minister's picture and a framed cheque. No, no, no; not in my neck of the woods." I'm afraid it happens in the province of Alberta, Mr. Chairman, and that concerns me a bit.

I'd actually like some explanation about what the agricultural initiatives were, and even though it's under the Department of Economic Development, maybe the Minister of Agriculture, Food and Rural Development would respond to what those agricultural initiatives are and how they will improve – maybe value added, maybe something for the people in rural Alberta, the ones that I like to represent in my portfolio as agriculture critic.

Cultural initiatives; okay. Recreation initiatives. More CFEP programs: that's something I spoke about earlier, and I'm going to say it again here. I think that when those cheques are presented, whether you're an MLA of a Liberal persuasion or a Conservative persuasion or an ND persuasion, if it's in your constituency, you should present the cheque. I know sometimes I've been with the hon. Member for Stony Plain and we have shared the platform, and that's very nice, but truly if it's in my neck of woods, I would appreciate making those presentations myself. [interjection] What?

THE CHAIRMAN: Through the chair.

MRS. SOETAERT: Yes, it's true; they can stand up and speak, but one never knows what will come out.

I know that we've already gone through the Leg. Assembly. That's an interesting supplementary supply, because that's something we don't debate in here. We just agree because there's no ministry of the Legislature that we can question, though we have an all-party committee who does see that through. So that's an interesting process.

I see that short-term deficits of RHAs are going to be addressed. I'm wondering if that's going to come from the \$45 million in VLT revenues in the March fiscal update there. I wish that this government would balance its books without squeezing the money out of gambling addicts. I think it's a pretty sad statement that more revenue comes from gambling addictions than from oil revenues. I would venture to say, then, that we have a revenue problem in this province, that we aren't addressing that issue very, very seriously, and I would urge this government to do that.

If there's going to be a review done on the year 2000 and the impact on the health authorities, who's doing that review and when will that be released to us? I'd appreciate more information on that.

I am concerned that lottery dollars are a very unstable – if that's the word – source of funding. If I could give one humble suggestion or bit of advice: I think we have to seriously look at not using the revenue from VLTs. What if this province did decide to get rid of VLTs? A good government should plan for that and certainly encourage that. I think that what we save in social costs of gambling addiction will make up for the lost revenue. I don't think people realize just how far-reaching and

how devastating the effects of addictive gambling are and what it does to families.

With those few remarks on supplementary estimates – I appreciate that the reason we have these is because something's happened with regard to disasters and roads melting. On the other hand, it's poor planning on some department's part. However, since it's our job to always keep you on your toes, we enjoy debating these supplementary estimates to find out where the government has once again miscalculated.

So with those few remarks, Mr. Chairman, I appreciate the opportunity to debate supplementary estimates.

9:00

THE CHAIRMAN: Okay. The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Chairman. I, too, have a few words on supplementary estimates, No. 2. We've had No. 1; now we have No. 2. This is our second chance to get it right. Three strikes and you're out.

This Legislative Assembly is being asked to approve \$135 million more in the 1997-98 fiscal year for the general revenue fund and the lottery fund. Now, over \$260,000 of this, as I understand it, is being used for the office of the Auditor General, the office of the Ombudsman, the office of the Chief Electoral Officer, and the office of the Information and Privacy Commissioner for the payment of achievement bonuses to employees. Well, if these employees are entitled to an achievement bonus, the frontline health care workers, the support staff in six or seven of the city's hospitals – I should say not the city but metro Edmonton so I can include the Sturgeon hospital in this – they, too, deserve a wage increase. Hopefully, there will be money set aside – the Premier indicated on Monday that there would be money set aside – so those people can enjoy a wage increase as well as the other employees. I'm not saying the employees at these offices do not deserve a wage increase, because certainly I just have to look at the Auditor General's office and the fine, outstanding work the Auditor General and his officials did in the last year in pointing out to the general public the problems in the Department of Labour with the overdue inspections of pressure vessels. The Auditor General was right on that one, and his staff certainly deserve a bonus, an increase.

Now, \$130 million is being requested to authorize payment from the lottery fund to the Department of Health to ensure that the health system's medical equipment, facility operating equipment, and core systems are year 2000 compliant. The Auditor General, getting back to this department again, made recommendations on year 2000 compliance over two years ago, in his 1995-96 annual report. It was the second recommendation, on page 29. What took this government so long to act? Why was this \$130 million not built into the 1997 budget presented last April? Everybody knew about this. I believe there were indications from across the way this afternoon that we only found out about this last year. Well, the Auditor General knew two years ago, and it was in his report. Perhaps the hon. members across the way, Mr. Chairman, should read the Auditor General's report more diligently. This allocation of funds is evidence that this government needs better budget management systems. It's as simple as that.

This government is rapidly becoming the king of supplementary estimates. This is the second set; this is the son of supplementary estimates. This Legislative Assembly has been asked to appropriate an additional \$720 million for the current fiscal year

over the last two months. This is indication to this member, in the short time I've been in this Assembly, that this prudent fiscal management you talk about – you're not practising what you talk about. It's right here.

Now, \$1 million is being appropriated for the Ministry of Transportation and Utilities “to provide . . . assistance to the Regional Municipality of Wood Buffalo to offset costs resulting from the closure of the winter road between Fort MacKay and Fort Chip.” Well, this is an unfortunate occurrence. The mild winter conditions have made the winter road unsafe, particularly a few of the ice bridges. These contingencies happen. That's a \$1 million cost. But \$130 million for a computer compliance that was outlined two years ago: that is unacceptable.

Education. We've heard many, many times – and it goes back to the Growth Summit last fall – about the value that this government is going to put on education and the public education system, not only the elementary and the high schools but also the technical schools and the universities. What we're looking at here is a little over \$4 million, Mr. Chairman, requested for the Ministry of Education

to fund the payment of accrued interest on \$70,500,000 of school capital construction debentures which are subject to early principal repayment. Prior to early principal repayment, these interest payments were due in 1998-99.

This is all said and done, but it is another indication that perhaps we are not paying attention to our own individual departments. Perhaps we're more worried about giving money to the private school system, a 20 percent increase, when we should be watching our own department.

With those few comments, Mr. Chairman, I shall leave the floor to the hon. Member for Edmonton-Glengarry. Thank you.

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

MR. BONNER: Thank you very much, Mr. Chairman. I just have a few comments, and these will be in regards to the Ministry of Education and also the Ministry of Transportation and Utilities. This is a very recent event that came to my attention this evening. When I look in here to see that there's \$4.37 million being appropriated for Education and \$1 million being appropriated for the Ministry of Transportation and Utilities, it is not enough. It is not enough, particularly in light of events that occurred earlier this evening, when the Member for Spruce Grove-Sturgeon-St. Albert actually had to board a school bus and make a tour around the grounds to make certain that that school bus was being operated properly. So I would like to see . . .

MR. MacDONALD: That it was safe.

MR. BONNER: Yes. If I might direct a question to the hon. Member for Spruce Grove-Sturgeon-St. Albert, I'd like to know if she did find that school bus safe this evening as she toured around the Legislature Grounds.

MRS. SOETAERT: Yes. You had to tell that story.

MR. BONNER: I just have been telling that story for the last five minutes.

Then in continuing, Mr. Chairman, just a few other comments about the \$4.37 million that has been allocated to Education. I would like to know, since this money is to support the net present value of the early repayment option – I would support that if we are going to save some money on it, so my questions are to the

minister. Are there any interest penalties associated with the early payment of these debentures in 1997-98 considering that they were for repayment, I see here, in 1998-99? Were there any savings? If so, if they could indicate how much.

9:10

My second question would be: which of the debentures are being repaid early? I know there's quite a number of them out there, and if he could provide me with that piece of information, that would be of great assistance as well. What were the terms and the original principal amounts of these debentures? What are the interest rates on the debentures if they're being repaid earlier? Was it an option at all to renegotiate these? Who are the holders of the debentures that are being paid early?

Of course, to get back to the net present value, what is the net present value of retaining the original payback schedule versus a net present value calculated for the early repayment option?

My final question, in regards to Education of course, is: what are the assumptions used in calculating the net present value of these options?

So with those questions, Mr. Chairman, I would like to close.

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

MS OLSEN: Thank you, Mr. Chairman. I just have a few comments to make in relation to the \$130 million being requested to authorize payment from the lottery fund to the Department of Health to ensure that the health system's medical equipment, facility operating equipment, and core systems are year 2000 compliant. Now, I know that many of my colleagues have spoken to this issue. I find this very curious, and today in public accounts I spoke and asked questions of the minister and the Department of Energy. His deputy minister and crew, when I asked about year 2000 compliance, stated that they started well over two years ago, and the reason for that was the impact that the year 2000 is going to have on the systems that are operated within the Department of Energy. Some of those systems are 15 years old, and they recognized that this needed to be addressed.

I also find it rather interesting that in other estimates and even last year I was asking about year 2000 compliance, and departments had been under way for a year. So I'm just wondering how in heaven's name this government decided this was a brand-new problem for the RHAs, an absolute brand-new problem when indeed they had the foresight to deal with their own year 2000 problems in the last two to three years. It's pretty tough to convince the average person out there that this just dawned on this government given that they've recognized it within their own department and have addressed and are addressing it.

Now, I think there are other issues to address in relation to that. We know that in Leg. Assembly, for instance, our turnover rate in that particular area of systems analysts and IT people is 90 percent. So if we're having that kind of turnover because we can't pay the professionals the money they need, then that's going to have an even larger impact on the year 2000, because private industry is offering those folks tremendous salaries and is taking them away. So we have turnover, and maybe you can help me to understand. Have you hired consultants?

AN HON. MEMBER: Medical equipment.

MS OLSEN: Well, exactly. Medical equipment. That means that a pacemaker's going to expire. You know, if my pacemaker was set to the year 2000 and it's gone, it stops, so I'm history. Now,

this is in relation to medical equipment, as the minister says, but my question to you is: why did this just dawn on you today, when we know that every other aspect of the computer industry is covered in this government? So it's not news. I have difficulty believing that this is just brand new, and I think you're trying to bamboozle the public. You know that.

**Chairman's Ruling
Decorum**

THE CHAIRMAN: Normally, hon. member, you talk through the chair as opposed to other places, which will be less likely to engage other people. At the same time, I apologize for interrupting you, but we were getting a fairly lively discussion going in half a dozen or perhaps even more places in the Chamber. I would invite all those people who wish to engage in lively conversation to do so in either the Confederation Room or the other lounge out here.

In the meantime, hon. member, you can continue your discussion through the chair.

Debate Continued

MS OLSEN: Thank you, Mr. Chairman. I appreciate the direction.

As I was saying, we now have RHAs who are in deficit positions. I guess my suspicion is that if the government provides \$130 million to deal with this problem, then the RHAs can free up money to deal with problems that they have. So I get concerned about this government's ability to manage and to manage the department of Treasury. We continue to lowball rates for oil and gas so we can ensure that we have large surpluses. And that's not just something that's happening in this province. This is a phenomenon throughout North America. It's happening in small states like Kentucky, who are ending up with \$700 million surpluses. Their revenue generation is through the horse industry. They're doing the same thing. It's quite interesting how we get ourselves into these positions, and now we see what the bouncing economy is doing.

I think I can more than say that Albertans are not going to be convinced that this government didn't know that the health equipment and the medical equipment and all that kind of stuff was not going to be year 2000 compliant, that this government didn't know, that it didn't have the foresight.

With that I will take my seat, and hopefully we can adjourn.

THE CHAIRMAN: After considering supplementary supply, general revenue fund estimates, No. 2, for the fiscal year ending March 31, 1998, are you ready for the vote?

HON. MEMBERS: Agreed.

Agreed to:

Legislative Assembly

Office of the Auditor General	
Operating Expense	\$203,000
Office of the Ombudsman	
Operating Expense	\$24,000
Office of the Chief Electoral Officer	
Operating Expense	\$10,000
Office of the Ethics Commissioner	
Operating Expense	\$4,000
Office of the Information and Privacy Commissioner	
Operating Expense	\$26,000

Education

Operating Expense \$4,370,000

Health

Operating Expense \$130,000,000

Transportation and Utilities

Operating Expense \$1,000,000

THE CHAIRMAN: Shall the vote be reported?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

The hon. Deputy Government House Leader.

MR. HAVELOCK: Mr. Chairman, I would now move that the committee rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

MRS. GORDON: Mr. Speaker, the Committee of Supply has under consideration certain resolutions, reports as follows, and requests leave to sit again.

9:20

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1999.

Legislative Assembly, \$21,986,219 support to the Legislative Assembly; office of the Auditor General, operating expense \$12,089,210, capital investment \$404,500; office of the Ombudsman, operating expense \$1,460,500; Chief Electoral Officer, operating expense \$1,761,021; office of the Ethics Commissioner, operating expense \$197,732; office of the Information and Privacy Commissioner, operating expense \$1,582,724.

Mr. Speaker, the Committee of Supply has under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ended March 31, 1999, for the departments and purposes indicated.

Intergovernmental and Aboriginal Affairs: \$24,350,000 operating expense.

Community Development: \$307,651,000 operating expense; \$110,000 capital investment.

Mr. Speaker, the Committee of Supply has under consideration certain resolutions for the 1997-98 supplementary estimates, general revenue fund, No. 2, for the fiscal year ending March 31, 1998, reports the approval of the following estimates, and requests leave to sit again.

Legislative Assembly: \$203,000, office of the Auditor General

operating expense; \$24,000, office of the Ombudsman operating expense; \$10,000, Chief Electoral Officer operating expense; \$4,000, office of the Ethics Commissioner operating expense; \$26,000, office of the Information and Privacy Commissioner operating expense; Education, \$4,370,000 operating expense; Health, \$130 million operating expense; Transportation and Utilities, \$1 million operating expense.

THE DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed. So ordered.

MR. HANCOCK: Mr. Speaker, I would request unanimous consent of the Assembly to revert to Introduction of Bills.

THE DEPUTY SPEAKER: Is there unanimous consent from the Assembly to revert to Introduction of Bills?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? Carried.

head: **Introduction of Bills**
Bill 31
Appropriation Act, 1998

MR. HANCOCK: Mr. Speaker, on behalf of the Provincial Treasurer I request leave to introduce Bill 31, the Appropriation Act, 1998. This being a money bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of the bill, recommends same to the Assembly.

[Leave granted; Bill 31 read a first time]

Bill 32
Appropriation (Supplementary
Supply) Act, 1998 (No. 2)

MR. HANCOCK: Mr. Speaker, on behalf of the Provincial Treasurer I request leave to introduce Bill 32, the Appropriation (Supplementary Supply) Act, 1998 (No.2). This being a money bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this bill, recommends same to the Assembly.

[Leave granted; Bill 32 read a first time]

[The Assembly adjourned at 9:28 p.m.]