

**LEGISLATIVE ASSEMBLY OF ALBERTA**Title: **Thursday, June 4, 1987 2:30 p.m.**

Date: 87/06/04

[The House met at 2:30 p.m.]

[Mr. Speaker in the Chair]

**PRAYERS**

MR. SPEAKER: Let us pray.

In our mind's eye let us see the awesome grandeur of the Rockies, the denseness of our forests, the fertility of our farmland, the splendour of our rivers, the richness of our resources.

Then, O Lord, let us rededicate ourselves as wise stewards of such bounty on behalf of all Albertans.

Amen.

head: **INTRODUCTION OF VISITORS**

MR. KOWALSKI: Mr. Speaker, hon. members, at a special luncheon today I was delighted to present the first annual Alberta Environment Awards. It is particularly fitting that this presentation should take place during Environment Week, the special week in the year during which we celebrate the wealth of natural beauty that is our environment. The award recipients were selected by a committee which included representatives from the Environment Council of Alberta -- Dr. Sherri Dalton and Professor Rick Mrazek -- the Legislative Assembly of Alberta, and Alberta Environment.

It is indeed a pleasure for me to introduce to you and to the people of Alberta, the award recipients for the first ever awarding of Alberta Environment Awards. First I would like to introduce Mr. Dan Stoker, the award recipient for individual achievement. Mr. Stoker is an environmental educator who has been instrumental in promoting the study of the environment in Alberta schools and through volunteer organizations for more than 10 years. Mr. Stoker has given freely of his personal time to help educators and organizations better understand the environment and the critical role they play in guiding their students and the public to become environmentally conscious citizens.

The award recipient in the educational institution or organization category is the Society, Environment and Energy Development Studies Foundation, known more commonly as the SEEDS Foundation. With us today is the foundation's executive director, Mr. Hugh Phillip. The SEEDS Foundation is a recognized leader in environmental education. It is a nonprofit organization that is responsible for such high-quality materials as the Energy Literacy series. The foundation has also played a special role in encouraging consultation and co-operation among the broad range of government, public, and private associations involved in environmental education.

I was also delighted to be able to present the award for corporate achievement to Shell Canada Limited. Here representing Shell Canada are Mr. Ed Czaja, executive vice-president, resource group, and Mr. Doug Mead of Shell's safety and environmental affairs division. The long-term commitment of this corporation to sound environmental management has had a very

positive impact in this province and has set high standards for industry in the area of environmental protection. The environmental protection measures taken by Shell in connection with the Moose Mountain pipeline project in the Calgary area were particularly commended by the members of the awards committee.

Mr. Speaker, the Alberta Environment Awards hold a very special significance for me. They are an opportunity for me to demonstrate my appreciation to the dedicated individuals and groups that share the government's concern for and commitment to the environment. The worthy individuals and organizations represented here today are without peer in this province and are without doubt deserving of this honour.

Mr. Speaker, prior to my asking them to rise, I would also like to announce to all Members of the Legislative Assembly the winner of the city water tasting contest that was held in conjunction with Environment Week in Alberta. All cities of Alberta were asked to submit to an independent group water from their particular jurisdiction. I am pleased to announce that the city of Lethbridge has the best tasting water in the province of Alberta.

Mr. Speaker, I would ask that all members join with us in recognizing our guests and their guests on this very important occasion. Thank you.

head: **READING AND RECEIVING PETITIONS**

MS BARRETT: Mr. Speaker, I move that the petition I presented to the Assembly yesterday be now read and received.

ACTING CLERK: To the Honourable, the Legislative Assembly of Alberta, in Legislature assembled.

The petition of the undersigned residents of the province of Alberta shows that due consideration ought to be given to all aspects of the agreement to amend the Constitution of Canada entered into by the Prime Minister and the 10 provincial Premiers, January 3, 1987, prior to that agreement being formally approved by Your Honourable Assembly.

Wherefore your petitioners humbly pray that Your Honourable Assembly may be pleased to provide for the referral of the proposed amendments and the motion that they be approved to the Standing Committee on Public Affairs for the purpose of that committee holding public hearings on the proposed amendments and approval motion prior to the question on the motion being put in the Legislative Assembly.

And, as in duty bound, your petitioners will ever pray.

MR. SPEAKER: The Chair hesitates to interrupt the Clerk, but what has transpired with regard to the petition is a highly unusual form of petition whereby members are in effect petitioning themselves. The Chair has allowed it to be in order but would like to point out that in actual fact such a practice has only occurred in British parliamentary practice once, and that was as recently as August 30, 1841.

head: **INTRODUCTION OF BILLS**

**Bill 50**  
**Chartered Accountants Act**

DR. REID: Mr. Speaker, I request leave to introduce a Bill, being the Chartered Accountants Act, Bill 50.

[Leave granted; Bill 50 read a first time]

**Bill 51**  
**Certified Management Accountants Act**

DR. REID: Mr. Speaker, I further request leave to introduce a Bill, being the Certified Management Accountants Act, Bill 51.

[Leave granted; Bill 51 read a first time]

[A page's tray was dropped and clanged against the base of a pillar]

DR. REID: Mr. Speaker, I knew we were on television; I didn't know that we were members of the J. Arthur Rank organization.

**Bill 52**  
**Certified General Accountants Act**

DR. REID: Mr. Speaker, I request leave to introduce a further Bill, being the Certified General Accountants Act, Bill 52.

Mr. Speaker, the three Bills I've just introduced will, when proclaimed, introduce a new era for professional accountancy in the province of Alberta.

MR. SPEAKER: The Chair hopes that this instant tradition is not going to be followed, that every time a minister introduces three Bills in one day we're going to have a ringing of the bells.

[Leave granted; Bill 52 read a first time]

**Bill 273**  
**Family Farm Protection Act**

MR. FOX: Mr. Speaker, I request leave to introduce Bill 273, the Family Farm Protection Act.

This legislation creates a debt mediation process with teeth, capable of intervening between farmers and their creditors in a meaningful and effective way.

[Leave granted; Bill 273 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. GETTY: Mr. Speaker, I'm very honoured today and proud to be able to table the historic Constitutional Accord that was unanimously agreed upon and signed by all first ministers in Canada on Wednesday.

For the first time ... [applause] I express my appreciation to the members for that response, Mr. Speaker. I was just going to say that for the first time in our nation's 120-year history -- for the first time -- we now have a made-in-Canada Constitution endorsed by all the provinces and the federal government of Canada.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. ISLEY: Mr. Speaker, it's my pleasure today to introduce to you and to the members of the Assembly, 32 grade 6 students from the Notre Dame elementary school in the town of Bonnyville located in the heart of the Lakeland and the hub of the heavy oil activity of this province. They're accompanied today by two teachers, Mrs. Marie-Louise Lacourse and Mrs. Suzanne Antoniuk, and four parents: Mrs. Dechaine, Mrs. Ouellette, Mr. Charbonneau, and Mrs. Dawdy. They're seated in the mem-

bers' gallery, and I'd ask that they stand and receive the warm welcome of the House.

MR. SPEAKER: Member for Calgary McCall.

MR. NELSON: Thank you, Mr. Speaker. It is indeed a special pleasure today to welcome 63 students along with three teachers and three parents to the Legislature. The students attend the St. Wilfrid school and have always taken an interest in political awareness, and I'm also proud to have been able to assist them from time to time. These students of course are some of the cream of the crop from northeast Calgary. With them are teachers Mr. Gorman, Mr. MacDonald, and Mr. Ruzutti. The parents are Mrs. Brenzar, Mrs. Walsh, and Mrs. Thoms. I would like to ask if they'd rise -- there are about 70 altogether -- and receive the warm welcome of the Assembly.

MR. SHRAKE: Mr. Speaker, I have a special guest today from the University of Bombay, Dr. Rajwand Grewen. He is seated in the public gallery. If I can take your indulgence to give him a greeting: sat sari akal gee. [as submitted]

I wonder if he would rise and receive the traditional warm welcome of the Legislature.

DR. REID: Mr. Speaker, it's my privilege today to introduce to the members of the Assembly and yourself, six people who have worked very hard on the legislation I introduced this afternoon. They represent the three professional accounting groups in the province, and these gentlemen and their predecessors have, as some would know, put very considerable effort into the legislation that was introduced today.

I'd ask them to rise as I introduce them. Some are in your gallery, and some are in the members' gallery. Representing the Institute of Chartered Accountants of Alberta are Mr. Keith Adams, the president, and Mr. Bill Halford, the vice-president and president-elect. From the Society of Management Accountants of Alberta are Mr. Bob McCulloch, the vice-president and president-elect, and Mr. Keith Crowder, the executive director. From the Certified General Accountants' Association of Alberta are Mr. Wolfgang Koch, the president, and Mr. Clancy Fuerst, the executive vice-president. I would like the members of the Assembly to give them the welcome they deserve for having worked so hard on behalf of Albertans.

head: **ORAL QUESTION PERIOD**

**Constitutional Accord**

MR. MARTIN: Mr. Speaker, I'd like to direct my first question to the Premier. I'm sure all members of the Assembly recognize and appreciate the effort of the Premier and his colleagues in persevering, I would say, to make an agreement on constitutional reform. I'd like to congratulate the Premier for his hard work, and I hope that he catches up with his sleep at some time on the weekend.

Mr. Speaker, it's an excellent and important document, but I hope the Premier appreciates that there may be potential for improvement. In my reading, several Premiers have indicated their willingness to entertain changes in the agreement if it is the wish of the people of one or more of the provinces. My question to the Premier: does he share this willingness to entertain potential improvements to the document?

MR. GETTY: Mr. Speaker, as the hon. member would appreciate, the government of Alberta does not lightly sign an accord of this significance. Therefore, when they sign it, they feel very much bound to honour it. I think all the first ministers, though, expressed this one reservation to that position. That is, if there were some clear, horrible mistake or unanticipated error that was so clear that had to be changed, then we would meet together to consider that. But other than that, I do not see where we would be bringing changes to that historical accord.

MR. MARTIN: A supplementary question, Mr. Speaker. Of course, a horrible mistake might be in the eye of the beholder. People might look at it differently.

Mr. Speaker, a Constitution which is not accepted by people and not explained to people is not a Constitution that will be very well accepted. As the Premier knows, I accept the majority of the things in the accord, and I think it's an important document. My question is: does the Premier not recognize the right of Albertans to have their say on this accord through a public hearing process prior to a vote in the Legislative Assembly? It's my understanding that the federal Parliament is doing this and many of the other provinces.

MR. GETTY: Well, Mr. Speaker, the people of Alberta are never more properly represented than here in this Legislature, because here we have the MLAs who have stood for election against other contestants and candidates and have been elected by the people to come to this Legislature, represent them, debate the laws and resolutions, which this is, and then approve it or turn it down. This is the best public hearing in our province, and I believe that with the adequate safeguards built into any resolution for debate in this Legislature, this is the proper place to do it. We as a government are elected to make decisions and then proceed with those decisions. We are doing that.

MR. MARTIN: Well, a supplementary question, Mr. Speaker. It seems to me that the role of elected representatives is also to listen rather than talk in this Legislature, and I do not recall any of us being elected or even a campaign issue on constitutional amendment changes. I don't think Albertans have had a chance to have their say on that, in all due respect, Mr. Premier. But my question is to the Premier. Saying that other provinces are doing it and the federal government, why should Albertans be penalized by not having these public hearings as they are in other parts of the country?

MR. GETTY: Mr. Speaker, the federal government, recognizing that the Senate was probably going to have hearings as well, felt that they could have joint Commons/Senate hearings, I believe, and therefore they would do that. As far as other provinces, by far the vast majority are not having public hearings.

It is true that the province of Manitoba has built into their orders or rules that they must have public hearings. Ontario, the members might know, of course is a minority government and might well consider that now is not the right time to introduce it, and a public hearing might take their place. But the other governments are proceeding from the signing on Tuesday to introduce the resolution and to have it passed in their Legislatures.

MR. MARTIN: A supplementary question, Mr. Speaker. I would suggest to the Premier that the Constitution is very differ-

ent from other matters that we discuss in this Legislative Assembly, and the people should have a say on their Constitution. It's very basic. I notice that we spent over \$500,000 on labour hearings that we haven't even heard about. Why is that we can have public hearings on labour laws, and when it comes to the Constitution, we're not going to have the people give their say on what they want?

MR. GETTY: Well, Mr. Speaker, within that question is a fundamental misunderstanding of what this Legislature is all about. Here is the place where you proceed with laws or resolutions that require approval on behalf of the people of Alberta. Here is the place where it is guaranteed that the debate takes place. For my part every MLA should come armed with information provided to him from his or her constituents and then participate in the debate.

As I said before, we were elected to do these things. We are a government asked by the people to represent them. We are representing them. We have made the decision. We will proceed then to put it into place.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. Public hearings not being granted, we'll need to have MLA hearings instead. Could the Premier indicate when the resolution will be presented to this Legislature so that we can initiate that process into our timetable?

MR. GETTY: Mr. Speaker, the exact wording of the resolution, and it must be the same resolution before every provincial Legislature, will be available shortly. If we have it soon, we will present the makeup of the resolution and the exact wording to the Legislature, and then we will let the Legislature itself decide as to when and how it debates it.

MR. TAYLOR: Mr. Speaker, to the Premier. One of the reasons that our caucus did not give a standing ovation was the knowledge that the Premier had already told everyone that he was going to use his ham fist and heavy-handed majority to ram through this no matter what the public of Alberta thought. Now, if indeed . . . [interjections] Yes, you can imagine how much hearings mean to that tame bunch of pussycats, Mr. Speaker. He hollers the signals.

Now, what I'd like to ask the Premier is: in view of the fact that if any of the Legislatures in this country amend this in any way the whole process starts over, is he going to take it unilaterally upon himself if there's an amendment made anywhere in Canada to still use his ham-handed, heavy-fisted majority to ram through what his opinion is of what is the most important thing that's happened in 100 years of Confederation?

MR. GETTY: Mr. Speaker, I've already dealt with the matter. I've said, of course, that before this becomes law and amends our Constitution, all Legislatures must approve it. That answers the question for itself for the hon. member.

MR. STEVENS: Mr. Speaker, to the Premier. The matter of changes raised by the Leader of the Opposition is of concern. Would the Premier confirm that during these important discussions, the Premier of Manitoba argued strongly for the federal government to take over provincial jurisdiction and fiscal responsibilities?

MR. GETTY: Mr. Speaker, when discussing a matter that is

before the first ministers, I've always felt it important to express what I say in the meetings and then to allow other Premiers to express from a closed meeting what they said. But that has been altered slightly by the fact of the matter of a press release from one of the parties in this Legislature, who praised the role of Manitoba's Premier Pawley regarding shared-cost programs and federal spending ability.

I think one of the most essential, fundamental beliefs of our government is involved in that issue which was raised by the opposition. That is, we understand and appreciate their position, which is that they believe in large government, they believe in strong central control, and they would place that control in Ottawa. That is so ... [interjections] Well, I appreciate their position. I'm not saying there's ... That's what they are philosophically committed to.

Now, Mr. Speaker, that is so fundamentally different from our position, because in order to fulfill that commitment of theirs, they are prepared to give up the jurisdictional rights that the Constitution gives to a province. The federal spending power that we were debating is only involved in those areas of exclusive provincial rights. They are prepared -- and I think all Albertans must consider this. In order to give that power to the central government, they were prepared to give away the provincial rights of Albertans. We will never, ever agree with that.

MS BARRETT: He ought to be ashamed of himself for that distortion.

MR. SPEAKER: Second main question, Leader of the Opposition.

MR. MARTIN: Mr. Speaker. [inaudible] kept the level at the low level that the Premier's brought it down to, and he knows that's absolute nonsense.

MS BARRETT: Distortion.

MR. MARTIN: Mr. Speaker, we'll go one of the programs that they are trying to dismantle. It's to ...

MR. SPEAKER: Hon. leader. I understand one's sense of frustration, but perhaps we could have the second main question.

#### **Availability of Hospital Beds**

MR. MARTIN: Mr. Speaker, I'd like to come to one of the programs that we're talking about, that they are trying to dismantle and that Albertans want. And I would like to talk a little bit more about medicare to the minister over there.

Mr. Speaker, yesterday the minister professed some ignorance of the serious overcrowding at the Royal Alex hospital, and the minister said he doesn't know if allegations of overcrowding by Dr. David Irving, the hospital chief of staff, are correct. Now, this seems to me to be rather an incredible statement coming from this minister of health, and I've heard some incredible statements. But why did the minister fail to follow up on this matter when I brought it to his attention in the Legislative Assembly on March 12?

MR. M. MOORE: Mr. Speaker, the situation with regard to the alleged overcrowding at the Royal Alex hospital yesterday and from June 1, was not a matter that I had had a full report on until

late yesterday afternoon. I now have that report, and for the interest of hon. members, they may wish to know that on June 1 the Royal Alexandra hospital closed 100 beds for a two- to three-month fire and safety upgrading program. The beds were not closed as a direct result of any budgetary reductions but rather for those purposes. This had been a closure that had been planned for some months in order to take advantage of the period of time during the summer when there is usually a lesser demand upon hospital services, particularly for elective surgery.

I might add as well that there apparently was some mix up or some misunderstanding between the doctor involved and the hospital, as the hospital had not indicated to the patient in question that a bed was available, so the patient had arrived without the hospital knowing that in fact that patient was coming in for a bed that afternoon. That has since been straightened out with respect to the individual patient in question, and that patient is now in the hospital.

I should advise as well that during the course of June 1 there were approximately 50 beds amongst four other major hospitals in Edmonton that were vacant and could have accommodated emergency patients. One has to understand, however, that the doctor in question had privileges only at the Royal Alex hospital and couldn't have moved a patient to another hospital without having utilized the services of another doctor.

In short, Mr. Speaker, I reviewed the matter at some length. While it is unfortunate that these things occur in the event that a hospital closes that many beds on one day, it is something, I think, that the system can adequately overcome if all of the hospitals work together to make sure there's good knowledge of when beds are available and what other hospitals might have beds available for emergency purposes.

MR. MARTIN: Mr. Speaker, I'm appalled by the answer, because long before the cuts there was overcrowding at the Royal Alex hospital. The Premier was over there and made it a part of his election promise. To say there's no problem after you cut off \$7 million is nonsense. But I want to make sure. Is this what this minister is saying: that at the Royal Alex there are absolutely no problems, there's not overcrowding, and things are going along fine? Is that what he's telling the people in Edmonton?

MR. M. MOORE: The hon. Leader of the Opposition preferred not to listen to my answer, I guess. What I said was that the Royal Alex hospital closed 100 beds on June 1 for a previously planned upgrading program, and indeed there was a problem. There was a mix-up with respect to one particular patient as to whether or not a bed would be available. There were no beds available that day. There was apparently, in that particular case at least anyway, not the kind of co-ordination that might have been desired between that hospital and others.

Members would know that just because one hospital is overcrowded doesn't mean we should add beds to it when there are other hospitals in the city that are able to take those patients. And as the situation with regard to hospital operating costs becomes difficult for hospitals, there's a great deal more co-ordination required than before. Now, we have to make sure that emergency services like ambulance operators are aware of other hospitals' bed availability and emergency availability so that load, too, can be spread over a greater number of hospitals.

So in short, Mr. Speaker, I think the system is doing everything it possibly can to make sure these things don't happen, but occasionally they do.

MR. MARTIN: The system is doing everything it can in spite of a Conservative government. But, Mr. Speaker, it's not only the beds; the diagnostic capacity is overused. We're told, for example, that they were built to do 30,000 tests a year but are doing 120,000. Is the minister saying that the \$7 million that they've cut from the Royal Alex budget is having no effect in terms of beds or diagnostic service, that everything is going along fine?

MR. M. MOORE: I didn't say it was having no effect at all. As a matter of fact, the reduction in budgets in every hospital has meant that they've had to utilize a variety of means to meet the budgetary requirements for this year. I believe, though, that it is fair to say that the Royal Alex, in terms of providing a greater amount of their dollars into things like day surgery, in terms of the kinds of beds they have closed, in terms of their effort to move long-term care patients out of their hospital, is doing a very good job. But it is unfortunate that when you decide well in advance to have an upgrading program on 100 beds and they have to be closed on a given day, one can expect that at that point in time the hospital is going to be very, very full. We're fortunate that patients can be looked after in emergency areas and so on while that sort of thing is sorted out. We're also fortunate that this city has a number of other hospitals, several of which had room on that day and have room today for emergency patients.

MR. MARTIN: I don't think the minister has ever even been down to the Royal Alex. He wouldn't be making these statements if he goes down the halls. The Premier was over and made an election commitment that if it was needed, there would be an upgrading. I'm told that back on April 7 a plan was submitted to this minister, where they would need \$80 million to fulfill that election pledge. When is the minister going to get down to doing something about it?

MR. M. MOORE: Well, first of all, Mr. Speaker, my predecessor approved several years ago an upgrading program for the Royal Alex hospital involving some \$48 million and a number of different programs. The hospital suggested that that was insufficient funding for what they had in mind and that there were additional programs and buildings that needed to be upgraded.

It's correct that the Premier did visit there and make a commitment that we would consider a new proposal from the hospital. Now, that was about a year ago, in April 1986. It took the hospital 12 months to develop that new proposal, and I see nothing wrong with that. It's a very complicated process, considering how hospitals should be upgraded and what programs should be improved upon, but they've completed that work, submitted it to me in April.

The staff of my department are now in the process of reviewing the request that came forward and consulting with staff of the hospital to determine the reasons behind many of the requests they're making. That review will take some time, and when it's completed, I will then be in a position to make recommendations to the finance committee of cabinet as to whether or not we can proceed with planning on the program that has been submitted to us or whether or not there are some amendments that need to be made to it. I'm hopeful that all of that can occur well short of the year that it took the hospital to develop the program.

MR. TAYLOR: A supplementary to the minister. With the

question of a shortage of beds at any particular time, is there a central registry that co-ordinates or lists vacant beds in the Edmonton metropolitan or other provincial areas, or is it left entirely to the patient, the patient's family, and the hospital to try to find a bed if there is a shortage in any particular hospital?

MR. M. MOORE: There is, Mr. Speaker, with respect to long-term care patients, a central registry. Hospital district 24 provides all of the information with respect to admittance and waiting lists there, but with regard to the active treatment hospitals, there is not to my knowledge a central registry, and I don't believe there needs to be. But there does need to be good co-ordination between the staffs of all the major hospitals in Edmonton so that they know, particularly when they're fairly full, where beds are available.

There also has to be that kind of co-ordination between the hospitals and the Edmonton Ambulance Authority. I've asked staff of my department to look into that matter and make certain that there is the kind of co-ordination required between the Ambulance Authority and the hospitals themselves so that every available bed is used in cases of emergency.

MR. SPEAKER: Vermilion-Viking.

DR. WEST: Yes, to the minister, a supplementary. I toured the Royal Alex the day of the snowstorm and was shown where in the women's pavilion they had closed 22 beds, yet on a projection with the new recommendations by doctors of early release, they could see in the near future they'd be down to 80 percent utilization. Could the minister indicate if the same recommendations were brought into the acute care complexes, if we could project the same decrease in utilization of the active treatment beds?

MR. M. MOORE: Well, I can't predict that, Mr. Speaker. The only thing I can say is that some hospitals -- and the most notable one in Alberta is the Foothills hospital in Calgary -- have taken some very aggressive steps, particularly in their surgery department, to ensure that there's a shorter turnaround time of patients, wherein the chief of surgery there has asked all surgeons in that hospital to make certain that patients come in the day of surgery rather than one or two or three days before and that they're released as soon as possible once their surgery has been completed. I am advised that there's been a considerable saving already by initiating those steps.

I do not know whether or not the Royal Alexandra hospital is approaching the matter the same way, but I am hopeful that they and other hospitals will look very closely at these kinds of savings of bed-days. Surely when we have a reduction of only 3 percent in a hospital's budget, it's not necessary for them to give any lesser medical care than they give now, if they use all of the innovative ways that are possible to speed up the movement in and out of patients and to cut down on their operating costs.

MR. SPEAKER: Main question, leader of the Liberal Party.

### **Constitutional Accord** (continued)

MR. TAYLOR: Thank you, Mr. Speaker. This is to the Premier also, with respect to the Meech Lake accord, and I can't express how disappointed our party is that he's not holding open hearings. As a matter of fact, I think it's an issue so important

that he could consider dissolving the House and calling an election on the issue. Nevertheless, there are ambiguities. [interjections] I'll take you on any place you want on this issue; yes, any place. You resign and I'll resign, and we'll go at it together, you bunch of cowards there.

There are ambiguities that remain in the Constitutional Accord. [interjections] Somebody's been rattling their cage, and they're full of vim and vigour.

Furthermore, I'm surprised that the minister has felt that there were so few changes necessary in putting this accord into legal terms. To the Premier. On April 4 the Premier stated that "the federal government would have to discuss" the national objective of shared-cost programs with the provinces before implementing them. Is that still the Premier's understanding of the process contained in yesterday's agreement?

MR. GETTY: Absolutely, Mr. Speaker.

MR. TAYLOR: Well then, Mr. Speaker, I would like the Premier to point out just where in the accord that he signed yesterday it says the provinces will be consulted. Just point out where it says so.

MR. GETTY: Mr. Speaker, it's inherent in dealing with the matter of whether a program is compatible with federal objectives, whether or not the program meets national objectives. Let's all understand that national objectives are not just Ottawa's objectives; national objectives are the objectives of this whole nation.

MR. TAYLOR: It's inherent like expecting a free vote from that bunch of backbenchers he has on an issue such as this.

Mr. Speaker, is the Premier concerned that concepts such as a program of initiative being "compatible with the national objectives" will be challenged at some point and will be in the courts? Or will the courts be the ones that end up making the law in this matter, not the Premiers, not the accord?

MR. GETTY: Mr. Speaker, who could possibly give any future prediction of that? I don't know, and often it would depend on how a federal government conducted itself and how a provincial government conducted itself, whether one or the other might end up in court over the way they conducted themselves. But what is so inherent in the way the Premiers have been discussing this matter is that we have a new kind of federalism, a new kind of co-operation, one that is built on negotiation and consultation, and one that has built into it a degree of decentralization.

Now, I understand the frustration of the hon. member, I know his party doesn't know where they stand on this whole matter, I understand that he would therefore try and attack it. But I must say, Mr. Speaker, that this fundamental matter of federal spending powers to get around exclusive provincial rights is absolutely at the heart of the future of Alberta, and we will defend it in every way we possibly can.

MR. TAYLOR: Mr. Speaker, if I'm frustrated, think how he feels when he sees 300 right-wingers sitting in Vancouver putting a new party together.

MR. SPEAKER: Supplementary question.

MR. TAYLOR: Now, did the Premier raise with the first ministers -- I'm allowed one sentence, Mr. Speaker -- the option of

electing senators for the time being until such time as we achieve Senate reform?

MR. GETTY: Mr. Speaker, it may have been discussed briefly but not in any great detail, because we have the matter of Senate reform now entrenched in the Constitution and a means of handling it in the meantime. So it was not a big issue.

MR. SPEAKER: Supplementary, Leader of the Opposition.

MR. MARTIN: Yes, Mr. Speaker. I'd say to the Premier that he knows full well that this party has been strong for provincial rights in Alberta and Saskatchewan, and that's why I was a little bit amazed by his reaction. [interjections] Never mind, Treasurer, you screwed up the budget, we'll get down to ... He's getting a little exercised; his face is getting red.

My question to the Premier: if he's so sure that Albertans support him on it -- and I generally agree with the principles -- why are we so afraid then to go out and have public hearings about it? I don't understand that reluctance if he's so sure it's correct.

MR. GETTY: Mr. Speaker, there's no fear of the public hearings. The fact of the matter is that we have a Legislature where these things are supposed to be debated and then decisions made. That's what we are doing as a government.

Let me say this as well. This is a historic time for Canada and for Alberta, but this is a constitutional amendment. There are many, many other things that Albertans wish to see us taking time with: the matter of diversification, energy, employment, building our future, building our communities. All of these things of course we have to continue to work at as well, Mr. Speaker.

MR. NELSON: Mr. Speaker, unlike the opposition parties who would sell us down the drain, would the Premier confirm that under section 148 of the 1987 Constitutional Accord, the protection that has been espoused by the Member for Westlock-Sturgeon is placed into this accord by having meetings once a year with the first ministers?

MR. GETTY: Mr. Speaker, it's an excellent matter which the hon. member has raised because there's no question that as a result of leadership by former Premier Lougheed and the Alberta government, who stressed the need for federal/provincial first ministers' meetings annually in order that items such as shared-cost programs, federal spending power would be guaranteed a debate at the national level of all first ministers ... Now, what happened of course is that that was always at the whim of a Prime Minister. Not any longer, because that leadership has found its way into our Constitution so that now those matters are guaranteed. There will be first ministers' meetings on the economy where these matters can be discussed, and nobody can take it out.

MR. SPEAKER: Main question, leader of the Representative Party, followed by Edmonton Highlands.

MR. R. SPEAKER: My main question is to the Premier as well. First of all, I'd like to express my appreciation to the Premier for the hard work on behalf of the Legislature in terms of the accord and congratulate him on the progress. Certainly that still leaves us as members the opportunity to discuss it here and look at the

details.

My questions to the Premier, Mr. Speaker, are in terms of interpretation of some of the sections, and I'd like to start with part 6, the constitutional conferences there that give us the opportunity of further discussion on Senate reform. Could the Premier indicate the extent of that commitment beyond the item just being on the agenda? Was there any type of informal agreement with the other Premiers or the Prime Minister as to the direction that Senate reform could be taken in further discussions?

MR. GETTY: It's difficult for me to answer completely on that because of course the Prime Minister said yesterday on national television that he recognizes how strongly the west feels about Senate reform, and therefore he pledged to call the first meeting as quickly as possible and to bring some proposals. But we also discussed amongst ourselves some proposals. There is one proposal, and that's the Triple E.

One of the things that I'm so pleased about in this accord is the fact that it confirms unanimously the equality of provinces, the constitutional equality of provinces. Now, that's very effective, because I feel quite certain in my mind that all of the first ministers would like to see an effective Senate. And I think to be effective, there's general acceptance that it must be an elected Senate.

Therefore, knowing the interest of the hon. member and this Legislature in the third E, the equal Senate, I think that by getting the first ministers' meetings in the Constitution, where we meet equally around a table, and then having it confirmed at least twice in the accord signed yesterday, we have the basis for arguing obviously the constitutional equality of every province. Therefore, I believe that should carry over into our debate on Senate reform, and I'm looking forward to that very much.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. In signing the accord -- and the Premier has made reference to it, that each province will have equal say in the voting of constitutional change -- could the Premier indicate in the process that will initiate itself after the final signing of the accord, where we have enhancement of opportunity for the implementation of the Triple E Senate or Senate reform, because of that new process being initiated?

MR. GETTY: Am I understanding the question right? Whether or not I feel there is an enhanced capacity to obtain a Triple E Senate?

MR. R. SPEAKER: Because of the accord.

MR. GETTY: Because of the accord. Yes, I definitely do. As I said when we signed the document, for the first time in Canadian history all the governments in Canada must deal with the issue of Senate reform. As I've said, the Triple E embodies what is really in this Constitution now. Some have argued -- and perhaps I should deal with this matter, if that's what the hon. member is getting at -- that moving from the seven provinces/50 percent feature makes it tougher to obtain that because of unanimity. Well, unanimity of course carries on the equality feature. I mean, if you only give certain provinces a veto, then obviously you're not equal, and I think if we're going to fight for equality, you know that you must fight for unanimity and everybody must have the same vote.

I'd say just this because there have been people who are talking, Mr. Speaker, about the impossibility of unanimity or how

difficult it is. Well, I'd only draw to the hon. member's attention, and I think it's very important because Albertans and western Canadians think so much about a Triple E Senate that when people say you can't get unanimity -- I was thinking of this flying home on the plane. Over the years where there has been unanimous support for such things as the Canada Pension Plan of course and unemployment insurance, but more recently we have unanimously agreed on the Edmonton declaration here in Alberta; we have unanimously agreed on new immigration matters; we have unanimously agreed on input to Supreme Court appointments; we have unanimously agreed on the fundamental characteristics of Canada; we have unanimously agreed on annual First Ministers' Conferences; we have unanimously agreed on the matter of provincial input into Senate appointments. I mean, there has been a pattern of unanimous agreement to matters that will all lead, I believe, to a far greater potential under the current Constitution, as it's been amended, for the possibility of a Triple E Senate.

MR. R. SPEAKER: Mr. Speaker, a supplementary to the Premier. In terms of the clause that provides for Quebec to be recognized as a distinct society, could the Premier indicate whether that clause was assessed in terms of any effect it may have on special language or cultural rights in Alberta? Does that affect our educational program in terms of the change of the format that we must use in the future or any other provision that must be made by the government of Alberta to meet that requirement?

MR. GETTY: Well, it's a good point, Mr. Speaker. I guess one only has to go to Quebec and recognize when you travel there that it is a distinct society, different from Alberta, when you're there. So what we were doing was confirming a fact of Canada. But we did at least twice bring in the best constitutional minds, legal minds, to our meeting, and questioned very, very directly on the issue. Does this reduce the position of any group in Canada such as the English-speaking Canadians in Quebec? Can they in some way lose their rights? The answer is no. Does it give new powers to the government of Quebec to do something in their province? It does not. Does it hurt the citizens of Alberta or any other province in terms of what they might have to do within their province? It does not. And we confirmed that at least twice with the best constitutional minds at separate times in our meeting.

MR. R. SPEAKER: Mr. Speaker, my final supplementary is with regards to section 47.(1). It places limitations on the effectiveness of the Senate in terms of the 180 days. Could the Premier indicate, in accepting that clause, what the inference is in terms of this whole concept of a more effective Senate, and does it take the teeth out of the current Senate by placing that in the accord?

MR. GETTY: No, Mr. Speaker, I do not believe it in any way impacts on the chances of an effective Senate. In no way.

MR. TAYLOR: A supplementary, Mr. Speaker. The Premier mentions that he got unanimous agreement, but he neglects to mention that unanimous agreement in all these cases was given up by somebody trading something for something. In other words, to get Quebec into the Constitution, the appointment of judges, a distinct society are of course unanimous, because the Premier has got a right to appoint the Senators. What I want to

ask the Premier stemming from that, that unanimity seems to only be able to come about if you're willing to trade something for something: now that the Premier wants the Triple E Senate, what does he imagine he is going to trade to the other provinces to get them to give unanimous approval to the Triple E? What is he going to give up?

MR. GETTY: Well, Mr. Speaker, that is such a remarkably jaundiced view of Canada that I have ever heard and such a lack of faith in the proposition of the Triple E Senate that we advocate. I mean, he's already started out whipped. He doesn't believe he can get it, so how could he convince anybody of it? I mean, I've absolutely recognized -- and I must say that I sympathize with the hon. member because of the weakness of his party's position in this whole matter. But Albertans want the Triple E Senate, and Canadians all over this country are seeing the wisdom of it. Support for it is growing, and we're going to keep fighting. We know we're going to get Senate reform. We're going to try and get it in the Triple E, and that will be, as this whole Constitutional Accord is, a great day for Canada.

MR. SPEAKER: Edmonton Highlands.

MS BARRETT: Thank you, Mr. Speaker. My question is to the Premier as well. I wonder if the Premier would indicate to the House if it was to a quote of mine from my news release of yesterday that he was referring when he distorted the position of the New Democrats in response to the question from the Member for Banff-Cochrane?

MR. GETTY: Mr. Speaker, I would never distort a matter of the New Democrats. It's too clear what they stand for.

MR. SPEAKER: Member for Edmonton Highlands, was that a supplementary on the previous question?

MS BARRETT: No, this is my series of questions.

MR. SPEAKER: This is a main question. Thank you.

MS BARRETT: You bet. Mr. Speaker, I think that I'd like to, seeing as how I didn't give a preamble before, read what I said yesterday, which was . . . [interjections]

MR. SPEAKER: Order.

MS BARRETT: Oh, no. I can quote myself, and this is my writing. That's right.

The revised agreement appears to pave the way for new national programs, such as day care. New Democrats are pleased that this has been achieved, and hopeful that the final text will prove satisfactory.

Was that the quote that the Premier was referring to when he went into his distorting tirade?

MR. GETTY: Well, Mr. Speaker, I can understand the discomfort that the hon. member has and that the party has, because they have been caught right on the philosophical belief they have of a huge central government dominated in Ottawa. Now, in order to get that they are prepared to give up the exclusive provincial jurisdiction which the Constitution gives us. It's so fundamentally different in this Legislature on that issue that I hope all Albertans are clear on it.

MS BARRETT: Well, supplementary question, Mr. Speaker, from the member whose political party gave Canada, through provincial means, things like medicare. Does the Premier honestly believe that it is the position of the New Democrats that we don't stand up for greater provincial responsibility and jurisdiction, such as fought for by the likes of Grant Notley and the Leader of the Opposition? Does he really believe that?

MR. SPEAKER: With due respect, hon. Premier, there is a difficulty here, because according to *Beauchesne* a minister is only answerable for something that falls within his department, and I doubt that the New Democratic Party philosophy somehow relates to your office.

Supplementary question.

MS BARRETT: A final supplementary question, perhaps to the Premier, who may have a bit more authority on historical matters. Would he confirm then that he recognizes that wonderful programs like medicare were in fact instituted provincially by the New Democrats and that that indicates our sponsorship of good provincial programs?

MR. GETTY: Mr. Speaker, I will come back to the original point, of the fundamental difference between our two parties. They believe in state control and large governments. They are philosophically committed to that. [interjections]

Mr. Speaker, I understand completely their discomfort, because it is clear that they are prepared to bargain away provincial rights and exclusive provincial jurisdiction in order to have stronger government in Ottawa dominating the provinces. We will never agree to that, and they are discomforted over that.

MR. SPEAKER: The time for question period has expired. Might we complete this series of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Any additional supplementaries? Calgary Buffalo.

MR. CHUMIR: In light of the Premier's comments with respect to federal encroachments on provincial jurisdiction, I wonder whether the Premier might advise us as to which of the medicare programs or the old age pension or the unemployment insurance or the university funding programs, which are federal encroachments on provincial jurisdiction, the Premier would see us do without.

MR. GETTY: Again, I can see where the Liberal Party would try and salvage something from the shambles which they are in. There is a considerable difference when you enter into agreement than when you have one imposed, Mr. Speaker -- a tremendous difference.

## ORDERS OF THE DAY

MR. SPEAKER: Might we revert to the Introduction of Special Guests?

HON. MEMBERS: Agreed.



head: **INTRODUCTION OF SPECIAL GUESTS**  
(*reversion*)

MR. DROBOT: Mr. Speaker, it is my pleasure to introduce to you and to members of the Assembly, 31 grade 6 students from Mallaig school in the St. Paul constituency. They are accompanied by two teachers, Mrs. Therese Viel and Mrs. Jenne Boutin. I would like them now to rise and receive the warm welcome of this Assembly. They are in the public gallery.

MR. SPEAKER: Member for Edmonton Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. I would like to introduce to you and to the Assembly two members in the public gallery: my wife and her sister Moira Cresswell, who is visiting us all the way from Wokingham, England. Would they please stand and accept the welcome of the House.

MR. CRAWFORD: Mr. Speaker, I move that motions for returns 209, 211, 212, and 213 stand.

[Motion carried]

head: **MOTIONS FOR RETURNS**

178. Mr. Sigurdson moved that an order of the Assembly do issue for a return showing those eight studies referred to by the hon. Minister of Career Development and Employment during the course of the Oral Question Period of March 23, 1987, *Hansard* page 262, which he said "indicated that there is a net negative effect on the level of employment by increasing the level of minimum wage."

[Debate adjourned May 28: Ms Mjolsness speaking]

MS MJOLSNESS: Mr. Speaker, I would like to continue debate on Motion 178, as I think it's a very serious motion that we have on the Order Paper.

This Minister of Career Development and Employment has made a statement that increasing the minimum wage will have a negative effect on the level of employment and that any studies he has ever reviewed -- eight to be specific -- would prove this particular statement. Well, Mr. Speaker, this statement concerns me, because we know that all people earning minimum wage in Alberta are poor. We know that half of minimum wage earners are young people under 25 years old. We also know that two-thirds of minimum wage earners are females. We know the kinds of negative effects that living in poverty have on people.

Now, I recognize that these two groups that I have mentioned may not be the most powerful groups in society, so on that basis I'm assuming that the minister feels very comfortable in the statement he has made. Because if he does in fact have eight studies that lay out a convincing case as to why we should not adjust the minimum wage in this province, seeing as how it is the lowest in all of Canada, then let him show us those studies that state that increasing the minimum wage will cause unemployment. Let him give us some evidence so that he can prove this is the case. Because in the meantime, while we wait for this evidence, wait for these studies for the minister to produce, there are many hardworking individuals out there that are earning minimum wage and continue to live in poverty.

MR. SPEAKER: Pardon me, hon. member. There are about

eight different conversations going on in the House. Perhaps the members could go have a cup of coffee and allow the Member for Edmonton Calder the courtesy of the House, please.

MS MJOLSNESS: Thank you, Mr. Speaker.

Many provinces have examined supplement income programs for the working poor. I'm not suggesting for a minute that this government would be so progressive as to consider this, but I do think that if they feel very strongly that raising the minimum wage will in fact produce more unemployment, they should at least produce the studies that in fact this minister's statement is based on -- eight studies to be exact.

[Mr. Deputy Speaker in the Chair]

I think that when a minister makes a statement like this and then refuses to give the evidence to the members of this Assembly, this is not very reassuring, Mr. Speaker. In my mind, by refusing to give this Assembly this information the minister has lost credibility, and I would urge the minister to come forth with this information.

Thank you.

MR. DEPUTY SPEAKER: Hon. Member for Edmonton Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker. It's not yet time for the question. We're getting close. But once again we're about 30 minutes or so away from calling the question and no doubt trying to find out who is going to support this motion for a return and who isn't.

AN HON. MEMBER: Call the question then.

MR. SIGURDSON: No, no. I've got a few important things I would like to say, hon. member, that just might convince you to come and vote with us. Because I know full well that reasoned debate and logic will far outweigh any closed-minded negative excuses that the Minister of Career Development and Employment could offer for the refusal of what is really a most reasonable question or motion for a return.

You know, I'm starting to feel as though I'm isolated. [interjections] Not by my colleagues, I can assure you. But every time I put a motion on the Order Paper, Mr. Speaker, that has asked for a return from the hon. Minister of Career Development and Employment I've not met with much success, and I don't know why. I don't know why, because, quite frankly, they have all been rather reasonable questions. Let me just go through some of them, because I think it's important to draw some kind of a line that shows just how we've been refused, how the opposition has been refused information that would help us do our job.

We had an Auditor General's report that said the Wild Rose Foundation was doing something questionable. We put a motion for a return on the Order Paper. We didn't get a response -- not a favourable response. The minister said that it was outside government therefore he wouldn't be responding to that particular question.

Motion 175, something that we had dealt with not too long ago, asked a question about 60,000 jobs that had been created. It didn't matter at what wage, Mr. Speaker -- minimum wage or otherwise. We asked about 60,000 jobs that the minister said had been created. He couldn't provide a figure; he couldn't pro-

vide the documents that would show just where those 60,000 jobs were. And once again, sadly, that motion for a return was defeated as well.

So now we're back at Motion for a Return 178. Now, what happened with Motion for a Return 178? In response to a supplementary question that I directed to the minister about minimum wage and the students that were hoping to have an increase in the minimum wage, the minister stood up, probably unprepared, and arbitrarily chose a number. The number eight flew right by. That was the number he picked, and he said that those eight studies "indicated that there is a net negative effect on . . . employment by increasing . . . the minimum wage." Now, surely to goodness, Mr. Speaker, if those eight studies so influenced the minister that he is prepared to keep the working poor impoverished, keep them below the poverty line, then surely he would have those studies committed to memory, because they would be so fundamentally his. He ought not only to know the tides of those studies but he ought to know the authors. He ought to know perhaps even the publishing house and the publishing dates of those studies if they have in fact influenced him so greatly that he's prepared to do nothing but respond in a glib fashion.

The minister could have sent me a hand-written note listing the tides of those eight devastating studies. No, we didn't get that. We got an invitation. We got an invitation from the minister to go down to the library and find the studies for ourselves. Well, that's all well and good. That's all well and good. My colleague the Member for Edmonton Glengarry went down to the library and pulled out a number of studies. He pulled out the cards. Other members on the Conservative back bench had offered their opinion about this, and maybe I'll just ask those who have participated in this debate: just raise your hand if any of these tides happen to ring true to you. Are these indeed the studies that the minister was referring to? Could it be P. T. Bauer's book, published by the Fraser Institute? Is that the one on minimum wage? Is it the Canadian Association of Administrators of Labour Legislation, stats and research? Is that the one? Could it be Thomas Sowell's *Minimum Wage Escalation*, or Gerald Starr, *Minimum Wage Fixing: An International Review of Practices & Problems*? If I get close, let me know. I'd sure like to know which of these were the eight that so influenced the minister that he's not prepared to do anything. The Canadian Manufacturers' Association, *Minimum Wages: Theory and Practice*, came out of Toronto in 1977. Is *Hardship: The Welfare Consequences of Labor Market Problems* by Robert Taggart perhaps one of the eight? Or Finis" Welch, *Minimum Wages: Issues & Evidence*? Does any one of those, hon. members, happen to ring a little bell? Yes or no? Shake your head; I can hear.

But there are other studies that are contained in that library, hundreds of other studies.

AN HON. MEMBER: First time in the library for you, Tom?

MR. SIGURDSON: Oh no, no, no. Not at all, Mr. Minister. I know how to use that library.

Let's just see if some of these pamphlets or articles are the ones the minister was referring to. A study in 1974 -- it goes back some time. We've had an increase since then, but perhaps that's one of the studies of minimum wage rates in Canada. There was another one done in April of '75. Perhaps that was one of them. We've got a study coming out of the province of Manitoba in 1972 that shows the effects of an increase of 10

cents for minimum wage. Is that one of them? The short-run impact of a 30-cent revision: that's for Ontario. The long-run impact of the 30-cent revision: that, too, is in Ontario.

Mr. Speaker, there are so many pamphlets and so many books that focus in on the topic of minimum wage. Some of them are quite positive and some of them are negative. But the minister said that there were eight studies that showed there was a net negative impact on employment when one increased the minimum wage. I would just like to know which eight out of the hundreds that are available. Which eight? It's not a difficult question. People happen to be working at \$3.80 an hour. They would like to know which eight studies the minister referred to, because I'm sure that even those folks could find all kinds of problems with the argument.

But you know, the minister said there's a net negative impact on the level of employment when one increases the minimum wage. In the province of Alberta we haven't had an increase in minimum wage for six years. Six years ago the unemployment level wasn't what it is today. Four years ago the unemployment level wasn't what it is today. If we had put in a cost of living allowance clause on the minimum wage six years ago, that rate today would be somewhere in the neighbourhood of between \$4.90 and \$5.00 an hour. That's just an inflationary consideration -- not a real increase; just an inflationary increase. But what's happened? No increases in minimum wage for six years and unemployment has gone up. Surely to goodness that should blow holes in the argument of the minister. We now have 139,000 unemployed Albertans in our province. We didn't have 139,000 unemployed Albertans when we last increased the minimum wage.

The problem is not with the minimum wage. The problem is that there's no political will left in the government to put people back to work. For the minister to stand up and say he's seen studies that provide him with a sufficient amount of information to not do anything on the increase of the wage that would have in fact a net negative impact on the employment levels and then not to provide those specific studies -- it's just nonsense. It's ludicrous.

There are hundreds of studies in the library, Mr. Speaker. Some would support the minister's contention. I'm sure that the Fraser Institute on the lower mainland of British Columbia would -- if they didn't have one published already, I'm sure that within a short while they could -- they would do almost anything they can to ensure that the working poor remain the working poor. But there are others there that show that minimum wage has a positive effect. Are we supposed to go into the library and take out all the books and all the pamphlets, put them on a scale, and if the negative studies weigh 100 pounds and the positive studies weigh 101 pounds, is the minister wrong and I'm right? Or is the minister right and I'm wrong? Do we do it that way; do we do it by volume? Do we do it by the number of boxes we can cart out of the library? All we asked for were those eight studies. That's all we asked for. I don't think it's too much to ask, when I as an advocate for people that happen to be making minimum wage can stand up and make their presentation on their behalf. I would like to know just what specific studies the minister had pointed to. I think that if you're suffering with that princely income of \$600 a month, we can find arguments that would end the minister's contention that those eight studies indeed do exist and that they show a net negative impact.

Mr. Speaker, it really is unfortunate that the minister has decided to reject this motion for a return, because many Albertans,

too many Albertans I would suggest, want that information.

MR. DEPUTY SPEAKER: The question on Motion for a Return 178. All those in favour please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Those opposed please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: The motion is lost.

[Several members rose calling for a division. The division bell was rung]

[Eight minutes having elapsed, the House divided]

For the motion:

Ewasiuk	Laing	Roberts
Fox	McEachern	Sigurdson
Gibeault	Mjolsness	Strong
Hawkesworth	Pashak	Wright

Against the motion:

Adair	Drobot	Nelson
Ady	Elliott	Oldring
Alger	Elzinga	Orman
Anderson	Fischer	Payne
Betkowski	Heron	Pengelly
Bogle	Hyland	Reid
Bradley	Johnston	Shaben
Brassard	Jonson	Shrake
Campbell	Koper	Stevens
Cassin	Kowalski	Stewart
Clegg	McCoy	Trynchy
Crawford	Mirosh	Webber
Cripps	Moore, R.	Weiss
Day	Musgreave	West
Dinning	Musgrove	Young
Downey		

Totals	Ayes - 12	Noes - 46
--------	-----------	-----------

MR. DEPUTY SPEAKER: Order please.

[Motion lost]

198. Mr. Mitchell moved that an order of the Assembly do issue for a return showing a copy of all contracts, agreements, leases, and letters of commitment that have been entered into between:

- (1) the government of Alberta, government of Alberta departments, government of Alberta Crown corporations, or any of their agents, and
- (2) Olympia & York concerning the leasing of space in the Olympia & York building development proposed for Jasper Avenue between 101st Street and 102nd Street in Edmonton.

[Adjourned debate April 14: Rev. Roberts]

REV. ROBERTS: Mr. Speaker, the Olympia & York deal will

just not go away from the minds of people in this city and in this province. Despite the cover-ups that the government has manipulated and intended in terms of its sweetheart deal with the Olympia & York developers, this motion asks instead for some honesty, for some fairness, and for some credibility on behalf of the government in terms of doing an issue for a return showing a copy of all contracts, leases, agreements, and letters of commitment that have been entered into between the government and Olympia & York concerning the building development on Jasper Avenue between 101st and 102nd in downtown Edmonton.

This issue has been on the Order Paper, Mr. Speaker, for some months now, but it continues to plague the government and the minister of public works in terms of the issue, and the incredible sense that the people who are around the development of projects and buildings downtown and those who work in government have around how anybody could work such a deal at such a moment in time with developers such as Olympia & York for 400,000 square feet of new office space in downtown Edmonton.

In the time since this motion has last been debated, Mr. Speaker, I've had opportunity to talk to other developers in the downtown area and people in real estate and development, all of whom speak with one voice against this deal. The Building Owners and Managers Association of Edmonton is appalled that the government should work this deal with Olympia & York without going to any public tendering process, completely bypassing the normal fair proceedings, and again at a time when there is already over 2.3 million square feet of existing office space vacant in the city of Edmonton.

So it is with incredulity that this motion asks that we just want to see what kind of deal has been worked out and have the kinds of contracts and agreements that have been made. I'm told that there's no real contract made at this point; there's perhaps just some verbal or perhaps a letter of commitment that has been entered into. But it's a pretty firm letter of commitment or something that is going on that would enable it to have gotten this far. Not just that it's 400,000 square feet, but it's 400,000 square feet of triple A office space.

Now, Mr. Speaker, we would have thought the government had learned its lessons over the last few years, that the high-rolling, high-spending elitism which this government has fostered in its public image that they had gotten away from -- but no, they have to build some brand-new office space, and not just regular A space or B space that currently exists in the CN tower, for instance, or other buildings around downtown. No, they have to get into 400,000 new square feet of triple A office space that is to be used for who knows what government office and what plum of a space for the lucky cabinet minister and his department.

[Mr. Musgreave in the Chair]

So we've had a lot of discussion, Mr. Speaker, about going to the people on issues of concern. I know there's been a lot of talk, and the Conservative caucus has been noble and moral in going to its constituents on the burning issue of compulsory seat belt usage in the province. That is just so commendable. I'd like to challenge government members to go to their constituents on this question, because I certainly am. I'm going to go to the people of Edmonton Centre, they're 20,000 strong, in my next mailout, and a number of cabinet ministers, of course, have residence in my constituency, and they'll get it as well.

It's going to have a few questions in it to the people of Edmonton Centre. It's going to ask them, as a resident of Edmonton Centre and as someone who is concerned about the government's spending in a city where there's already 2.3 million square feet of vacant office space, whether it is prudent, whether it is wise, whether it is the good stewardship of their tax dollar to enter into an agreement with some real nice high-rollers, Olympia & York out of Toronto, the Reichmann brothers, to come into Edmonton and to build a whole new building that's going to have 400,000 square feet of triple A space for government use. I'm going to ask them if they think that's a wise way to spend money.

I'm further going to ask them if they think that if it is even needed whether maybe they should look at existing office space or whether, if they're going to build some new space, maybe they could put it out to public tender; whether they think it's fair just to speak to somebody who is a friend of somebody who can work a deal and not to open it into their free and open competitive marketplace and have various developers and builders bid on the contract in good, open democratic fashion. I'm going to ask my constituents if they don't think that if the need is shown, whether that process should be observed. I would think that most of my constituents would say they would agree with that. And then when I get the response, Mr. Speaker, I'm going to send another one back to them and let them know exactly what has happened with this deal.

Because exactly what happened was that the Minister of Public Works, Supply and Services, at a 5 p.m. news conference late on a Thursday afternoon -- after most of the media and press had gone to the Conservative Party convention in Calgary, after dodging questions in question period for a week or two, after dodging questions in estimates when it came up -- didn't have the gall, the courage to address questions or to make any announcement in the Assembly when people could be here to know about it. But no. At a 5 o'clock news conference on a Thursday afternoon he gave this little announcement that yes, indeed, the speculation was true; yes, indeed, the government had now worked into a deal with Olympia & York for 400,000 square feet of new office space in a new building downtown.

Well, I don't know what constitutes contempt for the House, Mr. Speaker, but it seemed to me to be continually avoiding questions and dodging questions, not coming clean, sitting down after he'd made a statement with a little smile on his face, and then, after everyone had gone, to let people know at a 5 o'clock news conference that, yes, in fact this was the case and then to not be further accountable for reasons behind it, seems to us to be quite galling and embarrassing to this government. No wonder they're trying to cover it up and not come forth with an issue for a return as is asked for in this motion.

So the situation is only to be exacerbated now, Mr. Speaker, by further speculation, by further rumour, by people putting the heat on. Well, if it's going to be 400,000 square feet, how much a square foot? Is it going to be \$18 a square foot? Have they got a deal at \$12? If they did, they might well tell us, because a \$12 a square foot deal would be pretty nice downtown in triple A space. But they don't seem to want to tell us. So maybe it's a lot more. Maybe it is \$18 -- maybe it's \$20 a square foot. We don't know. All that's left now is speculation and rumour to run rampant. How much is going to profit the very high-rolling Reichmann brothers of Olympia and York? How much are they going to put into this and rake off the top in terms of the amount of profit they'll make on this deal, Mr. Speaker?

And then there's a lot of speculation. I don't want to get into

it, but I'm told there's even talk the Reichmanns and Gulf Resources are going to take over the Premier's outfit of Nortek resources; that in fact Les Mabbott is working a further deal between Nortek resources, Gulf Resources, and the Reichmanns, and that this might be a nice way to build a little office building on the side and have a lot of "behind the deal" and shady deal around this. Now, I'm not sure about this. People have told me this, and I say, "Well, you know they're honourable men." The minister of supply and services is an honourable minister. The Premier is an honourable Premier. Mr. Mabbott -- I've never met the man -- must be an honourable man. They're all honourable men, Mr. Speaker, and yet we don't really know what's going on and all that we're left to be able to work on in this is speculation, rumour, and hearsay.

Well, you'd think a government that was concerned about open government and straightforward public policy would lay the cards on the table and say, "No, this is what's going on, and we stand by this; there's no problem," and clear up any undue speculation or rumour that now surrounds this whole deal.

Then they talk about Sterling Place. Now, I don't know what went on with Sterling Place. I'm told that again a nice government deal was worked with developers over there to move into Sterling Place. It wasn't done by any open public tendering process. The government just moved into this nice space up there on 107th Street and Jasper. In fact, that's another area of a lot of unanswered questions, and that the government is continually unaccountable for.

Well, Mr. Speaker, all I'm really asking for is the letter of agreement. This motion just says: okay, we don't want to be suspect; we don't want to have a government to have further disrespect and undue suspicion surrounding its dealings with people in the private sector. We just want an open understanding of what's in the letter of agreement, how much per square foot is the new deal, why it wasn't then done in an open public tendering process, and to give the government an opportunity to clean up the air, open up the government and be fair and honest with Albertans.

Mr. Speaker, we know that the issues in public life today are the issues of credibility, of honesty and fairness. This is why, no doubt despite this historic occasion around the Constitutional Accord, poll and poll continues to show the Mulroney Conservatives plummeting to third place behind the two other opposition parties, and the New Democratic Party is now leading the top in the polls. There's a stance that sometimes people have had enough of patronage. People have had enough of sweetheart deals. People have had enough of shady, behind-the-door kinds of goings on between high rollers in public life. In fact Mr. Speaker, we have had enough, and people in this province, as I go around the province and meet and talk to them, say they don't like it; they don't want to stand for it anymore.

The lack of public hearings even around the Constitutional Accord is further evidence of a government that is so arrogant and so powerful, that just sits back and says: "We don't need to talk to them. We can just ram it through here. We can ram through this nice deal and ram through a Constitutional Accord without reference to the grass roots, without enabling people to understand issues and to have some input into those issues and those decisions."

So, Mr. Speaker, there is a sense of some hypocrisy here that is further exacerbated by the fact that this motion for a return has not been issued. We just want to know: why 400,000 square feet of new office space when there is already 2.3 million square feet of empty office space around this city? If the gov-

emment is so downsizing its bureaucracy, if the government is forcing mandatory retirement among members of the Alberta Union of Provincial Employees -- if the government would take some responsibility in its public spending to reduce the number of cabinet ministers and government departments, goodness knows they wouldn't really need 400,000 square feet of new space anyway. But somehow, despite their rhetoric and despite their criticisms of others, they expand in government, they become fat in public office, and they need 400,000 square feet more space in which to send this province down the tubes. We just want to know why, in fact . . .

MR. ACTING DEPUTY SPEAKER: Order please.

DR. REID: On a point of order. I think the hon. member is obliged to tell the truth in this Assembly, and he just told a blatant untruth. The government has not enforced mandatory retirement on any public servant.

REV. ROBERTS: He's right, Mr. Speaker, and I do take that back. It wasn't forced on them. Somehow the minister has worked it through the executive of the Alberta Union of Provincial Employees and they are accepting forced retirement. The only forced retirement we'd like to see is forced retirement of a number of cabinet ministers along the front bench here, and in another three years I think that'll be through.

Well, Mr. Speaker, just to sum up, it really is quite unfortunate and a sad day that we have to come to this point that this deal is proceeding along without this kind of public input, without this kind of open tendering process, and without any explanation for how and why this deal is continuing. So all I'm saying is that I will be taking it to my constituents. I'll be including a number of details about it and sending it out to them, simply asking their opinions on it. If and when I get the responses back we'll know then what the people of Alberta, particularly the ones downtown here -- the 20,000 around Edmonton Centre who live and work in many of the office buildings -- will say and think about this. And when they do, I'll have a lot more to say on their behalf in the next session.

Thank you, Mr. Speaker.

MR. ACTING DEPUTY SPEAKER: The Member for Edmonton Strathcona.

MR. WRIGHT: Thank you, Mr. Speaker. I was amused by that last exchange. Here we are alleging a reasonable inference of cover-up, of hesitancy to disclose the truth because there is something to hide, and the reply comes not on the main point at all but on a quite incidental error to do with mandatory retirement. It seems to me that the reply on the main point . . .

MR. ACTING DEPUTY SPEAKER: Order please. The hon. member who was speaking prior to you had raised several points that were not germane to the subject, and I allowed him to continue debate. I would prefer if you would continue to debate the motion that's before us.

MR. WRIGHT: With respect, Mr. Speaker, I was intending to refer to the fact that there seems to be a cover-up here, and the completely incidental reply suggests that too. If all is well, why is there a hesitancy to disclose these documents? It cannot be thought that they are unimportant. It is an astonishing endeavour to participate in the erection of a building that seems so

completely unnecessary when the real estate market is so completely saturated as it is at present. When there is a federal building that is falling vacant and which can be got for a fraction of the ultimate price that will be paid for mere rental, then it does seem most extraordinary.

It is reasonable to deduce from the coincidence of these arrangements with the election, from the coincidence of personnel with the election personnel of the governing party, and the arrangements made for this lease, that there is something fishy there, Mr. Speaker. There's a bad smell. We suspect a fish. Let us see the documents to see whether there really is one or, as I hope is the case, we are imagining something. By the government's reluctance -- in fact, refusal -- to disclose these documents, I think we are fairly in a way to assert there is something that is wrong, and I would like some government member to tell me why it would not be reasonable now to assert that there is something amiss in these arrangements, which on the face of them are so improbable that they cannot lead to any other conclusion in the absence of the documents.

SOME HON. MEMBERS: Question.

MR. ACTING DEPUTY SPEAKER: The question has been called. All those in favour of the question, please say aye.

SOME HON. MEMBERS: Aye.

MR. ACTING DEPUTY SPEAKER: Opposed?

SOME HON. MEMBERS: No.

MR. ACTING DEPUTY SPEAKER: The vote is not carried.

[Several members rose calling for a division. The division bell was rung]

[Eight minutes having elapsed, the House divided]

[Mr. Deputy Speaker in the Chair]

For the motion:

Chumir	Hawkesworth	Roberts
Ewasiuk	Laing	Sigurdson
Fox	Mjolsness	Strong
Gibeault	Pashak	Wright

Against the motion:

Adair	Heron	Payne
Ady	Hyland	Reid
Alger	Isley	Shaben
Bogle	Johnston	Shrake
Bradley	Koper	Stevens
Cassin	McCoy	Stewart
Clegg	Mirosh	Trynchy
Dinning	Musgreave	Webber
Drobot	Musgrove	Weiss
Elliott	Nelson	West
Elzinga	Oldring	Young
Fischer	Orman	

Totals	Ayes--12	Noes--35
--------	----------	----------

[Motion lost]

head: **PUBLIC BILLS AND ORDERS**  
**OTHER THAN**  
**GOVERNMENT BILLS AND ORDERS**  
**(Second Reading)**

**Bill 224**  
**Alberta Investment Act**

MR. CHUMIR: Thank you, Mr. Speaker. I beg leave to introduce Bill 224, the Alberta Investment Act, on behalf of my colleague the Member for Edmonton Meadowlark, who is unavoidably absent, out of town today.

This Bill, which has been formulated under his aegis, would create a new management structure for the Alberta Heritage Savings Trust Fund. Two new funds would be created out of the existing trust fund structure.

MR. DEPUTY SPEAKER: Order please.

MR. CHUMIR: It's great to see I have the undivided and rapt attention of this House as usual, Mr. Speaker.

The Alberta income fund would be designed to provide Albertans with a future source of income, and the economic diversification fund would be used to encourage the creation of new business in Alberta and to diversify the economy of Alberta from its dependence on energy and agriculture.

The Alberta Heritage Savings Trust Fund was created on May 19, 1976, by an Act of the provincial Legislature. There's been no public review, no major review of the mandate or structure of the Heritage Savings Trust Fund over the past 10 years. In reality, the fund has been shrouded in quasi-secrecy, with investments affecting 80 percent of the fund's assets made by Executive Council, in their lack of wisdom. The current fiscal situation of the province is causing citizens to look more closely at the heritage savings fund, and it is becoming more and more evident that there is a need for a number of changes and initiatives.

There is a need, firstly, to provide a new sense of direction and a mandate for the fund at this time. There is a need for better communication with respect to the nature, the purpose, and the direction of the fund, both to Albertans who are the shareholders in the fund and to Canadians in general, and particularly to eastern Canadians, many of whom, particularly those writing the editorials for the *Globe and Mail*, seem to feel that we have endless sources of wealth reminiscent of nabobs or the famous King Freddie. The third goal that we have in mind would be that of reducing political interference within the fund itself, Mr. Speaker. We have found that the fund is far too significantly directed by the political process, when the goals that should be achieved and accomplished are ones which require independence and the strong and firm hand of experts in the area.

Now, the particular concerns we have are with respect to the failure of the fund in both the area of providing for diversification of the provincial economy and for providing a significant nest egg of savings for future generations. It's in those directions that we feel the primary and the central revitalization of the fund must be sought.

Insofar as diversification is concerned, we find a fairly positive beginning in the original concept of the fund and an unhappy change of goal along the way. We go back to *Hansard* of April 23, 1976, at which time then Premier Lougheed stated, and I quote:

Mr. Speaker, the investments of the fund must meet both of two important challenges . . . It must offset the probability of declining revenue in the future by its appreciation and by its income. At the same time, it must be a vehicle for diversification and for strengthening our economy . . . It must do both.

Both laudable goals, goals which I have just stated we believe should be re-established with some sound sense of direction in contrast to the bumbling and the mismanagement that has taken place so far.

By 1980 the Conservative government unfortunately abandoned its commitment to use the fund as an instrument to encourage economic diversification in this province. Again quoting *Hansard*, May 13, 1980, again Premier Lougheed, as he then was, I quote:

If I understand the view expressed by the hon.

Member . . .

Whoever the hon. member is seems to have lapsed into obscurity. He continued:

The primary purpose of the Heritage Savings Trust Fund should be as a vehicle for economic development and economic diversification within the province.

In that statement he's referring to the view of the nameless hon. member. The Premier at that time goes on to state, and again I quote:

That, of course, is a laudable goal in the sense of the objective of diversification . . . However, it is not the objective of the Heritage Savings Trust Fund.

Well, something happened in the intervening four years. What really happened was prosperity and rose-coloured glasses, Mr. Speaker. We bought the song and dance that the oil party was going to go on forever; that there were going to be endless riches; that we need not have a long-term focus of history; that we need not be aware, as we should have been, of the ebb and flow of commodity prices upon which we are dependent; that no, we need not be prudent whatsoever; we could just forget the role of diversification. And that in effect is what has happened.

In fact, if you look at the fund in its broadest sense, stretching the term, stretching the definition, you can't pull in more than 10 percent of the investment in the fund as contributing to diversification in any way. The opportunities are there; they need renewed dedication. There's a need for independent input and for co-ordination. There is a need to provide for a structure which gives us the capacity to get on quickly and to seize the opportunities that are presented. This will not take place so long as the current structure of the fund pertains, in which major decisions are being made on the basis of political motivations.

We have seen that the government has used the Heritage Savings Trust Fund as a convenient slush fund, occasionally as an extension of its fiscal policies, so to speak, to fund activities that for some reason it finds inconvenient to fund out of general revenues. We have asked a number of times why one expenditure falls under the heading of general revenues and why another type of expenditure almost identical in philosophy is made under the Heritage Savings Trust Fund. This is a question that the government has been unable to answer because there is no answer. It's haphazard. There is no philosophy. As long as we have endless sums of cash, we can do what we want and we'll never have to pay the piper until the oil prices collapse just after we enter into a Western Accord, leaving the people of this province holding 100 percent of the problem of the low prices after 10 years in which high prices were a national problem.

We find many of the investment decisions of the fund politi-

cally motivated. We find low interest rate loans being made without securing for the economy of this province any undertaking or circumstantial guarantee that those loans will create jobs in any way for this province. We have, for example, the low interest loans to shield mortgages to homeowners just conveniently prior to the 1982 election. So there is a need to reduce this political input from the investment equation and beef up the independent input.

This is one of the things that the Alberta Investment Act, Bill 224, being sponsored by the Member for Edmonton Meadowlark in fact does. Firstly, it creates an economic diversification fund, the purpose of which is to make and hold debt and equity investments to actively encourage the creation of new business in Alberta in sectors other than energy and agriculture. We find the government all too often crowing about the range of diversification in this province when in fact we're talking about more energy projects and more agricultural products, increasing rather than reducing our dependence in those areas. Indeed, when we talk about diversification in this province, it's hard not to note that several of the great triumphs of diversification in this province are the almost total diversification out of financial institutions and largely out of meat packing.

Secondly, in terms of structure and achieving the independence and an expertise that we think is fundamentally important in this area, we would, by the Alberta Investment Act, create an economic diversification board consisting of 10 members, chaired by the Provincial Treasurer, with three members from the business community, three representatives of labour, and three from postsecondary institutions in Alberta. The economic diversification board would invest the assets of the economic diversification fund and submit reports to the Legislative Assembly on the promotion of economic diversification. It would be an independent entity. It would have expertise, and it would have a firm and fixed mandate of diversification of the economy of this province. It would receive its full-time undivided attention and would not be subject to the political vagaries and whims of the moment, hopefully, although we're all persons of the world, men and women of the world, and we realize that complete insulation is not possible and, indeed, certainly impossible when it is one of the primary goals of this particular government to ensure that there is political input, influence, and interference in every mainer possible.

Now, the second concern we have is with respect to re-establishing the savings feature, the setting aside of a significant sum of money for a rainy day, a recognition that we're living off the capital, part of which belongs to future generations. And this is a laudable goal. Let's not be niggardly in our handing out of bouquets. We and I are very supportive of this goal of the heritage trust fund.

We haven't done nearly as well as we could. What we have seen again is political interference, political motivation, and a lack of an understanding and a perception of the inherent common sense of instilling some sense of market discipline right at the heart of the system. And that's something that one would have thought members of a Conservative government who, whatever they may profess, profess to be managers and businessmen able to tend the shop -- but the reality is they lost sight of that very central focus of the need for market discipline. And they started to use very, very significant portions of the Alberta Heritage Savings Trust Fund, in the Alberta investment division, to make loans to Alberta Crown corporations. All of these, of course, have political goals, and once you start to mix the saving with the political, then you've got a formula for trouble.

Far better would we have been to have these Crown corporations borrowing money on the open market, so that there would have been a reminder each and every time such borrowings were made that we're dealing with real money and not Monopoly money, as appears to have been the conception of the government with respect to the Heritage Savings Trust Fund. And as a result, we find loans in the amount of approximately \$4.5 billion being made to the Alberta Mortgage and Housing Corporation, to the Alberta Agricultural Development Corporation, and to the Alberta Opportunity Company, cumulatively.

We're trying to find out just how much is left, and it's a cat-and-mouse game. It shouldn't be, but it is a cat-and-mouse game for the opposition to attempt to pry little scraps of information with respect to what the value of our investment is in those corporations. That's the type of information that should be readily provided, instead of requiring us to act like sleuths sniffing around in obscure footnotes of the reports of these Crown corporations. What we should have is a presentation of the clear and straight facts so that we could get on to making policy decisions and judgments, which is what we were elected for.

But in any event, we've lost -- we never really heard a serious dispute from the government as to this contention -- we've lost anywhere from \$1.5 billion to \$2.5 billion of investments in those Crown corporations. We also find that the income of the Heritage Savings Trust Fund has been ballooned and puffed up and massaged and cosmeticized into a magnitude which is intended to impress the electorate in this province and which has backfired again; therefore the *Globe and Mail* syndrome in eastern Canada, the feeling in Ottawa obviously that there's no need to help Alberta in our time of difficulty. We find that we have loans of 13, 14, 15, and 16 percent from the Heritage Savings Trust Fund to these Crown corporations, some of which could be repaid in advance, as any prudent lender would do once the rates have gone down as they have. But heaven forbid that we should reduce the apparent income of the Heritage Savings Trust Fund. So we have \$1.7 billion of total income in the trust fund of which approximately \$1 billion comes from these Crown corporations.

And then we do our sleuthing, the Sherlock Holmes-ing, and we find that these Crown corporations have lost \$350 million which has been paid to them by the General Revenue Fund, and they can't in fact pay the full billion dollars; they can only pay \$650 million of that. So we have a total distortion of what the true income of the Heritage Savings Trust Fund is. So two defects and deficiencies have developed: the losses which we can't really quantify, which is totally scandalous, and we have income which is puffed up out of all recognition. This is the political hand that we see in there. But what should we be doing? Well, the state of Alaska has a similar problem, if we can call it a problem to have to invest a heritage savings fund. It has set up an independent commission, and its investments are made on an arm's-length basis. It doesn't have that political dimension, which is so fundamentally wrong. After all, it's fundamentals -- if you don't get the fundamentals right, it doesn't matter what you do about the little things at the edges; you have to be right down at the centre.

[Mr. Musgreave in the Chair]

So we, in our Alberta Investment Act, have made a proposal to get us back on the track with an independent approach to our savings, and I've attempted to accomplish a few other goals in

the interval.

Is there something wrong with one of the members in the back row over there? He seems to be making funny motions, Mr. Speaker. Does he think he's on a basketball court? I think I'm having a full court press put on me here.

What we are recommending is the creation of an Alberta income fund [interjection] -- I'm glad I can't hear that -- the purpose of which is to generate the maximum return on investments, which investments are of course to be transferred to it from the Alberta Heritage Savings Trust Fund by this Assembly in its wisdom, following our advice. We are creating an Alberta income fund investment board, to be independent, in like manner to that of Alaska. It is to consist, in our conception, of five members to be chosen by the Assembly -- not in the back rooms of the Tory caucus, as with almost everything else -- for a five-year term. It would invest the Alberta income fund within or outside Canada, either directly or through one or more agents, the purpose of which would be to get the maximum return, the biggest bang for the buck.

And there is the capacity to create separate investment divisions to be managed by private investment managers. We think this to be a healthy direction. The investment managers would be expected to have published with respect to them annual performance reports, and what we would hope is that there would be an opportunity to Alberta-based funds to serve as managers of their particular segment of the Alberta income fund. They would operate on a competitive basis. The results of their investments, their yield, would be published, and it would be possible to make a comparison and to change these managers from time to time based on their performance, in the very best competitive tradition of the free market, which we would like to see operating whenever it is capable of doing so in an effective manner.

So that is the heart and soul of the direction that my colleague from Edmonton Meadowlark and I see being taken by the Heritage Savings Trust Fund. We believe it's a salutary direction. It's a renewed one, it's a sensible one, and it's one which we both commend to the support of the House. I now take my seat, fully expecting to be hoisted on shoulders and perhaps even carried piggyback out of this House in celebration over the Bill.

Thank you, Mr. Speaker.

MR. ACTING DEPUTY SPEAKER: The hon. Member for Edmonton Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. I just rise to make a few comments. I congratulate the two members of the Liberal caucus for bringing this Bill forward, not because I think it's got all the answers but because I think it raises some issues that the government has been refusing to face for about a year now, or maybe a couple of years if you think back to the fact that they should have been anticipating the kind of downturn we've had in our economy.

The heritage trust fund was built up over a number of years while the revenues were flowing into the province at a higher rate than we needed them for expenditures. But back as far as 1982 things started to turn around, and by '83-84 this government would have suffered a deficit in its operating budget had it not had the extra flow of revenues from the heritage trust fund. The same thing would have occurred in the '85-86 year. And yet it took them four or five years to realize that things were turning around and that they were going to have to stop and

reassess where they were going and what they were doing. Meantime they'd had a fund in place and were putting money into it, and having held that up to the province as being some kind of a wonderful thing that showed that they were such great money managers and that they should be re-elected every year, they didn't stop to reassess where it was going or what was happening with it.

Even when the disaster struck in June of 1986 in terms of oil revenues, even last fall in the heritage trust fund hearings, they refused to really stop and think about where they're going. They basically said, "We're going to stay with the status quo." Now, what that means is that we've built up a whole set of rather extraordinary relationships between heritage trust fund expenditures and general revenue expenditures which is a total rat maze and hardly understood by anybody, and I think probably least of all by the new Treasurer, who I think is still reeling, trying to put it all together. I suppose maybe that's why they want it to stop with the status quo.

But it cries out, Mr. Speaker, that what we really need is to stop and take a look at just how the arrangements we have now are working -- you know: what is in place and how is it working; how has it served Albertans? -- and then to move from that analysis, that review process, into a set of public hearings all over the province and explain it to people so they can make informed decisions about what directions they think the fund should take. That process is something that should take some time, and I'm encouraged that since the heritage trust fund [inaudible] and since the suggestion we made has been totally turned down . . .

MR. HYLAND: Point of order.

MR. McEACHERN: What seems to be the problem?

MR. HYLAND: On a point of order, Mr. Speaker. According to our Standing Order 23(b) the hon. Member for Edmonton Kingsway's speech, I believe, is drifting off the subject of the Bill at hand. It's the same speech he made many, many times in the trust fund committee, and at that time we weren't dealing with this Bill either.

MR. McEACHERN: Mr. Speaker, I object to the objection, if you could put it that way. The Bill before us is a major proposal about what we should be doing with heritage trust fund money, and you cannot pass this Bill in isolation from an analysis of what is happening with the fund, what has happened with the fund, and what the future should hold. Basically, I guess what I'm trying to say here is that while this specific proposal has some features which I find compatible with some proposals that this party made in its Alberta development fund a number of years ago, nonetheless members might notice that we did not reintroduce our Alberta development fund proposal in this legislative session, for the very reasons that I'm talking about. [interjection] Well, perhaps nobody noticed, but the fact is we didn't. It had been on the books for a number of years. It goes back to the early '80s in terms of its suggestions for how the Alberta development fund works. And certainly some of your ideas are not unlike some of the ideas in there. The idea of equity funds, the idea of loans to Albertans: both of those ideas are there.

The reason then that I am not going to vote in favour of this Bill -- okay? -- is that I think it's a Bill that's not dealing with the overall relationship of the fund to the general revenue ac-



count, and I want to make some specific comments on that in a minute. This Bill is a suggested solution off the top of a few people's heads, and it's not such a bad one. It deserves merit, and it should get some debate, and certainly it should stimulate the government to do a little thinking and to get into the debate. But it's not an answer by itself, and I don't think it has the kind of comprehensive analysis behind it and the kind of comprehensive public hearings to get the sense of what Albertans might want out of their heritage trust fund at this stage to back it up. That is why, Mr. Speaker, I will end up not supporting this particular Bill.

The relationships between the General Revenue Fund and the heritage trust fund, as I said, have gotten extremely complicated. We've seen a situation arise where in many cases some of the things that go on through the fund are not as democratically handled or are not handled in the Legislature, and I think it's time the government stopped to think a little bit about that. Any money that is spent in Alberta is taxpayers' money, whether it comes from resource revenues or whether it comes from tax dollars or any other source or federal government revenues in transfer payments given over to the provincial government. The taxpayers of this province have the right to expect that this Legislature will deal in the most comprehensive way with an analysis of what expenditures are in the best interests of this province. We have not seen that happening.

The setting of money aside into the heritage trust fund gave a backdoor way by which the Treasurer and the cabinet could spend money of this province in this province on a number of projects and make a number of extraordinary claims. My colleague from Calgary Buffalo mentioned that, about how much money they claim is coming back from the Crown corporations, for example, which is a totally ridiculous claim. We have a very muddled situation in terms of . . . For instance, look at the fact that we have up to 12 days to talk about spending \$140 million of the capital projects division of the heritage trust fund, yet we take only 25 days to talk about \$10 billion of the general revenue account. Now, if that doesn't show that this government has let itself get very confused as to what the process should be in terms of handling the taxpayers' money, I'd like to know what does.

And so it's time this government took a full review of it. I was encouraged to hear the Treasurer say at one point early in this session that perhaps he's changing his mind about some kind of a comprehensive review and analysis of the fund, and I look forward to that. I merely hope . . .

MR. HYLAND: Mr. Speaker.

MR. McEACHERN: Oh, why don't you let . . . I'm going to finish in a minute.

MR. HYLAND: Mr. Speaker, on the same point of order and the same section I mentioned earlier. I've listened over the last five minutes to the member, and he assured us he was going to get back to the Bill. I'm still waiting for that assurance, and I'd like a ruling on it please.

MR. ACTING DEPUTY SPEAKER: For the benefit of the House, I was waiting for Parliamentary Counsel, but when I receive my advice . . . In the meantime, the hon. Member for Edmonton Kingsway, please proceed.

MR. McEACHERN: Thank you. I was about to wind up my

comments, Mr. Speaker, and just say that I was encouraged by the fact that the Treasurer had indicated that we may see some comprehensive analysis of the fund, and that's encouraging. But I'm wondering if he will follow it up with a set of public hearings also so that then this Assembly can come back armed with the knowledge about the fund and what the people of Alberta want -- an informed public -- and make some intelligent decisions about what direction the fund should go. I do not believe that this Bill is adequate because it has not had that kind of a process behind the details put into the Bill.

MR. ACTING DEPUTY SPEAKER: The hon. Member for Stony Plain.

MR. HERON: Thank you, Mr. Speaker. Bill 224 serves to reinvent the Tory wheel. In other words, we have diversification. We have five divisions within the heritage fund fulfilling its original objectives.

[Mr. Deputy Speaker in the Chair]

Oh, it's easy for the hon. Member for Edmonton Kingsway to stand up and say that there's confusion and pick holes in some of the investments that haven't done well. In a diversified portfolio we always have investments that don't do well, and it's always easy, with hindsight, to look back and see some stock in any portfolio that has a market value less than the book value.

That said, I would like to then move to the comments of the hon. Member for Calgary Buffalo. He didn't really speak to the Bill. He gave a rambling criticism of what is, but never really took any time to convince us that Bill 224 has any authentic attributes in terms of changing the heritage fund. But it concerned me that he said there is no public review, when the previous two speakers are both on the select standing committee for the heritage fund. He said, and I quote, it's "shrouded in quasi-secrecy." Well, I'm sure the Auditor General would be happy with that comment.

Not only is the Heritage Savings Trust Fund working towards economic diversification, it's accomplishing its objectives. But we can't look at the Heritage Savings Trust Fund in isolation. We have to look at the work of the Department of Economic Development and Trade; the Department of Tourism; Technology, Research and Telecommunications; Forestry, Lands and Wildlife; and indeed the whole government. This focus is upon economic diversification, long-term stable growth, exports, and of course the primary concern, jobs. I'm sure that the hon. members in the opposition did not take the time, when they made some of the comments that they did, to look at the two most recent productions -- Alberta's Economic Diversification Policies and Programs and Alberta's Economic Diversification Achievements -- certainly solid and concrete examples that things are indeed working.

You know the hon. Member for Calgary Buffalo: very quick with the negative comments, the doom and gloom comments. But believe me, when he said -- quote, unquote -- that the Heritage Savings Trust Fund is a "convenient slush fund," and he said "obscure footnotes" . . . Well, there's nothing obscure about this statement. Believe me, it is one of the finest-produced statements I'm aware of, graphically depicting graphs, pictures, numbers, figures -- no obscure footnotes. Turn to page 30 and there you have a listing of the rates of return on investments by book value, market value. We've heard over and over and over the criticisms of the Heritage Savings Trust Fund in

terms of the Alberta Home Mortgage Corporation. [interjections] Oh, that's right. The real estate markets have collapsed, and yes, indeed, there are unrealized losses in there. It's never been hidden from Albertans.

I can tell you, though, that no one in the opposition has said, "Would you please turn to the Alberta Heritage Scholarship Fund? Would you look at the market value of that?" We put a hundred million in there. Today if you were to realize those assets placed into perpetuity in liquid securities, they'd be worth something around \$129 million. When they were focusing on the Alberta heritage savings and the mortgage corporation, did I hear anyone say, "Look at the Alberta Heritage Foundation for Medical Research," that that \$300 million is now worth \$443 million?

AN HON. MEMBER: Big deal.

MR. HERON: Oh, no. Big deal; that's right. But you cannot be that inconsistent in good financial management.

[Mr. Speaker in the Chair]

Now, Bill 224 says that you should place these funds under board status. Tell me if the Alberta Heritage Foundation for Medical Research and the scholarship foundation haven't got good boards, solid boards, who have done well with the assets that they hold in a fiduciary capacity. No, Mr. Speaker, I think Bill 224 is simply another reinvention of the Tory wheel. Of course, we've seen that of the Liberals. We've seen it over the years, where they take their responsibilities lightly. [interjections] Yes, it's very, very easy. Because some of us that have a couple of gray hairs saw and watched another great politician of the '60s. Great all right. He shifted from a democratic socialist and a critic of Lester Pearson right into high gear in '68, bamboozled Canadians, and took over the Liberal leadership. And what did he do? Show me your concrete examples of privatization.

AN HON. MEMBER: Metric.

MR. HERON: Yeah, metrication; that's right. Show me examples of what happened.

AN HON. MEMBER: A1, your turn.

MR. SPEAKER: It's certainly not the turn of anyone else in the Chamber, and the Chair is getting a little bit concerned about the application of Standing Order 13(4)(b). Stony Plain, please.

MR. HERON: Thank you, Mr. Speaker. In the context of the heritage fund there are three main issues with Bill 224 to be addressed in this Bill. I am most concerned with the Liberals' call for development of a special economic diversification fund. For the Liberals to call for such a fund is to totally ignore the reality of the tremendously successful diversification initiatives which have already been undertaken by this government.

Before I sat down, I was looking at Bill 224 and looking for a basis for a consistent philosophy. I don't see that consistent philosophy. I'm looking at this as a Liberal attempt to gain cheap political votes. No, if I had a solid track record ahead of me and I looked at Alberta, or rather the Canadian National Railways -- and we have a firsthand example and a person who can relate it to us firsthand. What diversification took place

there? Was there any realization of where their significant operating revenues came from, western Canada? Was there any pressure to move the head office to Alberta or indeed to western Canada? No.

And when the member a few moments ago stood up and said that this is a slush fund, a convenient slush fund, it recalls to my mind the dredging scandals. Who had the slush fund in Canada? This is a concrete statement, audited by the Auditor General of this province in accordance with generally accepted accounting principles.

May I remind the hon. member of some of the initiatives that have been taken? We have, in science and technology -- we could go through them -- the Alberta Laser Institute and the Alberta Microelectronics Centre. These are solid examples of Bill 224 working, not some initiative to roll five divisions into two, such as Bill 224 suggests.

Mr. Speaker, when the hon. Member for Edmonton Kingsway said that there's confusion and a complete lack of finance -- well, believe me, that coin can be flipped the other way. I believe the confusion rests with the speaker, because there is no confusion in the presentation of these reports. We as Albertans have a crystal-clear format. As I mentioned before, any time you go towards a diversification and you take risks, you have some losses. We recognize those losses. Those losses are highlighted here in the financial statements -- not hidden, not obscure, as the hon. member suggested.

Mr. Speaker, Bill 224 completely ignores the social goals. I would be very hard pressed to go out to Albertans who have homes, who have their very first home as a result of the programs initiated by Alberta Home Mortgage, and say that the heritage fund didn't work for them. Alberta citizens strongly mandated this government to include some social goals. I note that Bill 224 advocates that all investments, for example, be measured on a quantitative rate of return and that we should preclude -- and this is the Liberal policy that went into this Bill; we have their paper. It says that we should preclude Crown corporations from investment. I think it just makes good sense that Alberta Government Telephones borrows money from Alberta funds. Would they suggest by Bill 224 that they approach the New York market and pay the transfer costs, the additional rates, and we lend our money out at a cheaper rate to that same firm through debentures in New York? No, it just doesn't make good common sense; believe me.

You know, we just have to go back a few years. Of course, it was said in the House the other day -- when I look at the proposer of Bill 224, it was suggested by the highest ranking elected official in this province that perhaps his wisdom should match his ego. I can see that all the way through Bill 224. You know, his wisdom in portfolio management is certainly not evident. All the way through you see that he's creating little funds with portfolio managers set up. He wants to create a short-term horse race. There is all kinds of evidence in popular literature that short-term horse races just create extra risk. We have AT & T. We have some of the leading pension funds in Canada who have tried that experiment where they put somebody in charge of little blocks of money. The hon. member, who I understand was in the mutual fund business, he should know. He should know that when you put people in charge of little blocks of money and divide it all up, you create short-term horse races and those short-term horse races put them into extra risk.

You know, I spoke a moment ago about the tremendous input of the boards in those foundations which this government deemed appropriate, but to replace the whole fund with a board

removes accountability of all the elected representatives. We have the responsibility for those funds. We must shoulder the responsibility, and I certainly believe that we have done so to date.

MR. CHUMIR: You'll see it differently when we take over.

MR. HERON: Well, you know, it's very, very difficult to listen to the doom and gloom statistics and what's gone wrong and what could have gone better and all this hindsight.

MR. CHUMIR: Just read the paper.

MR. HERON: Oh, I do read the papers, hon. member. I'm just delighted that in the oil and gas fields -- even today when we heard the very negative comments, I was pleased to learn that we now have at this moment 104 rigs drilling, up from 40 a year ago, and some 34 on the move. So that could say that by the end of this month we could have somewhere around 140 rigs. That's pretty good; that's two and a half times what it was a year ago.

Bill 224 doesn't recognize the changing economic scenario. The land sales in this province: the last figure was \$32 million; that's up 40 to 50 percent over last year. These are signs that this government is not lying down and playing dead by any means. And we've heard over and over that diversification hasn't occurred. Indeed, it has.

I spent my first years in Lac La Biche, and diversification in those days meant mink ranches, commercial fishing, and management of very small marginal farms. When I finished high school, diversification of Alberta meant joining the bank, the RCMP, going to a bush camp, or road construction. Look at the options that we have today for our young graduates coming out of school. Look at the options created by the very involvement of the Alberta Heritage Savings Trust Fund.

AN HON. MEMBER: Welfare.

MR. SPEAKER: Order please. The Chair directs that this is really not Committee of Supply or Committee of the Whole. Stony Plain, please.

MR. HERON: Thank you, Mr. Speaker.

No, I'm looking at the growth of diversification in this province as it is interpreted and suggested by Bill 224. Bill 224 doesn't recognize that just a very few years ago, in 1971 when this government took over, there wasn't a single money market dealer in the city of Edmonton or indeed in the province of Alberta. All investments were placed through Toronto. The money markets were essentially shut down by 9:30 in the morning. Albertans were then left with pieces of paper with a high risk. The heritage fund has saved that. The heritage fund has attracted dealers to Edmonton, has in fact encouraged the expertise to move here. The heritage fund has involved itself in so many areas of the capital markets that I can say today that I am proud that Alberta offers many, many employment opportunities to our young graduates. That's diversification at work.

Mr. Speaker, Bill 224 is shortsighted. Diversification of Alberta's economic base has been and remains a major objective of the government of Alberta. Diversification is viewed as a means for building additional stability into the province's economy while at the same time contributing to growth and employment. The aim of Alberta's diversification efforts is to encour-

age and strengthen activities that result in upgrading or further processing this province's resources. Over the years the Alberta government has encouraged diversification by pursuing policies that develop on our strengths, not the doom and gloom that we've heard over the past few weeks but on our strengths, our strengths that remove impediments and overcome constraints and that sustain a stable investment climate and recognize the vital role of the private sector.

And that's important, that we recognize the private sector. I listened to the debate on the motion about careers and jobs. Bill 224 doesn't say anything about creating a stable climate for investment so that the private sector can offer those jobs. No, Bill 224 simply says: collapse it; put it into smaller funds; put it into some of the private-sector investment people; create a horse race. It doesn't say anything about going out there and creating a long-term climate so that the private sector can create the jobs, so that the initiatives offered in the labour market strategy will work to create diversification.

Stated briefly, this government has established the Alberta Heritage Savings Trust Fund, which has provided the financial means to undertake initiatives that further enhance Alberta's attractiveness as a place to invest, maintaining a complete, competitive tax regime for the province's business community. And that's very important, with the current tax rate on small business and manufacturing and processing income being among the lowest in Canada.

And you know, we've heard so much criticism of what the heritage fund doesn't do. I ask the hon. members to turn to the schedule which shows the Canada investment division. It shows that you have in there investments that yield some 14 percent on average, with the lowest debenture showing a return of 9.5 percent and the highest at 17.75. I ask them to look at that in the context of the total return of this fund and think of the total return as replacing a sales tax which would be somewhere in the order of 6 to 8 percent. Look at the investments in this year's budget that amount to \$1.3 billion. Oh, I have a hard time with this Liberal Bill, for it doesn't recognize that Albertans have been taken. I wish instead that they would stand up and say, "Look at what Alberta has contributed to Canada."

MR. CHUMIR: Sixty billion dollars.

MR. HERON: Well, that's the top number, \$60 billion. No, there were some numbers that I saw recently for the 16-year period that ended in 1985. There are three fiscal contributors to Canada: B.C. at \$2.8 billion, Ontario at \$5.9 billion, and Alberta at \$30.8 billion. We have paid our share. We would have had a bigger heritage fund and broader diversification if some of the Liberal policies hadn't been so centralist in terms of taking off the \$50 billion to \$60 billion. I'm glad you reminded me, hon. Member for Calgary Buffalo, because I still think that we would have achieved far greater diversification had we been entitled to our proper revenue without the national energy program and the petroleum gas revenue tax.

Mr. Speaker, in view of the hour, I would like to adjourn debate.

MR. SPEAKER: On the motion of the Member for Stony Plain, those in favour please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

AN HON. MEMBER: No.

[The House recessed at 5:28 p.m.]

MR. SPEAKER: Motion carries.