

## Legislative Assembly of Alberta

Title: **Monday, December 2, 2002**

**1:30 p.m.**

Date: 02/12/02

[The Speaker in the chair]

### head: **Prayers**

THE SPEAKER: Good afternoon.

Let us pray. As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy. As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country. Amen.

Hon. members, would you please remain standing as we now participate in the singing of our national anthem, and please participate in the language of your choice. We will be led by Mr. Paul Lorieau.

### HON. MEMBERS:

O Canada, our home and native land!  
True patriot love in all thy sons command.  
With glowing hearts we see thee rise,  
The True North strong and free!  
From far and wide, O Canada,  
We stand on guard for thee.  
God keep our land glorious and free!  
O Canada, we stand on guard for thee.  
O Canada, we stand on guard for thee.

THE SPEAKER: Please be seated.

### head: **Introduction of Guests**

THE SPEAKER: The hon. Member for Whitecourt-St. Anne.

MR. VANDERBURG: Thank you, Mr. Speaker. I would like to introduce to you and through you to members of the Assembly special visitors in the members' gallery, our Grasmere school: teacher Mrs. Sharon Hansen; teacher's aide Mrs. Sandra Hoffman; parents Mrs. Carol Suvanto, Mrs. Cookie Farnsworth, Mrs. Wendy Scott, Mr. Brian Lichty, and Mrs. Lois Burletoff; and bus driver, Mrs. Aidan Thibault. I'd like to ask them to rise and receive the warm welcome of this Assembly.

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

MR. DUCHARME: Thank you, Mr. Speaker. It is indeed a pleasure today to introduce to you and through you to all the members of the Assembly 60 very enthusiastic and bright students from Assumption junior/senior high school in Cold Lake, Alberta's newest city. They are accompanied today by teachers Ms Lynne Lefebvre and Mr. Shawn Belsher, parent helpers Ms Mary-Jo Avery, Mrs. Valerie Brousseau, and Mrs. Joy Smith. They are seated in the public 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-Strathcona.

DR. PANNU: Thank you, Mr. Speaker. I've got four different introductions today. Let me start with the first one. It's my pleasure to introduce to you and to all my colleagues in this House two of my constituents. Both of them are here to observe the Assembly in session and develop an understanding of how the democratic processes work and how effectively we as their representatives are

servicing the interests of all Albertans. These two guests are Ms Aimee Caster and Ms Patricia Szastkiw. They are both seated in the public gallery. I would now ask them to please rise and receive the warm welcome of this Assembly.

My second introduction, Mr. Speaker, is of an organization whose representatives are here today. I'm pleased to introduce them here. They are a group of extraordinary women. As I name them, I would ask them to please rise and keep standing: Janice Williamson; her younger daughter Bao Williamson, I think, if she's here; Patti Hartnagel; Linda Winski; Nancy Brine; Barbara Sykes; Carol McDonald; Valerie Ali; Lindsay McWhirter; and Gail Sidonie Smith. They are members of an international network of women who share a common philosophy of opposition to militarism, violence, and racism. The Edmonton Women in Black, formed in the fall of 2001, stand in silent demonstration for a world without violence. I would now ask the Assembly to give these valiant women a warm, warm welcome.

Mr. Speaker, my third introduction is of a prominent Edmonton lawyer, Ms Marie Gordon. Marie Gordon is a partner in the law firm of Cocharde Gordon. She's here today to observe the proceedings of the House. She's also seated in the public gallery, and I ask her now to please rise and receive the traditional warm welcome of the Assembly.

My last but not the least introduction, Mr. Speaker. In this I have the honour of introducing to you and to all members of the House today Mr. Scott Winder. He is the co-ordinator of the Council of Alberta University Students, an organization known as CAUS, C-A-U-S. He, along with all the members of CAUS, close to 100,000 students, is trying to convince the government to reduce tuition fees. He is also among those students who are wondering why the government, on the one hand, is letting tuition fees go up while the government is actively engaged in cutting corporate tax in this province. I would ask Mr. Winder now to please rise and receive the warm welcome of the Assembly.

Thank you, Mr. Speaker.

### head: **Oral Question Period**

#### **Allegations of Interference in Justice System**

DR. NICOL: Mr. Speaker, the Attorney General is looking into allegations that the Solicitor General may have intervened in her son's assault case trial. The Premier said that he stands behind his Solicitor General while this investigation continues and that he will not ask for her resignation, but since the Solicitor General's grasp of the justice system has come into question, the legal community agrees that the minister should step down until the issue is resolved. My question to the Premier: what information does the Premier have, information that is evidently not available to the public, that leads him to pre-empt, influence, or ignore the Attorney General's investigation?

#### **Speaker's Ruling**

#### **Referral of Matter to Ethics Commissioner**

THE SPEAKER: Hon. Premier, just a second, please.

Hon. members, we have to be guided by the Legislative Assembly Act and the Conflicts of Interest Act, and I will provide for great leeway here, but there are a couple of clarifications that must be made.

Under Section 24 of the Conflicts of Interest Act there is a section called Investigations into Breaches: Requests for investigation. Section 24(6) indicates, "Where a matter has been referred to the Ethics Commissioner under subsection (1), (3) or (4), neither the Legislative Assembly nor a committee of the Assembly shall inquire

into the matter.” It is my understanding that the matter has been referred to the Ethics Commissioner by a member of the hon. leader’s caucus. Now, if that is so, then we should guide ourselves appropriately by the legislation that we do govern ourselves by. Questions with respect to policy of the government are certainly appropriate, but perhaps someone, including the hon. member who has asked the Ethics Commissioner to investigate such, might want to verify that in fact such a request has been made.

The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you. I’ve been notified by the Ethics Commissioner’s office that the Ethics Commissioner is away and will not be returning to the office and is unable to look into this until after December 10.

THE SPEAKER: Hon. member, the clause says, “Where a matter has been referred to the Ethics Commissioner under subsection (1), (3) or (4), neither the Legislative Assembly nor a committee of the Assembly shall inquire into the matter.” So I provide this as guidance to all Members of the Legislative Assembly. The matter has been referred. This is the law of the province of Alberta, approved by this Assembly and written by this Assembly, and the Conflicts of Interest Act is very, very clear in what it says.

So, hon. leader, let’s deal with this matter. If it’s dealing with policy, perhaps so, but it appears to me in the reading of this that these questions may be very, very close to being offside.

Now, please proceed.

1:40 **Allegations of Interference in Justice System**  
(continued)

MR. KLEIN: Did you want me to answer the question?

DR. NICOL: I’ll go to the second question.

Mr. Speaker, the second part of that question deals particularly with policy. In the judicial and policing system it is accepted practice to have a person removed from their position when any investigation concerning their action is undertaken. Is that not the policy of this government, Mr. Premier?

MR. KLEIN: Mr. Speaker, I’ll have the hon. Attorney General and Justice minister respond relative to the policy because I’m not clear as to what the policy is. I do understand that the Justice department is not – not, underlined – conducting an investigation. It is simply gathering information. There’s a big difference.

I’ll have the hon. minister respond.

MR. HANCOCK: Mr. Speaker, I confirm exactly what the Premier has just indicated to the House, that allegations have been made. They came to light on Thursday of last week. On Friday and since we have sought the copy of the transcript that was referred to in those allegations. The department has reviewed the transcript, and we’re seeking further information from New Brunswick officials that might have been involved. This is not an investigation at this time. We’re attempting to find information to determine whether or not this need go any further.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. To the Attorney General then. In the context of this allegation is it not true that when an individual is under any kind of question in the public eye or any kind of review, it is normal practice to have them step down from their position?

MR. HANCOCK: Well, Mr. Speaker, allegations are made fast and furious in the course of politics and public life. One doesn’t step aside every time an allegation is made. This is a serious situation. A serious allegation has been made, and when we have pursued the information and have the information at hand to determine whether or not there’s any basis for an investigation, then I will so advise the members of the House and the public. If we get to that point where there’s a necessity to deal with an investigation, that would be a different circumstance.

**Expropriation of Property**

DR. NICOL: On Friday the Alberta Court of Appeal ruled that Alberta taxpayers are on the hook for more than \$10 million in damages because the government expropriated the land of an Albertan without providing adequate compensation. The written judgment found that the cabinet and Crown officials foresaw that damage would occur from their actions, yet the government proceeded with them. My question is to the Premier. Why, if this government foresaw problems with the expropriation in question, are Albertans still on the hook for millions of dollars in damages?

MR. KLEIN: Mr. Speaker, I have to plead ignorance. I’m not aware of any court decision or any judgment relative to an expropriation case. Perhaps the Minister of Municipal Affairs or the Minister of Infrastructure can shed some light on it. Whatever. Whoever.

MR. LUND: Mr. Speaker, it is accurate that there was a ruling on Friday, and we are currently studying that ruling.

DR. NICOL: Then to the Minister of Infrastructure: since the Department of Infrastructure’s annual report shows 48 outstanding legal claims totaling \$232 million with 18 additional claims of unspecified amounts, exactly how much more is government incompetence going to cost Alberta taxpayers?

MR. LUND: Well, Mr. Speaker, I take great exception to the hon. leader’s comment about government incompetence, because quite frankly it often happens that there is a disagreement, particularly when it comes to the purchasing of land. To some folks and to most folks land is a very precious commodity, and it’s something that people aren’t anxious to part with in many cases. So we end up in cases where there is a disagreement, and of course if there’s some kind of litigation, we have to record it as just that, the possibility of a litigation. We resolve most.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. Given the direct involvement of Alberta government officials, how can other landowners be assured that they will be treated fairly by the government? Or will they, too, have to endure a lengthy and costly court battle to get fair value for their land?

MR. LUND: Well, Mr. Speaker, there’s clearly a process for purchasing land. If there is a disagreement and, as a last resort, there’s expropriation, there is a process for that. Also, there is then a process for determining the value of that property. So I don’t know why it wouldn’t be something that would be acceptable to most Albertans. We have a third party that determines those values if, in fact, there’s a disagreement among the staff that is going out to purchase the land, an agent that is trying to purchase the property, and the landowner.

### Asbestos Removal at Holy Cross Hospital

DR. TAFT: Mr. Speaker, last year there was a serious mishandling of asbestos removal at the Holy Cross hospital in Calgary, endangering the health of workers. The incident also poses a health threat to the long-term care residents and staff at the Holy Cross who have been living and working in a building that a Calgary health region report describes as loaded with asbestos. To the Minister of Health and Wellness: is the minister aware of this incident? If so, does he believe that construction workers, staff, residents, and their families were adequately informed of the incident?

MR. MAR: Mr. Speaker, I'll be happy to take this question under advisement.

DR. TAFT: All right. Then to the Minister of Human Resources and Employment: given that he is responsible for the Occupational Health and Safety Act, is this minister aware of any investigations by his department into serious and dangerous violations of proper asbestos removal procedures at the Holy Cross hospital?

MR. DUNFORD: Yes, Mr. Speaker, we did have our investigators on the scene. There were some results coming out of that investigation that were forwarded to the owners, and we sought compliance on the handling of that asbestos.

THE SPEAKER: The hon. member.

DR. TAFT: Thank you, Mr. Speaker. To the Premier: given that last May the Premier acknowledged having met with the owners of the Holy Cross hospital and that he has also acknowledged that asbestos was a concern, has the Premier been made aware of any incidents concerning asbestos removal at the Holy Cross hospital?

MR. KLEIN: Mr. Speaker, no, I hadn't been made aware of it. You know, I find it strange, ironic. The Liberal opposition are standing up, or at least they were last session, complaining about the sale of the Holy Cross hospital by the Calgary regional health authority, and I assumed from that that they wanted that hospital to remain open. Now they're saying that the hospital is unsafe and that it's full of bad asbestos. There's that old adage about sucking and blowing, and they seem to be able to do it quite well.

THE SPEAKER: The hon. leader of the third party.

### Cataract Surgery

DR. PANNU: Thank you, Mr. Speaker. In response to a question last Thursday the Minister of Health and Wellness justified privatizing surgeries by saying: "It's not just about dollars and cents. It's also about being able to improve access and reduce queues and wait lists." Well, the figures from the minister's own department directly contradict this statement. To the Minister of Health and Wellness: if contracting out reduces waiting lists, why are wait times for contract eye surgery almost three times longer in Calgary, where a hundred percent of the surgeries are done in private clinics, than they are in Edmonton, where most surgeries are done in a public hospital?

1:50

MR. MAR: Well, Mr. Speaker, the more appropriate comparison would be to look right at the Capital region itself, where they do these procedures both in the public and in nonhospital surgical facilities. The wait times in both cases are relatively similar: in the public system a 49-day mean wait time; in nonhospital surgical

facilities 51 days. So no significant difference there. With respect to the median times within the Capital region: within the public facilities it is 43 days median average; and in the Capital region nonhospital surgical facilities, 47 days.

DR. PANNU: Well, Mr. Speaker, the minister needs to look at his own numbers on his own web site.

My second question to him: how can the minister keep claiming that contracting out surgeries reduces wait lists when the evidence from the minister's own department on its own web site puts a lie to this claim?

MR. MAR: Well, Mr. Speaker, I just shared with the hon. member stats that appear and, I think, would appear to most reasonable people to be comparable ones. This is information from standards and measures, Alberta Health and Wellness, dated October 9, 2002, comparing public facilities in the Capital region with private surgical facilities. Again, in the Capital region not much appreciable difference between the wait times, either median or mean times in both cases.

DR. PANNU: Mr. Speaker, I'm talking about cataract surgeries, in particular, and the minister hasn't commented on that. So the last question to him so that he can clarify, have another chance: how can the minister justify using public dollars to subsidize private, for-profit health facilities when all of the available evidence, including that available from his own department, on cataract surgeries shows that private, for-profit costs more and delivers less?

MR. MAR: Mr. Speaker, he asked the question three times. I've provided him with the answer twice now, and I'm happy to do it a third time. Looking at wait times for cataract surgery performed in 2002 for the reporting period from April through June, I can say that throughout the province it varies dramatically, but the best apples-to-apples comparison is looking at these two numbers. The wait times for doing cataract surgery within the public system and within the private surgical facility system, both within the Capital health region, are roughly the same.

THE SPEAKER: The hon. Member for Calgary-Buffalo, followed by the hon. Member for Edmonton-Gold Bar.

### Kyoto Accord

MR. CENAIKO: Thank you, Mr. Speaker. This morning in today's newspapers there was a front-page article about a survey conducted by the Investment Dealers of Canada that warned the Prime Minister that his plans to ratify the Kyoto accord will harm the Canadian economy by scaring away investors. My question is to the Minister of Energy. What can you tell this Assembly about this report and the possible implications it might have on Alberta's energy industry?

THE SPEAKER: Hon. member and hon. members, we all know that one of the violations of the rule is to refer to newspaper articles, asking for their veracity or authenticity. If that's what the hon. member is doing, then the question is not in order.

Proceed with your second one.

MR. CENAIKO: Mr. Speaker, my supplementary question would be to the same minister, the Minister of Energy. With so much uncertainty created as a result Kyoto, what is the province doing to alleviate investor concerns?

MR. SMITH: Well, I think, Mr. Speaker, that the member has got the very essence of the question and why it's important. It's: what are we fighting over?

Mr. Speaker, today I'd like table a brochure that was put together by the Department of Energy, and it shows in this brochure that this province has over 80 percent – 80 percent – of the proven developable oil reserves in North America. That 80 percent is some 179 billion barrels, which has an estimated U.S. value of \$4 trillion – 4 trillion U.S. dollars.

Now, Mr. Speaker, these reserves cannot be developed without investment from the United States, without the investment that is greater than what Canada can sustain. So each time the federal government puts a collar around investment, puts a Kyoto chill throughout Canada, not only are they harming mutual funds that are placed in the savings and the retirement plans of all Canadians, which have gone down in value substantially since the Kyoto debate has started – there's no question that ministers Anderson, Dhaliwal, and the Prime Minister are hurting Canadian investments today – but this report also highlights what is happening as the world starts to look at the Kyoto protocol in respect to U.S. investment into Canada, and the story is not healthy.

THE SPEAKER: The page will return the documents back to the Minister of Energy. The appropriate time for tablings comes under the Routine known as Tabling Returns and Reports.

The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Drayton Valley-Calmar.

#### **Manhattan Resources Ltd.**

MR. MacDONALD: Thank you, Mr. Speaker. In the Ardrossan area a company by the name of Manhattan Resources is proposing to drill six sour gas wells in the vicinity of four schools and a few thousand residents. My first questions are to the Minister of Energy. How can the EUB even allow a company to put forward such a proposal in such a densely populated area? Is the minister not concerned about public safety and public health?

Thank you.

MR. SMITH: I'm as much concerned about public health and public safety, Mr. Speaker, as I am concerned about this member politicizing the work of a quasi-judicial board that has operated in the public interests of Albertans for 40 years. They have been out there. The board has been out there. They've held hearings; they've spoken with lawyers, representatives of the individuals out there. They have sat during the hearings till 9 to 10 o'clock in a constructive, meaningful relationship. It's only the meddling and the trouble-starting by this member that continues to create the controversy. This is in front of the board, and I shall not comment upon it until the board has commented on it.

MR. MacDONALD: Again, Mr. Speaker, to the same minister: given that 30 percent – 30 percent – of Manhattan's wells and facilities were deemed noncompliant by EUB inspectors in the past five years, how can a company with such a poor compliance record be allowed to even propose six sour gas wells in such a densely populated area?

MR. SMITH: Mr. Speaker, I shall not comment on this issue until after the Alberta Energy and Utilities Board has ruled on it.

MR. MacDONALD: Again, to the same minister – or no. Perhaps, Mr. Speaker, to the Premier: given that the Premier said earlier that this government had to get its pound of flesh as far as oil and gas

royalties are concerned, how can this government allow a company like this to operate in this province when they do not calibrate their gas nor their hydrocarbon meters on a yearly basis, as is dictated by the EUB? Where are the royalties going that we are losing?

MR. KLEIN: Mr. Speaker, the EUB has an international reputation of being the model of regulatory authority and has done an outstanding job in determining if in fact oil and gas wells should be drilled, to consider all of the things that the hon. member has mentioned: the wells' proximity to residences, schools, and so forth.

If I were to phone or the minister were to phone the chair of the AEUB and say: "Don't allow this application to proceed," the Liberal opposition would be the first on their feet screaming and yelling that the minister is interfering with a quasi-judicial, arm's-length agency of government. Will they promise to never, ever, ever say anything about anyone if they ever phone the AEUB? I doubt it very much, Mr. Speaker.

All I ask of the Liberal opposition is: be consistent. We know that it's improper to give direction, to phone in any way, shape, or form any member of the EUB, Mr. Speaker, and provide direction to that board, because it is a quasi-judicial body. It does an outstanding job, and it renders a fair, independent, unbiased adjudication on all cases.

THE SPEAKER: The hon. Member for Drayton Valley-Calmar, followed by the hon. Member for Edmonton-Mill Woods.

2:00

#### **EPCOR/Aquila Billing Errors**

REV. ABBOTT: Thank you, Mr. Speaker. Now for an intelligent, consistent question to the Minister of Energy. Today is an important day for the people of Drayton Valley-Calmar and thousands of other Albertans because I understand that today is the day that the Alberta Energy and Utilities Board will start receiving complaints from electricity consumers in the EPCOR/Aquila territory, and if the consumers' complaints remain unresolved, they may potentially see a \$75 credit on their bill. My question is to the Minister of Energy. Can you tell me which of my constituents are eligible for this AEUB complaint process?

MR. SMITH: Mr. Speaker, I can comment on this issue because the Alberta Energy and Utilities Board has made a decision, and they have implemented their decision. What they have implemented is a complaint process that will include residential, farm, irrigation, and small commercial customers on the regulated rate option with EPCOR in the EPCOR/Aquila service area. Now, customers who reasonably feel that the consumption on their bill issued on or after December 2 is inaccurate can register a complaint with the EUB. EPCOR is required to settle the dispute within 60 days. If the EUB finds that the bill is incorrect or if EPCOR cannot provide an actual meter read to support the disputed bill, the constituent or customer of EPCOR, the regulated rate provider, may be entitled to a credit of \$75. The member's constituent must, one, be an EPCOR regulated rate option customer in the Aquila service area; second, have an electricity bill issued on or after December 2, 2002; and thirdly, feel that the consumption on their bill does not accurately reflect the amount of electricity they have used.

THE SPEAKER: The hon. member.

REV. ABBOTT: Well, thank you. My first supplemental is to the Minister of Energy. For some of my constituents that have been having problems on their bills for three or four months, do they also qualify for this process?

MR. SMITH: Mr. Speaker, the EUB will consider billing errors on bills issued on or after December 2, 2002. Now, if a constituent began having problems in October and the problem is still appearing on their bill, that issue will be considered by the EUB under this regulation. Constituents with billing errors that occurred before December 2 and are not appearing on bills issued after December 2 are encouraged to deal directly with their regulated rate option provider or, if they have already done so, to contact the EUB's Edmonton call centre, which routinely handles utility complaints. That number, if I may, is 427-4903. Full details of this program, this important program, are available on the Alberta Energy and Utilities Board web site: [www.eub.gov.ab.ca](http://www.eub.gov.ab.ca).

THE SPEAKER: The hon. member.

REV. ABBOTT: Thank you, Mr. Speaker. My second supplemental, also to the Minister of Energy: what should my constituents have ready when they call the EUB, and how long are they going to be on hold?

MR. SMITH: Mr. Speaker, the constituent will need a couple of things. One, they must be sure that the electricity bill was issued on or after December 2 and, secondly, that they are served by EPCOR.

Now, I appreciate that there are no rural members over there in that small group of six . . . [interjections] But they act like six.

They should also have the bill, Mr. Speaker, in front of them to answer these questions. Consumers should have a meter reading ready when they call. The fact sheet on our customer choice web site has information for consumers on how to do this. Again, they can call the EUB's call centre toll free at 1-866-215-1181, extended hours Monday to Friday, open on Saturday.

We hope that there is a speedy resolution of this issue, Mr. Speaker.

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

#### **Shared Public/Catholic High School Facilities**

DR. MASSEY: Thank you, Mr. Speaker. In Fort McMurray the promise of a shared high school between the public and Catholic school boards ended in acrimony and in lawsuits. In Edmonton, in an effort to fulfill an election promise to provide a high school in Castle Downs, a community is being split with a nonsensical, shared high school proposition. My first question is to the Minister of Finance. Given that the public school board has not requested, cannot justify, nor has future plans for a high school in Castle Downs, how fiscally responsible is it for the government to force them into building a school with the Catholic school board?

MRS. NELSON: Well, Mr. Speaker, I'd ask that the Minister of Learning respond to the question.

THE SPEAKER: The hon. minister.

DR. OBERG: Thank you very much, Mr. Speaker. Roughly two months ago the Minister of Infrastructure and myself sat down with the four bishops and got their views on the whole idea of joint facilities. They felt that there was a large issue about the Catholicity of the school environment, and it was their belief that they could not properly have the Catholicity that they felt they needed. They said that they could not change on that view. They said that it was something that was very serious to them. Indeed, there have been a

lot of groups around the province that have since that time expressed the fear of the loss of their Catholic religion when it comes to putting the two schools together.

I would ask, Mr. Speaker, that the Minister of Infrastructure also be allowed to speak on this as he can tell you the potential savings that are there, the direction that we're moving from the Infrastructure point of view.

THE SPEAKER: We'll move on with the hon. Member for Edmonton-Mill Woods. Perhaps there'll be time for additional supplementals.

DR. MASSEY: Thank you. My second question is to the Minister of Infrastructure. Given that the Catholic school board in Edmonton alone meets the requirements for a high school, why are they being threatened into a forced marriage with the public board?

MR. LUND: Mr. Speaker, there are a number of allegations in the hon. member's comments that are just simply not true. The fact is that nobody is forcing anybody to do anything.

The other thing that I want to comment on is the fact that currently the Catholic board has requested a high school in the Castle Downs area. Currently, though, the utilization in that broader area doesn't warrant a high school. However, we do know that it's their number one priority, so it's kept on the list as a priority since it's the Catholic board's number one priority. What we have said is that if the public board deems that they need a high school in that particular area as well – and looking at their utilization, we know that unless they close a high school that's very close there, they wouldn't meet the criteria for one, but they perhaps would if, in fact, the one school is closed – then because of all of the savings that are achieved through a joint school, we may look at it. In fact, if you're serving a larger population of students and giving the students more opportunity at the same dollar as just building a single, then it would rise in its priority because then you're serving more people at the same dollars and giving more opportunity for students.

DR. MASSEY: How does closing a school and building a new one save money?

My question is again to the Minister of Infrastructure. Will the approval of the Catholic high school be contingent on participation with the public school board?

MR. LUND: Mr. Speaker, I don't know if I went through that too quickly or what the problem is. The fact is that I made it very clear that it's the number one priority of the board. It remains as a high priority as far as the government is concerned. But if the public board were to come aboard and want to build a high school in the area, then of course you're serving more students, giving more students an opportunity at the same dollars, and the priority would rise as far as the competition as we look at the whole provincial picture. You've got to remember that we have a lot of requests throughout the province, so we have to prioritize on a provincial basis. I can tell you that if it was a joint facility, serving more students at the same dollars, then of course the priority would come up.

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

2:10

#### **Infrastructure Funding**

MR. CAO: Thank you, Mr. Speaker. Given the great growth of population in Calgary and that our Alberta government emphasizes

the partnerships with municipal government in the development of public infrastructure and given that the transportation infrastructure plays a vital role in the economic development and quality of life of Albertans, a few months ago the hon. Minister of Transportation participated in the ground breaking of the major interchange construction at 18th Street and Glenmore Trail in my constituency. Recently this major project has been completed before schedule and under budget, thanks to the great dedication and professionalism of Albertans involved in the project. My question today is to the hon. Minister of Transportation. What were the past year's total provincial funding amounts and specific projects for transportation infrastructure in Calgary?

THE SPEAKER: The hon. minister.

MR. STELMACH: Thank you, Mr. Speaker. The city of Calgary participates in the city transportation fund grant. We calculate the grant both to the city of Edmonton and the city of Calgary based on 5 cents a litre of fuel consumed in those two jurisdictions. When it comes to Calgary, we also participate and pay full cost of the maintenance and rejuvenation of the Deerfoot Trail through the city of Calgary.

THE SPEAKER: The hon. member.

MR. CAO: Thank you. To the same minister: as the population of Calgary is about one-third of the province, a question from my Calgaryian constituent is that the city should receive one-third of the provincial funding. Could the minister explain the government policy on this topic?

MR. STELMACH: Mr. Speaker, the 5 cents a litre computes to about \$85 million for the city of Calgary in terms of a grant plus \$25 million that's invested annually on not only the maintenance of the Deerfoot but also the completion of the additional road work, especially interchanges. If you look at the population census of Calgary, it's about 30 percent of the total population of the province; 27 percent is the \$85 million of our total budget in the municipal grants going to Calgary, with an additional \$25 million. So I think that we more than offset the 30 percent population.

THE SPEAKER: The hon. member.

MR. CAO: Thank you, Mr. Speaker. To the same minister. I heard a lot about the P3, public/private partnership. Could the minister see anything involving this partnership to meet the demand of growth in Calgary and in Alberta in general?

MR. STELMACH: Mr. Speaker, there are certainly possibilities to pursue in terms of the P3, public/private partnership. I had the pleasure of announcing in the House a few days ago one that's successfully completed, and that's a bridge over the Brazeau River which was a 50-50 split between the private sector and the government.

With respect to P3 partnerships we want to make sure that there is an economic benefit to the province of Alberta as a whole, that at the end of the day we can accommodate the P3 partnership, whatever agreement we have with the private sector to do a specific project on an Alberta roadway, within our three-year plan targets, and also that it won't offset other badly needed priorities in the province.

#### **Charitable Gaming Licences**

MS BLAKEMAN: Mr. Speaker, one of the ways in which nonprofit groups in Alberta raise money for their activities is to hold casinos

or bingos. The Alberta Gaming and Liquor Commission, the AGLC, has a policy that sports teams are not eligible for casino or bingo licences. However, exceptions have been made for children, the disabled, and seniors. The only group left which hasn't been exempted is adults. My questions are to the Minister of Gaming. Given that this government has recognized sports as an activity that contributes to the healthy lifestyle of children, seniors, and persons with disabilities, why is the government not using the same logic for adults?

THE SPEAKER: The hon. minister.

MR. STEVENS: Thank you, Mr. Speaker. At this point in time the charitable gaming model as it relates to licences, whether it be for casinos, bingos, or pool tickets, is based on a combination of the Criminal Code and on common law. That body of law defines what is charitable, and at this point in time the advice that we have received within Gaming is that adult sports groups do not qualify. Having said that, we recognize that this is an area that had not received review for some time, and as such there is a committee chaired by the hon. Member for Calgary-Cross and staffed with personnel from the AGLC reviewing the entire issue of eligibility and use of proceeds with respect to the charitable gaming model.

THE SPEAKER: The hon. member.

MS BLAKEMAN: Thank you. Well, given that the AGLC grants casino and bingo licences for recreational organizations which promote adult activity, why won't they license sports organizations whose role is for the same physical benefit of adult Albertans?

MR. STEVENS: Mr. Speaker, I don't have any quarrel at all with the value that any sports organization provides to their members. I think that it provides a situation where an opportunity is given to increase their activity and thereby increase their health and well-being. That's not the issue.

At this point in time, Mr. Speaker, as I indicated in the first answer, we have a body of law which has received an opinion that gives us the position we're in, which is that that group does not qualify. Part of what we are doing through this committee is revisiting the rules, looking at what they do in other jurisdictions, revisiting the opinion of the lawyers who provide us opinions on these matters, and a report will come out. But one of the issues clearly is the eligibility of adult sports teams to qualify for charitable licences. That is without a doubt an issue.

THE SPEAKER: The hon. member.

MS BLAKEMAN: Thanks very much. Well, Mr. Speaker, again to the same minister: what's the big deal? This is not about giving away taxpayers' money or lottery money through grants; it's just about a group's eligibility to get a licence to hold a casino. So why are we picking on the sports groups? What's the big deal?

MR. STEVENS: Mr. Speaker, one more time I'll answer that. It's about the law. The law in Canada is established through the Criminal Code and through common law, and we have an opinion from the Justice ministry indicating that there are restrictions as a result of that. One of the restrictions happens to apply to the eligibility of adult sports groups for charitable licences. That is the law.

Now, having said that, Mr. Speaker, as I indicated in both of my previous answers, that is one of the issues that's being looked at by

the hon. Member for Calgary-Cross. It is an issue that will be addressed when that report comes out. It will be an issue that my colleagues will be able to take a look at as we go forward and determine whether there is a possibility of expanding the eligibility for licences to adult sports groups.

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

### Federal Health Care Funding

MR. MASON: Thank you very much, Mr. Speaker. Last Thursday health care commissioner Roy Romanow recommended earmarking \$15 billion over three years to improve home care, prescription drug coverage, rural health care, primary health care reform, and to purchase high-end diagnostic equipment. Instead of welcoming this additional money, the health minister said that these were boutique programs and that the province might turn down the federal dollars. To the Minister of Health and Wellness: why is the minister prepared to turn his back on increased federal funding earmarked for prescription drug costs, thereby hurting Albertans living with AIDS who face severe financial hardship in buying their needed medications?

MR. MAR: Mr. Speaker, I've had much criticism of the Romanow report over the last week. I've indicated that those areas of priorities that have been established by Mr. Romanow are nothing new. In fact, a former deputy minister of health from the province of Saskatchewan the other day noted that much of the improvement and innovation in the health care system has really been because of the efforts of the provinces and territories over the last 10 years and that the federal government did have a responsibility to fund those priorities established by the provinces and territories. That's the reason why the Romanow report was not particularly illuminating in terms of disclosing new areas. When Mr. Romanow talks about the importance of primary health care reform, we agree. When he talks about issues of improving access to services and diagnostics, we agree. We've already done that.

2:20

What is not correct, Mr. Speaker, is for the federal government, if they so choose, to accept the Romanow recommendation that would make one level of government responsible to another one in terms of its accountability. That would be wrong. We're not afraid of being responsible and accountable, but who we should be accountable to is Canadians and Albertans, the people who pay the taxes, not another layer of government.

So, Mr. Speaker, I feel that it's important for Albertans to know that there are priorities that this provincial government has in health care. Again, the big goal is this: we want an affordable, accessible, high-quality, publicly paid for, publicly administered health care system. But we could not accept that all the priorities across Canada in health care would be the same. I've said from time to time that the priorities that may exist in Petitcodiac, New Brunswick, would differ dramatically from those here in Red Deer, Alberta.

We accept and agree with Mr. Romanow's basic notion that the federal government has to put up more money. We agree with that, Mr. Speaker. Right now the provincial government of this province puts up 86 percent of the spending, the federal government only 14. So we agree that there should be more money. What it should not be, though, is conditional, and it should not require that one level of government be accountable to another.

MR. MASON: Mr. Speaker, I wonder if the minister's little speech would satisfy the people living with AIDS.

Why is the minister turning his back on cancer patients who would benefit from Roy Romanow's recommendations for federal funding of palliative care home costs?

MR. MAR: Well, Mr. Speaker, the fact of the matter is that we believe that these areas are important. But again the essential response to the hon. member's question is that we have priorities here in Alberta, and we should not be stuck with a federal government that wishes to put money into its priorities, which it thinks are the same across Canada. They are not.

One of the weaknesses of the Romanow report is that Mr. Romanow is of the view that you can look at the Canadian health care system as a single system. It is not, Mr. Speaker. It is made up of 13 different provinces and territories, each with its own health care system, each with its own priorities. We agree as provinces and territories that we need to better co-ordinate our services across Canada. We agree with that, but what we don't agree to is that we should accept a lower standard rather than a higher standard that we establish here in this province.

Mr. Speaker, I should note that I did take notice of what the hon. member asked about last Thursday with respect to the Romanow report and comparing it to the Mazankowski report. I should say that I want to dissuade him of any assumption that the Mazankowski committee did not look at many, many different sources of information for its advice. If one looks at the appendices, there are hundreds of . . .

THE SPEAKER: Thank you. We've now gone six-plus minutes and only two questions.

Hon. member, quickly. There are other members as well.

MR. MASON: Thank you, indeed, Mr. Speaker. Why is the minister once again showing a lack of concern for rural Albertans by saying that a federal program that would put billions into improving health care in rural and remote communities is a boutique program?

MR. MAR: Mr. Speaker, we have a rural physician action plan in this province that is second to none. I certainly would not want to see us move to a lower standard rather than the high standard that we maintain. We do have outstanding rural health care delivery. We make every effort to maintain the kinds of services that are reasonable expectations of people, whether they live in Hairy Hill or Two Hills or Fort McMurray or Fort Macleod or Pincher Creek or Red Earth Creek. That's true throughout this province.

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

### Firefighters' WCB Cancer Claims

MR. MAGNUS: Thank you, Mr. Speaker. Firefighters are among the bravest, toughest, most physically fit people of almost any profession. They also get six different types of cancer at a much higher rate than the general population as a result of the toxic smoke that they're exposed to. Currently when a firefighter gets one of these cancers, they must apply to the WCB, prove their case, appeal their case, and fight the system for coverage. My questions are all to the minister of human resources. Can the minister explain why the WCB has not provided presumptive coverage of firefighters up to this point, and will the minister work with the WCB to ensure that cancer claims from firefighters are acknowledged as work related?

THE SPEAKER: The hon. Minister of Human Resources and Employment.

MR. DUNFORD: Well, thank you very much, Mr. Speaker. I would certainly agree with the member in terms of the stature that firefighters have earned within our society. I mean, the service that they provide to our communities is just tremendous.

Regarding the issue that is of concern here with the question, the WCB, as I understand the administration of the program, has recognized that firefighters are susceptible to – I think he mentioned six cancers in his preamble, and I understand that that would be consistent with the way the WCB looks at the matter. I'm informed, however, that they prefer to view the situation on an evidentiary basis and then make their judgments on individual claims.

THE SPEAKER: The hon. member.

MR. MAGNUS: Thank you, Mr. Speaker. Given that 23 states and, I believe, one province have now moved to this presumptive legislation, can the minister advise under our current system in Alberta how many of these claims have actually been accepted by the WCB other than the one last week?

MR. DUNFORD: I think it's an excellent question. I met with firefighter representatives on this particular matter, and this was one of the issues that they came to the table with. Of course, their issue is that if the WCB says that, yes, they look and recognize the certain cancers and, yes, they look at a particular case and deal with it on an evidentiary basis, well, why haven't there been more claims, then, that have been adjudicated? I think that's an excellent question. My commitment to the firefighters that I met with was to ask that question of the WCB and continue to investigate.

THE SPEAKER: The hon. member.

MR. MAGNUS: Thank you, Mr. Speaker. The final question also to the Minister of Human Resources and Employment: will the minister support legislation that is presumptive in nature; in other words, a legislative move to make WCB coverage automatic when firefighters get one of what they call the six firefighter cancers?

MR. DUNFORD: Well, it's a direct question, and I'm hesitant to get into a yes or no situation on it. We do need to have more information on presumptive clauses in other legislation.

One of the things, Mr. Speaker, that I'm concerned about is that within the Manitoba legislation, again, as I've been briefed on it, there's actually a space of time in which a firefighter must have worked in order to even qualify, then, for the investigation; for an example, I believe it's 20 years for kidney cancer. I'm not sure that that's a kind of system that I want to get into. I mean, what is the difference between 19 and a half years, a firefighter having kidney cancer, and 20 years plus one day? I think there's more examination of this issue that has to go on, and I'm of course prepared to take on that further examination.

#### head: **Recognitions**

THE SPEAKER: The hon. Member for Whitecourt-St. Anne.

#### **Century Farm and Ranch Award**

MR. VANDERBURG: Thank you, Mr. Speaker. I want to share with you one of the highlights of my summer. Our province is not yet a hundred years old, but we already have farm and ranch families that have continuously farmed the same 160 acres for at least a century. William and Mary Turnbull journeyed from England to Canada in 1902 and established a homestead in the Onoway area.

Three generations later Brian Turnbull and his family continue to represent the deep spirit of Alberta pioneers who worked long and hard to establish homes for themselves and their families. At the same time, these people initiated schools, churches, and communities that were followed by industries and cities.

On August 4, 2002, I had the privilege of attending the Turnbull centennial homestead celebration near Onoway. It was humbling to think of the sweat, tears, and pride that had gone into the very ground I was standing on. As the MLA for the Turnbull family it was an honour to represent the Hon. Shirley McClellan, Minister of Agriculture, Food and Rural Development, to present the Alberta century farm award to the Turnbull family on behalf of the province of Alberta. As MLA for Whitecourt-St. Anne I sincerely hope that all my colleagues have the opportunity and experience to present this award to people in their constituency.

2:30

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

#### **Edmonton Outlaws Lacrosse Team**

MR. MacDONALD: Thank you, Mr. Speaker. I rise today to congratulate the Edmonton Outlaws amateur lacrosse team, who, on August 25, 2002, won the gold medal and brought home to Edmonton the President's Cup in the Senior B national lacrosse championship. For the first time in 27 years and only the second time in 100 years Edmonton has been successful in reaching this goal.

The Outlaws won the provincial playoffs against the Calgary Mountaineers in July. In the President's Cup they lost only one game in the round-robin playoffs to the team that they met in the gold medal round, where the final score was 12 to 4 in the Outlaws' favour.

This local team is made up of volunteer players, several of whom came from the Gold Bar Miners. Hard work, hours of practice, years of friendship, team spirit, and the love of the game helped the Edmonton Outlaws become the champions that they are today. Edmonton can now proudly add the Edmonton Outlaws lacrosse team to its legacy as the City of Champions. Congratulations on behalf of all members to the Outlaws.

Thank you.

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

#### **Duncan Leung**

MR. MASYK: Thanks, Mr. Speaker. I would like to take this opportunity to recognize a fine young gentleman. His name is Duncan Leung. This summer he was the STEP student at the constituency office. He did an exceptional job. He went out into the community. He went door-to-door putting pamphlets in mailboxes. Coming back in, he wanted to know more about the political process and about the different parties, so I explained to him how they all worked, what their fundamental values were, and he ran to buy a PC membership.

Mr. Speaker, also, he's in his second year as a media student at U of A, and I would really highly recommend him in anybody's employment.

Thank you very much.

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

#### **Edmonton Friends of the North**

MS CARLSON: Thank you, Mr. Speaker. I would like to recognize the Edmonton Friends of the North Environmental Society for their

dedication and commitment in raising issues of importance to all Albertans. Today I will present a petition with the first 1,500 signatures urging the government of Alberta to “introduce legislation declaring a moratorium on any future expansion of Confined Feeding Operations.” They ask for this moratorium due to adverse health effects on CFO workers and nearby residents; environmental degradation including water, soil, and air contamination – water both ground and surface; substantial overuse of antibiotics; negative impacts on rural communities and family farms; inhumane conditions for animals during production and transportation.

We support their concerns, Mr. Speaker. Those concerns also carry over into related types of industries that are supplying the CFOs with services, like trucking operations. We would like to add our concern about water and water use in this province.

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

#### **Brown Bagging for Calgary Street Kids Society**

MR. LORD: Thank you, Mr. Speaker. I’m pleased to rise today to recognize the big accomplishments of a little charity organization in Calgary known as Brown Baggin’ It. It started in 1990 by the World Job and Food Bank. People such as Joe Edison, Frances Ramberg, Joyce Shaw, Martha Canales, and many other dedicated volunteers including myself struggled to keep it going through those first of many difficult years. Frances remains today as the longest serving volunteer.

The concept was to offer a free brown-bag lunch to hungry street kids as an enticement to get them to come into counseling agencies such as Exit and the Calgary Urban Project Society. By drawing the kids in instead of wasting time looking for them, this program has been of immeasurable help to counselors in being able to focus on helping to get these kids off the streets.

This year the Brown Baggin’ It program is marking the delivery of over one million brown bag lunches to hungry street kids in downtown Calgary since 1990. Congratulations to program director Ed Weibe, fund-raiser and administrator Kimberly Wolroth, and the dozens of unsung hero volunteers such as Agnes Horne who have been so tirelessly preparing these meals each morning since 1990. Keep up the good work, everyone.

Thank you, Mr. Speaker.

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

#### **Bertha Kennedy**

MRS. O’NEILL: Thank you, Mr. Speaker. Today it’s my honour to recognize a long-term resident of St. Albert, Mrs. Bertha Kennedy. Bertha, who is in her 90s and visually impaired, lives independently in her own home in the old mission area of our community. As a former teacher who has guided many young children in the classroom over the years, Mrs. Kennedy is a delightful musician who still plays the organ weekdays at the small mission chapel. She is also an astute political observer.

Today I wish to recognize the numerous contributions Bertha Kennedy has made to the quality of education and community values in St. Albert.

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

#### **Wetaskiwin Masonic Lodge No. 15**

MR. JOHNSON: Thank you, Mr. Speaker. I rise today to recognize and congratulate an organization that has been in the Wetaskiwin

area longer than Alberta has been a province. This year marks the 100th anniversary of the Wetaskiwin Masonic Lodge No. 15. The Masons of Wetaskiwin have done marvelous work helping to build our city. They have contributed to many charities and have also helped to fund different organizations and groups around the community.

One of the many community focus programs that the Wetaskiwin Masons contribute to is the Alberta-wide higher education bursary fund. The students that benefit from the scholarship are those who face financial barriers to postsecondary schooling. Each individual Mason contributes to the fund, and last year alone over \$125,000 in scholarships were distributed to 100 students around Alberta. The Wetaskiwin Masons have had a very successful 100 years, and they have played a significant part in the building of this province.

I ask that all members of the Legislature join me in congratulating the Wetaskiwin Masons on a very productive 100 years. Thank you.

#### **head: Presenting Petitions**

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

MS CARLSON: Thank you Mr. Speaker. I would like to present a petition today calling for a provincewide moratorium on confined feeding operations. It is signed by about 1,500 people from throughout the province.

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

DR. TAFT: Thank you, Mr. Speaker. I rise today to table a petition from a number of constituents expressing concerns over abortion as an insurable medical service.

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

DR. PANNU: Thank you, Mr. Speaker. I rise to table yet another petition signed by many Albertans requesting this Legislative Assembly to urge the government to “not delist services, raise health care premiums, introduce user fees or further privatize health care.”

Thank you, Mr. Speaker.

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

MR. MASON: Thank you very much, Mr. Speaker. I’m rising to present still another petition signed by 76 Edmontonians, mostly seniors, petitioning the Legislative Assembly to urge the government to “not delist services, raise health care premiums, introduce user fees or further privatize health care.”

I have a second petition, Mr. Speaker, signed by 210 Albertans petitioning the Legislative Assembly to urge the government of Alberta to

provide health care coverage for medical supplies for diabetic children under the Alberta Health Care Plan and provide financial assistance to parents to enable them to meet their children’s necessary dietary requirements and cover costs incurred in traveling to Diabetes Education and Treatment Centres outside their own communities in Alberta.

#### **head: Tabling Returns and Reports**

THE SPEAKER: The hon. Minister of Government Services.

MR. COUTTS: Thank you, Mr. Speaker. It gives me great pleasure to present to the Legislature the seventh annual report on the

operations of the Freedom of Information and Protection of Privacy Act for the year 2001-2002.

THE SPEAKER: The hon. Minister of Community Development.

MR. ZWOZDESKY: Thank you, Mr. Speaker. I have one tabling today, so I rise to table it and the appropriate number of copies of it, which constitutes the response to Written Question 8 as amended.

MR. SMITH: Mr. Speaker, in the excitement of me trying to get such good news about Alberta out as quickly as possible, I talked about tabling the 2001 North American Oil Reserves report and brochure, as subsequently done by Alberta Energy and by the Energy and Utilities Board. I would like to now table this document showing that Alberta has some 177 billion barrels of crude oil available for development and that it's put in great jeopardy with the nonsense that the federal government is undertaking at this time with respect to the Kyoto protocol.

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

MR. DANYLUK: Thank you very much, Mr. Speaker. I wish to table five copies of a petition with over 1,800 signatures from Elk Point and area residents regarding their concerns with cuts in health services in the Elk Point hospital and other Lakeland regional authority facilities.

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

2:40

MS CARLSON: Thank you, Mr. Speaker. Today I have four sets of tablings. The first is with regard to cutbacks taking place within the department for persons with developmental disabilities, letters from Mrs. Lois Zadler, Shauna-Lee Williamson, and Tatjana Schenk.

The second set of tablings is from people with concerns about cervid harvests. Some of them are supporting cervid harvests. They would be Dale Braun, Todd Loewen, and Len Jubinville on behalf of the farmers organizing on diversification. Against, from Roxanne Hastings.

My third tabling is from the Canadian Federation of University Women Edmonton chapter, with concerns about the McLennan Lake wetland decision.

My fourth tabling, Mr. Speaker, is all people who have concerns about education funding in this province, and they are Lori Goble, Kathy Galvin, Henry D. Johns, Charlotte Wentland, Chris Werstiuk, Berkley Beingessner, N. Blais, Bruce McKinnon, and Bill and Colleen Musselman.

Thank you, Mr. Speaker.

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

MR. MacDONALD: Thank you very much, Mr. Speaker. I have four tablings this afternoon, three of which are on behalf of the constituents of Edmonton-Gold Bar. The first tabling is a letter directed to the constituency office of Edmonton-Gold Bar complaining about the cuts in the grant intended for Dramawork Alberta, and that is signed by Freda Rankin.

The second tabling is from another constituent of Edmonton-Gold Bar, Azhar Hussain. This gentleman is writing to the constituency office, and he is describing his concern about the government's promise to protect the critically important wilderness area of the Bighorn wildland recreational area.

The third tabling is a letter to the constituency office, again, from Mr. Bob Smith of Edmonton-Gold Bar, and he is expressing his feelings about the current forest management review of the Bow-Crow forest reserve.

The last tabling this afternoon, Mr. Speaker, is an editorial from yesterday's *New York Times*, dated Sunday, December 1, 2002, and it is entitled *Shrinking Glaciers*. It is an encouragement by the *New York Times* to the President of the United States to reconsider the government's proposals on global warming, and I would urge the Premier to read it before he goes to New York City on Friday.

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

DR. TAFT: Thank you, Mr. Speaker. I have three tablings today, all concerning cuts to the Persons with Developmental Disabilities program. The first is from Kerry Kleinbergen, who wants to express concerns over drastic funding cuts to individualized funding under PDD.

The second is from Eleanor Jerram, who herself receives services and feels that these cuts will seriously impact her life.

The third is from Leanne Weidman, writing to "strongly protest the way that PDD plans on balancing their budget."

Thank you.

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

DR. PANNU: Thank you, Mr. Speaker. I'm pleased to rise and table an important document. It's entitled *Cataract Surgery: Volumes, Wait Lists, and Wait Times 2002-2003, Quarter 1, April 1 to June 30, 2002*. This is drawn from standards and measures, Alberta Health and Wellness, October 9, 2002. The document shows that waiting times for contract surgery performed in private facilities in Calgary is three times longer than in public hospitals in Edmonton. It's a recommended reading for every member of this House.

Thank you, Mr. Speaker.

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

MR. MASON: Thank you very much, Mr. Speaker. I'm tabling a letter from Ms Maureen Harper of Hinton dated November 22, 2002, addressed to the Premier. She's urging the Premier not to be shortsighted and to show "statesmanship, maturity, wisdom and courage" by supporting the Kyoto accord.

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

MR. CENAIKO: Thank you, Mr. Speaker. It's my pleasure to table the appropriate number of copies of letters supporting Bill 212, the Traffic Safety (Seizure of Vehicles in Prostitution Related Offences) Amendment Act, 2002, from each of the following: 22 letters from the Community Action Project; 20 letters from the staff in Parkdale school; 19 letters from the Prostitution Awareness and Action Foundation of Edmonton; the principal of Norwood school; the Metis Child and Family Services Society; Action for Healthy Communities; the Alberta Avenue Community League; the Knights of Columbus St. Nicholas Council No. 8314; the Jasper East Village Steering Committee; the Parkdale-Cromdale Community League; the Victoria Crossing board of directors; as well as members from the public. All of these dedicated, hardworking, and passionate Albertans agree that Bill 212 would help restore communities ruined by the effects of street prostitution.

Thank you.

head: **Orders of the Day**

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

**Bill 207**

**Alberta Wheat and Barley Test Market Act**

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

MR. HLADY: Thank you, Mr. Speaker. It is a great privilege for me to rise today and begin debate on Bill 207 in third reading. It was also very humbling to be in Lethbridge a few weeks ago and see the passion and conviction of our Alberta farmers and their families as they went to jail fighting for what they believed in.

Mr. Speaker, this past fall, in response to increased American efforts to force change in the Canadian wheat and barley market, the chairman of the Canadian Wheat Board, Mr. Ken Ritter, said quite emphatically that only Canadian farmers will dictate how their grain is marketed. I can only assume that Mr. Ritter was also referring to the 15 Alberta farmers who had the gall to take their own grain across the border into Montana in 1996 to sell to a local Montana 4-H club. One of those farmers is, in fact, a director of the Canadian Wheat Board. What did these producers get for their efforts to dictate how their grain was to be marketed? Each producer received a fine in the thousands of dollars and, for some, countless court appearances to explain their actions. What happened to those producers who refused to pay the fines, who were driven to action by a set of principles that all Albertans would be able to identify with? Last month each farmer received jail time for daring to defy the Canadian Wheat Board.

Mr. Speaker, while our farmers were put in jail, farmers in eastern Canada were able to drive across the border to sell their grain as they wished. It is also believed but can't be proven, because you can't get any information out of the Canadian Wheat Board, that eastern farmers sell their grain across the border for their best price and then turn around and buy western grain at bargain prices to feed their own livestock, another example of the west subsidizing the east.

Clearly, our producers are, in the words of one of those jailed farmers, guilty of taking our own property and selling it to the highest bidder, just like absolutely everyone else in the free world is able to.

Sorry, Mr. Speaker. Did I forget to say that I'd like to move third reading of Bill 207? No?

THE SPEAKER: You're still on your feet, hon. member.

MR. HLADY: Thank you.

Mr. Speaker, it is time for this Legislature to send a signal to Ottawa that this is not only unacceptable in this province but is also abhorrent to the very core principles that we as Albertans hold dear. This is not just a rural issue. This is an Alberta issue, one that every citizen of this great province, regardless of locality, should be deeply concerned about. This is one issue attacking freedom of choice, just like Kyoto, choosing an elected Senate, gun control, trying to control health care funding as it is a provincial responsibility. This is the same.

Mr. Speaker, there are many examples of the implicit unfairness of the system that Bill 207 and most Albertans are trying to change. It seems to me that there is a problem when we have a system that stifles and chokes out innovation and productivity rather than encouraging it. It seems to me that there is a problem when the federal government's own agriculture standing committee recom-

mends a free market for the sale of wheat and barley on a trial basis and all the Canadian Wheat Board can do for a response is to say how they know better than everyone else. It seems to me that there is a problem when the very same people that this board is trying to serve are being imprisoned for exercising the fundamental rights inherent in the ownership of property. If this current federal Liberal government won't respect our farmers, I look forward to a change of that government so I can request an absolute discharge or a full pardon of these charges for our farmers.

Many hon. members have carefully laid out the multitude of reasons to proceed with Bill 207, Mr. Speaker, oftentimes speaking with passion about their own personal experiences, and I sincerely thank all of them for speaking to this. I hope that all members have come to the same conclusion: that it is time for us to act. It is time for this province to stand with producers and provide them with the freedom of choice that they are entitled to. Quite simply, in the words of one of our national papers: it is time for this province to help set western farmers free.

While Bill 207 will not create an open market immediately, it does represent another step in the fight to restore the inherent rights of Alberta producers to have control over their own product. I would hope that all members of this Assembly would support this process and vote for Bill 207.

Thank you.

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

2:50

MR. MacDONALD: Yes. At this time, Mr. Speaker, I would like to direct a question to the hon. member, please.

THE SPEAKER: Standing Order 29(2) does not apply at third reading of private members' bills. Does the hon. member want to participate in the debate?

MR. MacDONALD: No. Thank you.

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

MR. MARZ: Thank you, Mr. Speaker. It's a pleasure for me to rise today and add some final comments in third reading on Bill 207, the Alberta Wheat and Barley Test Market Act. This bill calls for a 10-year test market giving Alberta producers the ability to engage in unrestricted trade of their product. Currently, of course, the product categories and sale of wheat and barley are managed and restricted by a monopolistic entity, the Canadian Wheat Board.

The Canadian Wheat Board came into existence in 1919, born out of World War I conditions. Mr. Speaker, it goes without saying that the agricultural economy of today is vastly different than it was back in 1919. The economy of today demands increased openness, competitiveness, and innovation, none of which the Canadian Wheat Board facilitates. Today I'll go beyond suggesting that the Wheat Board is irrelevant, and I'll go beyond showing how the Wheat Board does more harm than good for Alberta farmers. We've heard these discussed by other hon. members. Instead, I'd like to talk about how the case against the Canadian Wheat Board monopoly has been made time and time again by our own federal government. For decades Canada has hailed the virtues of free trade and stood in opposition to its obstruction. I'll argue that in doing so, the federal government proves its own case against the Canadian Wheat Board's continued existence.

Looking at the big picture, it seems ridiculous to defend the Canadian Wheat Board, yet the federal government persists despite

mountains of evidence showing that the free marketing of tradable products is more efficient, increases quality, and ultimately benefits consumers. Internationally Canada has long been an advocate of eliminating barriers to trade. Indeed, we've entered into many unilateral agreements protecting and encouraging free trade. The General Agreement on Tariffs and Trade, the establishment of the World Trade Organization, and the North American free trade agreement are only a few of the significant international trade agreements aimed at fostering an atmosphere for fair and free trade.

Without fail, Canada's aim was, as prescribed in the 1947 text of GATT, the substantial reduction of barriers to trade and the elimination of discriminatory treatment in international commerce. Given Canada's support of free trade, I argue that it's hypocritical and wrong to defend and continue the Canadian Wheat Board's clearly restrictive and monopolistic practices.

Let me take a moment to describe specifically what our federal government stands for. On January 1, 1995, Canada became a founding member of the WTO, or World Trade Organization. This new organization effectively replaced the General Agreement on Tariffs and Trade, or GATT, and was born out of the 1986 to 1994 Uruguay round of negotiations. Along with the commitment to reduce tariffs, the round's agreements included greatly expanding export opportunities for agricultural products by limiting restrictions to trade such as quotas, subsidies, and other obstructive domestic policies and regulations. The Uruguay round called for consistent standards across all member countries. Specifically, the round produced agriculture agreements with the objective of reforming trade by making policies more market oriented. This, it was agreed, would improve predictability and security for importing and exporting countries alike.

It's important to stress, Mr. Speaker, that the round also brought about new rules and commitments applying to market access and domestic support, including eliminating programs that raise or guarantee farm gate prices and farmers' incomes. Of course, to the 144 member countries of the WTO the Canadian Wheat Board claims that it does none of these. Western farmers, however, get a very different story. The Canadian Wheat Board assures farmers: "Farmers get an initial or partial payment upon delivery of their grain and the Canadian government guarantees this payment." Of course, that's only a partial payment. Farmers have to wait over a year to find out what the final price is going to be, and whether that's the best price or not is totally up for speculation.

Mr. Speaker, Canada's commitment to the WTO's founding principles has been questioned numerous times. Foreign producers understand that the Canadian Wheat Board operates contrary to fundamental free trade principles. Why, then, doesn't our own federal government understand? The Canadian Wheat Board has been challenged and examined for years by government bodies, independent auditors, and international panels. Of course, as monopolies do, the secrets of the Wheat Board's operation are kept under lock and key. This makes proving these charges or any charges very difficult. The federal government's response to these international complaints, which I'll discuss a little later, is proof that the Canadian Wheat Board is unnecessary, irrelevant, and nothing but harmful to Alberta farmers.

I'd like to offer a second case. On October 23, 2000, the office of the United States Trade Representative initiated a 16-month investigation of the marketing practices of the Canadian Wheat Board. It was concluded that the Canadian Wheat Board subsidizes and isolates its domestic markets. The report concluded, and I quote: the Canadian Wheat Board undermines the integrity of a competitive trading system. Alberta farmers are upset with these same abuses. Frankly, it shocks and disturbs me to know that our

farmers' interests are being better supported by a foreign agency than by our own federal government.

Further, the United States Department of Commerce announced on October 24 that it will proceed with an investigation in response to antidumping and countervailing duty petitions filed by the North Dakota Wheat Commission on September 13 of this year. According to Canadian Wheat Board estimates this latest U.S. trade challenge will cost western Canadian farmers an additional \$8 million to \$10 million just to defend it. While the farming community is dealing with the huge financial strain of drought conditions, I argue that spending millions of dollars defending an indefensible institution is reckless behaviour.

Since 1990 there have been at least nine different high-level investigations into the Wheat Board's unfair business practices. In addition, there have been countless formal complaints. So, Mr. Speaker, the federal government is facing continued and ongoing pressure from the international community claiming that the Wheat Board engages in unfair trading practices. The federal government is also facing pressure from its own western farmers claiming that the Wheat Board hurts their product and their competitiveness.

In responding to international charges, the federal government continues to argue that the Canadian Wheat Board does not give unfair advantages to Canadian farmers. The Wheat Board, they claim, simply does not influence the price or quality of Canadian wheat and barley. So, Mr. Speaker, my question is a simple one. If the Wheat Board does not give unfair advantage to Canadian farmers, then why aren't Canadian farmers allowed to choose whether they participate in the Wheat Board or not? It seems obvious that the Wheat Board infringes on our farmers' freedom of market exploration. Our farmers' hands are tied, and for what gain? According to the federal government the Wheat Board does not manipulate price or quality of wheat and barley sales. The market's hand, we are told, is free to decide both. However, the Wheat Board claims on their web site:

Instead of competing against one another for sales, Western Canada's 85,000 wheat and barley farmers sell as one through the [Wheat Board] and can therefore command a higher return for their grain.

So if the Wheat Board does not affect prices, restrict or dump the product in the U.S., this is absolutely impossible. It's clear that the Wheat Board is speaking out of both sides of its mouth.

Mr. Speaker, our farmers are not asking for unreasonable changes to be made. Simply, our farmers want the ability to sell into whichever markets they choose and to establish their own prices and product specifications. In fact, Alberta farmers are only asking for fair provincial treatment. You see, Ontario and Quebec are not bound by the Canadian Wheat Board constraints. This is another example of favoritism amongst provinces.

Bill 207 aims to eliminate any special treatment. Bill 207 would establish a 10-year test market to study the effects of individually marketed wheat alongside the existing Canadian Wheat Board. I'd like to urge all the members to stand up for the Alberta farmers and to stand up for fair treatment along with the provinces and to stand up for the free trade market principles Canadians have championed again and again and for the success Alberta's farmers have shown in marketing their non Wheat Board grains, such as feed grains, peas, and canola, and they've been very successful at that.

So, again, I'd urge everyone in this House to support this bill, and thank you for the opportunity to speak on it.

3:00

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

MR. HORNER: Thank you, Mr. Speaker, for the opportunity to rise and speak today on Bill 207, the Alberta Wheat and Barley Test Market Act. I would like to begin this afternoon by thanking the hon. Member for Calgary-Mountain View for bringing forward this bill and for his continued efforts to see change brought to the Alberta wheat and barley industry.

The era of globalization is now in full swing and will only increase in the years to come. As a member of NAFTA, the WTO, and the upcoming FTAA Canada has become a leader in pushing for trade liberalization. However, Alberta's wheat and barley producers have been held back in this global phenomenon. The federal government's maintenance of the Canadian Wheat Board as the only marketing agency for western producers has severely restricted the great entrepreneurial spirit of Alberta's wheat and barley producers. Bill 207 would give the wheat and barley farmers of this province professional choice. It's my belief that farmers should have the right to choose what they can bring to market and determine their own price. Currently, these choices are not available to them under the Canadian Wheat Board, options which I believe are essential for a fully functioning, competitive, and efficient marketplace.

Bill 207 would allow a free and flexible test market to be established in Alberta. The results of this would be closely monitored and certain stipulations maintained for a period of 10 years. Carefully monitored developments under a free system would allow enough time for prosperous growth to occur, and a realistic picture of what Alberta can do in a free market system could be determined. Bill 207 would allow Alberta's farmers to keep pace with global buyers' demands for specialty crops which exist for organic grains, hull-less barley, waxy barley, and specialty wheats. Various contract arrangements are emerging that require direct dealing between grower and end-user.

It cannot be overstated that wheat and barley are the only two crops made to follow such repressive marketing rules. Crops which leave the farmers free to choose marketing practices have steadily increased in production and processing while growth for wheat and barley controlled by the CWB has been stagnant. The domestic processing of oats has increased 12-fold since it was removed from the Canadian Wheat Board in 1989. During the same period domestic crush of canola has increased 125 percent and, as a percentage of annual production, from 25 percent in 1989 to 35 percent last year. Canola oil and meal shipments have doubled over the five-year period from '93-94 to '97-98.

Bill 207 would also have the result of increasing the processing capacity in the province. By eliminating the middleman, processors would see the incentives of setting up local industries where they would be closer to their producers. It's sad to see that even though western Canada produces 95 percent of Canada's wheat, it only has 31 percent of the flour milling capacity. Eastern Canada does the vast majority of wheat processing. We can also directly compare Alberta and Ontario manufacturing shipments for grain and oilseed milling. In 1999 alone Canada had total grain and oilseed milling manufacturing shipments of over \$5 billion. Of that, Alberta constituted approximately \$863 million. Ontario, on the other hand, represented nearly \$3 billion of those shipments.

Compared to our American competitors, the processing numbers are equally depressing. There are two to three times more wheat milled in the northern tier U.S. states compared to the Canadian prairies. The volume of durum processed in the U.S. northern tier is also higher than here on the prairies. Canada's share of world flour production has decreased by 9 percent over the last 10 years. Over the same period the quantity of U.S. wheat milled has increased approximately 30 percent. One has to wonder why the United States processed more than twice as much malt barley as

Canada, yet they have only about half the barley production relative to Canada.

It is clear that Alberta is losing out due to the restrictive regulations of the Canadian Wheat Board. When, Mr. Speaker, will we unshackle the repressive federal chains which hold back the entrepreneurial and innovative spirit of our agriculture industry? The Canadian Wheat Board only includes wheat and barley producers from Manitoba, Saskatchewan, and Alberta. Why are farmers from Ontario and the rest of eastern Canada free from the board's control? The answer the federal government would give is that western Canada is the breadbasket of the country, and the Canadian Wheat Board was created to maintain stable prices in times of crisis.

[The Deputy Speaker in the chair]

The reality is that the times of crisis, the Great Depression and World War II, in which the Canadian Wheat Board was created are half a century behind us. It seems that the main function of the Canadian Wheat Board today is to remind westerners that the federal government is in control of their livelihoods. The Canadian Wheat Board is one main factor creating sentiments of western alienation among rural Albertans. When one farmer cannot sell his crop to his neighbour without going through a federal agency, you know that something is seriously wrong with the system. Currently, the only thing the Canadian Wheat Board seems to be providing Alberta farmers is additional costs. In fact, the Canadian Wheat Board's general and administration expenses have increased by 45 percent over the last five years and have doubled over the last 10, while export numbers have fallen.

Mr. Speaker, Alberta wheat and barley farmers need a more efficient mechanism to market, transport, and manage their product. The time has come for alternative methods of getting grain to domestic and international markets. Clearly, the Canadian Wheat Board can no longer provide Alberta farmers with a cost-efficient and competitive solution to achieve this goal.

In recent years western farmers have begun to voice their concerns about the Canadian Wheat Board. Bill 207 reflects the desires of Alberta's farmers. In a poll conducted in 2000 and released by the Alberta Barley Commission, almost 11,000 prairie farmers were surveyed and 75 percent indicated that they wanted the ability to sell their grain to any buyer, including the Canadian Wheat Board, in domestic and export markets. In Alberta, Mr. Speaker, 81 percent wanted that choice.

Alberta's farmers are also seeking change by working within the Canadian Wheat Board system. Jim Chatney, a well-known advocate of a free market economy for farmers, serves as Alberta's voice on the board of directors of the Canadian Wheat Board. He has been elected twice in district 2, which stretches from south of Edmonton to the U.S. border. In the last election he got 69.5 percent of the vote, which is the highest margin of victory any elected board member has received. It is clear that Alberta's farmers want a choice in how they market their products.

If Alberta's farmers are going to see their desire for freedom of choice, people like Jim are going to need our help. The antimonopoly sentiment is so strong in Alberta that Alberta's farmers are willing to go to jail for the cause. On October 31 of this year, as was mentioned, 13 Alberta farmers were jailed for selling their grain independently. My heart goes out to each of these farmers and their families, and my support is fully behind them for their fight to change the system.

Mr. Speaker, the time has come to allow Alberta wheat and barley producers to enter the global era of free trade. Bill 207 does not call to abolish the Canadian Wheat Board but simply allows alternatives to operate next to it. Value-added industries will naturally increase

in Alberta because of competition introduced into the marketing process. Bill 207 will reward the entrepreneurial and innovative qualities of Alberta's wheat and barley farmers, and it's time we provide Alberta farmers with the freedom necessary to effectively deliver their products to the world markets so that their industries can prosper.

I strongly support Bill 207, and I urge all of my colleagues, especially my rural colleagues on both sides of this House, to support this important piece of legislation as well. Thank you.

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

MR. DANYLUK: Thank you very much, Mr. Speaker. I am very pleased to have the opportunity to join my colleagues in support of Bill 207, the Alberta Wheat and Barley Test Market Act. I'd also like to stress that this is not a southern Alberta issue. This is an Alberta issue in its completeness because it affects northern Alberta as it does southern Alberta.

I believe that the bill is extremely important for our province and our wheat and barley farmers, who have waited a long time to see some changes in the way that their products are being marketed. The issue at hand, Mr. Speaker, is the Canadian Wheat Board, which for decades has enjoyed the status of being the only body allowed to market wheat and barley grown in western Canada. Over the past decade the issue of whether the Canadian Wheat Board has outlived its purpose has been debated over and over. It is a topic which deeply concerns all Albertans – and I stress again: all Albertans – and especially the farmers who live with the current marketing arrangements outlined in the federal Canadian Wheat Board Act.

3:10

As mentioned previously by my colleagues, the events that took place in late October of this year, when the 13 Alberta farmers were incarcerated for choosing to bypass the Canadian Wheat Board and marketing their products on their own, just illustrated how unpopular and unjust the board's rules and regulations really are. Those Albertans were fighting for fairness, equality, and marketing freedom. They ended up with prison sentences and records to show their commitment and devotion to what they believe is right and fair.

The event of October 31 clearly illustrated that there is something seriously wrong with current wheat and barley marketing and that it is time for some change. Change is precisely what Bill 207 is designed to bring. The bill will give wheat and barley farmers exactly what they have been fighting for: marketing their products independently of the Canadian Wheat Board. For the first time since 1943 Alberta farmers would have the opportunity to take the initiative to develop markets and seek out customers on their own. This bill will finally enable western producers to enjoy the same opportunities that their counterparts in eastern Canada and the United States have enjoyed for years. It gives our farmers various marketing alternatives, which also include the option of staying with the Canadian Wheat Board.

In simple terms, Mr. Speaker, this bill gives Alberta farmers choice. Presently, the farmers do not have choice. The Canadian Wheat Board Act forces farmers from western Canada to sell their wheat and barley only to the Canadian Wheat Board. They have no power over how and to whom their grain is sold. The Canadian Wheat Board acts as the sole price setter, the marketer, the transporter of all wheat and barley. Wheat and barley farmers complain that this lack of control over their product – and I stress: their product – is costing them thousands if not tens of thousands of dollars in potential profits.

Producers point out that the Canadian Wheat Board's grain price is routinely lower than the value for the same product south of the border, and as an example they cite that in 1996 the board was offering farmers \$3.40 a bushel for wheat while the price of wheat in the United States was \$8.50. That means that if farmers were allowed to market their wheat independently of the Canadian Wheat Board, they could have earned \$5.10 per bushel more. This, Mr. Speaker, is just one of the many examples of disadvantages that our farmers face when they deal with the Canadian Wheat Board.

I believe that this is unfair. Farmers should not have to forfeit potential profit while farmers in other parts of North America can sell their products freely on the market and get the best possible price. The Canadian Wheat Board's inability and unwillingness to adapt to modern times has not only shortchanged western wheat and barley farmers but also the economics of western Canada. The board's outdated rules and regulations have continuously discouraged individuals from investing in the value-added grain processing sector of the Alberta economy.

According to a 2002 study prepared by the George Morris Centre, the biggest problem that the potential investors face is the Canadian Wheat Board's monopolistic stranglehold over the wheat and barley market. The study indicates that the Canadian Wheat Board charges the various domestic processors an inflated premium price for unprocessed wheat and barley. This unfortunately creates a disincentive for individuals looking to invest into the value-added sector due to the fact that high prices of unprocessed wheat and barley compromise potential profits. The same study argues that if the individual farmers were free to sell their product directly to processors, the price of their product would depreciate, as it would represent the real market value of their grain. This, in turn, would create greater incentives for individuals to invest into value-added sectors of the Alberta economy.

The reason why I'm mentioning this, Mr. Speaker, is because had western Canada's value-added industry grown at the same rate as Ontario's during the 1990s, it could have been a difference of between \$300 million and \$1 billion to the economy of this country.

AN HON. MEMBER: How much?

MR. DANYLUK: Between \$300 million and a billion.

Currently, Mr. Speaker, the only way the western Canadian farmers can market wheat and barley on their own is to sell it first to the Canadian Wheat Board and, I stress, at a lower price specified by the Canadian Wheat Board and then buy it back from the board at a higher price. This scheme not only prevents our farmers from independent marketing, but it also prevents them from being able to compete with the rest of North American wheat and barley farmers. While our producers must accept the Canadian Wheat Board prices, their counterparts in other regions are free to obtain the best possible price for their product.

Mr. Speaker, wheat and barley farmers in eastern Canada are not bound by the same rules as the farmers in western Canada. As I've stated before, unlike their counterparts in the west, Ontario producers have the opportunity to market their products freely. Granted they still have to acquire export permits for their wheat from the Canadian Wheat Board, but they have the choice of selling their grain to any purchaser of their choice, including the Ontario Wheat Producers' Marketing Board. While the OWPMB performs a similar function as the Canadian Wheat Board, it serves as an optimal marketing body, not as a mandatory one. So why is it that the farmers in the east have alternatives and the farmers in the west do not?

Thank you very much, Mr. Speaker.

THE DEPUTY SPEAKER: The hon. Member for Little Bow.

MR. McFARLAND: Thank you, Mr. Speaker. It's my pleasure to rise again to make a few additional comments at third reading, after I had the pleasure of speaking at second reading. I want to start off, first, by again thanking on behalf of a lot of my constituents the Member for Calgary-Mountain View, who's brought forward Bill 207. I wanted to thank the Premier and the Deputy Premier for taking part in showing support for the farmers who were incarcerated on October 31.

I wanted to ask a question that many of the farmers in our area especially have asked me over a number of years, and maybe it's obvious: why is the federal minister responsible for the Canadian Wheat Board the same federal minister who's been responsible for the wheat board through many federal cabinet shuffles? How does that federal minister in this day and age go back to his home riding in Saskatchewan and continue to support without question a Canadian Wheat Board that basically has not changed at all since farmers sent a message loud and clear on October 31?

3:20

Many of the farmers that I've also had the pleasure to represent have wanted to know: why is it that the Canadian millers seem so supportive of the Canadian Wheat Board? Is it because of the special deal that they receive in terms of freight rates that they pay for the importation of their durum from the Canadian Wheat Board? As I recall the comments that I'd made at second reading, I tried to outline what it would cost the average farmer in our constituency to freight grain out to Vancouver. I believe the number at that time that I quoted for durum wheat was \$24.91 a tonne. How was it that we had to pay that freight for grain that never went to Vancouver but in fact went down to a milling plant in Lethbridge and could have been done for \$8 a tonne compared to \$24.91? The farmers then said: well, if that's what we're paying, how much are the millers paying to bring back the grain, that we as farmers could have sent to the mill, hypothetically, from Vancouver, when they know darn well that a lot of it came in for the same \$8 a tonne trucking charge? Although I can't pin down a number, it would appear that perhaps the millers have had special favour with the Canadian Wheat Board, because it may appear that they, in fact, only pay \$12, on paper, for the same grain that comes back from Vancouver that I paid \$24.91 for.

I want to move ahead to those that I have a great deal of respect for, those 13 farmers who voluntarily chose not to pay a fine, which, again, is another question, Mr. Speaker, that I don't truly understand. How is it that these farmers weren't charged for not having a federal export licence for grain but in fact were charged under a customs regulation for improper removal of a vehicle? Three of the 13 were from our constituency. Two of these young farmers had children at home, still had crops out in the field, still had cattle out on their pastures, and chose to make a very strong statement and serve some time. I'm especially pleased with the response that neighbours and farmers showed to particularly two of my constituents who spent considerable amounts of time in jail. As a matter of fact, I went down to the jail to visit one of these fellows the weekend after they had been incarcerated. Really, what an experience. To see somebody sitting in a jail alongside somebody who's actually committed something that may have been quite a serious crime is not something, I think, that a lot of people could imagine.

I guess in terms of a retail businessperson, can you imagine if you had a clothing store, Mr. Speaker, and that same small business in eastern Canada could sell at their own whim, at their own discretion, at their own markup? Can you imagine what you would feel like if

you had that men's clothing store, a ladies' clothing store, and you were told that you could only sell a portion of your clothes during this time of the year because there's only a quota available and that you maybe, in fact, could only sell it at a certain price? Now, if you didn't comply with that, you would go to jail. Would you be very happy? I don't think so.

To those people who don't really want to stand up and debate the merit of this bill but would rather hide in the corner and say: "Well, they broke the law. What do they expect?" I would say, "Well, if you really feel that way, why do you not support some change?" The majority of farmers at least in Alberta and I'm quite sure throughout western Canada right now have indicated that they want to see change enacted. To those of you who would only argue that the individuals deserve what they got, that they broke the law, I'd like to finish, Mr. Speaker, by quoting from a fellow by the name of Martin Luther King Jr. It came from a constituent who summed up his feelings by saying:

An individual who breaks the law that conscience tells him is unjust and who willingly accepts the penalty of imprisonment in order to arouse the conscience of the community over its injustice is in reality expressing the highest respect for the law.

With that, Mr. Speaker, I do appreciate the opportunity to stand up and make a few more comments about this bill. Once again, thank you to the sponsor from Calgary-Mountain View and especially to the farmers who had the jam to do what they did.

Thank you.

THE DEPUTY SPEAKER: The hon. Member for Drayton Valley-Calmar.

REV. ABBOTT: Thank you, Mr. Speaker. Picking up where the hon. Member for Lac La Biche-St. Paul left off and in the light of his intelligent comments, one must ask the question: why is it that the farmers in the east can have alternatives and the farmers in the west cannot?

The federal minister responsible for the Canadian Wheat Board, Minister Goodale, would have us believe that the western farmers do not oppose but actually endorse the current CWB regulations. He recently stated that according to a plebiscite held a few years ago, the board received support from about two-thirds or 75 percent of farmers, yet according to a survey conducted by the Alberta Barley Commission in November of 2000, 75 percent of prairie farmers supported voluntary marketing. The same survey indicated that 81.2 percent of Alberta farmers, 75.8 percent of Saskatchewan farmers, and 69.25 percent of Manitoba farmers voted for the establishment of a voluntary grain marketing system. These numbers represent clear evidence of growing dissatisfaction among prairie farmers with the current CWB regulations.

One can also cite the CWB's own statistics, which indicate that farmers in Alberta are increasingly choosing not to obtain Wheat Board permits and are, instead, pursuing other crops such as canola and dry peas, which are not regulated by the CWB. As a result, in 1990-91 the board had about 44,230 permit holders. However, in '99-2000 this number fell to 27,066 holders. That is a 48 percent loss in the number of permit holders. Such figures only underline the unpopularity of the CWB and indicate that prairie farmers are ready for change, Mr. Speaker.

Bill 207 symbolizes this change, and it also serves to remedy the injustice that the farmers of western Canada have had to endure for over half a century. Yes, Mr. Speaker, there was a time when the Canadian Wheat Board served a purpose, but that was over 50 years ago. The present regulations are hopelessly out of touch with reality. The board was created in 1918 as a result of the Great War, a

conflict which did much damage to the economies of the western world. The board was quickly disbanded in 1920 as the Canadian government decided that it served no purpose during times of peace and economic stability. The CWB was brought back in 1929, the year when the Great Depression hit. The CWB played an important function during the Second World War. At the time, the board played a leading role in keeping inflation down and preventing grain prices from rising too high.

However, Mr. Speaker, the days of extreme economic hardship and devastating global conflicts are long gone. Since then our country and the vast majority of the world have embraced market economy and free trade. In 1994 Canada signed a free trade agreement with our neighbour and our biggest trading partner, the United States of America. Our wheat and barley farmers have been left out of this agreement and continue to be at the mercy of the CWB. Clearly, we must allow them to become a part of the modern free trade system so they can enjoy the fruits of their labour as much as thousands of other Canadians have.

Mr. Speaker, I believe it is time to give our farmers the tools that they need in order to succeed in the modern world. Bill 207 gives our farmers these tools, and this is why I hope all of the members of the Legislature will join me today in voting in support of Bill 207.

Thank you very much.

3:30

THE DEPUTY SPEAKER: The hon. Member for Airdrie-Rocky View.

MS HALEY: Thank you very much, Mr. Speaker. I'm very, very grateful to have this opportunity to just make a couple of concluding comments about this bill and how incredibly proud I am of my colleague the Member for Calgary-Mountain View for having done all of this work and brought this forward. It's incredible not just for the fact that I've worked with him for a long time but that he's an urban MLA, as well, who clearly understands our issues in rural Alberta. I'm just incredibly proud of him for all the work that he's done on this.

I was given a news clip, Mr. Speaker, that was a letter that was written to the *Calgary Herald* by the owner of Big Rock Brewery, Mr. Ed McNally. It's a two-page letter, and I just want to read two little paragraphs to quote from this, from his perspective as somebody who had been a farmer and a rancher, later on went on to a different business, using barley in a whole other way. He said that the Wheat Board from his perspective – we just heard the history on when it was established, unestablished, re-established – when it was re-established again in about 1933, was intended to help prairie farmers market, store, and transport their grain.

It was established only for farmers who wanted or needed help, most of whom were based in the remote northern areas of Alberta and Saskatchewan, and it was voluntary, not compulsory. Producers had a choice and in normal years, most could do better selling into the free market, which was really a cash market that operated through the elevator companies, the major railways and the Winnipeg Grain Exchange.

Indeed, it was not until the Second World War, under the War Measures Act, that the federal government brought an end to “dual marketing,” which is to say marketing either through the Canadian Wheat Board or on the open market. The same legislation [at that time] closed the Winnipeg Grain Exchange, created price controls, and effectively put a lid on the rising price of grains.

The really dirty part of this move did not appear until after the war was won. Then, it became [apparent] that the effects of the federal government's action had been to cap the price of postwar grain shipments because it had entered into a long-term contract with the [United Kingdom] at a price well below the market.

Mr. Speaker, I want to say to you that my involvement through the Wheat Board over the last 30 years has been that they consistently and repeatedly entered into contracts with Russia or China or other countries around the world and never had to disclose the price. We've never been able to see into their financial affairs. It was my belief and it still is today that the federal government has used the Wheat Board as their tool for foreign relations. It had very little to do with selling or marketing our grain, and it had everything to do with their foreign policy. What always has offended me so greatly about this is that you can't even find out how much they sold us out as taxpayers, as Canadians, how many billions of dollars have never, ever been recaptured from countries that chose not to pay those bills, how many of them were written off over the years because that was the foreign policy of that day. Kyoto in another form. We live with this endlessly. If they want to give away all of our resources, maybe they could just tell us what they're doing once in awhile. Then as Canadians we could make our minds whether or not we supported it. Don't play games. The Wheat Board is one game; Kyoto is another. I know that it must seem like a reach to tie them together, but in my mind just about everything with the federal government is bad, you know, and it just goes downhill from there.

My experience when we were trying to establish our own grain company in this province is that we had nothing but support from our provincial government. They encouraged us always to continue to look at new and viable ways to help our farmers that wanted an alternative, and our farmers responded so incredibly well on wanting to try to grow a niche crop rather than just the standard Wheat Board crops. We tried to provide a full service to our clients, so we spent four years, Mr. Speaker, trying to get a permit so that we could handle Wheat Board grains, four years, a gazillion trips to Winnipeg so that you could do enough ring kissing in order to, you know, make them believe that it was possible that you might actually be able to handle the board grain for them.

The real one we were trying to deal with was oats, and they didn't even want to sell oats. They had control of it; they didn't care about it. We had a market in Venezuela for 50-pound bags or 100-pound bags of oats for all of the racehorse industry down there, but they weren't mechanized, and they couldn't handle huge shipments at a time. They needed something that an unmechanized society could handle and deal with, but they wanted the world's best oats, and those are the ones grown right here in Alberta. It took us four years. Finally, years later they delisted it because everybody in Alberta had pretty much quit growing oats by then. They drove us into the ground because they wouldn't market it. Now we've got oats again, Mr. Speaker, and it just shows that wherever the Wheat Board is, you end up with people pulling back, pulling out of the traditional markets. If we're such a great breadbasket, you know, why can't we sell our own wheat? Why are we growing so much canola? Why are we growing lentils and peas and mustard? We're growing canary seed now. We're doing all of these things in any effort at all to try and raise revenues on farms and get away from the Wheat Board, who consistently never tells you what your product is really going to be worth or as a taxpayer, on the other hand, how much money you are going to lose because we're subsidizing some other country on the other side of the world without everybody even knowing what we've done.

Mr. Speaker, like I say, I'm incredibly proud of my colleague for bringing this forward. I'm incredibly proud that my colleagues are going to support this bill, and I just hope that as we go through this and into next spring, we can make a difference and give our farmers the right to make the choice on which system they want to market their own produce in and that never again will one of our farmers go

to jail for something as ludicrous as giving a bushel of grain over to a 4-H club on the other side of the border.

Thank you, Mr. Speaker.

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

DR. PANNU: May I have the opportunity to speak, Mr. Speaker, on the bill?

THE DEPUTY SPEAKER: If you wish to speak on Bill 207.

DR. PANNU: On Bill 207, Mr. Speaker. Thank you for recognizing me. I want to take this opportunity – I've spoken on this bill a few times, Bill 207, the Alberta Wheat and Barley Test Market Act. This bill is raising all kinds of questions in the minds of Albertans, and I thought it would be useful to share with the hon. members of this Assembly a letter that I received from a concerned Albertan, Billy Dobson of Paradise Valley. He has a point, I think, in what he says, so I thought I'd share it with the House. I start right away, time being limited, to make sure that Mr. Dobson's points get recorded. The letter is addressed to the Premier. Mr. Dobson says:

I sure am relieved to see you gettin' involved in this here Canadian Wheat Board stuff. You've just opened up a whole new world of possibilities for me now that you are onside.

I got my first brainwave the other night at the hockey game. I went up to the counter to get myself a beer. I know you don't drink those real beers any more but I'm sure that you still remember how good one seems to taste at those Oilers and Flames games. I looked at the price and I couldn't believe my eyes – \$6.50 for a beer. I figured no problem. I'll just go down the hall and get a cheaper one. Be darned if the next place was \$6.50 too. Then I realized the same outfit was sellin' all the beer. This was when I figured out that I was dealin' with one of those single desk sellers I've been hearin' so much about. They were chargin' way too much for that beer and there was only one place to get the darn stuff.

That's when it came to me a real perfect plan. I'm just goin' to sell some beer of my own at the next hockey game. I got a \$50 ticket and a truckload of beer bought so I figure I'm pretty well in business. I'm a bit of a marketer myself so I calculated that if I sell the beer for \$3.00 a glass I'll still be doublin' my money. I'm sure that I'll sell lots because it's way cheaper than those hoodlums are chargin'. I reckon I should be able to sell about 5000 glasses pretty easy at a profit of \$1.50 per glass, \$7500 for an easy night's work.

Now some people are tellin' me that I could have some trouble with the law over this but I'm not too worried 'cause I know you'll be there for me Ralph. Other people in Canada are sellin' beer for \$3.00 a glass so I should be able to also.

REV. ABBOTT: Isn't this a breach of FOIP? He's reading somebody else's letter.

3:40

THE DEPUTY SPEAKER: Hon. member, the point of order should be on you. You've interrupted a number of times. You had your opportunity to speak. This hon. member did not interrupt you. So why don't we let him in the minute or so that he has left.

DR. PANNU: Thank you, Mr. Speaker, for the advice for the member.

If the cops confuskate my beer, I'll just take it back 'cause I know that's okay too. You'll help with those court costs won't you?

I'm really lookin' forward to workin' with ya [Mr. Premier].

THE DEPUTY SPEAKER: Hon. member, I hesitate to interrupt you, but under our Standing Orders the time for discussion on this item

has now reached the point where we call upon the hon. Member for Calgary-Mountain View to close debate.

MR. HLADY: After hearing the Member for Edmonton-Strathcona, it's nice to know that we on the Conservative side are still very safe and probably the only ones in this House who understand the market principles.

In closing, Mr. Speaker, I wanted to let the Legislature understand that I will send an open letter to Minister Goodale in regard to asking him that he do the right thing and listen to his own committee, which said that we should have a test market, and also respond to our legislation that we're passing here today in this Legislature asking for that free open test market in Alberta. If they will not, then I believe our government will explore all options in regard to a constitutional challenge and use whatever means necessary to get freedom for our farmers.

Mr. Speaker, I'm glad to have been able to move third reading of Bill 207 today, and I'd like to call the question.

[The voice vote indicated that the motion for third reading carried]

[Several members rose calling for a division. The division bell was rung at 3:43 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Speaker in the chair]

For the motion:

Abbott	Haley	McFarland
Ady	Herard	Melchin
Broda	Hlady	Nelson
Cao	Horner	O'Neill
Cardinal	Jacobs	Ouellette
Cenaiko	Jonson	Renner
Coutts	Knight	Snelgrove
Danyluk	Lord	Stelmach
DeLong	Lougheed	Stevens
Dunford	Lukaszuk	Strang
Evans	Lund	Tannas
Forsyth	Marz	Taylor
Friedel	Masyk	VanderBurg
Goudreau	McClellan	Vandermeer
Graydon	McClelland	Zwozdesky

Against the motion:

Bonner	Mason	Massey
MacDonald		

Totals:	For – 45	Against – 4
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[Motion carried; Bill 207 read a third time]

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

#### **Bill 208**

#### **Fiscal Stability Fund Calculation Act**

Ms Carlson moved that Bill 208, Fiscal Stability Fund Calculation Act, be not now read a second time but that it be read a second time this day six months hence.

[Adjourned debate November 25: Mr. Snelgrove]

THE SPEAKER: The hon. Member for Vermilion-Lloydminster.

MR. SNELGROVE: Mr. Speaker, thank you. I'll be very brief. As I mentioned before, the hoist amendment, I think, is appropriate because it does reflect the fact that the bill at this time is not needed. It's not a forward-thinking bill. It's more of a rear view of what would be accomplished by guessing what might have happened. Coulda-, shoulda-, woulda-kind of politics doesn't work very well. I would just encourage us to support the positive move by the hon. member to hoist this bill.

Thank you.

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

MR. MacDONALD: Yes. Thank you, Mr. Speaker. When we look at the bill and certainly the amendment to hoist it, it is important at this time, after the brief remarks from the hon. Member for Vermilion-Lloydminster, that we consider just what exactly the Fiscal Stability Fund Calculation Act could have done for this province when you consider that so much of the government's revenue comes from nonrenewable natural resource revenue. The value of that is determined by North American commodity markets. Sometimes you see dramatic increases in price, and royalty rates increase with price increases. As prices decrease for those commodities, well, then, so do the royalties to this province.

[The Deputy Speaker in the chair]

So the whole idea of Bill 208 is sound. When you consider that the objective of this bill is to encourage the provincial government to create a fiscal stability fund by calculating the positive impact a fiscal stability fund would have on Alberta's financial affairs, that is reason enough for individuals to certainly take notice.

Now, many people besides this political party have over the years been advocating for a fiscal stability fund. This whole idea, Mr. Speaker, will not end with this amendment. Certainly, there have been other proposals. When you look at how the government in Alaska is dealing with their resource revenue, what portion is directly allocated to the citizens and which portion is set aside, it brings one to think of the rainy day fund. That is what it was originally called in this province. The Alberta heritage savings trust fund was the rainy day fund.

4:00

When we look at the recent changes in this province, we look at – for instance, let's go back to the first of this month, when the government party had a policy convention. Now, Mr. Speaker, there was an important message to constituency presidents, as we debate this bill, delivered to Progressive Conservative constituencies by a former MLA of this Assembly. When we're discussing this amendment, we also have to take heed and take caution from that former hon. member's words, certainly whenever we look at the fiscal stability fund.

It is noted by this former hon. member, Mr. Moore, who represented the Lacombe constituency between 1982 and 1993, that "there was evidence of a drastic change" and that the government, unfortunately, is moving "completely away from the policies implemented by [the Premier] upon his election in 1993 – policies which Albertans overwhelmingly endorsed then" and up to the election of 1997. Now, I think that we need to consider that former hon. member's view when we look at hoisting this bill. "Up to that point," this message goes on to say, "our government had the respect and support of the general public for their statesman-like administration of our affairs and tax dollars. From that point on their popular-

ity has gradually but steadily" been declining. "The fact that [the Premier's] presence is there has kept it from reaching" the previous government's.

When we look at Bill 208, the Fiscal Stability Fund Calculation Act, would that stop or halt the deterioration that began, it is said here, "with unnecessary and irresponsible decisions"? They go on to say what these unnecessary and irresponsible decisions that led to this financial decline are, and they start out like this, Mr. Speaker:

- Increasing the number of unjustified portfolios, thereby spiralling the costs of administration and nullifying one of [the Premier's] key promises, made when elected leader, that he would cut the number of portfolios to 16.

And then:

- increasing their MLA salaries by a much greater percentage than increases paid to civil service and service unions.

Another issue of accountability that Bill 208 could perhaps address because of the dramatic increases and decreases in resource revenue is the education and health care sectors and their budgets and what affects those budgets under intense lobbying.

Now, certainly, with a fund as proposed here, it would be much easier to budget in the bad times as well as the good times. When you consider this notion that there has been a failure, a failure to rein in the runaway spending, Mr. Speaker, and you consider that Albertans do not know what the future of the heritage trust fund is, one has to be very cautious. If we allowed the heritage trust fund to be changed, what would this mean to the fiscal stability fund?

That's a question for this Assembly, I believe, to deal with, because the heritage savings trust fund was set up for the children of those who are singing in the rotunda this afternoon and their grandchildren. We do not have the right to take this fund and spend it on a giant birthday party for the province in the year 2005. We certainly don't have that right, and when you consider what might happen, the heritage savings trust fund could become a legacy fund for the current Premier, and I don't think that is the direction we should be going in. I think we should take a good look at the proposal from the hon. Member for Lethbridge-East, and we should realize that it provides a solution to the instability in program funding Albertans face because of our dependence on North American oil and gas markets and, as I said earlier, the revenue that is generated.

Now, if we were to prepare a study similar to the one that the state of Alaska has done and not look out a window that's opened for three years into the future, Mr. Speaker, but look out a window that is opened for 10 years – if the fine people in Alaska and the people who are running their government have the capability of 10-year forecasting for oil and gas revenue, then certainly I think this province can too.

With those remarks, Mr. Speaker, I shall take my seat and cede the floor to another hon. member. Thank you.

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

MR. HORNER: Thank you, Mr. Speaker. I'm pleased to have the opportunity to speak to Bill 208, the Fiscal Stability Fund Calculation Act, in second reading. I will support the hoist amendment that has been introduced by the hon. Leader of the Opposition. It was like music to my ears. This amendment would defer debate on Bill 208 for six months. As we know, the government is currently in the process of establishing a framework to address Alberta's historically volatile revenue streams.

Mr. Speaker, this issue is an important one for all Albertans, and it's important that we engage in debate on how best to shield Alberta from revenue instabilities. However, the government is concerned

with having a useful debate on the issue. Given the nature of Bill 208 and how similar it is to the stabilization framework currently being developed, it makes sense that we not debate this legislation at this time.

As for Bill 208 as it stands now, Mr. Speaker, I have some serious concerns. One of the biggest is that this is nothing more than a hypothetical exercise. In itself it's not worthy of support. The bill calls for a full study to report on the effects on Alberta's financing supposing there had been \$1 billion allocated to a fiscal stability fund in 2000-2001. I am sure that Albertans across the province are questioning this hypothetical study when there's real business at hand. Indeed, this government is currently developing a framework to address revenue instability. I can assure you that there is nothing hypothetical about this government's objectives. I agree that studies can be worth while. A government certainly should not entertain changes to its revenue management without first studying the effects. Regarding such significant legislative changes, I'm interested in studying the effects of what would happen, not the effects of what might have happened.

In reading Bill 208's wording carefully, Mr. Speaker, I notice that it not once mentions the future benefits of their proposal. In fact, the bill's wording seems to very carefully avoid discussing how their fund would help Albertans. What does this tell us? It tells me that their fund is so scantily defined that it's impossible to talk about it realistically. Like blinders on. Ultimately, I am concerned that Bill 208 can only exist in a hypothetical world.

Second, the study that Bill 208 proposes is not well thought out, and it does not necessarily address the issue of revenue fluctuation head-on. The bill is not only built on a hypothetical premise; it represents a band-aid solution to problems that won't go away unless we deal with them head-on. The hypothetical fund in Bill 208 suggests no mechanism to flag overspending or inefficiencies, whereas consolidated budgeting, benchmarking, and multiyear reporting do. This fund offers no way to ensure that individual departments, let alone government as a whole, spend their allocation in the most effective manner. By introducing a system of interdepartmental competition over the fund, any incentive to reduce spending or make better spending decisions is lost.

4:10

Our government is committed to making prudent, educated predictions and managing our province's finances in an accountable manner. Our concern is to best target spending in priority areas, and we are now in the midst of introducing a framework that will help smooth revenue streams. Bill 208 offers an overly simple solution to a very complex problem. It also makes a very dangerous assumption. The bill assumes that government spending can be fully protected simply by setting up this mysterious fund. The bill would have us believe that we only need to put money in one year and take it out the next. To assume a zero-sum transaction like this is far too simplistic and, I argue, reckless management of Albertans' money.

The fact of the matter is, Mr. Speaker, that international oil prices don't shift around a constant average. Cycles exist but not over a predictable period of time. Energy markets don't rise and fall like the sun. They are heavily influenced by circumstantial events such as Middle East uncertainty or political decisions such as OPEC supply control. The point is: no one should assume that an oil and gas surplus will negate an oil and gas deficit over any given period of time. In talking about a stability fund, we need to take these realities into consideration. The bill's fund as is runs contrary to this government's established record. For years this government has worked hard to balance the books and aggressively manage and pay down our debt. This has given us the highest credit rating among the

provinces and the strongest economy in Canada. Any discussion of revenue stabilization must work alongside these achievements and not undermine them.

In conclusion, Mr. Speaker, while I stand against preparing a hypothetical report that does nothing to examine the realistic issues facing Alberta, I believe that this government is on the right track to address revenue instability. Therefore, I urge my colleagues to support the hoist of Bill 208. There is no need to legislate a study or a hypothetical fantasy akin to: what will we do when we win the lottery? We have already examined this issue and will take all required steps to ensure the continued strength of Alberta's financial position.

Thank you, Mr. Speaker.

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

DR. MASSEY: Thank you, Mr. Speaker. I appreciate the opportunity to speak to the hoist amendment that's before us. The subject of a stabilization fund is one that has long been with our party. I think it first appeared in this Legislature in 1994, and it was an idea that was fostered by the late Laurence Decore, the leader at the time. I think we all recall that Laurence had a long history of sound financial management as a mayor of this city and saw it on the road to debt freedom, and he brought that strong fiscal management to ideas for the Liberal opposition.

This bill has been before the Legislature in a number of different forms. Laurence believed, as I said, in sound fiscal management, and he had been able to apply his thoughts to the finances of this city to the benefit of ratepayers and all citizens. What we have in Bill 208 is a modification of Laurence's ideas, and they really fall into three parts. There's been some refinement over the last decade, and it falls into three parts. The first, of course, is the fiscal stability fund, the second is an infrastructure enhancement fund, and the third is a process in terms of being able to arrive at amounts of money that should be captured in those funds and how withdrawals and replenishment of the fund should take place, so a plan with three important aspects but, again, based on the original stability fund. It is interesting and somewhat gratifying that the government is now looking at presenting to this Legislature or to Albertans a form of the stability fund. It may differ in details, but there's no doubt that the genesis of the idea originated with our party before the 1993 election.

The whole history of boom-and-bust spending is one that's troubled all Albertans, and the kind of agony that we went through in the early '90s, '93, '94, '95, really should have taught us a lesson then that we needed a stability fund. If you look at the cuts that were made to education, the kinds of decisions that were taken were just decisions that in retrospect were almost incredible: the cutting of kindergartens, the huge amounts that were cut out of university budgets, 21 percent, some of the largest cuts, and those institutions are still recovering from it. So the notion of boom-and-bust financing and the kinds of hurt that that imposes on Albertans should be one that we remember from the '90s for a long time into the future. Not having stability hurts Albertans, and this proposal before us, I think, is one that would make that possibility of hurt happening much less.

It's a notion that I said is being expanded into an infrastructure fund. The Auditor General has not been asking for that particular fund, but he has been warning the government in report after report of the need for planning for infrastructure and putting away money for infrastructure. I think the first warning came in the budget with respect to advanced education at that time. He made the point that

a certain percentage of dollars should be set aside each year to ensure that moneys that were needed for capital projects and modernization were available. I think the figure that he used was 2 percent.

In the last Auditor General's report the recommendation on page 191 says:

We again recommend that the Department of Learning improve its systems to ensure that long-term capital planning for school facilities is consistent with plans for the delivery of education.

So, again, the Auditor General is pointing out the need for what we find in the bill that is being hoisted, the need for an infrastructure enhancement fund. I think I heard a member make some rather derogatory comments about the way the money would be put into that fund or taken out, but the fact is that it would put in place over a period of time the kinds of dollars that would assure Albertans that the huge, huge investment that they have in infrastructure in this province is maintained and that new investments are undertaken in a timely fashion.

The government is going to come forward with a stabilization plan. I assume it will if I look at the information coming out of the government's committee. Stabilization is a really important consideration, and the details of the government's plan will be forthcoming. So it's with that kind of information, Mr. Speaker, that I, too, will support the hoist amendment, and I do that recognizing that this is an idea whose time has come. I guess that in the final analysis it doesn't matter where ideas originate. If they're sound ideas and they are a benefit to all Albertans, then they deserve our support.

Thank you very much, Mr. Speaker.

4:20

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

MR. BONNER: Thank you very much, Mr. Speaker. I do welcome the opportunity to stand this afternoon and speak to Bill 208, the Fiscal Stability Fund Calculation Act, and particularly to the amendment, and I, also, support this amendment.

I think that we have to look at the history of what's happened in this province. This goes back many, many years, to the infancy of our petroleum industry here in the province, certainly one that we're very, very fortunate to have. Many places in the world would love to have the problems we have or have not the problems but the assets we have in our oil and gas industry. But, as well, we know, Mr. Speaker, that we also have the boom and bust, the peaks and the valleys, when we look at revenues that flow into this province. Even our neighbour next door, Saskatchewan, has a stability fund, and just last week, I believe it was, they announced that they're going to use \$100 million out of their stability fund to balance the books.

Now, as well, we know, Mr. Speaker, that the AAMD and C constantly ask at every convention for predictable, stable, equitable funding. At their convention a year ago there were many speakers that got up and asked members of the front bench how they expect them to have three- to five-year business plans when they have a budget that only lasts three to five days. Certainly, if people at the AAMD and C can recognize that there's a huge problem here, then also we should.

Probably what highlighted this more than anything in that particular year was the fact that we had the second highest revenues this province has ever had, yet all of a sudden we had cuts. We had cuts to many, many programs, and it impacted many Albertans even though we had the second highest revenues that we'd ever had in this province. Of course, anybody that's building budgets certainly knows that you have to have flex in that budget. You have to be

able to account for unexpected expenditures, whether that be forest fires, whether that be huge droughts because of global warming, and as well we have to expect increased revenues if for any reason the price of oil soars.

We look at this, and we certainly see that in that particular year we had \$600 million cut from the budget, from the Heavy Road Builders Association here in the province. Now, there was a huge reaction on their part, because they do make their three- to five-year business plans. They certainly know the impact of what a \$600 million cut would be to their programs here in the province in that they would certainly lose a lot of very skilled workers in that particular industry. As well, they have set their business plans on not only the purchasing of inventory, inventory that's very, very costly, but as well they have to pay for that. They certainly plan to pay for it over time, and they plan to pay for it with moneys that this government has indicated will be there.

So when I hear hon. members say in this House that the fiscal record of this government is good, we have to question that. We have to question that. And when we see that the government miscalculates revenues by \$6 billion – \$6 billion – that's incredible. It's a beautiful problem to have, but it is not very good budgeting.

We look, for example, as was announced here today by the hon. Member for Edmonton-Gold Bar, at how Manhattan meters their wells. These should be calibrated every year, yet some of these wells have not been calibrated for up to five years. Now, then, what is happening to our royalties in this particular case? Again, when we look at revenues, Mr. Speaker, it is very, very important that we take this into consideration.

We also have in this province legislation which does not allow a deficit at the end of the year, yet we don't get the expenses that we run up in the fourth quarter until well after the end of our business year. So certainly it creates a situation where government has to keep extra money on hand just for unforeseen expenses and whatever. So, again, not a good situation where we can set a budget.

Now, then, as well, when we look at a stability fund, it certainly would avoid the infrastructure deficit that now occurs in this province, and this, Mr. Speaker, is growing. It continues to grow because that is one of the first areas that is cut when moneys get tough. But more importantly here are our social programs. These are the people and the programs – as one senior put it to me, just because I'm not productive anymore, the government doesn't consider my needs.

So we have people on AISH that haven't seen an increase in their benefits for a number of years. We have in this province, which has all these revenues from oil and gas, the lowest minimum wage of any province in Canada. We have people on supports for independence that haven't seen any break in their rates. I look at some of the comments made by Senator Roche in his address to the housing commission in dealing with the homelessness issue here in the province, and what is happening to homeless people in this province and what is happening with child poverty is unforgivable in a province where we like to say that there is an Alberta advantage. Well, it certainly isn't for these people.

Now, this Bill 208, the Fiscal Stability Fund Calculation Act, would certainly bring stability to the process of budgeting. It would allow for moneys that would keep our social programs, keep any programs such as road construction, infrastructure going whether or not the times in Alberta were good or bad. We have a great need for this particular type of bill.

As well, Mr. Speaker, we had the Financial Review Commission, which certainly did their calculations. It's unfortunate that none of us have been able to see what their calculations are, but they estimate that the fiscal stability fund in this province would have to

be in the neighbourhood of \$3.5 billion. Unfortunately, one of their solutions was to use the heritage fund as part of this stability fund, and it was certainly never intended to be such. A stability fund certainly should be totally separate from the heritage savings trust fund. Albertans have long said that the Alberta heritage savings trust fund was a fund that they wished to be kept. It is certainly easy to understand why, when we had oil at \$10 a barrel back in the '80s, we could not contribute to that particular fund. But here in the last decade we've had an incredible good run of luck with the price of oil in the world, yet we have not done anything to increase the value of that heritage savings trust fund. We have not inflation proofed it.

There is a great need for this bill, and I thank you for the opportunity to speak to it, Mr. Speaker.

[Motion on amendment carried]

4:30

**Bill 209**  
**Electoral Fairness Commission Act**

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

DR. PANNU: Thank you, Mr. Speaker. It's a great pleasure for me to rise and kick off the debate on Bill 209, the Electoral Fairness Commission Act, at second reading. May I note that circumstances that attend on the beginning of the debate on Bill 209 couldn't be more propitious. We have angels singing outside, and for that I thank the University of Alberta Mixed Chorus.

Recently there has been considerable attention paid to what has come to be known as democratic deficits in both the federal Parliament and in this provincial Legislature. For example, Mr. Speaker, attention has been drawn to the lack of all-party standing policy committees in the Alberta Legislature. This Legislature is the only one in Canada where standing policy committees are made up solely of members of the government caucus while excluding opposition members.

Most of the public discussion about the democratic deficit has focused on making more democratic the internal workings of parliaments and legislatures. Surely there's a great deal of room for debate to happen on the internal workings of parliaments and legislatures, but there's also another important aspect of an electoral democracy, which is to have serious debate on reforming the voting system on which all electoral democracies, representative democracies, depend.

That's exactly the purpose behind Bill 209. The purpose of Bill 209 is to establish a voting system that would ensure that each political party's representation is proportionate to its share of the provincewide popular vote. However, Bill 209 does not itself seek to make changes in the voting system. Instead, it establishes a process to consult Albertans on this important question. Bill 209 establishes a broadly based commission to widely consult with Albertans on the reform of the voting system. The membership of the commission would mirror that of the Electoral Boundaries Commission. It would be chaired by a judge, a retired judge, the president of a public postsecondary institution, or someone of similar credentials, qualifications, and stature. One member would be appointed on the recommendations of the Official Opposition, one member would be nominated by other opposition parties represented in the Legislature, and, finally, two members would be nominated by the Executive Council.

The Electoral Fairness Commission would engage Albertans in a wide-ranging examination of our voting system. The commission would engage Albertans in considering alternatives to the existing

first-past-the-post voting system. Based on the input received, the commission would prepare an interim report outlining proposals for how proportional representation could be adopted in Alberta to complement the present electoral system and to comply with the unique circumstances and conditions of Alberta.

Among the considerations that could be covered by the commission would be the following. To maintain a link between elected members and geographically based constituencies: many proportional representation systems around the world continue to be based on constituency representation on either a single-member basis or regional basis. Second, to ensure stable and responsive government: contrary to the perceptions of some, most voting systems based on proportional representation result in governments every bit as stable as those based on first past the post and certainly more democratic. The commission would also examine extending voter choice by eliminating strategic voting and ensuring that every vote counts and has the same value.

Finally, Bill 209 would ensure that in any alternative voting system recommended by the commission, the total number of seats in the Legislature will be no greater than the 83 at present. We have plenty of politicians per square mile in this Legislature, Mr. Speaker, and this provision would put to rest any concern that an alternative voting system would result in a greater number of seats in the Legislature. It will not.

Furthermore, the PR system would be a means to achieve these objectives. To achieve these objectives the commission will seek expert advice, research voting systems in use around the world that already incorporate some form of proportional representation, and hold extensive public hearings throughout the province. After the commission has made public its proposals and alternatives in an interim report, a second round of public hearings would be held to enable the public to make further representations to the commission on the interim report. After this second round of hearings the commission will then prepare a final report, Mr. Speaker, and make recommendations to the Legislative Assembly. Any subsequent legislation passed by the Legislative Assembly incorporating a voting system based on proportional representation would need to be approved by a majority vote in a provincewide referendum prior to proclamation.

I want to conclude by making some general comments about why this Legislature should approve Bill 209, which would initiate a wide-ranging public debate on the voting system. Under the existing system of first past the post, citizens do not get what they voted for in terms of composition of this Assembly, Mr. Speaker. Political parties that are elected with a minority of votes routinely receive a majority of seats in this Legislative Assembly. How many Albertans are aware that in two of the past four provincial elections the Progressive Conservatives failed to secure even 45 percent of the provincewide vote? Yet in those 1989 and 1993 elections the Conservatives ended up with large majorities in this Assembly. Even in this most recent election almost 40 percent of Albertans voted for parties other than the governing Conservative Party. Yet the distortions caused by the first-past-the-post system resulted in the opposition parties winning only nine of 83 seats in the Legislature. In other words, a vote for a government MLA carried almost four times the electoral weight as a vote for an opposition member did.

4:40

Proportional representation is an idea whose time has come, Mr. Speaker. Doubters should take notice. Albertans will demand that our electoral system be made more democratic, more representative of their will. More and more democratic countries are using some form of proportional representation to elect their parliaments and

legislatures. Canada and the United States are the only two remaining holdouts. New Zealand now uses a proportional representation voting system for its federal parliament. Britain uses PR for its regional assemblies in Scotland and Wales. Australia uses PR for its Senate elections. Every single country in western Europe uses some form of PR, as does the European Parliament.

The bill aims to retain the benefits of constituency-based representation, Mr. Speaker. Some countries, like Sweden and Ireland, elect members from multimember constituencies using a single transferable vote to achieve proportionality. In fact, until the mid-1950s MLAs from Edmonton and Calgary were elected to this Legislature using exactly this voting system. The system was changed by the then ruling Social Credit government because it feared losing the next election if a PR voting system for Alberta's two largest cities was retained.

Other countries, like Germany and New Zealand, use a voting system called mixed member proportional. Under . . . [Mr. Pannu's speaking time expired]

Mr. Speaker, I understand I have 10 minutes according to Standing Order 29. I'd like you to check that for me.

THE DEPUTY SPEAKER: Yes, hon. member, that's right, and you've had the 10 minutes.

Before we proceed to the hon. Member for Edmonton-Rutherford, I wonder if we might receive consent to briefly revert to Introduction of Guests.

[Unanimous consent granted]

#### head: **Introduction of Guests**

*(reversion)*

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

DR. PANNU: Thank you very much, Mr. Speaker, for the opportunity for me to introduce some very special guests this afternoon. They are here to observe the debate on Bill 209, the Electoral Fairness Commission Act. They're all members of Fair Vote Canada. They're very actively engaged in starting a public debate on how to change our electoral system in order to make it more reflective of the political will of each and every voter in this province and this country. So I have the pleasure of introducing to this House Professor Paul Johnston. He is from the Department of Political Science and is an expert on voting behaviour and electoral systems in the province. The second person is Ms Helene Narayana, a prominent constituent of my Edmonton-Strathcona riding, a well-known broadcaster in the past, and now a political volunteer and social activist. The third person present in the gallery who's active in Fair Vote Canada is Mr. Douglas Bailie, a historian from the University of Alberta who has been actively engaged in the activities of Fair Vote Canada. I'd ask these three guests to please rise and receive the recognition and the welcome of the Assembly.

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

##### **Bill 209**

##### **Electoral Fairness Commission Act**

*(continued)*

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

MR. McCLELLAND: Thank you, Mr. Speaker. It's a pleasure to

speak to Bill 209, as proposed by my friend representing Edmonton-Strathcona, the leader of the New Democratic Party and leader of the New Democratic Party in opposition.

Proportional representation is an issue that pops up from time to time as many parties in many Legislatures around the world seem intent on exploring the subject. The idea itself is an interesting one and is not entirely without merit. Several countries around the world employ one form of proportional representation or another to varying degrees of success. As well, if the intent of voting is to provide an outcome directly proportional to all votes cast in the province, proportional representation would indeed seem to be the way to accomplish it. Finally, the introduction of the bill highlights the fact that our first-past-the-post system is not satisfactory in cases where a particular candidate comes out on the losing end.

DR. PANNU: Point of order.

THE DEPUTY SPEAKER: Hon. member.

The hon. Member for Edmonton-Strathcona on a point of order. Your citation, please?

#### **Point of Order Speaking Time**

DR. PANNU: Mr. Speaker, it's Standing Order 29, and these are the rules effective from February 26, 2002. This is the most recent and current version. I would like to draw your attention to 29(1)(b), which states that on a private member's bill the mover of the bill will have 20 minutes of speaking time.

THE DEPUTY SPEAKER: The hon. member is perfectly correct; 29(1) and (2) would substantiate what you are attempting to say. However, this is motions and bills other than government motions and bills, so if you go to 29(3), on the second page you will see that "the mover in debate of a resolution or a Bill shall be limited to 10 minutes' speaking time and 5 minutes to close debate." That's because we're on motions and bills other than government motions. That is what we're guided by, not the former. Those are for the other motions. So the point of order is not upheld as you can clearly see by the Standing Orders that we have.

The hon. Member for Edmonton-Rutherford to continue.

#### **Debate Continued**

MR. McCLELLAND: The bill as presented by the Member for Edmonton-Strathcona proposes that the commission must

- (a) review alternatives to the first-past-the-post electoral system, and
- (b) make proposals to the Legislative Assembly on what form of proportional representation should be adopted to complement the present electoral system.

So we're being asked to put forward a commission that will review alternatives but report on what form of proportional representation would be most desirable. I certainly can't support that because I don't think proportional representation is going to add to the democracy that the Member for Edmonton-Strathcona would like to achieve, and I will try to make my point and the reasons clear. For the record, I would propose that an alternative system, if we're going to move to that, would be the French system, which would be a runoff election.

In any event, as to speaking to the bill as presented by the Member for Edmonton-Strathcona, I'd like to centre on two key issues. First, it's my belief that proportional representation schemes concentrate more power in the hands of party executives and leaders. This concentration takes away from the amount of real democratic participation that citizens can exercise. Second, the introduction of

proportional representation invites the creation of single- or narrow-interest parties which are often partisan and divisive. In contrast, the first-past-the-post system encourages political parties to build on a broad base that has the capacity to aggregate interests in the public good. If we change the rules of our electoral system so that a system which places little emphasis on the aggregation of social interest takes effect, we will, despite the best intentions of Bill 209, have done democracy a disservice.

4:50

On my first point, none of us sitting here today in the Assembly should forget why we're here. We're here by the good graces of the citizens in each of our ridings, because either as individuals or as members of a party we advance values, priorities, and a way of doing things that Albertans either trust or admire. This is true of all members, regardless of which side of the House they sit on. We're not here because we're chosen by a party executive. There is, of course, an element of party politics that determines whether we will be here or not, and this is the nomination process. However, once we're nominated, it's our job to sell ourselves, our parties, our ideas, and leadership to Albertans at the constituency level.

Now, I understand that individual election is dependent upon, ranking from first to last, in my view, party leadership, because we become very leadership oriented; the political party which we belong to and represent; and the individual candidate. So make no mistake: it's because of the leadership issues, because of the concentration of media, that we've become very leader-oriented, especially through the direct election of leaders in one person, one vote. However, that being said, at the end it's often in an individual constituency that 10 percent that an individual candidate can bring to the table that will either make it or break it.

This is a marked improvement over the type of proportional representation that Bill 209 calls for, and I quote from section 6(1) of the proposed bill.

In reviewing alternatives to the first-past-the-post electoral system the Commission shall consider a mixed member proportional electoral system where each voter has 1 vote for a political party and 1 vote for an individual candidate in the voter's electoral division.

A mixed member proportional representation system is one in which some MLAs are voted in by their constituents and others are chosen by the party from a list. The question we have to ask ourselves is: who's choosing the nonelected members?

Now, I'm sure this process could differ in each political party, but there's a catch. It's not the public and the constituency that's making the choice, and that has the potential to be problematic. It becomes a problem because under the system advocated by Bill 209, the public has a reduced say in who their representative in the Assembly will be. While the public's influence is reduced, the power of the party executive becomes greater as candidates vie to be placed on a list of appointed members.

If I may, I'd like to again draw a comparison to our current system. When, at the constituency association level, an individual presents himself to his party to be selected as the party's candidate, that constituency association must take into account the effectiveness of the individual in building a consensus among a range of voters with diverse policy interests. They must ask themselves, in addition to whether the candidate will represent the party well: will that candidate represent the public well?

Now, under the system favoured by Bill 209, this consideration is, in the case of the appointed members, moot. It's not essential for an appointed member to be a good representative of the public. Rather, he will most likely be there to do the bidding of his party's interests or his party's leader. Sounds kind of like an appointed Senate, and this, of course, raises a larger question: just how do you get on that

list? Who is that MLA accountable to if it isn't the public?

On my second point, Mr. Speaker, I'd like to mention that in most countries where a proportional representation system exists, there aren't just two or three parties but 10, 20, or even more. The reason for this is that single-interest parties attempt to gain enough of a share of the vote in order to secure a seat or two in their Assembly and then form coalitions based not on consensus but on vote trading. Essentially, they're left with tit-for-tat legislation that appeals not to the common interest but to the specific interest of each party. Again, public input is denied in favour of personal interest, and interests are not aggregated in the common interest.

The first-past-the-post system, on the other hand, rewards parties who build consensus before they enter the House. It compels parties to appeal to a broader cross section of citizens and to have ideas designated to benefit the common good, ideas that the majority of citizens can get behind and support. The difference is clear: parties that attempt to appeal on all matters to members of the public or parties that exist to advance a single issue and give precious little care to any other pressing interest of the day.

[The Speaker in the chair]

Now, in the midst of this, I don't want to be mistaken for someone who would deny the right of anyone or any group of persons to set up or start a party. Indeed, the more voices there are in the political sphere the better democracy. However, that doesn't mean that we should make it any easier for smaller or fringe parties to make it into the House or to hold greater power in the Assembly. The rules we have in place at the moment demand that any party wishing to hold a degree of legislative power ought to have done their homework and put together a reputation for being trustworthy as well as a solid policy platform that resonates with a cross section of Albertans. The system we have now demands that this be done before any electoral success.

So I thank the Member for Edmonton-Strathcona for raising the important issue of considering alternatives to the present system, and it does speak to a necessary question that should be considered but not proportional representation, in my opinion.

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

DR. MASSEY: Thank you, Mr. Speaker. I'm pleased to have the opportunity to speak in favour of Bill 209, the Electoral Fairness Commission Act, and the intent of the bill before us. The arguments in terms of the kind of electoral system that would best serve our needs have gone on and, I assume, will continue to go on, but I think what we have before us is a proposal for a telling re-examination of the way we do things. The proposal doesn't place before us a particular form of representation by population to endorse but puts it in the hands of an independent commission to look at the differences in systems, the advantages and disadvantages, and then to come forward with recommendations. It seems to me that this sort of hands-off approach would be in the public interest in terms of the kind of debate that it would spark and the ultimate outcomes that might result from a very serious look at the way we elect provincial representatives at the present time.

So, as I said, I will support it. I guess, if I have a reservation – it's not really a reservation. If I would have had my way, it would have been a much broader bill because for at least 10 years we have been advocating a look at democracy in the province that includes some form of representation by population but also includes another series of proposals that it would have been interesting to have this particular commission look at at the same time as it was considering representation by population.

One of those proposals was that there would be fixed sitting dates for the Legislature. There are some problems around that in terms of being able to handle nonconfidence votes, but it's a process that we use at the municipal level to elect our city councils and our school boards without much difficulty. It's a proposal that I note has just recently been adopted in British Columbia. British Columbians know the date of their next provincial election, and they knew that the date that they elected their current government. So I think that an examination of the merits or downside of fixed sittings for the Legislature would be in everyone's interests. I think that the kind of guessing and trying to arrange your schedules around the way the sittings are now determined does not serve citizens well.

5:00

Another proposal that we had put forward was the recall of members. It's, again, being used elsewhere. There have been some criticisms of it in terms of its misuse by special-interest groups, but it would give citizens recourse at some time during the four-year or five-year period that the representatives are elected if they were sorely upset or disappointed by their representative's action. It would give them an opportunity to recall that member and to have someone more appropriately serve them. Again, it was something that would have been interesting for this commission to look at.

The whole notion of referendums is also an issue that we would like to see examined. There have been issues in this province where a referendum would have been very useful in the last number of years. It would have been interesting to have a referendum on the privatization of health care in the province just to see to what extent the move to private hospitals and private medical care is supported by citizens at large. It would also, in just the last week or so, have been interesting to have had a referendum on Kyoto and whether or not the government should support that move. Opinion polls are one thing, but I think that a referendum is something else. We would have included in the package some consideration of referendums.

I guess what is more important in terms of what happens today in this House would be to look at a package of legislative reforms, and it would start, I think, with, as the member has already mentioned, the standing policy committees, which are government committees, not all-party committees, and would also look at committees like the committee on Law and Regulations, a standing committee of the House that in other legislatures is charged with looking at laws when they're passed and the regulations that are being formulated to put the law into effect. That committee has members appointed to it by this Legislature and doesn't meet. I've been in the Legislature for 10 years, and that committee, as far as I understand it, has never met, never considered a law or the regulations that surround a law. So it's something that could be reformed within this legislation that, I think, would help democracy.

I guess that another area, when we look at our own activity, is our Standing Order 21(1), the Standing Order that looks at the debate limitations. All parties are a part of putting together the Standing Orders, but the government, of course, has the hammer as far as those procedures are concerned. I think it is rather ironic that we saw applauded in this House the representative from Red Deer standing up in the House of Commons and debating, filibustering the Kyoto bill at the federal level, yet that same filibustering is impossible in this Legislature now since the institution of Standing Order 21(1), where should the opposition attempt a filibuster, the government has only to stand up and make a motion that limits the debate. A filibuster could never get going or be sustained under those rules.

So I think it's a good bill. It's a start, Mr. Speaker. I think there are some other things that are crucial and critical to our democratic system in the province that need examination, and the examination

was long overdue. I've mentioned a few of them. I think this is a good start. Of the hundreds of electoral systems around the world, I think it would be good for us to pause and to look at what we do in our own backyards.

Thank you very much.

THE SPEAKER: The hon. Member for Dunvegan.

MR. GOUDREAU: Thank you, Mr. Speaker. I'm pleased to have the opportunity to rise and speak to Bill 209, the Electoral Fairness Commission Act, introduced by the hon. Member for Edmonton-Strathcona.

Mr. Speaker, in 1852 Benjamin Disraeli, the Conservative Chancellor of the Exchequer and future Prime Minister of Great Britain, declared famously that "England does not love coalitions." His remark rallied those opposed to tinkering with Britain's first-past-the-post system, which by its very nature magnifies now, as it did then, the electorate's intentions. If you want to see strong majority governments, the first-past-the-post system is the right ticket. Britain is, of course, not the only nation where the public votes in accordance with the first-past-the-post system. We need not look further than our own country to see a shining example of this system at work. Our good neighbours to the south use this system, and so do many other countries which, like Canada, are former British colonies.

Mr. Speaker, with all due respect for the hon. Member for Edmonton-Strathcona, his bill is filled with assumptions. For instance, the preamble to Bill 209 states that

the existing first-past-the-post voting system leads to distortions such as lopsided majorities, strategic voting and wasted votes which result in lower voter turnout and increased cynicism.

In particular, I take issue with the charges that our current system would promote lower voter turnout and increased cynicism. I'm not aware of a cause-and-effect relationship between our current first-past-the-post system and cynicism. I will grant the hon. member that there is some cynicism in our society today, but is it really increasing? If it is, I would like to see some science data to support such an assertion. Moreover, to say that our existing voting system contributes to an increase in cynicism is, I think, a bit of a stretch. The only way we could substantiate that claim would be if we were to introduce another voting system and see if it made people less cynical, although I'm not certain in what manner we would quantify this.

Mr. Speaker, if voters are cynical today, I think it has more to do with the calibre and qualifications of those who hold public office as well as with the candidates the public has to choose amongst at election time. If those who run for office fail to connect with the electorate, how appealing will it be to cast votes for them? If those who run for office do not speak to the issues that matter to the voters, what incentives do they have to vote? As well, part of the onus rests with the electorate. If the electorate does not take an interest in the elections nor in those who run for office, there is little that candidates can do beyond campaigning.

One of the most sacred rights we have in a democracy like Canada is the right to vote freely for the candidates and issues of our choice. In fact, the right to vote may be more sacred than any other democratic right we have. However, the right to vote must by definition also imply the right not to vote. I find it regrettable, of course, that not everyone chooses to take advantage of his or her right to vote, but that is a right all of us have: the right to abstain from voting.

The reasons why people choose not to vote run the gamut from a lack of interest to a lack of appeal, from personal illness to climatic conditions at election time, or whether it's harvest time or not, Mr.

Speaker. If we wish to increase voter turnout at the ballot box, I think the answer lies not in a new voting system but in nominating candidates who speak to the issues that matter to voters. That proportional representation does not automatically ensure increased voter participation is borne out by the following examples.

Consider the case of Switzerland, a country that, like our own, is often considered amongst the world's foremost democracies. Switzerland adopted proportional representation in 1919. It would be another 52 years, however, until Swiss women were granted the right to vote. That year, 1971, voter participation in Switzerland was 97.3 percent. The Swiss vote every four years, and since 1975 voter participation peaked at 43.6 percent and has been in a steady decline ever since. In 1999 34.9 percent of voters turned out. Mr. Speaker, it is true that Europeans exercise the right to vote more frequently than we do, but it has been conclusively proven that proportional representation attracts more voters, thereby enhancing the exercise of democratic rights. I am not so sure. I would suggest that history has a greater role than does any specific voting system.

That Canada is a democracy is something I think all of us can and will agree on regardless of party affiliation. Here in Canada 54 and 68 percent of Canadians have opted to cast their ballots in our four most recent federal elections. As I said earlier, I wish that everyone would take the time to vote, that everyone would exercise the privilege and the right to vote whenever an election rolls around, but you will recall that I also said that the right to vote must imply the right to abstain from voting, whatever the reason, whatever the cause. That, too, is part of living in a democracy. We can't make people vote if they don't want to. That would not be our democratic system. In some countries voting is mandatory. If you don't vote, you get penalized in one way or another. To me that's another instance of an undemocratic process, and I am certain that no Canadian and certainly no Albertan would be favourably disposed towards such a law.

5:10

Now, to get back to the proportional representation voting system, Mr. Speaker, I'd also like to address some of the problems inherent in that system. One of the foremost problems with the system is that it is promoting instability in parliament. It does so by allowing minor parties and candidates with narrow issues and limited appeal to win seats. As a result, the balance of power can be held by a number of members elected by a small minority of the electorate. Italy is a case in point. Quite frankly, the Prime Minister's office in Rome seems to have had a revolving door since the end of World War II. Since then, Italian Prime Ministers have been in office for an average of about 10 months. The 59th Prime Minister, Silvio Berlusconi, took office in April 2001. The Christian Democratic Party and the Italian Communist Party, which were active during the Cold War, both split apart.

As a result, there are now more than 40 political parties in Italy. Of the more than 6,000 bills they submitted to the lower House in 1996, only 61 were enacted into law. This is what can happen under proportional representation. Do we really want this here? I really don't think so. In addition, the proportional representation voting system is not an easy system to administer. To the contrary, it is a highly complex system that's complicated, costly, and time-consuming to administer.

Mr. Speaker, Alberta is a large province. Those of us who have the honour to represent our fellow Albertans come from all walks of life. We come from big cities and small hamlets. Our backgrounds are in industry, agriculture, education, and a wide range of other areas. Some of us are young; some of us are younger still. Philosophically we are not a homogenous group. To the contrary, within

the government caucus we see a great deal of diversity of views and values represented. It would be naive, I think, to expect all of us to think exactly alike just because we belong to the same party. Likewise, our constituents bring different values with them to the ballot box when they cast their votes. The diversity you see in our caucus is therefore a reflection of our constituents and all of their values. My point is that as a government we have managed and we continue to manage to be inclusive. Ours is also a government that is effective without being strong and having a bully approach. Albertans are an outspoken bunch. If they didn't like what they saw, they'd tell us, and I know of no particular desire to overhaul our voting system.

Earlier I mentioned that Benjamin Disraeli stated that England does not love coalitions. Neither does Canada. If anything, it would seem that we positively loathe them here. In the last 135 years, Mr. Speaker, that have passed since Confederation, our nation has seen only one coalition government. In retrospect, it would seem that the prevailing circumstances at the time really warranted it, and that was during the Great War, World War I. There's no such crisis looming at the present time. Sure enough, there is greater uncertainty in the world now than in a long time, but we face no constitutional crisis in Canada.

Thank you, Mr. Speaker.

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

MR. MacDONALD: Thank you very much, Mr. Speaker. It's a pleasure to participate in the debate this afternoon on Bill 209, the Electoral Fairness Commission Act, as presented to the Assembly by the hon. Member for Edmonton-Strathcona. This is an ideal time for not only members of this Assembly but for Albertans to have a look at how we are electing representatives and perhaps look at doing things differently. Certainly, in the past in this province there was the use of the single transferrable vote from the 1920s through to the 1950s, and it was a different approach than we are currently using. One only has to look at the current parties that are represented in this Assembly – the Progressive Conservatives, the Liberals, and the New Democrats – to consider that there were inequalities in the system.

For instance, if we look at the 1944 election, Mr. Speaker, the results show that in order for the CCF to win one seat they needed to get 35,000 votes. The independents needed roughly 5,900 votes to win a seat, and the Social Credit only needed 2,870 votes to win a seat. Now, in the election of 1944 the Social Credit wound up with a total of 51 seats, the CCF two, and the independents eight. So even if there were different political parties represented in the Assembly, the problems that are trying to be addressed by the hon. Member for Edmonton-Strathcona certainly have persisted in this province's and in this Assembly's history.

Now, earlier this afternoon there was discussion on a previous piece of legislation, Bill 207, and I believe it was the hon. Member for Calgary-Mountain View who was talking about freedom of choice and about electing a Senate and why people had to support Bill 207. Well, the same, Mr. Speaker, applies for this legislation. If we're going to be presenting the argument of having freedom of choice and the election of a Senate, that's fine, but why don't we start electing standing policy committees in this Assembly? We could certainly start that. I was honoured to present a motion to this Assembly where we could get at this with a change to the Standing Orders, but unfortunately it was defeated.

Now, we can talk about democracy all we want, but I think all hon. members of this Assembly should have the option, should have the vote to elect the standing policy committee chairpersons and

other committee members of this Assembly. I think it's the honourable thing to do. If we're going to talk about election reform, let's clean up our own house, so to speak, first, Mr. Speaker.

The hon. Member for Edmonton-Rutherford was afraid that if this bill became law – and I think we have to make this bill law, because the commission that is proposed by the hon. Member for Edmonton-Strathcona has to be appointed by New Year's Eve of this year. So we don't have much time, and I really think that we should get at this and support this initiative and see what the electoral fairness commission comes up with as far as proposed changes.

In regard to the hon. Member for Edmonton-Rutherford and his concern that “oh, this would put the power in the hands of the party members, and they might not be able to deal with it,” well, who is making the decision now on the chairs of the standing policy committees in this House? Is it the Conservative caucus, is it the Premier's office, or is it someone at PC headquarters? If an hon. member could answer that question. Certainly, power is not in the hands of members of this side of the House in regard to the election of those chairpersons.

Now, there was a question raised of who would choose these nonelected members. Well, I have to again direct the question: who's selecting the standing policy committee chairs? I just pick up a government press release, and, voila, there it is, who is going to be there, and no choice in the matter whatsoever. The fact that I can't even sit in the committees is disappointing enough. Certainly, I think that if we were going to be sincere about democratic reform, we would start in this House and opposition members would sit on standing policy committees as well as government members, and many jurisdictions have that. I'm sorry; I think we need to look at that in this Assembly. I again, Mr. Speaker, find it quite unusual that we talk about reform elsewhere, but we just do not feel that it applies to us.

5:20

I have discussed this whole issue of democratic reform in this province many times, and people are amazed. People are amazed. They do not pay attention to the proceedings here, and they're amazed when I tell them. One only has to look at the previous point of order, Mr. Speaker, and our speaking times and the reduction of speaking times in this Assembly in the brief time that I've been in this Assembly. I don't think that is in the best interests of democracy. The hon. Member for Edmonton-Strathcona was very anxious to present his case regarding Bill 209 to all members of this Assembly, and his initial remarks have been reduced to 10 minutes.

MS HALEY: That's right.

MR. MacDONALD: The hon. government whip there says, “That's right.”

I think it is a further erosion of the democratic principles in this province by the current government. The changes to these Standing Orders have been draconian, and as session proceeds, Mr. Speaker, we get more and more opportunity just to see how limited democracy is in this province and in this Assembly.

It's not a one-person show, and the first thing that mature democracies realize is that every voice matters and every voice should be heard. If there are citizens who feel that we should look at discussing alternative ways of selecting Assemblies, then we should certainly take their concerns and not only have the proper time to discuss them but have a serious look at changing our system, and these are certainly changes that this member would endorse.

When we think of voter turnout rates – and I can look around, and I can see, for instance, the constituency of, let's pick, Calgary-Fort

or Calgary-Montrose or Calgary-East, and we have voter participation rates of less than 39 percent. We look at the hon. Minister of Transportation. His constituency has the largest voter turnout rate in the province. Edmonton-Riverview, Mr. Speaker, is another constituency. Edmonton-Gold Bar is another constituency with a high voter turnout.

DR. PANNU: And Edmonton-Strathcona.

MR. MacDONALD: And Edmonton-Strathcona.

I think that if we could change the system and increase voter participation in the elections and get rid of voter apathy, then we would be doing democracy a good turn. You look at the constituencies that I mentioned – Calgary-Montrose, Calgary-Fort, Calgary-East – and the voter participation rate. These are areas of the province which have the most to gain or the most to lose from good or bad public policy, yet Edmonton-Norwood is going to be eliminated, unfortunately.

I for one am going to fight that. I don't think that's sound. I don't think it's sound that Edmonton loses seats in this Electoral Boundaries Commission. I think we should be gaining a seat, Mr. Speaker, to reflect population growth and economic growth, but I just can't go there. There was another motion that was not addressed in this Assembly that I thought should have been, and that was the interim report.

Mr. Speaker, on this bill I would urge, in conclusion, all members to take a serious look at the legislative proposal by the hon. Member for Edmonton-Strathcona and please vote for it. Thank you.

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

MR. LORD: Thank you, Mr. Speaker. I'm pleased to rise today to speak to Bill 209, the Electoral Fairness Commission Act, in second reading. Today if I have time I'll outline seven reasons why Alberta's current first-past-the-post voting method is the best system for Albertans. In doing so, I'll show how Bill 209's proposed proportional representation voting method is inherently flawed, not suited to Alberta's population distribution, and could lead to some very bad electoral results.

Mr. Speaker, before getting too far into my thoughts on this matter and the specifics of why I question proportional representation, let me just observe that the bottom line to me on proportional representation is that it seems to be a concept that is promoted almost exclusively by political parties that have lost the election or failed to win an election regardless – and I will say “regardless” – of political ideology. I have had members from the left and the right – members of the Alliance, members of the federal PCs – promote to me proportional representation, and it seems to me it's promoted when people have not won an election or can't seem to win one. Thus, on the surface it appears to be just another attempt to change the definition, to deny the outcome of the reality of the democratic process. Thus, people really just seem to want to reverse the election results because they didn't get the results they wanted, blaming the system for their own inability to appeal to a successful number of voters and win the election.

Now, here, Mr. Speaker, are seven reasons why I suggest we do not support this bill. First, the current first-past-the-post method gives the best determination of a constituency's preferences. The system allows each constituency to vote directly for their own representative. Each vote is equal. The measurement is simple: the candidate with the most votes wins. This means the elected official that received the most votes from anyone else who ran wins the election. End of story. Alberta has a unique population distribution,

and our current voting method appreciates that. Alberta consists of booming, heavily populated urban business centres alongside rural areas with unscathed environment and a sparse population. It's important that all areas of Alberta are represented locally. Alberta's diversity requires local representation to voice their local issues.

Second, our current method allows voters to choose between people rather than just between parties. In addition, voters can assess the performance of individual candidates. Under the bill's proposed proportional representation, voters would only have a say on a general list of candidates represented by a party with exclusive emphasis on party platforms and no ability for people to vote on individuals who may have exceptional talent or abilities which are recognized in our current system. I think it's important, Mr. Speaker, that our current method allows for popular, independent candidates to be elected.

Third, our first-past-the-post method facilitates broadly based, inclusive political parties, whereas proportional representation discourages it. Allowing competition based on individuals specific to regions brings many different viewpoints together.

Fourth, our current method provides a clear choice for voters along a political spectrum. Currently, Mr. Speaker, political parties are encouraged to clearly outline their stance on certain issues.

Under the system we see parties necessarily gravitate towards the popular left/right scale. As such, political debate is clear and focused. Please note that fringe parties do have a chance to win just as many seats, but unless the minority party support is actually representative of a large percentage of the population, it's difficult for them to gain seats.

Fifth, the influx of fringe or one-party ideas that Bill 209 would usher in would lead to a dangerously unstable provincial government. Mr. Speaker, an unstable government would undermine the public's confidence in their government's ability, and that's key to Alberta's security and prosperity. As well, the flip side of an established governing party is that the opposition is also given enough seats to perform a critical checking role and present itself as a realistic alternative to the government of the day, but it doesn't get to become the pure obstructionist party that can stop any new legislation.

Sixth, in encouraging legislation . . .

THE SPEAKER: Hon. members, the House stands adjourned until 8 p.m.

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

