

## Legislative Assembly of Alberta

Title: **Thursday, March 19, 1998** 1:30 p.m.  
Date: 98/03/19  
[The Speaker in the chair]

### head: Prayers

THE SPEAKER: Good afternoon. Let us pray.  
God, give us the serenity to accept what cannot be changed.  
Give us the courage to change what should be changed.  
Give us the wisdom to distinguish one from the other.  
Amen.  
Please be seated.  
Hon. members, I'm pleased to acknowledge that tomorrow is the anniversary of 12 of our colleagues who were first elected to the Legislative Assembly of Alberta in the general election of March 20, 1989.

### head: Presenting Petitions

MR. DOERKSEN: It's my pleasure to present a petition from 1,845 residents from the constituencies of Red Deer-South, Whitecourt-St. Anne, Lesser Slave Lake, Edmonton-Beverly-Clareview, Redwater, Lac La Biche-St. Paul, Vermilion-Lloydminster, West Yellowhead, Calgary-Mountain View, St. Albert, Lethbridge, and Drayton Valley-Calmar. These petitions are regarding Bill 29, Medical Profession Amendment Act, 1997.

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

DR. PANNU: Thank you, Mr. Speaker. I'd like to present a petition signed by 115 Albertans who objected to Bill 29, the Medical Profession Amendment Act, 1997, and further object to the current Bill 24, Medical Profession Amendment Act, 1998, which is before the House now.

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

MS BLAKEMAN: Thank you, Mr. Speaker. I also rise to present a petition signed by 1,745 medical professionals and also patients who are asking for more public input on the ideas brought forward in Bill 29, which are now included under Bill 24.  
Thank you.

THE SPEAKER: The hon. Member for Leduc.

MR. KLAPSTEIN: Thank you, Mr. Speaker. I wish to present to the Legislative Assembly of Alberta a petition signed by 158 constituents, most of whom are from the constituency of Leduc, but other constituencies in Alberta are represented as well. This petition pertains to Bill 29.

### head: Reading and Receiving Petitions

THE SPEAKER: The hon. leader of the ND opposition.

MS BARRETT: Thank you, Mr. Speaker. I'd like to ask that the petition I presented yesterday be now read and received.

THE CLERK ASSISTANT:

We, the undersigned, members of the medical profession and our patients, being residents of the Province of Alberta and of the age of majority, hereby petition the Legislative Assembly to urge the

Government of Alberta to refrain from bringing forth to the Legislature for debate and vote thereon a bill that was presented in the last session of the Legislature at its last sitting as Bill 29, i.e. The Medical Profession Amendment Act of 1997.

### head: Tabling Returns and Reports

MRS. McCLELLAN: Mr. Speaker, I'm pleased to file an information bulletin commemorating the United Nations International Day for the Elimination of Racial Discrimination, March 21. This bulletin notes events that communities are hosting to commemorate this special day.

I'm also filing a letter I sent to congratulate the Heebie-jeebees, a Calgary-based a cappella performing group, for winning the first place and audience favourite awards at the northwest regional Harmony Sweepstakes American a cappella competition. They are the first Canadians ever to advance to the American finals, Mr. Speaker. And of note: one of the members is the son of the Member for Calgary-Egmont.

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

DR. MASSEY: Thank you, Mr. Speaker. With your permission I'd file five copies of a memo from Carolyn DesLaurier, the resident representative in the Good Samaritan centre in Mill Woods. The memo is to the Capital health chronic ventilator/respiratory expert panel.

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

MR. SAPERS: Thank you, Mr. Speaker. I have three sets of tablings today with your permission. The first is a copy of five letters from the Minister of Family and Social Services to Joan MacDonald, who's the director of the Early Head Start program in Mayfield school.

The second is five copies of a package of correspondence from advisory board members of the Early Head Start program at Mayfield school and many parents and families who use the program who write in support of the continuation of that program.

The final tabling is five copies of correspondence from Joan MacDonald, the program co-ordinator, to myself advising me that in fact the office of the commissioner for services to families and children has advised the program at Mayfield school that their budget is about to be cut.

### head: Introduction of Guests

THE SPEAKER: The hon. Member for Little Bow.

MR. McFARLAND: Thank you, Mr. Speaker. It's a great deal of pleasure today to introduce to you and through you to members of this Assembly some 40 people, including 30 students, who have come up out of the snow from Vauxhall elementary school. I believe they've been here every year with their teachers. It would give me a great deal of pleasure if they'd rise while I introduce three teachers, six parents, one bus driver and the rest of the students: Mr. Terry Olfert, Mr. Irwin Warkentin, Mrs. Michelle Sawchuk along with parents and bus driver Brad Odland, Harry Wall, Anne Cazemier, Cindy Willis, Barb Burrows, Phyllis Erickson, and Jay DeJong. They are seated in the public gallery behind us. I apologize that I can't see them and wave, but would they please stand and receive the traditional warm welcome of this Assembly.

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

MR. BONNER: Thank you very much, Mr. Speaker. I'm honoured today to introduce to you and through you to Members of the Legislative Assembly Mrs. Doris Yearwood and Mrs. Jessie Spencer. Mrs. Yearwood is the granddaughter of Peter Gunn, and Mrs. Spencer is the niece of Peter Gunn, a former MLA from Lac Ste. Anne who served the province of Alberta in the second and third Legislatures. In 1909 Peter had the distinction of winning his seat the way many of us would like to: by acclamation. As well, the town of Gunn is named after him. They are seated in your gallery, Mr. Speaker, and with your permission I would ask that they now rise and receive the traditional warm welcome of the House.

THE SPEAKER: The hon. Minister of Economic Development.

MRS. BLACK: Thank you very much, Mr. Speaker. I am pleased to introduce to you and through you to members of the Legislative Assembly Señor Jesus Almada. Señor Almada hails from Mexico City, where he is involved in promoting the arts as well as working to establish a 911 system for Mexico. He is also a founding member of the Foundation of the Sea of Cortez, a group dedicated to preserving the environment of the Gulf of California.

Of interest also, Mr. Speaker, Señor Almada's grandfather served as the president of Mexico in the 1930s. He is here as the guest of Tom and Patty Whiting of Canadian Oilfield Stimulation Services and will be meeting with a number of Alberta companies interested in pursuing business opportunities in Mexico.

Mr. Speaker, they are seated in the members' gallery, and I would ask them to please rise and receive the warm reception of this Assembly.

THE SPEAKER: The hon. Member for Peace River.

MR. FRIEDEL: Thank you, Mr. Speaker. It's my pleasure to introduce to you and to the members of this Assembly 24 visitors from the High Level army cadet corps. There are 21 cadets here today along with three group leaders: Ron McIntosh, Bonnie Batt, and Vickie Batt. They're in Edmonton on a citizenship tour and also a tour of Edmonton's military base. They're seated in the members' gallery, and I would ask that they rise and receive the traditional warm welcome of this House.

1:40

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

MRS. O'NEILL: Thank you, Mr. Speaker. It gives me pleasure this afternoon to introduce to you and through you to Members of the Legislative Assembly three of my former colleagues in real estate. They are Terry Porter and Bill Day from Royal LePage and Ginny Morgan from Realty Executives, all from St. Albert. They're in the members' gallery, and I would ask them to please rise and receive the warm welcome of the Assembly.

THE SPEAKER: The hon. Member for Bonnyville-Cold Lake.

MR. DUCHARME: Thank you, Mr. Speaker. On behalf of my colleague from Athabasca-Wabasca it gives me great pleasure to introduce to you and through you to the members of the Assembly 30 students from Boyle school. They are accompanied by their teachers: Mrs. Corrine Sachko, Mrs. Emily Thomson, Mrs.

Cindy Stanton, Mrs. Marian Wlos. Parent helpers also here today are Mr. Jim Giancola, Mrs. Helen Patenaude, Mr. Richard Korbut, Ms Joan Mahoney, Mrs. Bonnie Lega, and Mrs. Lorraine Van Hees. They are seated in the members' gallery, and I'd ask that they please rise and receive the traditional warm welcome of the Assembly.

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

MS BARRETT: Thank you, Mr. Speaker. It's my pleasure to introduce to you today five members of the Alberta Union of Provincial Employees. They are hospital workers hoping to avert job action that could come as early as tomorrow. Vice-president of AUPE, Earl Thompson, Dianne Mair, Carol Drennan, Rosemary Harris, and David Parker, comprising the Legislative Committee for AUPE, are in the public gallery. I'd ask them now to rise and receive the traditional warm welcome of the Assembly.

head: **Oral Question Period**  
**Surgery Waiting Lists**

MR. MITCHELL: Mr. Speaker, people in northern Alberta are clearly frightened because the Capital health authority can't meet their needs. I quote from a letter by a resident of the Peace River area who says:

I say a silent prayer daily that nobody I care for will become seriously ill or have an accident. Having to be flown out to Edmonton and not being able to go because there are no beds!!

Dr. Dave Welch of Peace River said yesterday: people are dying because we can't get them in; I have lost two patients in the last 18 months waiting for open-heart surgery. To the Premier: what plan has the Premier got in place to deal with the fact that two weeks is the recommended maximum waiting time for patients urgently requiring bypass surgery but Albertans wait an average of 19 weeks for this life-saving procedure?

MR. KLEIN: Mr. Speaker, I would think that situations differ case to case. Relative to the general and overall policy with respect to what might be deemed a reasonable waiting time, I'll have the hon. Minister of Health supplement.

MR. JONSON: Mr. Speaker, the professional medical establishment in conjunction with the regional health authority has a set of clinical practice guidelines and criteria for classifying heart patients as urgent, serious, and they manage their caseload accordingly.

Mr. Speaker, the waiting times for heart surgery in Edmonton have been reducing. The last records I have indicate that all urgent cases in the general sense over the past six months or so have been scheduled and have been dealt with, albeit we have had this one very, very difficult weekend in terms of the backup of acute care beds.

Overall, Mr. Speaker, particularly helped by our major infusion of provincial program funding, overall the record would show that the waiting times in the Capital region for heart surgery have been reducing.

MR. MITCHELL: They're reducing because people are dying on the waiting lists.

Does the Premier not understand what it means to rural residents who travel to the city, often with a family member who has taken time off work, get prepared for surgery, only to find it

canceled, and they have to travel all the way home to start the process yet again?

MR. KLEIN: I will say, Mr. Speaker, that I found the remark as part of the preamble of the leader of the Liberal opposition to be callous and irresponsible.

Cases differ, Mr. Speaker. Relative to the specific situations, I can't comment because I don't have the information in front of me. Relative to the general policy, again I'll have the hon. Minister of Health supplement.

MR. JONSON: Mr. Speaker, I would like to indicate that we did go through a very difficult time in the Capital region with respect to the backup in terms of emergencies, and in the acute care sector there was a major difficulty in getting people transferred from acute care beds into long-term beds within the Capital region. We have acknowledged that that situation did exist. I think the Capital health authority and staff worked very well to address and to alleviate that situation.

With respect to the overall area of heart surgery, I have already indicated – and I will repeat – that in terms of the trends, with the additional funding and with the hard work of the people involved, the waiting lists in the various categories of heart surgery have been reduced.

MR. MITCHELL: If the Premier can't understand the impact of this access problem on people, can he at least acknowledge that backlogs and cancellations of surgeries create huge inefficiencies in the use of health care resources and drive up the deficits already experienced by health care regions all across this province?

MR. KLEIN: Well, Mr. Speaker, there are times when the system, for specific and particular reasons, is going to be stressed. There are times when the system is not stressed at all, and people can be accommodated quite easily. That, as I understand it, is the situation as it exists today. The latest information I have relative to bed availability in the Capital regional health authority is that the situation as it exists today is good and it's stable and people are being accommodated.

Mr. Speaker, there are going to be times, no matter how much money we put into the system, where the system is going to be stressed and people awaiting surgery are going to experience a postponement.

MR. MITCHELL: Death.

MR. KLEIN: Postponements, Mr. Speaker. I would ask the hon. member not to be so irresponsible, not to be so callous, and I would ask him not to interrupt.

Relative to the general policy, in case he wasn't listening, I'll again have the hon. Minister of Health supplement.

MR. JONSON: Mr. Speaker, I have outlined the overall policy and the progress that has been made with respect to cardiac surgery overall. I also know and I think all members of the Assembly know that there is concern within the Capital health authority because of a negotiations problem. We all have to realize that the Capital health authority, although I'm sure they have every desire to settle this situation at the bargaining table, have to start planning. It's only responsible to start planning for the eventuality that there might be an illegal strike. Yes, I expect

that one of the approaches that they will have to take is to look at canceling elective surgery if that were to occur.

THE SPEAKER: Second Official Opposition main question. The hon. Member for Edmonton-Mill Woods.

1:50

### Health Care Funding

DR. MASSEY: Thank you, Mr. Speaker. Residents at the Good Samaritan long-term care centre in Mill Woods require round-the-clock, specialized care. Many can only breathe with the help of a ventilator. Now, there are plans to cut the 24-hour monitoring they receive from respiratory therapists to 16 hours. My questions are to the Minister of Health. How does the minister respond to a resident at the Good Samaritan centre who asks: why are you taking away what little health and security we have left?

MR. JONSON: Mr. Speaker, I'm not aware of this particular change, if in fact it is change, that is taking place. Certainly I would be concerned if it is a change which in any way threatens the health and well-being of an individual in the Good Samaritan home. I think, however, that it would be only fair to the Good Samaritan home for me to be able to follow up and find out what the real situation is, and I can report back to the hon. member.

DR. MASSEY: Thank you for that offer, Mr. Minister.

Will the upcoming funding announcement address problems like this by providing the Capital health authority with sufficient funding?

MR. JONSON: Mr. Speaker, as I have just indicated, certainly the member has raised a concern which bears my review through the Capital health authority. Certainly I would not want this to be a change in policy which in any way would threaten the health and well-being of patients. We continue – and we have had a good recent meeting with regional health authorities – to look at the overall funding needs in the province.

DR. MASSEY: Thanks.

THE SPEAKER: Third Official Opposition main question. The hon. Member for Edmonton-Meadowlark.

### Health Employees Collective Bargaining

MS LEIBOVICI: Thank you, Mr. Speaker. Health care negotiations in the capital city area are a mess. This government has stripped health care workers of their right to strike while allowing contracted-out workers doing the same job the ability to strike. Due to an alleged leak of the mediation report to the Capital health authority, the integrity of and trust in the mediation process has been severely damaged. The Minister of Labour continues to add fuel to the fire by threatening back-to-work legislation and huge fines. In the meantime, because of this hard line, the Premier perhaps is not aware that he's risking a general strike in all hospitals in the Capital health region. To the Minister of Labour: why have you stripped health care workers in the public sector of their right to strike while contracted-out workers doing the exact same job retain that right to strike?

MR. SMITH: Mr. Speaker the situation that is in play today in the Capital health authority and with the Caritas Health Group is one where they have as of 1 o'clock accepted the mediator's

report. Negotiations are still ongoing. There's still a desire by the employees' representative to have a settlement. I look forward to more meetings this afternoon, more information unfolding, and let's see what process will occur.

MS LEIBOVICI: Given that the AUPE reps in the public gallery are shaking their heads, the reality is that that has not occurred, Mr. Minister.

Given that the mediation process has been discredited and all you're doing is throwing fuel on the fire and threatening fines and legal action, what positive action are you going to take to bring them back to the bargaining table where they belong? Forget the mediation process.

MR. SMITH: Well, Mr. Speaker, it's been very clear that the employer is the Capital health region and Caritas, and it's very clear that the employees are represented by AUPE and CUPE. Now, these groups have said clearly that they want a negotiated settlement. They've worked hard over a long period of time. They realized when they signed on that as terms of employment, as terms of the negotiation, a strike is not in play; a strike is deemed to be illegal. So when they also say that they want a negotiated settlement, as we've had settlements in other essential services sectors of this fair province, it only tells me that they are wanting to continue meeting to continue to get a good settlement, a settlement agreed to by both parties.

MS LEIBOVICI: Given that we're getting nowhere with the Minister of Labour, will the Premier intervene personally, just like he did with the laundry workers' job action in Calgary, and instruct the Minister of Health and the Minister of Labour to do their job properly and get the sides back to the bargaining table?

MR. KLEIN: Well, Mr. Speaker, I think the hon. Minister of Labour has pointed out that he will continue to assist and encourage both parties to reach a settlement. Mediation services have been offered. As I understand, there has been a mediator's report accepted by the employers. I heard Dan MacLennan on the radio just about two hours ago saying that if there's room to go back and to bargain, he's perfectly willing to go back to the bargaining table, and I take Mr. MacLennan at this word.

#### **Opted-out Physicians**

MS BARRETT: Mr. Speaker, two weeks ago the Alberta Medical Association started talking about how lucky it was that it had made arrangements with banks so that they could start charging patients directly, and if they didn't have the cash, well, they could use their credit cards. Last October Dr. Linda Witham of Red Deer decided to opt out of medicare. She said: I'm going to go it alone; just get those private patients paying directly. So you'd think that she'd walked out of the public system, but not so. The reality is that this so-called opted-out doctor continues to have admitting privileges at the Red Deer hospital, has full access to all the resources and staff of the hospital, and can perform procedures at the hospital just like every other opted-in doctor: for free. My question to the Health minister is: how could he justify allowing a doctor who has supposedly left the public system to continue to use public facilities, equipment, and staff free of charge when her use of these public facilities gives her an unfair advantage over doctors who still are in the public system?

MR. JONSON: Well, Mr. Speaker, a doctor may opt out of the

health insurance system, which this doctor has done. There are no professional fees flowing to that doctor who has opted out of the health insurance system. The point, however, is – and it is our understanding that this is quite within the Canada Health Act – that the patient that may be receiving the professional services from this doctor is still entitled to insured hospital services. So that is an application of the Canada Health Act. It's the way the system works. [interjections]

THE SPEAKER: Hon. members, I hope it hasn't gone unnoticed that the chair has recognized the hon. leader of the ND opposition.

MS BARRETT: If he can, though I have my doubts, will the minister justify his department's double standard whereby public authorities – i.e., the taxpayers – have to pay facility fees to private clinics but private doctors get free access to public facilities?

MR. JONSON: Mr. Speaker, the hon. member I think on other occasions has been a very strong advocate of Albertans, all Canadians having access to the insured services to which they are entitled. Is she suggesting that we should not provide hospital services for these patients? As I indicated, we have followed what we understand are the provisions of the Canada Health Act. The regional health authority appears to be in agreement. The doctor has opted out, is not being paid professional fees by Alberta health care, and that is the situation.

2:00

MS BARRETT: Well, Mr. Speaker, since Dr. Witham seems to have figured out how to play the best of both worlds, higher fees through private patients and free use of public hospitals, will the minister now commit to forbidding the practice of double-dipping, where doctors get to play both sides of the health care street?

MR. JONSON: Well, as I understand it, Mr. Speaker, that would be in violation of the Canada Health Act, and I'm sure that the hon. member would not want the minister or the government to be doing that.

THE SPEAKER: The hon. Member for Bonnyville-Cold Lake, followed by the hon. Member for Edmonton-Calder.

#### **Ambulance Services**

MR. DUCHARME: Thank you, Mr. Speaker. Senior citizens in Cold Lake are alarmed about the Cold Lake Ambulance Society's decision to opt out of the Alberta Blue Cross direct billing contract for ambulance services provided to seniors. Under this opting-out scheme seniors will ultimately pay 100 percent of the ambulance charge and will be required to seek partial reimbursement from Alberta Blue Cross. When all is said and done, 39 percent of the current base rate and 23 percent of the per kilometre rate they will be responsible for. To the Minister of Health: since you are responsible for establishing ambulance rates for government-sponsored programs, could you please explain to me what criteria are used in determining these rates?

MR. JONSON: First of all, Mr. Speaker, I think to put this in context, the ambulance budget of Alberta Health was not the subject of budget reductions in terms of rates when reductions were made in other parts of the system and across government.

So the existing rates were maintained. It is true that they have not been increased for a number of years. Nevertheless they have been deemed to be adequate in combination with what is usually the case across the province, and that is that the municipal government involved also provides funding towards the maintenance of an ambulance system, particularly in the emergency area. That has been traditional or has been the situation in Alberta I think from the beginning of ambulance systems being available.

So, Mr. Speaker, I'm not familiar with the situation in detail. I do not know whether there have been negotiations with the local governments in the area or not, but certainly as far as the actual rates being provided through Blue Cross and being paid for by the government, those rates are currently under review.

MR. DUCHARME: To the same minister: has the minister given any consideration to the ambulance rate proposal that was presented to him by the city of Red Deer nearly two years ago?

MR. JONSON: Mr. Speaker, the Alberta Health budget for 1998-99, which is before the Assembly, contains provision for an increase in ambulance rates. The manner in which this increase would be provided in terms of a base rate and a percentage versus a flat percentage across ambulance authorities is currently under discussion and consultation through our ambulance advisory committee, chaired by the Member for Lac La Biche-St. Paul, and consequently that is the subject of negotiations.

Mr. Speaker, I'm quite aware of the presentation made by the AUMA and the committee chaired by the mayor of Red Deer. I have responded to her on some of the points that were proposed. The more comprehensive document that we'll be reviewing in the next year to chart future ambulance policy, that of the ambulance task force chaired by the Member for Lacombe-Stettler, will be the basis for our consideration of further ambulance changes.

MR. DUCHARME: Thank you, Mr. Speaker. Thank you to the minister in terms of saying that they will reassess these rates. Could you possibly give me an idea in terms of getting back to these people as to how soon they may have an indication as to if there'll be possible increases or not?

MR. JONSON: Well, this is the subject of consultation with the ambulance community. I would hope that it would be a relatively short period of time, Mr. Speaker. I'm sure the Member for Lac La Biche-St. Paul wants to make sure that his committee has been able to consider this thoroughly, but we do want to get on with it as quickly as possible.

In terms of some of the more major questions with respect to ambulance services, standards, and funding arising out of the Gordon report, this is something we will have to consider and factor into our next round of budget and business planning.

THE SPEAKER: The hon. Member for Edmonton-Calder, followed by the hon. Member for Calgary-North West.

### **Electric Utilities Deregulation**

MR. WHITE: Thank you, Mr. Speaker. In 1995 this government effectively stopped power plant construction by passage of a bill that changed the rules in the power plant business. Yesterday the Minister of Energy said that there was a possibility of a power blackout within a year and a half if the industry was not deregulated now. Can the Premier tell Albertans who, then, would be responsible for these power blackouts?

MR. KLEIN: Well, Mr. Speaker, I will take the matter under notice with the Minister of Energy. There has been talk, just general talk, about the possibility of brownouts unless we get more generating capacity onstream. When that might happen I really don't know. Certainly it's the minister's intention through the electrical deregulation bill to provide the opportunity for more energy producers to come into this province and provide power so that we won't risk in the future the possibility of a brownout or a blackout.

MR. WHITE: Thank you, Mr. Speaker. To the Premier then: what has this government done to consult consumers about this potential major change in power policy?

MR. KLEIN: Mr. Speaker, as I understand it, this has been an ongoing public consultation process for at least the past four years. I know that the Industrial Power Consumers Association of Alberta has gone on record, and indeed there is a letter on file - I don't have it with me, but having mentioned that letter, I'd be pleased to table it in the Legislature - strongly supporting deregulation so that we may further enhance and diversify our economy.

MR. WHITE: Thank you, Mr. Speaker. Again to the Premier: why would the Premier not give consumers in this province time to review this major change in power policy by delaying the passage of this potential policy change until the fall session?

MR. KLEIN: Mr. Speaker, I believe there has been extensive consultation with not only consumer groups, including the industrial consumers of power, but also the power companies. This is a very complex piece of legislation, and certainly not everyone is going to be satisfied. At the end of the day it is the intention of the Minister of Energy, through this bill, to make sure that the ultimate beneficiaries of the legislation will be the consumers.

THE SPEAKER: The hon. Member for Calgary-North West, followed by the hon. Member for Edmonton-Mill Creek.

### **Alberta Newsprint Company Ltd.**

MR. MELCHIN: Thank you, Mr. Speaker. The provincial government's policy today is to get out of the business of being in business, yet there are still outstanding a number of old loan guarantees such as the one to the Alberta Newsprint Company. My question today is to the Provincial Treasurer. Could the Treasurer update us on the background of the loan guarantee that was given to Alberta Newsprint?

MR. DAY: Mr. Speaker, back in 1989 the Alberta Newsprint Company had plans and wanted to build what would be the first paper machine in the province of Alberta, a newsprint mill that in fact would generate 250,000 tonnes per year of newsprint. At that time, 1989, there was an order in council to backstop or guarantee that loan, and the loan guarantee at that time was for \$190 million.

MR. MELCHIN: Thank you, Mr. Speaker. My supplemental is again to the Provincial Treasurer. I believe it was reported that the province might be getting out of or having a release of this guarantee. Could you please update us today as to the status of the guarantee?

MR. DAY: Well, Mr. Speaker, it's accurate that last fall we indicated that there were discussions that were going on between Alberta Newsprint Company, the government, and certain other financial entities which the newsprint company was engaged with in discussions. Those discussions have been concluded, and we have received notice that in fact refinancing has taken place on that particular project and the government is entirely relieved of their liability on that project.

2:10

MR. MELCHIN: Thank you. Mr. Speaker, my final supplementary is again to the most visibly patriotic Provincial Treasurer. Did the province provide any loans or lose any moneys on the loan guarantees to Alberta Newsprint?

MR. DAY: No dollars were lost, Mr. Speaker. In fact, this particular mill has been an obvious and very significant benefit in the Whitecourt area and to the entire province of course. Through the whole process of construction and ongoing operation of that mill thousands of jobs and millions of dollars have been generated. In fact, on this particular entity there was also a fee that had to be paid by the company to the government to have that guarantee in place. That fee was \$7.3 million. That has also been paid in full with the last and final cheque on that amount of \$920,000 coming in just this week.

Mr. Speaker, in '92-93 our Premier indicated clearly that we would do all we could to get out of as many of these loans and loan guarantees as possible. At that time the total amount of those indemnities to the taxpayers of Alberta was \$3.6 billion. With this recent closure on this one at no cost to taxpayers, it's now less than a billion. We'll continue to monitor and do what we can to reduce that even more.

THE SPEAKER: The hon. Member for Edmonton-Mill Creek, followed by the hon. Member for Airdrie-Rocky View.

### Provincial Tax Cut

MR. ZWOZDESKY: Thank you, Mr. Speaker. Tax cuts are most effective when they're made in the right areas for the right reasons and especially at the right time. Under these circumstances we can all support them. However, with oil prices in the \$14 range a serious budget shortfall is unfortunately developing, and the Treasurer's proposed tax cut is premature. Strategic tax cuts are those that impact the most people, contribute significantly to economic growth, and result in serious job creation in the private sector. My question is to the hon. Provincial Treasurer. Can you explain why your proposed tax cut of \$123 million is expected to create only 1,000 jobs of the 40,000 projected? That's only about 2.5 percent, by the way.

MR. DAY: There's a lot of figures being tossed about here, and I'd like to see some justification for those. But if I heard the member accurately, if he is saying that the tax cut created – and he used the word only: “only 1,000 jobs.” If that's true, that 1,000 jobs were created, Mr. Speaker, I think that's significant. If it was 40,000, it's significant. Talk to one person who's had a job because of a tax cut, and I think that's significant. Talk to 160,000 low-income families who receive the tax cut and the Alberta family tax credit, who receive up to \$1,000 cash this year, and I think they'll agree that is very significant.

Mr. Speaker, if the member would remember the history, when we were going through financial difficulties back in 1986, '87,

'88, we listened, unfortunately, at that time to the opposition when they said: raise taxes. We listened, and with some degree of chagrin I will say that we raised taxes at that time. In the time of economic downturn we raised taxes, and you know what? The economy got worse. The deficit got worse. Anytime you lighten the tax load on people, you always make for a more vibrant economy. We didn't follow the bad advice that we took for ourselves last time. We have lightened people's loads this time.

MR. ZWOZDESKY: I'd like to see where the opposition supported raising taxes. The only ones I know about were done by the PC government in Ottawa. Who did those?

THE SPEAKER: Get to the question. Okay?

MR. ZWOZDESKY: Sorry, Mr. Speaker.

Can you explain, Mr. Treasurer, why the proposed \$123 million tax cut will result in only \$79 million of increase to Alberta's GDP, which runs around \$80 billion? Seems pretty low, 2.1 percent.

MR. DAY: Again, Mr. Speaker, the discussion on individual figures could go on. He's already said that at least a thousand jobs are going to be created because of this, and that's on a reduction of what? One and a half percent. Maybe we should have gone to 3 percent and seen double the amount of jobs created. And \$79 million of activity? I mean, any way you look at it, the member is agreeing with me that the tax cut, small as it was, has already had a vibrant effect on the economy. I'm glad he's agreeing with me.

MR. ZWOZDESKY: Mr. Treasurer, since your proposed tax cut is going to have a relatively low impact on a percentage basis on job creation and on economic growth, will you consider now deferring this tax cut and adjust your budget so you don't have to cut significant programs later?

MR. DAY: Mr. Speaker, I'm trying to be patient here, but I've heard he said: low tax cut equals a low impact. So it has had some impact. Now he wants to defer it and not have any impact at all. Therefore, if he's saying a low tax cut, which it is but which still maintains us as the most competitively taxed jurisdiction in the country – people who work in Alberta have more money left over in their wallets and in their purses than people working in other provinces. Now, he's just said: you've had a low tax cut, and it's had a low impact. But it has had impact. I can only assume, then, that what he's really asking for next year is a higher tax cut so we can have an even higher impact on the economy. That's all I can assume.

THE SPEAKER: The hon. Member for Airdrie-Rocky View, followed by the hon. Member for Edmonton-Norwood.

### Water Use Fees

MS HALEY: Thank you, Mr. Speaker. I have a situation in my constituency where the Western irrigation district has unilaterally and arbitrarily determined that they can charge a \$500 fee per lot to any developer or consumer wishing to purchase a lot and build a home in the Chestermere and surrounding district. Could the minister of agriculture please explain under what authority the Western irrigation district has the right to do this?

MR. STELMACH: Thank you, Mr. Speaker. The authority is vested in the current Irrigation Act, which allows irrigation boards the right to set water rates for nonirrigators. That would be municipalities within the jurisdiction. The problem with the legislation is, though, that there is no appeal mechanism allowing these municipalities to approach the board and appeal the rate that has been set by the irrigation board.

MS HALEY: Well, Mr. Minister, given that development in Chestermere has come to a virtual halt because of this fee, I'm wondering what you're prepared to do to resolve it.

MR. STELMACH: Mr. Speaker, we've just completed a fairly extensive public consultation process chaired by the hon. Member for Dunvegan, supported by Calgary-Glenmore and by Cardston-Taber-Warner. There are a number of proposals coming forward that we're going to incorporate into legislation that will be introduced in the House later. Part of that is to allow for nonirrigators to sit on the board of the irrigation district and, secondly, allow for some appeal mechanisms allowing these jurisdictions an opportunity to approach the board and discuss these rates that are set by the board.

MS HALEY: My final supplementary to the minister. The Irrigation Act may or may not come through this year. It may be done next year. In view of that, are you prepared to look at disbanding this board, taking control of that lake, or pushing forward the water integrated management plan?

MR. STELMACH: Mr. Speaker, the various representatives from the stakeholders in that area have appeared before the standing policy committee, and they have come up with a fairly extensive plan. It will require considerable capital dollars. The city of Calgary certainly has indicated that they have some dollars to invest in the project, the Western irrigation district, and of course we're now reviewing that proposal through Public Works and the minister of environment. However, during this period of time I hope that cooler heads prevail so that we don't run to the courts to try and settle this particular and very unique situation. This dates back to 1921, and I just suggest: give us a little time. We'll work this thing through. I'm sure that in the end we'll save considerable dollars for all of the stakeholders around that table.

THE SPEAKER: The hon. Member for Edmonton-Norwood, followed by the hon. Member for Calgary-Currie.

## 2:20 Code of Conduct and Ethics

MS OLSEN: Thank you, Mr. Speaker. In January 1996 the Tupper panel reviewing the Conflicts of Interest Act released a series of 27 recommendations that would have made Alberta's conflicts act a model of clear and comprehensive ethics laws. Sadly this government has shown no interest in ensuring that Albertans have a high level of integrity in government, first with their halfhearted amendment to the act and now with a toothless public service code of conduct released yesterday. My questions are to the Minister of Justice. Why did you reject the panel's recommendation that Albertans be able to take allegations concerning senior officials directly to the Ethics Commissioner and instead decide that an investigation would only be handled internally and only if the department head wanted one?

MR. HAVELOCK: Well, Mr. Speaker, I'm a bit surprised at the

question because we ran the changes past the Ethics Commissioner. The Ethics Commissioner fully endorsed the code of ethics that we had put forward. We actually took a lot of the Tupper recommendations and put them in the bill that's before the House; in fact, I believe the vast majority we have implemented. So I guess I would take the Ethics Commissioner's word over that of the hon. member because the commissioner has indicated that he's quite happy with the changes we've made.

MS OLSEN: Well, the Tupper report – this is a far cry from that report. When public servants are asked to violate this code by their political masters, such as when Treasury officials were made to analyze opposition parties' election platforms, how will the proper investigation ever occur?

MR. HAVELOCK: I'm glad the hon. member raised that issue, because the department has developed a code which I will be bringing before our caucus in the near future. I've had discussions at the cabinet level, and cabinet has signed off on it. What's interesting, Mr. Speaker, is that we are going to have the code apply not only to members of Executive Council, not only members of our caucus, but I'll be going forward and asking members of the opposition to endorse the code so that they will not in the future use their resources to send out pamphlets just before an election, which they did last time.

MS OLSEN: We were very responsible.

My final question is to the Minister of Justice. Why has the minister included a prohibition against apparent conflicts of interest for public service employees but won't even consider this for the elected officials, who have much more influence over government policy?

MR. HAVELOCK: Mr. Speaker, we examined . . .

MS OLSEN: Another Tupper recommendation.

MR. HAVELOCK: Are you finished?

MS OLSEN: Go ahead.

MR. HAVELOCK: Well, you'll be finished in the next election.

Anyway, we examined apparent conflicts of interest . . . [interjections] They don't want to hear the answer, Mr. Speaker.

THE SPEAKER: The hon. Member for Calgary-Currie, followed by the hon. Member for Edmonton-Centre.

## Education Funding

MRS. BURGNER: Thank you, Mr. Speaker. At a recent meeting in my constituency the chair of the Calgary board of education expressed concerns that the province's funding framework in education addresses the needs of rural boards but ignores the needs of major urban boards. My constituents are concerned in particular that smaller schools, like the Earl Grey elementary school in my riding, may be disadvantaged by the current funding framework. To the Minister of Education: how exactly does the framework we have in place impact smaller schools in Calgary?

MR. MAR: Mr. Speaker, our education framework determines how much each school board gets from the overall Education budget. What we do is allocate those dollars in blocks, and

school boards have flexibility to determine what their local priorities and needs are and allocate money within blocks. The majority of this block funding is for instruction, and it is calculated on a per student basis.

Now, the hon. member raised the issue of a smaller school in Calgary, but I can assure her that smaller schools throughout the province, not just in the city of Calgary, face difficulties when their enrollments drop. In some cases, Mr. Speaker, it's appropriate for local school boards to make decisions about busing students to a larger school where they might have more choices in terms of the programs and greater access to resources. School boards and parents are the ones who are in the best position to make those kinds of decisions at a local level and determine what's best for students.

I think the Calgary board of education is trying their best to address this issue, Mr. Speaker. They've formed an accommodations task force to look into the matter of how to deal with the issue of smaller schools, and as Minister of Education and as a Calgary MLA, I'm looking forward to reviewing their report when it arrives.

MRS. BURGNER: Again, to the same minister: does the current funding framework address issues like the education and experience of a school board's teaching staff, which as we all realize can account for as much as 70 percent of the board's budget, according to the figures we have from the Calgary board of education?

MR. MAR: Mr. Speaker, the funding framework provides for funding in three different blocks. The first one is instruction, the second is support, and the third is capital. Three out of every four dollars allocated to school boards are allocated in the instruction block, and it's teachers' salaries that are paid for out of that instruction block. Now, striking the balance between teacher salary grids and demographics is clearly a major responsibility of school boards, as I stated yesterday. That's the reason they're elected.

Mr. Speaker, I have some statistics the hon. member might be interested in. According to the Alberta School Boards Association the Calgary board of education has about 70 percent of its teachers in the top end of the pay scale. By contrast, they only have 8 percent of their teachers who are new graduates with three years of experience or less. By contrast, the Calgary Catholic board has about 50 percent of its teachers at the top end of the pay scale, but a more significant number, 20 percent, of its teachers are new graduates with three years of experience or less. So the responsibility for developing a balanced human resource strategy for a school board in the employment of teachers is clearly a very significant responsibility of school boards, and we charge school boards with the responsibility of discharging that.

MRS. BURGNER: My final supplemental: given that the government has made a commitment to review the funding framework – and this was made when the framework was implemented in 1995 – and reviews are part of our ongoing policy, can the Minister of Education tell this House when he plans to do a full and thorough review of the funding framework of education for this province?

MR. MAR: Well, Mr. Speaker, we are continuously looking at improving the funding framework to see how it's working and how it is affecting student learning, and we will commit to continuing that ongoing review. The 12-point plan for education, which the Premier released on January 8 of this year, is the latest

revision to the framework. As all hon. members know, there's an increase in dollars going to jurisdictions by \$440 million.

Now, the evidence thus far is that 59 of the boards in the province appear to be managing effectively under this existing funding system. In fact the feedback I've received from boards throughout the province, large and small, including Edmonton public, the second largest board in the province, and Elk Island regional division, the fifth largest board in the province – those boards have praised the existing funding framework and our recent reinvestment. So we'll continue to look to improving that and addressing issues as they arise.

THE SPEAKER: The hon. Member for Edmonton-Centre, followed by the hon. Member for Calgary-Fort.

#### Grant MacEwan Community College

MS BLAKEMAN: Thank you Mr. Speaker. For a number of years students at Grant MacEwan Community College in Edmonton have benefited from the training and assistance offered by the studies skills centre. Last week, however, the college revealed that it planned to eliminate the \$150,000 in funding for the centre, putting it at risk. My questions are to the minister of advanced education: is this valuable program threatened as a result of your department's failure to properly fund this institution?

MR. DUNFORD: Well, Mr. Speaker, we regard all of the institutions in our postsecondary system as a very valuable part of the overall system we have here in Alberta. As the hon. member knows, of course, Alberta doesn't have to take a back seat to any province or any jurisdiction in terms of the quality that we can deliver.

Within that system Grant MacEwan College, of course, is a tremendous asset. Part of the reason it's an asset, hon. member, is the fact that we have a board of governors appointed to make these sorts of decisions regarding not only the program she is discussing but other decisions as well. I would just like to indicate to all of the members assembled that we have an excellent board that is operating at Grant MacEwan, and if she has any concerns about this particular problem, she may wish to take it up with those representatives.

2:30

MS BLAKEMAN: Thank you. They just need money.

How can the minister justify allowing this program to be put at risk when he has often stated that Alberta is facing a serious skills shortage and study skills are essential to successful training and education?

MR. DUNFORD: Mr. Speaker, we have asked the taxpayers of this province to assist us in how we approach the funding of the postsecondary system here in the province. When those of us here in the Legislature were banging doors in 1993, I'm sure they heard, as I did, that one of the responsibilities that they expected of me, should I become a member of this Legislature, was to try to provide more accountability, actually more reporting accountability, on the part of the postsecondary system. We think that through the previous minister, Jack Ady – and of course I'm now trying to walk in his shoes. We're trying to find a way in which we can provide a postsecondary system that achieves the goals of the students and at the same time meets the real needs for the taxpayer.

We must understand, Mr. Speaker, that in this jurisdiction and

certainly under the ministry that I'm in charge of this watch, postsecondary education is a privilege and not a right. As long as it is a privilege, then we have to make sure that we continue to treat the taxpayer in a very responsible way. As long as we do that, we can only legitimately go to the taxpayer for a certain amount of dollars. Now, we want to make sure, of course, that the student is a responsible player in this particular situation. We're asking the student for a contribution of up to 30 percent, and I think that's fair.

MS BLAKEMAN: Thank you, Mr. Speaker. Can the minister tell me: what is the long-term effect, then, of dealing with students who drop out of college programs because they're unable to develop the effective study skills they need?

MRS. SOETAERT: He doesn't know.

MR. DUNFORD: How could the hon. Member for Spruce Grove-Sturgeon-St. Albert possibly accuse me of not knowing an answer to that particular question? As a matter of fact, I do know the answer to that particular question. It's just that that will have to come at another time because question period is over.

#### head: **Members' Statements**

THE SPEAKER: We'll go in the following order: the hon. Member for Calgary-East, followed by the hon. Member for Edmonton-Norwood, followed by the hon. Member for Calgary-West.

#### **Hospital Services**

MR. AMERY: Thank you, Mr. Speaker. I rise today to speak about my recent experience with the Alberta health care system. First, I would like to say that my treatment during my hospitalization was very good, and I remain confident, as many Albertans, in the Alberta health care system. My experience with the health system stems from time spent at the Peter Lougheed hospital in emergency and at the Rockyview hospital for surgery. I'd like to commend the doctors, nurses, and frontline staff at both hospitals for their professionalism and hard work. They made my stay as pleasant as possible, and I felt very confident in their hands.

I strongly feel that lost in all the debate we hear surrounding health care in Alberta is the hard work and very important contribution of health care staff and professionals to health and wellness in this province. Mr. Speaker, I wanted to make it clear to this House that my firsthand experience with the Alberta health care system was a good one. While I did not have difficulty accessing care, there was only one doctor available in emergency, which created a long waiting period for some people, including myself.

Again, Mr. Speaker, I want to repeat that in terms of service, there were enough beds, staff were well prepared and very professional. The most important cases were taken care of first, but there were some people who had to wait for a long time while they were experiencing pain and discomfort. This is the only area of potential concern that I personally noticed in a system which otherwise functioned quite smoothly.

This is my personal observation, and I do not claim this to be representative of the rest of the province. However, I believe that access to health care and waiting times are areas that need to be discussed and addressed at the RHA, provincial, and federal levels.

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

#### **Role of Attorney General**

MS OLSEN: Thank you, Mr. Speaker. The role of the Attorney General in Commonwealth countries has evolved into a senior position in the Legislature. History shows that the Attorney General in some countries did not take a seat in cabinet in order to preserve the independence of the role. In Canada provincial justice ministers and attorneys general do take a seat in Executive Council.

The Justice Minister and Attorney General has an obligation to defend the justice system and promote the principles of the Canadian Constitution. We are very fortunate to be living in a country that acknowledges the inherent rights of citizens through the Canadian Charter of Rights and Freedoms. Unfortunately, we live in a province where the Attorney General's performance raises questions as to whether his obligations have been lived up to.

He does not appear to accept the Charter. Comments such as the need to repeal or amend the Charter, musing about invoking the notwithstanding clause for court decisions the government doesn't like, and publicly maligning the judiciary are clearly a departure from the role of the Attorney General. The independence of the judiciary and the role of the Attorney General are compromised when political ideology and public opinion are used as tools to determine policy for justice and human rights. It is incumbent upon all elected members of this Legislature to have the wherewithal to speak out when these principles are being threatened.

I would encourage this government and this minister to reflect on the history of the role of the Attorney General and, indeed, move forward to promote the principles so clearly stated in the Canadian Constitution and the Canadian Charter of Rights and Freedoms. Let's not forget the words of Reinhold Niebuhr, who stated, "Man's capacity for justice makes democracy possible, but man's capacity for injustice makes democracy necessary."

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

#### **Support for Seniors**

MS KRYCZKA: Thank you, Mr. Speaker. Although Alberta continues to offer the best benefits and programs for seniors in Canada, there continues to be a number of areas of concern to seniors. As chair of the Seniors Advisory Council for Alberta I have had the opportunity to meet with various seniors and seniors' groups across the province, and I plan to meet with more groups in the near future in southern Alberta and in the northern regions. It is not surprising that the items raised with the council are very similar across the province.

Seniors are concerned with health care services such as the availability of home care services and long-term care facilities. These two specific areas are being addressed through the government's long-term care study, chaired by the hon. Member for Redwater. Seniors are also concerned with their personal safety and security both in their homes and in the community. The Minister of Municipal Affairs has been spearheading a number of activities to address renovation and telemarketing fraud. Bill 20, the Fair Trading Act, will assist in this area.

Elder abuse is another common area of concern. The Protection for Persons in Care Act, which has been operational for over two months, and Bill 19, Protection against Family Violence Act,

are two government initiatives that will assist seniors in dealing with abuse.

Housing is another important area, especially the range of options available in rural Alberta and for lower income seniors. Seniors have expressed a strong desire to stay in their own homes and communities and age in place if possible. With the booming economy in Alberta some seniors are experiencing increased rents. Special-needs assistance for seniors has served as an excellent program to assist seniors in these situations. Over the last 18 months, I would like to state again, there has been significant reinvestment in seniors' income support programs, \$22 million on an annual basis.

Finally, the proposed federal seniors' benefit program is causing a great amount of concern with seniors and those soon to turn 65. Once federal legislation is introduced, the council will be undertaking a study of the impact on Alberta seniors and developing user friendly information packages to assist them in making choices. I would encourage all MLAs to work with the Seniors Advisory Council in identifying issues of concern but also bringing new areas to address these items. I'd be happy to talk to anyone in furthering the work of the council.

Thank you.

head: **Projected Government Business**

2:40

MR. SAPERS: Under Standing Orders, could the Government House Leader give us the projected government business for next week.

THE SPEAKER: The hon. Government House Leader.

MR. HAVELOCK: Yes. Thank you, Mr. Speaker. On Monday, March 23, in the afternoon we will be debating bills 25, 27, 29, and 30. In the evening we will be in Committee of the Whole and will be looking at bills 31, 32, 23, 12, 13, 14, 17, and 18.

Tuesday afternoon it will be as per the Order Paper based on the progress that we have made. Tuesday evening we'll be back in Committee of the Whole to again review the bills that I just mentioned, and we'll be looking at third reading on bills 31 and 32.

Wednesday, 8 p.m., evening session, we'll be looking at bills 19, 20, and 24, and any third readings as per the Order Paper.

Then Thursday afternoon we will be considering Royal Assent on bills 5, 31, 32, and as per the Order Paper.

THE SPEAKER: Before calling Orders of the Day, on a purported point of order, the hon. Member for Edmonton-Glenora.

#### **Point of Order Clarification**

MR. SAPERS: Thanks, Mr. Speaker. I'm rising under Standing Order 23(1), which reads: "introduces any matter in debate which offends the practices and precedents of the Assembly." I'm referring to an exchange earlier in question period between the Minister of Health and my colleague from Edmonton-Mill Woods. The matter that was introduced into debate which offends the practices and precedents of the Assembly was, in my opinion, a misstatement, and I want to ask the Minister of Health to clarify what it was he meant when he indicated to this Chamber that the subject of my colleague's question was brand-new to him when my colleague asked about the respiratory therapists at the Good Samaritan centre in Edmonton-Mill Woods.

My notes of the response from the Minister of Health indicate

that the Minister of Health said words to the effect that he didn't know about it and that he'd look into it, for which I thank him. But I will point out that on March 9, 1998, commencing at 8:03 a.m., there was a designated supply subcommittee which dealt with the estimates of Health, and on page DSS62 questions put to the Minister of Health specifically referred to the ripple effects of financial cuts as they applied to respiratory therapy at the Good Samaritan centre. So according to my information and *Hansard*, the Minister of Health was made aware of the situation on March 9, 1998.

So I would like to give him an opportunity, Mr. Speaker, to clarify his remarks or acknowledge that he's known about the circumstances for the last 10 days and didn't just hear about them for the first time at question period today.

MR. JONSON: Mr. Speaker, I think that perhaps only part of the situation is being described in that. I as Minister of Health indicated at the end of Committee of Supply – and I followed through on that. I may have a bit more work to do to answer all the questions that were raised in the subcommittee of supply since that commitment was given and that reference was made. If in fact that is the same situation, I have already committed to providing an answer for it. Therefore, it would seem to me only appropriate that the member of the opposition that asked the question would be raising a new issue, which I thought this was, and I did not have any knowledge about any particular new issue. I will, as I said, respond, Mr. Speaker.

THE SPEAKER: The hon. Government House Leader on this point of order.

MR. HAVELOCK: Yes. I'll be very brief, Mr. Speaker. A little while ago I believe you gave a stern lecture to the members of the Assembly to try and stay within the rules and procedures. This is a total and complete waste of time. There is no point of order here. The Provincial Treasurer and I were sitting here watching the Leader of the Opposition nudge the Opposition House Leader every two seconds, saying: get up, there's a point of order; get up, there's a point of order. He obviously picked the weakest point of order that there might have been today. I would ask, Mr. Speaker, not only that you declare this to be no point of order, declare it to be a waste of time, but declare that the member must leave the House forever, and let's get on.

THE SPEAKER: Hon. members, I don't ever recall in the time that I have been in the House, which goes back some 18 years, nor in the time that I have had the privilege of being in the chair that I have ever heard anybody raise 23(1) on a point of order. So it was a good exercise today. This seems to be little more than a continuation of the question period.

head: **Orders of the Day**

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

head: **Bill 31  
Appropriation Act, 1998**

MR. DAY: Mr. Speaker, I'd like to introduce for second reading Bill 31, Appropriation Act, 1998.

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

MR. ZWOZDESKY: Thank you, Mr. Speaker. I have some comments I'd like to make to Bill 31, the Appropriation Act, 1998. Essentially, as I glance through the bill, I see that it sort of conforms to the normal provisions that one would expect an appropriation bill to address. I have no problems with those mechanics, so to speak. I would just sort of remind readers of *Hansard*, at least, that this basically is a reduced version of the general budget for '98-99, which we've discussed. There were a few things I was looking for that I have raised in the House with the hon. Treasurer, and I thought I might see them somehow appropriated here. I see that they are unfortunately not here. I'm just going to take this opportunity to ask the Provincial Treasurer if he will still give some serious consideration to things like the fiscal stabilization fund.

I know we've debated this many times in the House and that the Treasurer has accurately said that there are revenue cushions of about \$420 million built into our budget, and there are additional moneys in the amount of about \$165 million for the consolidated budgetary surplus. Those amounts are built into the budget as well. However, I have a serious concern as I look at these expenditures in relation to the revenues and the source of the revenues that are expected to cover these expenditures. That gets me back to the topic of the day, which I think impacts this appropriation bill quite directly, Mr. Speaker, and that is the serious and continuing decline and small bounces up and small bounces down relative to the nonrenewable energy sector and particularly oil prices.

So I'm looking through this bill with a sharper microscope because it's really our last chance to in fact address the budget in a general sense prior to it becoming the law of Alberta's land. I'm trying to flag these concerns now because I don't see anything harmful or any downside, neither strategically nor politically nor economically nor sensibly nor in any other way, to the Provincial Treasurer considering some precautionary steps that could possibly be built into this budget.

Unless I am misunderstanding the Treasurer's direction here, I really think he should at this time bring in a change to the appropriation bill that would reflect something like a stabilization fund which can function in the capacity of being easily accessible and easily liquidable to compensate for the possible budget shortfall of as much as \$215 million should we run into difficulties of sustained periods of low oil prices.

Low oil prices, Mr. Speaker, as you very well know from your depth of experience in this House and elsewhere, don't only impact the price per barrel of oil itself. They also have significant impacts on the price of natural gas and particularly on the sale of Crown leases. When you take those combinations into account, you're looking at anywhere up to 20 percent of the total revenues of this province on a given day. I think that's a significant factor. Yet if oil prices remain as low as they possibly could and as low as some industry analysts are saying – heaven forbid they should get down to the level of what European analysts are saying, that it may hit \$10 and \$9 a barrel by summer – then we are going to have a pretty serious revenue problem in this province.

2:50

I'm not happy about that at all. I'm simply trying to get some points across to have the government and, in particular, the Provincial Treasurer give this some serious consideration, which I'm hoping that he has done. In fact, I'm quite sure he no doubt has done so, because I judge him to be extremely fiscally responsible in that regard, and I want him to respect the fact that I am as well. Being the watchdog has the double duty of not only

pointing out things that I and others might find incorrect or improper in the budget – that's not all that this is about – there's also a time to listen to some constructive ideas.

These aren't necessarily new or fresh ideas. They're largely commonsense ideas. Put in place a plan that addresses the possibilities of some of those revenue shortfalls, because sure as I'm standing here, the Treasurer and I will have some discussions no doubt in the new part of the upcoming fiscal year and before the first quarter results are reported. I shudder to think that there are going to probably have to be some adjustments made at that time. At least, that's what I'm reading between the lines with the hon. Treasurer's comments.

So I'm saying that you still have the opportunity to move some moneys around in a strategic fashion. I'm sure his caucus would likely support that. Certainly this caucus would support it. We can save ourselves some time, we can save the Legislature some time, and we can save Albertans a lot of grief and talk about some confidence and some security, which are very much needed.

You see, if we simply embrace this budget through the Appropriation Act, 1998, through Bill 31, what we're really saying, at least for the time being, is that if we do that without a contingency plan for the sustained revenue weaknesses that are becoming more and more critically viewed right now, we do face the possibility of additional cuts to very important program areas. That's not a very confident state of affairs. It's not a very secure state of affairs for Albertans, who are concerned about not only their jobs but about their health and the future education of their children, about the needy, the people who are truly in need of assistance from the many government programs.

So I want to again impress upon the Provincial Treasurer that I think it's critical that he also take a look at the overall debt reduction payment plan. Mr. Speaker, I want to get rid of that debt, just like you and everyone else in this House does. I want to see the net debt gone. I want to see it gone in a sensible period of time, in a sensible fashion, and in such a way that doesn't put anything else or anyone else at future risk. When I call for a slowdown of the debt repayment plan, I'm really only talking about a slightly different style of managing the debt. We all want to get rid of the debt. There are no two ways about it. To repeat myself: there are no two ways about it.

However, the key here isn't how fast we can get rid of it or at what cost we can get rid of it just to be rid of it. That shouldn't be the means to an end in itself. What it should be is: how do we manage it? I would say everybody in this House has had or still is in some form of debt, be it for a car or a house or a boat or a prepaid vacation, but the key is that we manage that debt. We don't rush in too quickly to try and get rid of one debt so that something else that's critical in our lives is penalized as a result of that rapid movement.

That's why I again stress that here in this Appropriation Act I was looking for some of those signals that would give me a level of comfort that not only is the Treasurer watching this and monitoring it but that he's also responding to the situation. I'm just concerned that we're going to be revisiting this a little later. I'd like to encourage the Treasurer to do it while he still has about 10 days or so of time left before that all-important midnight hour of March 31 comes, at which date he will have at least locked himself out of the possibility of using some of the moneys that exist in a revenue surplus position but aren't technically yet the provincial surplus, which, as you know, according to the act they will be once that magic date comes. That flexibility will be gone. That's all I'm saying. If he were to move some of those moneys

strategically into some critical areas and not use them, by all means they should go back to his original plan. I'm simply building in what I think is a helpful suggestion, and I hope the Treasurer will give it reconsideration.

The other important feature here, Mr. Speaker, is with respect to some of the moneys that are coming into the budget, which may possibly be newfound moneys and/or moneys that are simply being allocated between departments, between ministries. I'm concerned at how these expenses are presented under the act and just exactly how meaningful they are, given that ministries seem to have increased flexibility and much more independence to do with these money transfers whatever they wish and that we in the Legislature can only respond to these transfers once they have actually been done. That's actually what's partly going on in this bill, and I'm sure the Treasurer will be explaining some of that in greater detail. It never becomes clear enough on first glance through this bill, which was tabled in the House last night, exactly how much money is coming from one area to another, how much was required in one area – was it enough, or was it too much? – and at whose discretion that decision was made, et cetera, until we finally get into Public Accounts a whole year later. Of course, at that stage it's perfunctory, and it's a relatively insignificant exercise in some cases.

The other point I want to make is with respect to the business plans that back up this particular Appropriation Act, because they're central to this bill as well. I have said in this House on a number of occasions how important it is for us to consider a higher and a better accuracy rate with respect to both the financial projections that we as a province are making or, more specifically, the government is making and also a better compliance with respect to the spending. Now, I'll give the government a lot of kudos with respect to maintaining a very accurate rate insofar as the expenditures are concerned, expenditures, Mr. Speaker, such as we're talking about in this bill.

However, when you look at the other side of the picture, don't you think it's equally important that the Treasurer and the government, the front bench, be equally responsible for the revenue forecasting side? I'm not suggesting he has to have a crystal ball on this because I understand how difficult that can be. I am suggesting that on occasion I have felt that there has been an almost strategic and purposeful underestimation in some areas of the government's projections to the extent that we're out by 1,200 percent with respect to last year's budgetary forecasted revenues. I would say that that's too large a variance.

So the examples that I have given to the Provincial Treasurer, which I'll come back to, are best found in the Texas model and in the Minnesota model. I have at the request of the Treasurer tabled those particular models for his consideration. I have not heard back yet as to what he's decided on them, so I'm assuming he's still considering them and that perhaps . . . [interjection] He responded to them last night, I hear him saying. So I'll have a read through *Hansard* to check what those responses were.

In those models there are some very good and very seriously presented ideas, including the budget variance, which I have spoken of before, where we target a 95 percent accuracy rate in forecasting and we target a 5 percent or less tolerance rate in the variance with budget expenditures.

The other important aspect that I want to point out is how critical it is for governments to regain whatever credibility may have been lost with the general public as they look upon the legislators of the day and are expecting a greater linkage between the expected outputs and the actual results achieved. I think, Mr.

Speaker, as I review this Appropriation Act and the accompanying documents that support it, that I would be suggesting again the idea of performance-based budgeting. Now, I will have a chance, I hope, to speak with the Treasurer more about that, because the more I read into it and understand it more and more as every day goes by, the more I see merit to it. I'm expecting to see, for example, more of the type of characteristic-based budgeting that accompanies performance-based budgeting rather than a budget that's based on strictly programs and ministerial discretion, which are otherwise described as ministerial boundaries, where we see this shifting of funds that I talked about earlier.

3:00

I'm not opposed to some of those transfers, provided they're transparent and shown to the House before being made. I have no difficulty in having a discussion on that, hopefully with a positive outcome, but I think it's critical that we look at this performance-based budgeting model that's been developed elsewhere and has had great success. Not only that, but it's met with a great deal of public support and public confidence because they understand it. They support it because they know what it's all about and how it affects them, and they have something very quantifiable and very measurable to monitor the government's progress. And do you know what? They take a greater interest in that because they are able to follow it.

The critical aspect of performance-based budgeting really can also be linked to program category budgeting, which encourages a stronger interplay, a stronger integration between programs and service activities. The results of that are fantastic. In the cases mentioned, Minnesota and Texas in particular, it's a proven fact, if you read those models and read their reports and read the comments of their auditors general, that they have resulted in greater efficiencies throughout the entire system of government. Surely that must be one of our goals. I certainly hear it talked about a lot, and I want to live to the day that I actually see that happen in this province, where we are even more accountable and more transparent to the point where the public stops and says: "What do you think about this new government? They brought in something fresh that is easy to understand by all of us common folk, and the effectiveness in the delivery can well be supported as a result of it." I hope to see that particular day.

The other aspect that I'll comment on quickly is with regard to the annual performance reporting mechanism that we have. By and large, what we have now are mechanisms that focus a great deal on what's going into the system, the front end, only the inputs. What we're looking for is something that focuses equally and most appropriately on the outcomes, on the outputs, on the results, on the attainments. That's what we need to be more focused on. It's nice to stand here and talk about how wonderful it is on the input side, but if you don't put it up against serious and easily measurable outputs, those benchmarks tend to fall away and are rendered meaningless, in my mind at least, Mr. Speaker.

To paraphrase these models and the comments from other experts that I've spoken with, you have to make an extremely serious and very clear linkage between the moneys that you're putting toward a certain program or a certain activity, whatever the delivery mechanism may be, and the performance achievement that you are aiming for. It can't be in airy-fairy terms. It has to be spelled out in very concrete, very direct terms so that even the young people, whom we're trying to encourage to learn more about government, can start understanding more clearly.

Some of the key components of this annual performance reporting mechanism that should be considered and should

accompany an Appropriation Act like Bill 31 would include things like program areas; subdivisions; expenditures and staffing by subdivision; goals on a subdivision basis; an exact description of the services provided; measures of activity, workload, and unit cost for the current fiscal year and the previous two fiscal years; program areas and subdivision drivers, influencers if you like; a description of results achieved in each performance outcome area for the current and the previous two fiscal years, including the following information for each of those measures: one, definition; two, rationale; three, data source; and four, discussion of past performance. Two final features that should accompany these annual reports are future plans to achieve existing performance targets and any other factors that, in the government's wisdom or in the wisdom of the government's critics, may affect that performance. That becomes a serious annual performance report. That is my belief, Mr. Speaker. That is what I believe Albertans in fact want to see.

The final point, about auditing performance reports by the Auditor General and economic and fiscal strategy reports and the fiscal stabilization fund and monthly budget updates and so on, I have commented on before. So I'll take my leave, having heard the bell, and thank you for your attention.

[Motion carried; Bill 31 read a second time]

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

MR. DAY: Mr. Speaker, I'm pleased to move for second reading Bill 32, Appropriation (Supplementary Supply) Act, 1998 (No. 2).

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

MR. ZWOZDESKY: Thank you, Mr. Speaker. I'll just change hats here and carry on. Well, perhaps I'll keep on the same hat because it seems to feel pretty good right now.

Thank you for this opportunity, Mr. Speaker, to comment on Bill 32, that being the Appropriation (Supplementary Supply) Act, 1998 (No. 2). I had said during the estimates debate that I'm interested that this is in fact supplementary supply or, you might say, supplementary request number two, because we just had one not that many weeks ago. There's sort of a good and a bad side to that in my view. Number one, it's good because whenever the government reports to this Assembly on its financial affairs on a monthly basis, that's good. They reported once in February and said: "Look; we're short of cash. We've missed the mark here a little bit. This department needs more, whereas this one needs less, so let's move some moneys between the departments." That's at least something that comes forward in here, and we have a chance to kick around a bit and discuss and come to a better understanding of what the government is up to.

It conforms to one of the important points that I didn't have a chance to elaborate on earlier, and that is with respect to monthly budget updates. I think it's extremely important – and I'm continuing now with the good part of the comments, Mr. Speaker – to have governments assure the public that they are poised to respond quickly to revenue shocks such as we're experiencing right now. I'm sad to say that we are experiencing that. Nonetheless, it's a reality, and we have to face it. The public wants also to know that as the government is responding to these revenue shocks, they have a plan in mind to sustain the key critical program areas that are so vital to our province remaining competitive.

You can refer to them as economic indicators; you can refer to them as building blocks. You can call them whatever you want, but in the final analysis those things that drive our economy are those areas that the government tends to make the most serious investment in, and they are health care and education, as everyone here knows. You might look at those as being strategic areas that are in need of support. Here we have some appropriate moneys going to each of those two areas as well as elsewhere: \$130 million to Health for operating expenses and – what was the Education one? – \$4 million, \$4.3 million or somewhere thereabouts.

**3:10**

Now, still talking about the good, Mr. Speaker, the point here is that I would propose that budget updates on a monthly basis continue as a regular feature. I know that the government must do those; I'm sure they have a handle on this stuff somewhere back there. It's not always obvious to the public and it's not always obvious to the opposition, but in my heart I want to know and feel confident that the government has a firm handle on where it's going and what it's doing and what the numbers are. Why not share that? The numbers are already crunched. It doesn't take too much more to crystallize it into some short, formal, written report, present it to the Assembly, and say: hey, Alberta, look at where we're going this month. Then you know what will happen, Mr. Treasurer? As we get closer to that quarterly report that you're going to do on June 30, which will come out sometime in August, the public will have said: "Well, we've been following this on a month-by-month basis, and we understand where the Treasurer is going. We can understand that move; we understand that requirement there." It doesn't come as a sudden shock to them whatsoever. So I'll be interested to hear his comments in this respect.

You know what that would do, Mr. Speaker? That would garner probably – I shouldn't even say this – even more support for the government than they already had in this last election, because they would then become truly more transparent, visibly more transparent on a monthly basis. Can you imagine the pleasant shock that taxpayers would feel, hon. ministers, if the Treasurer stood up in this House on a monthly basis or, when it's out of session, did a press release on a monthly basis and said: "Here's where the finances of the province stand today, and here's where we're going. We're bang on track, and this is going well. Aren't you happy campers out there because of it?" The public would go wild with envy and respond so positively that it would drown out the thunder of a thousand drums.

So what we have to keep in mind as we discuss the Appropriation Act, Bill 32, is the potential and the ability for the Provincial Treasurer to act on a monthly budget basis. Accountability is extremely important to reduce public cynicism, as the Provincial Treasurer knows, and I'm enjoying this particular exchange with respect to that point. Sustainability is the other aspect that is very critical. Sustainability probably is best likened to the word predictability. I think you get sustainability when you have predictability on your side.

Now, having said all of those good things, I want to balance my views, as I always try to, with a few comments that maybe are not quite so positive with respect to Bill 32. What this really is is an admission by the government that they have missed the mark in their budgeting or that significant factors that perhaps they weren't riding saddle on in a very cautious and careful way have somehow gone awry and are in need of fixing. So in a way this is sort of an admission that the government is off its targets. Well, it's not

sort of; it is. That's why we're here, to try and help set the government straight.

One of the things, Mr. Speaker, that should accompany a bill such as this one that we're discussing, Bill 32, is the need for independent projections of revenues. The expenditure side: I'm not sure that you need independent projections on the expenditure side as much as you do on the revenue side. As I said earlier, the expenditures program of this government, in terms of amounts projected for expenditures and actual expenditures made, in any given year is pretty good. They're pretty much bang on. As you know, we have the law that prevents any future deficits from accruing, and that's a good point and one I can support. But on the revenue side there's some definite need for some additional expertise. Otherwise, when the public see the government out by \$2.5 billion or \$2.3 billion on the projection side, they tend to get the idea that the government isn't riding the best saddle possible on the revenue projections. That's why I think some independent, outside advice may well be taken by the government to improve that part of their operation.

In fact, one of the major weaknesses that we have in the current budget and in the planning process, probably, that goes into it as well as into this bill before us is the very large differential in the different estimates from the beginning of the year to the actual year-end results. While I can appreciate that many of those differentials are easily explained because of the very volatile and very cyclical nature of our heavily dependent, nonrenewable resource base of revenues, such as Crown leases and oil and gas and coal and mining and so on, I still believe that the government can do a better job. [interjection] Well, we can always do a better job. So can the opposition; so can the third opposition and everyone else. I understand that, hon. minister, but we're not the government. You are, and you have the responsibility. And it's a huge responsibility that I'd like to help you accomplish by providing some insights.

[The Deputy Speaker in the chair]

I want to try to stem the increasing criticism that the government is perhaps deliberately underestimating revenues in order to reduce the expectations for increased spending. We should put those rumours to rest, and the Treasurer can do that, as I said, with monthly budget updates or through the use of independent projections by independent sources. Draw them in. Well, maybe you already use them and we just don't know about it, but you do have the WEFA group and the DRI/McGraw-Hill Group, who provide independent assessments of revenues. Any one of those firms or a comparable firm of equally high calibre I'm sure would be more than willing to help the provincial Treasury Department to do those independent assessments. Those independent assessments, Mr. Speaker, could certainly find themselves in the annual budget, and they could also be part of the monthly budget updates. I think that would be a good idea.

Now the appropriation amounts contained here in Bill 32. The amount of operating expense to be voted under section 1(2) is \$135,370,000, and the amount that's coming out of the lottery fund payments is \$130 million. I'm not going to oppose that. Obviously those moneys are required in those areas. I think we've had some good debate on it, but specific to Bill 32 and recognizing that the needs exist as outlined, I still do have some concerns with the process, only parts of the process, and I believe I've tossed those all forward for the Treasurer's consideration.

The second set of supplementary estimates put before the

Legislative Assembly. When we consider all of them together, we're now being asked to essentially appropriate an additional \$721 million for the current fiscal year, and that's only for the last two months. So there's a fairly serious missing of the mark, in my view, to substantiate that large an amount of money requiring to be appropriated. But as I've said, we'll have to go along with it because I think the areas that it's going to are critical.

I would point out on that point, Mr. Speaker, that I think it's critical for the government to review its budget management systems and the budget management process. I'm sure they're all anxious to get the best possible budget management they can, and these comments are intended to help them. I would cite as an example the \$130 million in funding that's required for the regional health authorities through this bill in order to meet year 2000 compliance with respect to computers. It probably should have been accommodated, addressed, spoken to, debated, and agreed upon two, maybe three years ago, maybe as far back as when the Auditor General first flagged that he had a concern with it. Now, I've said before and I'm going to say again that I have great respect for the CIO officer, his staff, and the challenges that they have. But if we're going to leave some of these critical areas to the 11th hour, I think we risk putting their good work to some disadvantage, because they're being asked to try and work a minor miracle here in my view. So I wanted to get an answer – and perhaps I'll get it another time; I don't know – from someone in government as to why it took so long for this compliance question to be more accurately assessed.

3:20

In fairness, I did hear the Minister of Economic Development talk about the government's need to develop an appropriate chip for these computers. Actually, it's not the government that's developing the chip. It's the government who is exploring the possible development of a chip by an outside firm, who would then market it to governments presumably everywhere. We've also heard on a few occasions that the computers, sold in the manner they were, could possibly be rendered defective, and we use the analogy of a car that might have a defective part or a nonoperating part that is then reclaimed and replaced at the expense of the manufacturer. Similarly, maybe these computers are defective, and an argument could be made to support that. So I am surprised that it took us so long to get to this point on computer compliance and that the request is coming forward at this time. However, I will be supporting it because I think it's critical, and I think the health care area in particular is dramatically in need of that.

I was, however, Mr. Speaker, somewhat concerned by the announcement that accompanied that \$130 million we're talking about in Bill 32, because the way the announcement read suggested that this injection of \$130 million from the lotteries portfolio to general revenues and eventually to the health authorities would actually free up additional moneys for other frontline operations at the RHA level, or words to that effect. So what it really became was a fairly clever way of injecting more moneys into health care that will eventually become used perhaps for a wider range of possibilities than just for computer compliance.

At the same time as that cleverness was demonstrated by the government because of the way the announcement was marketed, there came a sudden appeasement with some of the harder line, more right of right, fiscally conservative members of the province and perhaps of the government caucus because you can justify it. Who's going to argue with putting \$130 million into health care

to bring computers up to speed so that heart machines don't fail? Well, I'm not going to argue against that, and I don't think any hon. member is. But the way the release was worded left the reader wondering about moneys just being interchanged and replaced and perhaps somehow, somewhere being used for other purposes.

That raises another important point which is directly relevant to Bill 32, Mr. Speaker, because Bill 32 talks about spending money, that the spending of the money will be reported on later, and we should see the financial statements of the regional health authorities reported to and through this Legislative Assembly in our province's consolidated financial statements. Did you know that they're not? I didn't know that until I took on this portfolio and started reading through it more and more. As I got into it, I thought: well, why is it that the financial statements of the health authorities don't conform to and form part of the consolidated financial statements of the province? I can't answer that one for myself. It seems that we send the money out to them – I know they need it, and I'm not arguing with that. That's what's happening through this bill: we're sending them some more money. But the reporting mechanism and the fact that they are outside of the consolidated statements of our province still flags a concern for me, and I believe, if memory serves me correctly, the Auditor General has stated some concerns of a similar nature with respect to that point.

Speaking of the Auditor General, I note here that his department is, in fact, in line to receive a little bonus which they require by way of operating expenses; that's \$203,000. Another \$24,000 is going to the office of the Ombudsman, \$10,000 to the office of the Chief Electoral Officer, and \$26,000 to the office of the Information and Privacy Commissioner. Then comes this little accompanying explanation that says: for the payment of achievement bonuses to employees. I'm paraphrasing somewhat there. Now, the strategy for awarding these bonuses I expect would be similar to the strategy the government adopted in the categories of management, opted out and excluded, and bargaining units that are exempted. So what we still need to know and what I think Albertans have a right to know is what the specific criteria and guidelines were that accompanied these bonuses the government has just announced.

I'm not opposed to rewarding individuals for work well done; I believe that's important. We've talked before and I'll reiterate the point, Mr. Speaker, that we do need constant rejuvenation in every industry, including government, with new and younger employees that come in with fresh ideas, fresh energy. Bonuses are one very important way of doing that. Bonuses are great incentives. All I'm asking is: what are the criteria that were used by the government and in turn each of these other departments? Was it simply bonuses given on the basis of those who accomplished their budgets, or was it for some other linkage between goals and performance measures? We'd just like to see that.

I hear the bell has sounded, so I will thank you for your time and take my seat.

**THE DEPUTY SPEAKER:** The hon. Member for Edmonton-Calder.

**MR. WHITE:** Thank you, Mr. Speaker. I, too, wish to add to the debate and to further the cause of a thousand drums thundering in Alberta on a budget that needed help in the end, and it got painfully little under Bill 32. From Bill 16 to Bill 32 there is a credibility gap there, sir, and I wish to speak to that today.

Dealing with the Treasury first of all, seeing that this budget is set by the Treasurer with the aid of his caucus and his colleagues in cabinet and understanding that it seems to be driven almost entirely and completely by a philosophy that is not always acceptable to the citizens of Alberta. When you look at spending, particularly in the areas of health, which I'll get to a little later, and in education and advanced education, and at some of the cutbacks that are occurring in energy and environment, some of the moneys that are not being spent on infrastructure, then I believe not just from an MLA's point of view but from a practising engineer's point of view that you're deflating the future in order to pay for the present. And disaster funds; I'll move on to those a little later, Mr. Speaker.

First I'd like to talk about how this government budgets. They've always told the public that we had a spending problem and not a revenue problem. Well, if the last six weeks haven't demonstrated that this province has a revenue problem, then I don't know what has. I mean, here we are, going from an \$18 plus average last year for the entire calendar year to this time, when we bottomed out at I believe \$13.28 this past week. That hits the pocketbook of the province enormously, and there doesn't seem to be any planning or certainly not enough. When you talk about the cushion that the Provincial Treasurer speaks of often, well, this cushion is going to be eaten up, as he said the other day, eaten up in what my grandfather would call jig time. That's darn quick.

My view would be to say: look, if we do have a problem with revenues, then establish an expenditure level and a tax regime that matches an oil and gas expectation that is well below reasonable. Take all the remainder of that and put it into a fund that's called whatever you want to call it, but what it is is a revenue stabilization fund.

**3:30**

We happen to be very fortunate in the province just recently that gas prices haven't followed the way of oil prices, recognizing that a great deal of the revenue realized from nonrenewable resources in this province comes from natural gas and certainly not from coal or conventional oil. But take that, put it in a fund such that it smooths out these humps and hollows in the revenue stream, and you get a reasonable expectation of some expenditures on a straight-line basis so that those Albertans that receive services, whether it be government or other governments or business or the average Albertan, would understand what to expect and be able to make comment on a level of service that isn't forever changing.

Now, I would think that with all the powers of this province it could produce a budget document that contained a great deal more information. I suspect that if you went to look at the budget documents of the city of Leduc or Airdrie or any of the other cities of that magnitude, you'd find much more in-depth information and would be able to discern exactly what is transpiring at the street level, what is happening at that level. Certainly the city of Edmonton and the city of Calgary provide documents of marginally more in the way of gravity than the documents that are here. Marginally bigger books but every single page has information contained therein so that you can actually find and predict what the level of service will be for the next year.

These documents are virtually useless in order to provide those gross, large numbers. You can see why the errors would occur or why there would be need for supplementary appropriations: simply because there are painfully few people who can understand what is transpiring in any one of these areas in that ministry. So

this House is putting its trust in each and every minister in order to do this, and then we find at the end of the year that unfortunately there's a million dollars short here or two million there or, in the case of some, considerably more than that. I mean, how do you predict an Auditor General's numbers to be considerably larger than that? If he had an accounting procedure, which I know he could devise, and would like to report on where all his dollars are being spent in a very accurate manner, you could predict it and say: yes, we understand what occurred here. It would not be so terribly difficult.

This document, with the orders in council that we know have been passed around – I mean, there's virtually no program that can't be modified to the extent of being virtually unrecognizable from the beginning of the year to the end of the year at the behest of a minister. And no reporting to the Legislature, of course, and therefore none to the citizenry of Alberta. Moneys can be transferred from program to program, between ministry and ministry, and there doesn't seem to be any semblance at all of any order. Why bother going to the extent of publishing a document, a document that is to predict where the expenditures are and where the level of services is to be, if it can be modified and can't be relied upon? What clarity does that provide any citizen out there?

I know this government doesn't have much respect for the municipal governments a great deal of the time, but one of the things they have to do is budget pretty darn close. There's very, very little room for moving about thereafter because those moneys are read by all, not just the service recipients but the service providers. They understand what it is they're to be doing and understand when there's a policy change or a major direction. The margin that is left for error in a year on the expenditure end in a municipal government is painfully small. Likewise, on the revenue end it's rather limited too.

This government has, of course, the problem I related to this House a little earlier about the revenue problem – and I proposed a solution – but it's the expenditure side. To come up with a flimsy little document at the end of the year and say, “Oh, citizens of Alberta, we need a whole batch more money here; we had a bunch, and gee whiz, we thought we'd spend it here, here, and here,” and with no attachment of the requisite business plan, such as they're called in these documents, how is the average citizen to take this to their accountant, take this to their barber, take this to their wife, and ask anybody: “Tell me where the money's going?” They can read the lines, but what relationship has that got to anything? And you call that transparent? I think not.

Now, a lot could be said about the whim of a Treasurer that can say, “Oh, geez; I just announced that we're going to have a tax cut this year, a minuscule tax cut.” Some of my colleagues will say it had no effect, but I would prefer to think that, yes, a tax cut does have some effect, but it may be marginal. Then how does this government cut taxes? Here we are in a province where there's lots and lots of people that are working and are doing reasonably well. Likewise, there are a great number of people that are not. So instead of taking an income level and saying: where would this drop in taxes be most effective, and how will it help out the most people *carte blanche*, right across the board? – because the optics of it sound rather good. There are so many areas. Whether you want to do it in income tax or you want to do it in other areas of assistance, there are so, so many areas where that purported 120 million and some odd dollars could have been spent and weren't appropriated in that manner. Here this

document ends up with a lot of money, and where the money was not spent is probably more important than where the money was spent.

Now, Mr. Speaker, I'll go into those areas that I spoke of earlier.

Infrastructure. In a former life one of the things I had to do was predict the reasonable life span of a physical structure. Today I'll speak mostly of not the structures that are above-ground; those are relatively easy to discern the life of. Any good contractor or carpenter can stand back and take a view of things. As well, a lot of those that are semitrained can eyeball a building and say, “Yes, certainly; that's good for another X years.” But what's below the ground is the infrastructure this province has a great deal of difficulty keeping up with.

I recognize that the major boom in this province occurred right after the '47 strike at Leduc No. 1, when Imperial Oil struck oil. Thereafter, this province just boomed in population. When you look at the population demographics in this province and how it expanded at that time and what had to go into the ground, we are in a state right now where we have infrastructure that has been under the ground for 50 years, and we have a great deal of it. Not just in the cities; we have it in a lot of small towns. The worst of it is that it's in the core of small towns. Many of those small towns have actually become cities now, and right in the heart of them we have cast-iron waterlines. Well, cast-iron waterlines are iron. They do rust if there's any air in them, and over time they do fracture and need replacement.

### 3:40

Currently what is happening in these municipalities is that they don't have the funds. They cannot possibly tax for the funds to replace those. So what they're doing is praying that they don't fracture and replacing only as they fracture. Those who live in this city and drive around this city wonder: “Gee whiz; why are those people still digging in that same place?” Well, chances are they're not digging in the same place; they're digging 20, 30, 40 feet away.

It's a travesty when you think of the work that's wasted and the amount of money that is totally and completely thrown down the hole, because when you repair that line, you're not making it new. What you are doing is simply repairing it such that when you do have the time and money to go from one end to the other and replace it all, you have to take out all of that repair work and replace it all with new pipe.

Now, this is a small example, but what I'm getting at here is that you would be penny-wise and pound-foolish by paying down a debt with these excess funds on 7 and 8 and even 9 percent money, because if you look at the cost recovery in the hearts of these smaller towns and cities in our province and ask them what they can do with that amount of money, they can show you over a 10-year period the money they'll save. But they don't have access to the funds here. They simply don't have the wherewithal to borrow those funds and then pay the considerably greater interest rates that they have to pay because they don't have near the credit rating the province does. This is just folly when you're talking about roads, which you can see, and the sewers.

The other area that needs upgrading badly is not just water supply but water treatment. I recognize that we're increasingly having complaints and concerns about all the health ills that unclean water supplies. Here's an area where we could truly invest in the long-term future of the province by the investment of funds that come available through a revenue bubble, perhaps, or some unexpected funds in some areas.

I'll turn to an area that also has some interest to me. It's the department of the environment. Now, when you're talking about an investment in natural resources or in soils, once these soils have been contaminated – as many of you will know, having service stations in your towns and your cities and sometimes in the country where service stations leaked some gas and oil, there are now so many of them. I believe there were some 10,000 of them in the province, and less than 3,000 have been dug up and serviced. Well, what that means is that there are another 7,000 sites in this province waiting for when it's time to redevelop. What happens here is that the only time they get the contaminated soil dug up and dealt with is when there's somebody willing to redevelop the site at their expense.

So here's this contaminated soil, and we drive right by it all the time. It may be an abandoned lot in a small town. Simply, you don't know what's occurring, and what happens is that nobody wants to build on it because of this horrendous cost. Now, there's an area that is not likely to be rectified ever, in some cases, particularly in some smaller towns in Alberta where the trend, in fact, is to the larger centres. It's a fact of rural life that that's occurring. Well, here are these small pockets that last forever and ever and ever, and they spread. This is not an investment in the future. This is an area where if a program was managed such that the work would go on at low times when the forces are available, you'd get the absolute best prices for that because it would be over a period of time when the contractors would have their downtime and be able to do this work. Yes, it would cost the public purse. It would be charged against the property and not against Environment in the long term. Yes, it would have to be done selectively, and yes, it would not be a massive onetime project that would occur in one year and not in any others. It would have to be sustained over time.

Roadworks, of course. My personal complaint is roadworks. Everybody is a roadworks engineer, and if you drive a car, it seems to give one the right and the responsibility to complain and make that known. So the municipalities and the minister of transportation are well aware of where the trouble spots are in capital works on the surface.

There's an area that does concern me also that is not contained in the extra funds here. Here we have the spectacle of an advanced education department that does not and cannot afford to provide an education system in this province. I mean, right from the graduate degrees to the two-year computer courses, it simply cannot provide enough. There just isn't enough. Here we have the industry . . . [Mr. White's speaking time expired] Oh, good heavens. I was just getting into it. I'm sorry. I'll have to contain myself. Yes. I'm sorry, sir.

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

DR. MASSEY: Thank you, Mr. Speaker. I'd like to take this opportunity to speak to Bill 32 and at the same time to talk a little bit about the process that we have been through these past number of weeks.

I'll start off with the kind of information that we have been provided by the government in terms of the estimates. I guess my first question is: has there been an effort to standardize and to evaluate the business plans? If you look at the kinds of materials that were presented, there's such a vast difference between what departments provide us. A look at the gaming commission business plan, which we examined the other evening, gives us

almost no information in terms of performance measures. It seems to have confused what a goal and what a strategy are. It compares so starkly with the business plan of, say, Transportation and the business plan of Treasury, where there seems to be really a great deal of care taken to specify exactly the goal that is being sought, to clearly outline the kinds of strategies that will be undertaken to achieve that goal, and then to put in place some measures so that we can actually judge this time next year whether or not that goal has been achieved. I think it's enough to say that I really hope there's some effort in the next year to evaluate the business plans and their presentation and to modify the plans in those departments that seem to not supply the kind of information that we need and that really aren't very helpful in explaining how funds are going to be disbursed.

3:50

Another problem with the business plans is the penchant of some departments to change them from year to year, so the kind of historical information that is necessary to make judgments about spending money is not there, and any kind of trend analysis is almost impossible when the categories are changed and even the kind of information that's being gathered about spending is changed. My plea would be that some attention be given to the performance objectives and some effort made to evaluate them and to change those departments where the kind of information we're supplied with is insufficient.

I'd like to talk a little bit about the process that we've been through. I've chatted with members on both sides of the House, and there is unhappiness about the process and how we've gone about it. I think that if you look at that table we were supplied with in terms of where committees were going to be meeting, when they were going to be meeting, which committees were meeting, and the members that were supposed to be in various places at various times, it points out very graphically how confused, how complex we've made what should be a very simple and straightforward process, and that is that we should all be in this Chamber and all be given the opportunity to examine all aspects of the budget, and I don't think that's the case now. I think it raises the question of whether we're acting responsibly. The huge numbers of dollars that are spent and sanctioned by this Assembly I think makes it incumbent upon us to make sure we do the best possible job that we can.

Although we hear complaints from the side opposite about the amount of time we spend in budget estimates, when you compare the 60 hours that we spend in this province with the 500 that is spent in other provinces with similar sized budgets, it makes you just wonder about those complaints. It's in such stark contrast to what local boards, school boards and municipal councils, do in the examination of their budgets. I mean, the hours that are put into examining and scrutinizing the spending of much smaller sums is really quite incredible when it's compared to what we do in this legislature.

Another aspect of that I think is the very honest effort on the part of municipalities and school boards that I know in this city try to involve the public in the budget process. I sit here night after night, as many members do, and when you look at the galleries, there's only a few people who bother to come and listen to the budget debates. It makes you wonder how well publicized the budget process is and if there shouldn't be an effort to try to involve the public in the kinds of decisions that are being made and to evaluate how well their elected members are actually scrutinizing the expenditure budgets.

I guess the final question I have about Bill 32 and the estimates

included there and all of our estimates is: why were the recommendations of the Growth Summit not better reflected in that budget? I look particularly at the education spending that we've had before us and the almost universal condemnation of the kinds of expenditures that were included. If you look at recent polls of Albertans where 76 percent of them indicated that they don't believe that there's enough money for education, again I wonder why that concern of Albertans hasn't been alleviated in these budget expenditures.

We're still faced with class sizes that are too large. We're still faced with inappropriate funding for special-needs children. We're still concerned about the resources available for teacher aides and classroom resources. The kinds of increases have really not kept pace at all with inflation, and if you compare the 1994-95 spending to 2000 and 2001 and you take out the funding for mildly and moderately disabled students, the increase has been about 5 percent, and that's over a period of seven years. So I'm disappointed that these estimates don't reflect the concerns of the public and certainly don't go very far in terms of alleviating the problems that the education system in the province faces.

With that, I'd conclude my comments, Mr. Speaker.

[Motion carried; Bill 32 read a second time]

**Bill 30**  
**Cemeteries and Funeral Services Statutes**  
**Amendment Act, 1998**

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

MRS. LAING: Thank you, Mr. Speaker. It gives me great pleasure to move second reading of Bill 30, the Cemeteries and Funeral Services Statutes Amendment Act, 1998.

Neither the Cemeteries Act nor the Prearranged Funeral Services Act has been updated for almost 40 years. The industry has evolved over that time, and different types of goods and services are being offered to Albertans who are either planning for their future needs or for the present needs of loved ones who've just passed away.

One of the key principles in the drafting of the amendments in Bill 30 was to update the statutes to take these changes into account. This includes using current language of today. For example, "endowment care" is now the more common term "perpetual care." Sections of Bill 30 are merely bringing the language into the plain language mandate.

Another key principle was to remove cumbersome and outdated provisions and clarify these areas of the legislation where confusion exists so that businesses or consumers need to call government officials for guidance. For example, it's now not clear whether cemeteries which buy back plots should pay the actual market price for the plot or the price that the consumer paid at the time the plot was purchased, and Bill 30 addresses this issue.

When the review started over four years ago, it was proposed to combine the Cemeteries Act and the Prearranged Funeral Services Act into one statute, but stakeholders objected. They felt strongly that there are too many differences between cemeteries, which are primarily owned by nonprofit religious groups and municipalities, and for-profit funeral businesses. As a result, the statutes have been kept separate, as they requested. On the other hand, stakeholders in both the cemeteries and funeral sectors have very similar interests and sometimes deal with the same products or services, and care has been given to not give one area over

another a legislative advantage. Wherever possible the benefits have been harmonized across both statutes to maintain a level playing field. The changes to both acts have been brought to the Assembly together in an omnibus bill to ensure requirements for both industries are reviewed at the same time.

At present the funeral services businesses are governed by the Prearranged Funeral Services Act, the Licensing of Trades and Businesses Act, and some of the provisions of the Unfair Trade Practices Act. Licensing functions are delegated to the Alberta Funeral Services Regulatory Board, which was established under the Licensing of Trades and Businesses Act in 1993. Bill 30 pulls all the existing provisions together into one statute, which clarifies the rules for the whole funeral services industry and allows delegation of further responsibilities to the board.

The administrative responsibilities and compliance handling for cemeteries will remain with the government, but the amendments to the Cemeteries Act also allow for their delegation to the regulatory board established by regulation should this be required in the future.

Religious and municipal cemeteries will continue to be exempt from licensing, preneed trust requirements, and perpetual care financial provisions.

**4:00**

Common amendments being introduced to both acts include the prohibition of telephone and door-to-door sales of funeral and cemetery goods and services, and all other forms of direct sales, such as mailing or TV advertising, will be allowed.

All funds, including interest earned for preneed purchases, are now to be retained in trust until goods and services have been delivered.

Businesses may charge a reasonable administration fee to offset their costs.

Cumbersome and expensive financial reporting requirements for businesses have been streamlined, while accountability has been maintained.

Since consumers may be making decisions on very sensitive issues at an emotional time, minimum disclosure requirements for contracts will be set by regulation, while consumers will be given a certain number of days to reconsider their preneed purchase and cancel at no charge. Deceptive or high-pressure sales tactics are specifically prohibited.

Penalties for contravening the legislation have been updated and harmonized with other consumer-related statutes, but alternative enforcement options and alternative ways to resolve disputes are also included.

I should mention that over 100 stakeholders and stakeholder groups were consulted during the development of Bill 30. An Angus Reid poll gathered the opinions of 800 Albertans from all areas of the province on telephone and door-to-door solicitation of funeral and cemetery services, one of the issues that's been addressed in the bill. Overwhelmingly the poll showed opposition to cold calls on the telephone or door to door. The views of all our stakeholders are very important to us, and I'd like to take this opportunity to thank them for their time and their effort so freely given.

Finally, Mr. Speaker, based on the positive feedback received on discussion drafts of these amendments, I'm confident they will satisfy both those who are involved in the industry and those Albertans who must make consumer decisions at a very difficult time in their life. I do look forward to the comments of all members of this Assembly.

At this point I would like to adjourn debate.

THE DEPUTY SPEAKER: The hon. Member for Calgary-Bow has moved that the Assembly do adjourn debate on Bill 30. All those in support of this motion, please say aye.

HON. MEMBERS: Aye.

THE DEPUTY SPEAKER: Those opposed, please say no. Carried.

**Bill 29**  
**Students' Financial Assistance**  
**Statutes Amendment Act, 1998**

THE DEPUTY SPEAKER: The hon. Member for Wetaskiwin-Camrose.

MR. JOHNSON: Thank you, Mr. Speaker. I'm pleased to bring forward the Students' Financial Assistance Statutes Amendment Act, 1998, for second reading.

As mentioned in first reading, this act will amend the Alberta Heritage Scholarship Act, the Student Loan Act, and the Students Finance Act to reflect the Students Finance Board's enhanced policy advisory role and the minister's operational responsibilities under those acts. Bill 29 also makes other changes relating to student financial assistance, some of which I will be discussing in the next few minutes.

First, I'd like to make some comments regarding the role of the Students Finance Board. The role of the board was developed when students' finance was essentially a student loan program for postsecondary students. Over the last several years financial assistance programs have been greatly expanded. New provincial labour market programs, training and support of welfare reform, and federally funded employment insurance training are now supported through a wide range of grant and loan products.

In an effort to ensure program efficiency and effectiveness, all of these products have been integrated into a single delivery model. As a result, policies and procedures governing the apportionment and distribution of financial assistance programs extend far beyond the scope originally envisioned for the board.

The Students Finance Board has responsibilities under the Alberta Heritage Scholarship Act, the Student Loan Act, and the Students Finance Act. All three of the acts are amended to enhance the policy advisory role of the board and to reflect the minister's assumption of operational responsibilities. The amendments confirm the board's core business of advising the minister on all matters pertaining to financial assistance programs. They reflect the reality that the board cannot be held accountable for the day-to-day administration of integrated financial assistance programs that must respond to a broad range of objectives outside the board's influence, such as federal employment insurance legislation. This accountability and responsibility is the minister's.

Now, I'd like to briefly look at each of the three acts and the proposed changes in Bill 29. First of all, the Alberta Heritage Scholarship Act. The Alberta Heritage Scholarship Act lists the sources of scholarship money that may be paid into the Alberta heritage scholarship fund, but it is silent about further government contributions to the fund. Other government departments may wish to establish scholarships under this fund. For example, Alberta Health provides funds for scholarships for First Nations students. By consolidating money for government-funded scholarships under the fund, this allows better management and administration of the funds. In a nutshell, Mr. Speaker, the

amendment clarifies the Alberta government's right to contribute to its own scholarship fund.

Secondly, the Student Loan Act. The Student Loan Act has terminology which restricts the administration of the student loan program to paper transactions. The amendments will allow the student loan program to use electronic transactions. This will make better use of modern technology, reducing paperwork, costs, and waiting times.

In regards to the limitation period for collecting a student loan debt, the current limitation period for starting a legal action to recover a student loan debt is six years. The new limitations act, which has not yet been proclaimed, would reduce that period to two years. The amendment to the Student Loan Act retaining the existing six-year limitation period provides a benefit for students. If we decrease the length of time for taking legal action from six years to two years, there will be great pressure on the banks to act against a student at the first sign of repayment difficulties. We do not want this to happen. Our goal is to ensure maximum flexibility for students trying to repay their loans. Student loans are a unique type of an unsecured loan that require a longer period of time to collect.

Students now have access to a range of debt management measures that provide assistance for at least three years after graduation for Alberta student loans and five years after graduation for Canada student loans. Risk-sharing agreements with the banks are based on a six-year limitation period. If the limitation period is changed to two years, Alberta and federal government agreements would be open to renegotiation and no doubt a higher risk premium.

Now, in relation to the Student Finance Act, the third act, and more specifically portability of Alberta student loans across Canada. The Students Finance Act allows for provincial assistance for students studying outside the province only if the program is not available at designated educational institutions in Alberta. The amendment allows the province to consider portability of Alberta student loans across Canada. This flexibility to offer provincial assistance is required in support of Alberta's plan to pursue an agreement with the federal government to harmonize student loans. If implemented, the cost of portability will be offset by increased federal investment in debt reduction measures. Harmonization would also enhance accessibility by giving Alberta students the option to study outside the province and still receive provincial financial assistance and support goals of interprovincial labour market mobility.

Finally a comment about the Students Finance Amendment Act, 1980. The unproclaimed 1980 Students Finance Amendment Act, which would have established a student finance appeal board, will be repealed through Bill 29. On further review this appeal board is not seen as necessary because existing appeal mechanisms are able to deal with appeals. Currently, student finance appeal committees are publicly appointed bodies established under the Government Organization Act to deal with student appeals.

I look forward to the discussion on this bill, and I hope that the deliberations will confirm that the policies and principles identified in it will merit the support of this House.

Thank you, Mr. Speaker. I move second reading.

**4:10**

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

MR. SAPERS: Mr. Speaker, thanks. Bill 29 is one of those bills that's hard to speak to the principle of because it amends a

number of things. It accomplishes many things, and some of them I even agree with. At second reading I know we're supposed to just stick to the principle of the bill. I'll be talking to the principle of some of the changes that it makes, because it's not one of those bills where you can hang your hat on one single issue.

Generally speaking, it consolidates the operational functions of the student loan program under the department of advanced education and particularly puts a whole bunch of new power into the hands of the minister. Some would argue, Mr. Speaker, that this would run contrary to the provincial government's stated intention of having less government closer to the people. I won't enter into that debate. So you have to wonder – because this is an inconsistency with the government's stated position – what would compel the government to go against their own grain by snatching this power away from this arm's-length body and consolidating it with the minister. We'll come back to that question in a moment.

Something else that the bill accomplishes is to make the Students Finance Board strictly a ministerial policy body. It becomes a policy adviser to the minister. You know, the minister has an entire department out there, one that he manages – well, it's within his administrative area of competence, the department of advanced education. He has a number of paid civil servants who advise him on a daily basis and, in fact, brief him rather well. I've been having trouble catching the minister out on too many things that he hasn't been up to speed on. So I know that the minister pays close and careful attention to his responsibilities, and I know that he has developed an excellent relationship with his senior staff in his department and that those professionals in his department are doing a first-class job of keeping the minister on track.

So I have to wonder, given the accomplishments of this minister, why the minister is taking a body that's worked relatively well in the service of the people of Alberta, the Students Finance Board, in an arm's-length capacity, why he would be – well, I was going to say rewarding, but it would really be punishing this body by stripping them of their independence and making them advisory to the minister. And then I have to wonder if maybe it's just me who thinks the minister's been well served by his bureaucracy. Maybe he's not feeling that he's getting everything that he needs from his bureaucracy, and maybe that's why he thinks he needs more policy advisers helping him out. So I have some concerns about this shift in the role and what I perceive is perhaps a growing schism between the minister and his department. I would hope that the minister will take an opportunity to explain why he sees the board as being of more benefit to him and to the people of Alberta as advisers to him as opposed to an arm's-length body servicing the people of this province.

One thing that I will commend the minister for bringing forward in this – well, it's actually the Member for Wetaskiwin-Camrose that I should be commending, not the minister. So read into that, hon. member, that I really meant you.

MR. SHARIFF: The minister to be.

MR. SAPERS: The minister to be. Well, that's an interesting insight. Hmm, what's that I hear, Mr. Speaker? The sounds of a shuffle?

One of the things that I would commend the government for doing in this bill – because it's on the government Order Paper – is that they are going to make it easier for Alberta students

studying outside of the province to obtain Alberta student loans. I have to say that this has been a long-standing problem for Alberta students, and there is a very unequal reciprocal relationship right across this country, where some student loan schemes are much more generous than others with out-of-province students. I'm glad to see that Alberta is leaping ahead in this regard, and I would be more than happy to sit down with the minister to figure out some ways to ensure that Alberta does maintain an advantage for its citizens who choose for whatever reason to go outside of the province.

While I am very, very happy to see the government of Alberta make these student financial supports available to students studying outside of the province, I have to just add a caution. The caution is this. We've had lots of debate in the Assembly, particularly during estimates, on the state of Alberta's advanced education infrastructure. There has been some new money spent, and some of the cuts have been restored, but Alberta's advanced education institutions are still squarely behind the eight ball in trying to keep pace with the costs of technology, learning resources and libraries, recruiting and retaining senior academics, attracting the brightest students.

While I'm happy that the government is going to make it easier for Albertans to study outside of province, I'm afraid that this might just be the icing that they needed to go outside of province, because now they take a look at the postsecondary institutions in Alberta that once led the country in terms of all of those things I was talking about and now they clearly don't lead the country. There are several areas where they are at the bottom of the ladder, when it comes to things like journal collections and library collections and laboratory equipment and salary scales for academics.

This diminishment of the status of Alberta postsecondary institutions, which has come about not as a result of the men and women who work in those centres but has come about as a result of government fiscal policy – the students may take a look at that reality and now take a look at the fact that Alberta student loan money is going to be able to follow them outside of province more directly, and that may just be the final incentive they need. Then that could in some way create a spiral effect, less student demand. Anyway, I hope not.

On balance, I do think this initiative is a positive one. It's one that I'm happy to support, but I just wonder about making sure that we put Alberta postsecondary institutions back up at the top rung of that ladder and how we're going to accomplish that.

On retaining the six-year limitation period for commencing legal action concerning student loans, default, and recovery, there has been a fair bit of press about this. It was interesting to see that this issue gained the public attention that it did as quickly as it did. The limitations act, which as a member of this Assembly I spoke to, I believe, changed the status quo and established a two-year limitation for recovery. I think a lot of people felt that was going to be a net benefit. The government, ever vigilant to make sure that they were going to not hurt people in this regard, decided that students were a special case and that the six-year limitation should be maintained for students. I for one am in favour of that. I think that makes a lot of good sense. I would hate to think that we were going to create a situation, a result once again of government fiscal policy, where tuitions were going to be made nearly, if not entirely, unaffordable, create huge debt loads for postsecondary education students, and then send the sheriffs out after them 24 months out of school, when they have probably not been able to establish themselves in a career path or

in employment that would allow them to fully live up to their obligations.

4:20

Most students that I speak to tell me that they have every intention of repaying their student indebtedness as quickly as they possibly can. They are very honest in their assessment, though, of their ability to do that, and I think the six-year period makes some sense. Instead of pushing students into default, instead of moving towards bankruptcy, instead of setting it up as a legal contest between the government and the students of this province, I'm happy to see the limitation period be retained at the six years.

Now, I suppose it's possible that this extended period could be used as a bit of a club as well, that you could take this six years and now think we have three times as long in which we could harass these students, and as often as I think this government might be up to no good, I would have to say that in this case I don't believe that the government is up to no good. I think the government is okay, but we'll be watching. We'll be watching, and if they do use this as a club, I guess I'll stand here, eat my words, and then hold their feet to the fire for being nasty and brutish in their relationship with Alberta students.

The legislative authority to ensure that the Alberta government adds funds to the heritage scholarship fund is kind of interesting. It reminds me of some of the government slogan bills that have come out – you know, the bill that said that you can't have a deficit and the bill that said that you have to have a balanced budget and the bill that said no tax increase before a referendum – all those slogan bills that the Premier foisted upon the House to make it look as though they were actually doing something meaningful.

Well, this is kind of like that. It's a good thing, and I'm glad the legislative authority is there, but it's the right thing to do. If the government was serious about supporting heritage scholarships, they could simply do it. It would be the right thing to do. So to say that we need the legislation just to remind us of what our obligation is, that we need the law just to remind us what the right thing to do is just sort of strikes me as a little odd, a little ironic. But, you know, the government I'm sure knows themselves better than I do, and if they think they need the force of legislation to remind them to do the right thing, then I'm here to vote for that. I'm here to support the government in being held accountable to live up to its own . . . [interjection] It'll be in *Hansard*, hon. member. So I support the government in doing the right thing, which some days may be to resign, hon. member, so be careful what you wish for. If the government thinks they need legislation to hold their feet to the fire, we'll be here to do just that and turn up the heat if it's called for. [interjections] They're being provocative, Mr. Speaker.

The next thing that the bill would accomplish is also kind of interesting and intriguing to me, Mr. Speaker. The government is now going to repeal an unproclaimed section of an act that it thought it really, really, really needed before. Now, I don't want to connect the dots here too directly between saying, "Oh, boy, we better have a law to make sure that we fund those heritage scholarships," and now, "Oh, boy, we better have a law to set up a student finance appeal mechanism." But you know, Mr. Speaker, I'll leave it to your imagination how one might become skeptical of such a thing and how this might breed cynicism amongst the populace.

What we have is the government rushed ahead, set up a legal structure, ignored the legal structure because they had a change of heart, set up the government – what was it? – deorganization,

deretrofitting, government-gutting act, whatever it was called. [interjection] Yeah, the one that set up all the delegated authorities. It was the government reorganization act; that's what it was. They reorganized the government so completely and thoroughly that they forgot all about all of the other unproclaimed legislation that they had on the books. Now they've found: "Oh, my gosh, we've done the same thing twice, coming at it from two different directions. I guess we'd better go clean up our mistake."

MR. DUNFORD: Missed it by that much.

MR. SAPERS: Yeah, missed it by that much. I think it was about 14 years they missed it by, Mr. Speaker.

So they're cleaning up this 14-year-old mistake.

MR. DUNFORD: Where's your math?

MR. SAPERS: Well, when was it?

MR. DUNFORD: In 1980.

MR. SAPERS: Yeah. Then what year was the government reorganization act passed?

THE DEPUTY SPEAKER: Order. This is not give-and-take. The hon. minister will have ample time during the course of the long discussions on second reading of this bill.

Please, hon. Member for Edmonton-Glenora.

MR. SAPERS: I'm sorry. Through you, Mr. Speaker. As I said, he was provoking me.

Mr. Speaker, at some point the government created the Students Finance Amendment Act, and at another point they created the government reorganization act. In part both of those acts accomplished or tried to accomplish the same thing. The government never proclaimed the former; they imposed the latter. Now they've got a train wreck because they've got these competing legal structures.

So the government wants to clean up a mess. We're here to help them clean up a mess. We'd rather help them avoid making a mess. But it's kind of like house-training a new dog, Mr. Speaker, when it comes to making messes. Sometimes you just have to go back again and again and again, and it takes infinite patience sometimes. So we as an opposition are infinitely patient with this government as they continue to make these kinds of mistakes because of their headlong rush into new legislative territory, and that new legislative territory was the whole area of delegated authority and delegated administration.

Now, I want to come back to this change in the role of the minister vis-à-vis the Students Finance Board. This opposition has argued time and time again that one of the features that's missing from the current government is ministerial accountability. When something goes wrong in education, the Minister of Education says: don't talk to me; talk to the school board. When something goes wrong in health care, the Minister of Health says: don't talk to me; talk to a regional health authority. The government is setting themselves up to be able to say when something goes wrong with children's services: don't talk to the Minister of Family and Social Services; talk to the regionalized children's services authorities. When the school buses weren't safe, Mr. Speaker, the minister of transportation didn't say: talk to me. He said: well, it's a self-regulated industry.

So on the bill, Mr. Speaker, as an opposition we've been saying: "Take responsibility. You're big boys and girls; live up to your responsibility. Stand there and take it. If it's a matter of government policy, you be responsible for it." The buck is supposed to stop there and there and there and there, but they've been pointing at these delegated authorities.

So here I am going to criticize the Minister of Advanced Education and Career Development for standing there like a man and taking responsibility, because unfortunately they've confused the notion of ministerial responsibility with political interference. There's a fine line between political accountability and political interference. So when all of this power is sucked into the minister's office, when all of this authority is taken away from the Students Finance Board and deposited in the back pocket of that minister, there will be no line left for the citizens of this province. There will be no buffer between the unfettered power of the minister of advanced education and the people that are subjected to perhaps ruthless and arbitrary decisions.

So I would ask that the minister of advanced education be ever cautious in his use of this new arsenal of power which he has built around the thickly paneled walls of his office and not use it as a club of intimidation against the postsecondary students of this province.

4:30

MS BLAKEMAN: Well, I'm sorry; I won't be quite as entertaining as my predecessor. I would like to speak in second reading on Bill 29, the Students' Financial Assistance Statutes Amendment Act. To be honest, I'm not sure whether to speak wholeheartedly in support of this bill or not.

MR. DUNFORD: Oh, go ahead.

MS BLAKEMAN: Well, you know, I'm still young, yet a year in this place – cynical, cynical, cynical. I don't know. I just don't trust what's going on over there.

#### Speaker's Ruling Decorum

THE DEPUTY SPEAKER: It is nice to hear some laughter in the Chamber after a prolonged period, but I think that we are here for debate. I would invite the hon. member to address her remarks through the chair and would indicate to the hon. ministers that when they wish to speak on this or any other matter, please rise in their place, in their turn, and speak then.

The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you, and thank you for your kind words of advice and direction.

#### Debate Continued

MS BLAKEMAN: I have some questions and some comments. There are several things in here that I quite like the sound of. Retaining the six-year period for students to repay their loans before they start to commence legal action to recover that money I think is important. I've been surprised, I'll admit, to have three letters received in my office over the last week, all from single moms who are trying to get some kind of postsecondary education. Two of them, I think, are actually dealing with the Students Finance Board right now. They all had different concerns, but certainly the period of repayment is a concern for all of them.

One of them, I know, talks about how she needs a long period

of time to repay that loan. She's concerned that when she gets out, she may not be getting a really high-paying job immediately. She is a single mother, so she wants to spend some time with her family as well so wouldn't be interested in all the overtime hours. The period of repayment I think is critical to students, and I'm really pleased to see it in the bill.

One of the things that does concern me, though, is moving this council into an advisory position. I guess if it's going to move from being a board that had more functions to it into an advisory function for the minister – and perhaps the sponsor of the bill can answer these questions for me; I'm sure he can. Were the members of this board remunerated in any way? Will there be a difference in their remuneration now that they have fewer duties? I'd be interested in hearing that.

I'd like to hear what the long-range vision is from the department of advanced education regarding student loans and higher education. I'm a little suspicious about moving what was an arm's-length organization under the direct control of the minister, because I've seen some other councils that were arm's length, that were moved underneath departments – and I'm talking over a long period of time here with this government – and eventually they either disappear entirely or their function goes off to another level of government, even the federal government. So it would be helpful for me to make a decision on whether or not I'm going to support this bill by knowing what the long-term vision for this is. I mean, this appears at first glance to be strictly housekeeping. That's certainly the way it's put forward in the press releases and all, but you usually don't do housekeeping unless you've got a reason for it. So I would be interested in those reasons.

I would like to speak briefly about the enlarged mandate of the finance board in that it does deal with training support of welfare recipients and also the federal employment insurance plan. I'm wondering if it's included in this or if there's something else that the department is looking at or if this legislation would also apply. I know that for single moms with children who are trying to go back to school, there is a restriction where their student loan maximum is reached after three or four children. So if you have someone who is looking after more children than that or has more children than that, the amount of money simply isn't enough to carry them through. These are women who are trying to dig themselves out of a life situation, improve themselves, get a postsecondary education, be able to carry on, pay taxes, and really contribute back to society rather than be dependent on assistance from society. So I'm all in favour of doing anything we can to help and encourage them. I think that kind of investment really pays off for us long term, because then her children see their mom going to school and have an expectation for themselves that that would happen. We can start a whole other pattern of life for that family.

I'm wondering if there's anything in the background of this that would help women who have a number of children be able to complete these programs over a longer period of time. Looking after three or four or five children is time consuming, and the money is not enough to deal satisfactorily with child care. There's a lot of work to be done besides just looking after kids. There's laundry and shopping and dental appointments and all kinds of other things that come into that.

Also, the restriction that the training has to be done within a certain period of time. I've known a number of people that have really needed longer than that, and they end up abandoning their studies and therefore don't go on and achieve the things they were looking to achieve. As well, for women who are using distance

learning or are perhaps operating from a rural base, this time constraint can be a problem for what they're trying to achieve.

My other question was: is there anything in the background of this bill or anything the department is looking at doing to help or be more vigilant in helping single moms who are successful in receiving funds through the Students Finance Board to collect maintenance enforcement payments? As I said, I've received a couple of letters in the last week, and two of them are dealing most specifically with that. They're really struggling to raise their children, to complete postsecondary education with a small student finance loan or student financing. There's supposed to be assistance there from a noncustodial spouse by way of maintenance, and it's not happening. I know that student finance takes into account payments from maintenance and that it's included in the budget that's done up, but if they're not actually getting those payments, that doesn't help those women. If it's not being considered, maybe I could ask that it be considered.

4:40

I know that when recipients register with the supports for independence program, they're required to register with the maintenance enforcement program. The maintenance enforcement program is vigilant about pursuing money, because the government considers that they're recouping their own money at that point, and I'm hoping that there's something that can be done around maintenance enforcement and student finance.

The scholarship program currently lists the sources where the money can come from, but the idea of the legislation is to expand that to allow other government departments to contribute. Again, I'm wondering what the long-term vision is on this one. I just am a little concerned that this is going to again result in other programs being abandoned or rolled in together or consolidated and that this does not end up with the widest possible choice for people and the most support that it's possible for them to be getting access to.

The idea of being able to go on to use electronic applications and move away from the paper transactions I think is a great idea. Again, people that I've spoken to point out that for distance learning or if you're in a rural area, being able to get somewhere central where you can use the electronic applications would really help cut down on the travel and cut down on the wear and tear and all of the other arrangements that have to be made when you're traveling a long distance.

I'm wondering what is behind the assistance for students studying elsewhere. I know at one point I received a grant, and I had to sign something that said I intended to use my training here in the province. I'm wondering: is that kind of thing going to be asked for, a commitment on behalf of the student who applies for or accepts an Alberta government student loan here in Alberta but intends to study somewhere else? Is there an expectation that they're going to come back into Alberta with their training, or are we moving to a globalization of study, where everybody throws money into a pot or different levels of government contribute to a pot and students from anywhere can study anywhere for any reason? Again, I'm looking for what the long-term plan or the long-term vision is behind this move, because it looks more complex and far reaching to me than what has been described in the hon. member's introduction.

Just as I bring my comments to a close, I'm looking forward to the responses to my questions. But I'd also like to make note that in Edmonton-Centre I have a lot of students who live there. It's close to the University of Alberta. Grant MacEwan is in the constituency. Alberta College is there. It's fairly close to NAIT

and Alberta Vocational College. So I do hear quite a bit from students, and over and over again they say: this is getting out of control. The tuition and the costs of going to school and the day-to-day costs of just living are getting beyond people's reach and particularly beyond the reach of students that are coming from lower income families. It's just defeating them. They don't even want to start into it because they're afraid they just won't be successful at it. I think, again, we need to look at short-term investment for long-term payoff here.

We've heard the minister talk about a skill shortage, that we need more people with that kind of education and background. I really view education as an investment, and that certainly covers things like apprenticeship programs as well. I would encourage this government to wherever possible look for ways to bring tuition fees down for students. We're leaving them with a huge debt to pay off. I was certainly fortunate enough not to start my career with that kind of debt. I don't think there are many people in this Chamber that did start with that kind of debt. Why, then, do we assume that it's okay for another generation? When we talk about intergenerational debt, this is where I see it happening. We've already made it so expensive for the next generation to go to higher education that I think we have instantly passed on that debt to them, only they're carrying it personally.

So I look forward to the answers to my questions. I'd like to get a better understanding of what's behind these proposals in this bill, and then I will be able to make a better decision as to whether or not I would be supporting it. Thank you for the opportunity to put those questions forward and the comments that I've been able to bring forward from constituents and students in my riding.

Thank you.

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

DR. PANNU: Thank you, Mr. Speaker. I want to at the very outset start by complimenting the legislative services branch of the Advanced Education and Career Development department. They were kind to copy to me and, I understand, also copy to the hon. Member for Edmonton-Glenora a set of briefing notes on Bill 29. These notes were incredibly helpful for me to understand the thrust and the purposes of the bill.

The second observation I want to make at the beginning is to again express to the hon. member, the mover of the bill, my gratification for two elements that this bill seeks to change. One will now allow students who study out of province to receive student loans. This portability question I think has been addressed. It has been overdue, but it has been addressed, and I'm pleased about it.

Of course, given the fact that we have now new kinds of technologies available to process information, applications, data in general, I'm quite supportive of the move to allow electronic processing of applications. Needless to say, the question has arisen in my mind with respect to the confidentiality and privacy of the information contained in these applications and how the move to electronic processing might or might not jeopardize that particular consideration. There's a confidentiality of the information that the applicants are required to provide in order for their application to be processed.

[The Speaker in the chair]

Having made these two observations, I want quickly to get to my general impressions about the bill with respect to the princi-

ples and the purposes that inform the bill. The point has already been made, but I think perhaps it merits reiteration. It has to do with the apparent consequence of the changes in the status of the student advisory board, as proposed in the bill. They certainly remove the arm's-length relationship between the board and the minister. The minister may or may not have this intention, but certainly this government has been moving consistently – certainly I've observed this over the last year that I've been part of this process – towards concentrating authority in the executive arm of the government and gradually removing active and meaningful participation by members of this Assembly; that is, of the legislative side of the system of democratic governance that we have.

#### 4:50

Certainly the changes proposed here would seem to me to reflect this bias that I think is consistent with this government's way of re-engineering governance in this province, and that is to shift powers increasingly into the hands of the executive. As a result, the ministers – each minister, not only this minister – are beginning to look more and more like CEOs of private corporations, whose primary commitment is to serve the corporation in order to enhance its market advantage. So that certainly is one aspect of the bill that, to me, jumps out when I look at it.

Another one, Mr. Speaker, that I note has to do with the minister seeking changes. I think it's the Students Finance Act section of it. Clearly we are not debating the bill in detail, but I find it impossible to talk about any of the principles without making reference to some specifics here. So with your permission, I would make reference to section 9 of the Students Finance Act, subsection (c) of that. It's a new addition to subsection (2) of section 9. By way of this addition, the minister seeks to be able to “designate other classes of programs of study” and to then have the power to “award student financial assistance to students enrolled in those programs.”

This addition, in my view at least – and the minister and the hon. member who has moved the bill will obviously both have the opportunity to address some of these questions that I'm raising. It appears to me this is an attempt to empower the minister to fund programs or fund students who are enrolled in programs regardless of what kind of institution, public or private, they may be located in. That, again, in my view is a radical change. It informs the bill's spirit, the changes mentioned here, that private entrepreneurial activities in the field of provision of postsecondary education programs are now being brought into the purview of the minister's ability to fund their programs regardless of whether these institutions are profit seeking or non profit seeking.

I would certainly be happy to hear from the minister and from the member that that is indeed not the case and that in fact they'll be willing to give an undertaking to the House that profit-seeking private institutions and students going to such institutions will not qualify for student loans that this department will be in a position to offer.

I want to turn now to the memo that I just referred to. I'm somewhat surprised that the members who have previously spoken on this see the retention of the six-year period, in which former students who have accumulated debts can on default then be legally pursued by the government, in a sense as a positive thing, that it eases the burden on students, eases the pressures on them. That's the argument that I've heard. However, when I look at the document that the legislative services branch of the Department of Advanced Education and Career Development made available to us – the minister wasn't here; I thank the minister's department

for making this information available – it gives the following reasons for retaining the six-year period while the limitations act, which will be proclaimed soon, will alter the limitation time to two years for all other kinds of loans.

I'll mention three of these reasons. They come straight from the minister's department document. “Student loans are a unique type of unsecured loan that require a longer period of time to collect.” Not to pay but to collect: I want to underline this. The hon. member did mention this feature of this bill. I, too, agree that student loans are a unique type of unsecured loan. It's a unique type of loan in my view in that a person taking this loan is unable to buy a physical object or a property or a piece of land or a car or anything else, but it is in fact an investment in the improvement of the person herself or himself. I see that element to be unique to it.

So it's not something that a person can turn into a private property exclusively for her or his own use. It's acquisition of properties and attributes which help and pay back both the individual and society, which in my view makes the nature of these loans very different and unique, unique in the sense that the government, that is responsible for giving these loans, should in fact look at defaults with greater kindness than is the case when a loan is taken to buy a house or to buy an apartment or to buy a motor vehicle for personal use, the benefits of which are entirely private. In this case the benefits are not entirely private; they are public and also private.

So if that were how we were to characterize student loans, as unique, then I would find that a reasonable ground to go easy on the manner in which we make collections on students, not make it more difficult.

The second reason that's given here, which I want to put on record, is that

reducing the limitation period from 6 years to 2 years would reduce the value of the loans when sold to collection agencies by Crown Debts Collection.

So, again, the official reason that is given here is not to make it easy for debtors, former students who carry these debts, to pay back but to in fact make sure that the sale price of uncollected debts to collection agencies remains high. That, again, in my view, means making the life of the former student more difficult rather than making the life of such persons easy. So I'm puzzled as to why my hon. colleagues who spoke before me in fact saw in this provision a silver lining rather than a matter that we should all be concerned about.

Collection agencies, Mr. Speaker – and this has come to my attention recently – not only go after former students who carry these debts, but they feel free, with some assistance, I fear, from this government's department, to go after the parents of such students if they can. I know that some members sitting in this House have that information available to them, documented to them. It should be a matter of grave concern to all of us that while we try to maximize the repayment of loans given to former students, the government should not permit these collection agencies to victimize and use extortionist methods to get the parents of former students to make these payments if they want to save the skins of their children. So, again, this is the second reason that is given.

#### 5:00

The third reason that is given, Mr. Speaker, in the official document is:

If the ability of banks to collect on risk-shared loans is reduced, the banks will require the government to significantly increase the risk premiums paid to compensate them for their greater risk.

So all of these reasons that are given here have little to do with making it easy for former students who now carry these debts to pay them back and maintain their dignity and their family's well-being intact. On the contrary, the intention of retaining the six-year limitation period for students would seem to me to therefore be unfair, to be discriminatory against a group of citizens who are our youth, who make, in my view, very, very praiseworthy efforts to put themselves through postsecondary institutions under circumstances which, for many who take out these loans, are quite tough. Then as soon as they get out, regardless of what happens to their jobs, the kind of employment they're able to get, we want to become harsher towards them than we would be towards other kinds of individuals using debt to buy whatever they use the debts for.

I would have hoped that in this bill, which the minister has initiated and the member has presented here, the Students' Financial Assistance Statutes Amendment Act, 1998 – I was obviously pleased that the department had made some effort over the last six months to bring into being a new fund that would help students get some bursaries, which will help them pay at least a small part of their skyrocketing tuition fees, which themselves are the result of this government's own policy to increase fees until they reach some magic number or level. So I was pleased to see that happen for students who are now in school.

However, there are those who are leaving school this year or who left school over the last few years who carry these debts who are faced with personal bankruptcies, who are faced with conditions under which they are unable to pay their debt as and when required and scheduled, and what I find missing in this bill is any declaration of intention of providing relief from this kind of debt burden to these students. The levels of debt that students experience are exceedingly high. The information again that this department had prepared sometime ago indicated that the average default rate among postsecondary students who graduate is variable but still quite high, even for the group for which it is the lowest, which is university students, at about 18 or 19 percent. This was a couple of years ago.

What I didn't find in this information was: what percentage of these students in fact find it necessary to declare personal bankruptcy? The personal bankruptcy rates among former students are considerably high, and I wouldn't be surprised if part of the reason that these measures are being proposed here to retain the six-year guarantee has something to do with the information on that which the minister does have.

What's happening, unfortunately, is that just as the minister's measures, as I have just suggested, seem to be intended to make it harder for students as they are trying, struggling to pay back their debts, so are the policies of the federal Liberal government. The federal government is proposing to bring in legislation to change bankruptcy legislation to protect banks rather than students. So the two governments, unfortunately for former students, in concert, in co-operation with each other seem to be taking actions which I feel will make the lives of our young graduates harder than they have been up to this point.

Mr. Speaker, it's about time that we began thinking about debt forgiveness of those who will not be captured by the new bursary system that the minister has initiated. There is a very large number of our own graduates who carry these heavy debts now, and it's about time that we began thinking about some sort of debt forgiveness rather than tightening the screws in order to squeeze the payments back out of them regardless of what happens to them and their families in the coming years.

I would conclude my comments, Mr. Speaker, by saying that I certainly look forward to the minister's answers before I make up my mind on whether to support or to oppose this bill.

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

MR. WHITE: Thank you kindly, Mr. Speaker. I, too, would like to add voice and some concern on this bill. Let's start with the element of philosophy that surrounds this bill. When you open up an act such as this, it doesn't add any more funds to the cause of course. But when you're talking about student finance, you can't speak of student finance without questioning the value of student finance, as this board has had to do all of this time, everything from the person the government was trying to assist to get off sustenance and welfare and into the workforce all the way to the postsecondary grad student that is looking for a bursary or a scholarship or something of that nature.

Now, it's a pretty broad range, but in general it's always been my view – and I've heard it a number of times from the other side – that education is well used if the education that goes into the recipient of that education is actually put to some service. That doesn't mean that a bachelor of arts is not of some service. I mean, in my view that kind of liberal education is in fact valuable. The other case, if it's not used, is of course simply wasted money. But if it is used, it's a very, very, very valuable asset for a people, whether they be a province, a city, or a nation.

If you're going to provide that, then you have to do it and actually appear to do it so all and sundry are able to reach the highest level of attainment without such major sacrifice that it deters them. On the other hand, you can't say that it should be totally and completely a gift, because we all know that a gift of undetermined value is treated as such. You can't have those attending university just for a lark or for some frivolous purposes or for that matter taking a plumbing course or a welding course or a computing course just for those purposes, but for good, valid purposes – you have to believe that. Now, I don't believe this province does that. I don't believe this province even comes close to that kind of an evaluation.

### 5:10

Those hon. members that attend this House are perfectly capable of collectively deciding what that level is. I mean, we all have relationships with our children and our grandchildren in some cases. These are the kinds of fundamentals that could be decided by an all-party committee saying: look; this is the level of these services, right from the lesser valued services to the higher valued services, that the average soul should be able to get. When you've established that level, then there has to be the mix of whether in fact it is state provided completely, as we do from K to 12, and how much is actually going to be contributed by the recipient of that education. That could quite easily be a sliding scale, and it could easily be a mix of a grant above that level for those in need and a loan of course. This bill does not even come close to saying that.

There's another area that – time's awasting – I'd like to cover before I have to take my seat here. One of the things that concerns me is that there does not seem to be in this province that I'm aware of a central scholarship registry or library such that a child in Grande Prairie that is in, say, grade 11 and has a particular interest in quantum mechanics or something can look around and find where he can apply for that particular scholarship. A child that's in the city of Edmonton here can go over to the university and may be able to go into a department and nose

around and find out. Well, there is no registry of that sort, and I think that would be a reasonable expenditure in that we're putting all this administration together.

Another area that I would really like the minister to clarify, too, and really have a good discussion paper on is: what is this difference of opinion that seems to be between that which is published by the department and my colleagues in the Liberal caucus versus that which the New Democratic Party comes with, the statute of limitations for collection of loans and the potential movement, which doesn't occur here, a limitation period from six years to two years? I'd like some kind of an explanation on that.

Mr. Speaker, I understand that the minister wishes to get on record with answers to some of these questions. I'll take my seat and come back at another time and continue. [interjections] I gather the minister does not care to enter debate at this time, as

much as I'd like him to. What he does indicate and what the Acting Government House Leader wishes me to do is to adjourn debate on this bill, and therefore I shall do so. I move to adjourn.

Thank you kindly, sir.

THE SPEAKER: Having heard the motion by the hon. Member for Edmonton-Calder, those members in favour of the adjournment motion, please say aye.

HON. MEMBERS: Aye.

THE SPEAKER: Opposed, please say no. The motion is carried.

[At 5:15 p.m. the Assembly adjourned to Monday, at 1:30 p.m.]