Legislative Assembly of Alberta

Title: **Thursday, March 29, 1990 2:30 p.m.**

Date: 90/03/29

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

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray;

Our Father, we confidently ask for Your strength and encouragement in our service of You through our service of others.

We ask for Your gift of wisdom to guide us in making good laws and good decisions for the present and the future of Alberta.

Amen.

head: **Presenting Petitions**

MR. HAWKESWORTH: Mr. Speaker, I'd like to file a copy of a petition from 100 high school students at Ernest Manning senior high school asking that a class environmental assessment and full environmental impact assessments be required on all forestry developments before they're allowed to proceed.

head: **Notices of Motions**

MR. MITCHELL: Mr. Speaker, I rise to give notice under Standing Order 40 that I will be presenting the following motion for debate after question period. The motion reads:

> Be it resolved that the government of Alberta congratulate the University of Alberta Environment Association, the Environmental Campus Organization, the Association for Environmental Concerns Today, and the Edmonton Bicycle Commuters on their rally today at the university and encourage them in their efforts to organize the No Car Day at the University of Alberta on April 6, 1990.

head: **Tabling Returns and Reports**

MR. McINNIS: I wish to table a copy of the list of internationally renowned scientists involved with the Al-Pac EIA Review Board. I have copies for all hon. members.

MR. ROSTAD: I take pleasure in tabling the annual report for the Public Service Employee Relations Board 1988-89 and the 16th annual report, 1989, of the Alberta Law Foundation.

MR. GOGO: Mr. Speaker, I'm pleased to table today the following annual reports: Alberta Advanced Education 1988-89, the Alberta Heritage Scholarship Fund 1988-89, the Banff Centre 1988-89, Grande Prairie Regional College 1988-89, and Lakeland College 1988-89.

head: **Introduction of Special Guests**

MR. SPEAKER: The Associate Minister of Family and Social Services.

MR. BRASSARD: Yes, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you to the rest of the members of this Assembly 38 young students from the town of Olds, from Olds junior high. These students are accompanied by Dale McFarland, Garry Woodruff, both of whom are teachers, Vicki Salewich, Ron Hilton, Reg Scarrott, and Rosaline Jaskela. I'd ask that they' rise and receive the warm welcome of this Assembly.

MR. SPEAKER: Edmonton-Kingsway, followed by Ponoka-Rimbey.

MR. McEACHERN: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of the Assembly two groups of students, from the Alberta Vocational Centre. They are English as a Second Language groups. One group has 15 people and is accompanied by their teacher Roberta Brosseau. The other group, 13 members, is accompanied by Cheryl Wilson, their teacher, and the teacher aide Claire Algajer. I'm not sure I've pronounced that last name correctly. I would request that they stand – they're in the public gallery – and receive the warm welcome of the Assembly.

MR. JONSON: Mr. Speaker, today I am pleased to be able to introduce to you and through you to members of the Assembly 54 students from Rimbey junior-senior high school located in the friendly town of Rimbey. They are accompanied today by their teachers Miss Marg Ramsey and Miss Sandra Arthurson and parents Mrs. E. Grutterink, Mrs. F. Ellithorpe, and Mrs. B. Pennayer. They are seated in both galleries, and I would ask the Members of the Legislative Assembly to give them the traditional warm welcome of this House.

MR. SPEAKER: The Minister of Family and Social Services.

MR. OLDRING: Thank you, Mr. Speaker. It's a pleasure for me to be able to introduce to you and through you to the Members of the Legislative Assembly an outstanding Albertan, a former member of this Assembly and a former Attorney General, from the constituency of Red Deer-South, Mr. Jim Foster. He is seated, I believe, in the public gallery, and I'd ask that he rise and receive the recognition of this Assembly.

MR. SPEAKER: Redwater-Andrew.

MR. ZARUSKY: Thank you, Mr. Speaker. Today it's a pleasure for me to introduce to you and through you to the Assembly a grade 6 student from the Gibbons school who lives in the Redwater-Andrew constituency, Jonathan Sanders. The reason I'm doing this is because Jonathan studied government social studies and was so impressed with it that he brought his whole family here to see the government in action. I ask that Jonathan and his family rise and receive the warm welcome of the Assembly.

MR. BOGLE: Mr. Speaker, I'm pleased to introduce to you and through you to members of the Assembly Mr. Hovey Reese, the chairman of the county of Warner school committee. Mr. Reese is in Edmonton for meetings relating to both school and county. It's always good to see a friend back in our Assembly. Members, join with me in welcoming him to our Assembly.

MR. SPEAKER: The Member for St. Paul, do you have some guests in the Speaker's gallery?

We'll come back to that. Thank you.

head: **Ministerial Statements**

Consumer and Corporate Affairs

MR. ANDERSON: Mr. Speaker, I'm pleased to inform the Assembly that the life and health insurance industry has agreed to establish a compensation plan that will make sure that insurance coverage will be available to policyholders even if their company runs into financial difficulty. Today I signed an agreement with the insurance industry that will put this plan into effect in Alberta. The Canadian life and health insurance compensation plan, which is similar to the one in place for property and casualty insurance, goes into effect immediately. It will provide coverage to policyholders of insolvent life and health insurers to the following limits: $200,000 of life insurance protection, $60,000 of accrued cash values, and $2,000 income per month for disability policies or annuities.

Mr. Speaker, this plan is intended to be nationwide. Alberta is the first province to sign the agreement. It was the provincial governments which advocated to the insurance industry for the development of such a plan. While most companies have joined on a voluntary basis, Alberta now has made participation mandatory for all life and health insurance companies doing business in this province. This initiative is part of our commitment to ensure that consumers are not faced with unfair risks when making responsible purchases of financial products or services.

MS BARRETT: Mr. Speaker, I think the measure that has just been announced by the Minister of Consumer and Corporate Affairs is worthy of the support of all fair-minded people in the province. However, I point out to the minister that perhaps he'd want to look at protecting consumers in other categories: with respect to travel agents and protection for people who put their money up and then lose it when those companies go bankrupt. I would hope that in this sitting of the Assembly the minister would follow through with that type of legislation and policy.

Thank you.

head: **Oral Question Period**

AGT Privatization Proposal

MR. SPEAKER: The Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. Mr. Speaker, 83 years ago Alberta Government Telephones was established to serve the needs of all Albertans, not just the interests of corporate conglomerates like Bell Tel. Now the federal government wants to change the legislation governing telecommunications, basically to override a 1989 Supreme Court decision, so that the feds can impose their own rules on Alberta's jurisdiction. I understand that the Minister of Technology, Research and Telecommunications opposes that legislation, and so does the Official Opposition. But I wonder why it is that if the minister does in fact oppose that legislation, he's willing to jeopardize our position by considering selling even so much as one share in AGT knowing full well that if he does that, the whole case is lost to the feds.

MR. STEWART: Mr. Speaker, I take the opportunity to bring the hon. member up to date. The matter of jurisdiction over telecommunications in this province was well settled by the Supreme Court of Canada. They did that in the case of AGT and CNCP. They therefore have that authority, but it's up to us – and indeed we're pursuing it – to endeavour to reach agreement with the federal government to ensure the very points the hon. member raises; namely, that a quality service continues in the future, is fully accessible, and at reasonable rates for the customers of AGT.

MS BARRETT: Well, Mr. Speaker, I understand the minister acknowledged yesterday that he expects local rates would rise for phone users in Alberta. I would point out that the Olley report, which was paid for in part by the Alberta government, suggests that monthly service rates could rise by up to 139 percent, or 167 percent even, if we give in to the new federal law. So why is the minister, then, prepared to subject Albertans to the onerous fees for the basic right of using a natural utility?

MR. STEWART: Well, I'm afraid the hon. member still doesn't understand the situation. It's not a matter of giving in at all. If you look around not only at the law that prevails in these circumstances but as well at what's going on in Canada and worldwide, one will see that there are indeed trends towards rate rebalancing with or without what you may refer to as privatization. It is a fact of life that there will be more competition. It is a fact of life that there will be more deregulation. Our challenge, and indeed it's an opportunity as well, is to position AGT so we can address the needs of all Albertans yet meet the challenges and opportunities in the worldwide marketplace – $300 billion in the marketplace of telecommunications – and at the same time make sure that AGT is positioned to best look after the needs of Albertans now and into the future.

MS BARRETT: What he's really saying, Mr. Speaker, is that local rates should rise and people should pay a lot more for basic services.

Mr. Speaker, I understand that the Premier said last week with respect to OSLO that the private sector is far better off to wait until the demand is there, because their only obligation is to the shareholders. Now, it seems to me that that's exactly the case with AGT. Many parts of Alberta would not have quality service were it not for the public ownership of AGT. Does the Premier not agree that a privatized AGT would only respond to the bottom line and that Albertans could stand to pay more for a lot less service?

MR. GETTY: Perhaps, Mr. Speaker, that might be the way it would happen if the hon. member was involved in it, but the government of Alberta obviously has a responsibility to make sure there is legislation that will continue to protect the interests of the people of the province. The hon. minister of research and technology has explained that to the member, and she should just wait and see how things develop.

MS BARRETT: Wait until it's privatized.

MR. SPEAKER: Second main question.

MS BARRETT: Mr. Speaker, I'd like to designate the second question to the Member for Edmonton-Strathcona.

MR. SPEAKER: Edmonton-Strathcona.

Police Chase Inquiry

MR. WRIGHT: Thank you, Mr. Speaker. My question is to the Attorney General and concerns the hazardous chase policies of the Royal Canadian Mounted Police and, indeed, any other police in the province. Hon. members are aware, of course, that in the last six months there has been a rash of deaths following hazardous police chases, either at the end of the chase or during the chase. We had hoped that the inquiry into the Didsbury one, conducted under the Fatality Inquiries Act, would come up with some definite recommendations as to the existing policies of the police. As I'm sure the Attorney General is aware, the learned judge who delivered the verdict there says that in his opinion the necessary findings are beyond his power, and he asks, therefore, for a public inquiry of some sort.

MR. SPEAKER: Question, please.

MR. WRIGHT: My question to the Attorney General is: what are his intentions in calling this public inquiry, either a public inquiry proper or a review by the Law Enforcement Review Board?

MR. ROSTAD: Mr. Speaker, the tragedy that occurred at Didsbury with the Simm family and the family from B.C. is very unfortunate. In terms of highway pursuits, which is with – the RCMP in Alberta is truly under the jurisdiction of the Solicitor General. The recommendation and the Fatality Inquiries Act is definitely my jurisdiction. Having not been in the building this morning, I was only apprised of this decision as I was coming into the Assembly. I understand that the judge sitting on the fatality inquiry said that he could not find guilt, which of course is true because a fatality inquiry is not for that purpose, and has suggested that there be an inquiry either under the Public Inquiries Act or the Police Act to determine ways to stop this tragedy. I will certainly take that under advisement.

I understand the report is approximately 40 to 50 pages. I'd like to have a chance to peruse that, find out what the rationale and reasoning is.

I can share with the Assembly and the hon. member that at a recent meeting with the deputy commissioner of the RCMP from Ottawa he said that there is an intense investigation under way now to determine if there needs to be a change in the policy. The province of Alberta seems to be unique in some way with fatality inquiries, certainly within the RCMP, where we have had 11 or 12 in the past. Whether that's a coincidence or not, we don't know. But in other provinces there are very few, and perhaps – this is not his comment; it's mine – we have to study the driving habits of the citizens of Alberta and not just the policing activities. So that investigation is under way. I will take the report under advisement and see whether we do need an inquiry.

MR. WRIGHT: Mr. Speaker, I'm in no way imputing blame on the Mounted Police. They have to respond to these situations, which are dangerous to start with, but that's the question: what should be the policy? In view of the fact that it's not just a provincial matter, does the Attorney General contemplate that there might be co-operation with Ottawa in having a wider inquiry than a merely provincial one?

MR. ROSTAD: Well, I can share that in my conversations with the RCMP they're as interested as anybody to determine if there is something the matter with their policy or whether it's an abridgement of that policy that has been the case. We do have, as the hon. member alluded, a jurisdictional problem if we were going to do an inquiry on the RCMP because they come under federal jurisdiction, and it would have to be with their agreement and complicity that an inquiry that would have any strong recommendations could be taken. After reading the report and discussion, and certainly the involvement of the Solicitor General, who has that direct responsibility, we will report back.

MR. SPEAKER: Final.

MR. WRIGHT: Yes, Mr. Speaker. It was a surprise, I think, to all of us that the learned judge felt he couldn't make these recommendations. Does this perhaps not point to a weakness in the terms of reference of fatality inquiries? Would the Attorney General undertake to look into that in case they can be approved so as not to waste, in effect, a rather expensive and certainly not short inquiry?

MR. ROSTAD: Mr. Speaker, I certainly can take that suggestion under consideration, but I don't think there is anything wrong with the Fatality Inquiries Act. What it was designed to do was to ask who, what, where, why, and when, and generally those types of things can be determined. Imputing liability, criminal or civil, is not the purpose of the Fatality Inquiries Act, and if the judge in this particular instance is quizzing whether that is beyond his jurisdiction with the Fatality Inquiries Act, there are other methods. If it's purely to get to the basis of the chase policy, then I'm not so sure that a public inquiry is necessary. But again, I will go back and study the report and together with the Solicitor General determine our policy and report back.

Alberta-Pacific Project Report

MR. DECORE: Mr. Speaker, yesterday the Premier, to the delight of Albertans, informed Albertans that he and the Minister of the Environment were on the same team, although sometimes one has to wonder about the Minister of the Environment. The Premier has done a complete about-face on this matter, criticizing the review panel's recommendations, saying that the process was unbalanced. Today a respected scientist who is a member of that review panel challenged the Premier to appoint people from the Royal Society of Canada, scientists who could impartially help assess or review the review. For the record, my first question is for the Minister of the Environment. I think it's important to straighten out the record. I'd like to ask the minister whether he shares the Premier's position that the Al-Pac hearings were in fact unbalanced and that they simply mirrored that which opposition said and not the reverse or the other side of the argument.

MR. KLEIN: Well, Mr. Speaker, the Premier's entitled to his opinion. I'm not about to muzzle the Premier. This is a party that has the opportunity for open and honest discussion.

Relative to the question, Mr. Speaker, we plan to do a full assessment of the recommendations contained in the Al-Pac report. We plan to announce within days an independent firm that can undertake a detailed study of the scientific findings of the report. We plan to do a study of the chlorinated organics as they affect the fish in the lower reaches of the Athabasca River. I don't know how the scientists that the hon. leader of

the Liberal Party refers to can hope to complete that particular study in a day or a week or two weeks, because we feel it's going to take us at least two years to complete that kind of work and get proper, good information.

MR. DECORE: Well, Mr. Speaker, I don't think the hon. minister heard the question. The question was: after some 8,000 pages of evidence that the minister said couldn't be ignored, after the most comprehensive review in Canadian history, as the minister quite correctly noted, is the minister in agreement with the position taken by the Premier, and that is that this review panel process was unsound and that the process was not proper?

MR. KLEIN: Mr. Speaker, the Premier at no time ever said that the findings were unsound. That is just a bunch of balderdash. [interjections]

MR. SPEAKER: Order. Order in the House. The Minister of the Environment is still up.

MR. DECORE: I thought he sat down.

MR. SPEAKER: Order. Thank you.

MR. KLEIN: If the hon. leader of the Liberal Party would take the time to read *Hansard,* he would find that the Premier had some very, very good things to say about the Al-Pac review, and he expressed an opinion relative to some things that he perceived to be a deficiency in the review. The Premier is entitled to his opinion. Every individual in this Legislative Assembly is entitled to an opinion. Even the hon. leader of the Liberal Party is entitled to an opinion. If he could express a proper one, people might listen to him from time to time.

MR. DECORE: It's my opinion, Mr. Speaker, that they're not on the same team.

Mr. Speaker, my question is to the Premier. In view of the challenge made by the distinguished scientist who was part of the review panel asking the Premier to consider putting people on from the Royal Society rather than simply going and getting pals to say what you want to say, is the Premier prepared to take up that challenge and appoint people from the Royal Society?

MR. GETTY: Mr. Speaker, the hon. member really does have a responsibility in the Legislature to be different than when he's outside. Within the Legislature surely he has to deal with some semblance of fact. Surely there's a responsibility on someone who's elected by the people of Alberta to come into the Legislature to deal with the facts as they're here before us, both as we explained them yesterday and as they're in *Hansard.* To have the hon. member distort the facts so badly is certainly not doing any credit to his party, certainly no credit to this Legislature. He knows that the government has an independent, technical analysis about to commence – independent, technical analysis from world experts. Today we're faced with that fact: that, he says, we are getting our friends to tell us what we want. Now, how can he be talking the facts? He has a responsibility in here. I understand that outside of the Legislature you can get away with all that kind of nonsense, but now you're elected by the people of Alberta, and you have a responsibility for facts and truth. Would you please conduct yourself that way?

MR. SPEAKER: Calgary-Millican, followed by Edmonton-Jasper Place.

Eviction of Tenants on Short Notice

MR. SHRAKE: Thank you, Mr. Speaker. As I understand it, under provincial law in the province of Alberta to ask somebody to vacate premises where they have a dwelling unit, we allow three months. Unfortunately, in this province I guess we have something like 25,000 suites that are nonconforming or illegal. These are often basements in a home or a duplex that has been converted into a fourplex. In the city of Calgary now we have the bylaw enforcement officers after some of the landlords for these suites, and, in turn, the landlords are after the renters, who are the victims in this situation, and they're giving them very short eviction notices. I've had some calls lately that they must be out by as short as the end of April. So can the Minister of Consumer and Corporate Affairs, who's responsible for the landlord/tenant issues, please advise: do these tenants also have some rights?

MR. ANDERSON: Mr. Speaker, the Landlord and Tenant Act, passed by this Assembly, says that anybody who occupies a residential premise has the right to three clear months' notice before being evicted from a premise. That's the current Act. Those are, in fact, the rights that Albertans hold if they're in a residential premise or one that is self-contained by definition of the Act.

MR. SHRAKE: Supplementary question, Mr. Speaker. Most of these people who are receiving these notices are in a self-contained dwelling unit, and a lot of them are parents, some single parents. Actually, if they do get three months, that'll take them to the end of the school year. Could the minister advise if he will inform the city of Calgary and perhaps use his good office to see if we can strike a balance so that these people aren't penalized and they don't have to pull their children out of school prior to the end of the school year? Because three months from now school will be out, and it'll be a lot of assistance to these people, Mr. Minister.

MR. ANDERSON: Mr. Speaker, I can inform the hon. member and the Assembly that in fact we have talked to the city of Calgary. The city of Calgary has indicated that they will comply with provisions of the Act in giving the required three months' notice. If the hon. member is aware of any individuals who are not being afforded that right, as they have under law, I'd be glad to discuss with the city of Calgary those individual cases.

MR. SPEAKER: Edmonton-Jasper Place.

Alberta-Pacific Project Report
(continued)

MR. McINNIS: Thank you, Mr. Speaker. Earlier today I tabled a list of 10 world-renowned scientists who gave their work to the Al-Pac EIA Review Board. Some of them work for government, some for industry, some at universities, and some in private practice. Now, the Premier is entitled to his opinion, and I'll defend that. But what he's not entitled to do is to call their work unbalanced. He's not entitled to say that they fail to critically assess information. He's not entitled to say that their recommendations are skewed. As recently as yesterday he

was on television saying that he questioned their analysis. He said that the report lacks depth. Don knows depth, all right. I want to know if the Premier is going to stop hiding behind all this political double-talk and take advantage of the offer to refer this professional question to a professional committee of the Royal Society and have it settled.

MR. GETTY: First of all, Mr. Speaker, it's the same question the leader of the Liberal Party posed, so I guess they must be pooling their research dollars over there.

Mr. Speaker, we've already put in place the process that the government is going through to assess the report. I want to also clear the hon. member's mind of the terms that he used. He may be getting them from somewhere, but he isn't getting them from me. There are many people who present reports to the government – I said yesterday, my good friend Mr. Lou Hyndman, the Ombudsman, the Auditor General – and where is this sudden magic that everybody is supposed to accept every report carte blanche? Why is that? And where do we get this high-flying rhetoric from the hon. member that if you don't accept it carte blanche right off the bat without assessing it, somehow you're denigrating the people who did it? Now, I've never heard such nonsense before. We are not denigrating Mr. Hyndman by not accepting his report totally without going through an assessment. We don't denigrate the Auditor General by taking the time to assess his reports, or the Ombudsman or the Premier's council on disabilities. These are a series of reports that come to us, and in a measured, responsible way we're taking the time to assess them. That's what the people of Alberta want us to do.

MR. McINNIS: The Premier hasn't called Mr. Hyndman unbalanced. He hasn't accused him of failing to critically assess information. He hasn't said that his recommendations are skewed. He hasn't questioned his analysis. He hasn't said his report lacks depth. That's the difference.

Until yesterday the Environment minister said that he was not invited to the secret meeting held in the Premier's office. Until yesterday the Environment minister said that there would be a new EIA when the new Al-Pac project comes in tomorrow. As of yesterday the Environment minister is no longer prepared to say either of those things. I would like the Premier to tell us what he said to the Minister of the Environment to change his behaviour so dramatically in one day.

MR. GETTY: Mr. Speaker, will the hon. member please frame his questions with some semblance of fact? I know he's unintentionally distorting because he has a lack of the facts, but please take the time to acquire some facts and place a question, because I'm eager to answer your questions to help you.

MR. SPEAKER: The Member for Edmonton-Calder.

Child Welfare Caseloads

MS MJOLSNESS: Thank you, Mr. Speaker. It's clear that this government has been in power too long and is not working towards a healthy future for Albertans, especially children. Teachers, foster parents, native people, social workers, hospital personnel, counselors, and parents are all extremely concerned about the high caseloads in child welfare. It is my understanding that caseload size is a priority in this year's round of negotiations. To the Minister of Family and Social Services. Given that in many instances a child in this province must wait up to three weeks before an investigation is to take place and children are not getting the services they deserve, will this minister show that he cares about these children and make a commitment immediately to lower child welfare caseloads?

MR. OLDRING: Well, Mr. Speaker, certainly this minister cares, and this government cares. The member knows full well that our financial commitment to child welfare is very substantive in this province. It once again had a large increase in this year's budget, as the member knows. The member should know, too, that because of my concerns I took it upon myself to meet with front-line child care caseworkers from each and every office that we have located right across this province. I had through that the opportunity to be able to assess directly some of the concerns and issues that were important to them. I would want to assure that member and I would want to assure this Legislative Assembly that we are concerned about the caseloads that some of our workers are required to carry. We are working with them, and we're working through a joint consultative process to address those concerns, Mr. Speaker, and I think we're making some meaningful progress.

MR. SPEAKER: Supplementary.

MS MJOLSNESS: Thank you, Mr. Speaker. The health and well-being of children are being placed at risk in this province because the caseloads are too high. Children are waiting up to three weeks to get some help, yet this minister has cut funding in his budget for intake and investigation in child welfare. How can this minister justify placing children at risk by cutting his budget for investigations in child welfare and not making a commitment in this Assembly today to lower caseloads?

MR. OLDRING: Well, again, Mr. Speaker, our commitment to providing for the children who need our support is strong. There aren't children who are in urgent situations who are waiting three weeks. That isn't happening in Alberta. If it's an urgent situation, we are responding to it on an urgent basis, and we're responding very, very quickly. Again, I think if we look at the services that we make available to children in this province who require our help, it's exhaustive. I'm again more than satisfied that not only are our caseworkers doing an extraordinary job of addressing those needs, but they're also doing a good job of working with communities in addressing those needs. Together and along with foster parents - I should be mentioning that and acknowledging the good work of the foster parents in this province, and I want to say again that this minister is working very closely with them. Together we're going to continue to assure that the needs of the children of Alberta under our care are being met 100 percent.

MR. SPEAKER: Edmonton-Meadowlark.

Ecological Reserves

MR. MITCHELL: Thank you, Mr. Speaker. Mr. Speaker, proponents of the endangered spaces program argue that ecological reserves are lifeboats to our future. They are, because the understanding and the preservation of wilderness areas and

of our complex ecosystems are critical to protecting and sustaining the environmental health of our province. Judging by the tremendous response last night to the Endangered Spaces Rally at the Jubilee Auditorium, it's very clear that a great number of Albertans are concerned that we're not setting aside sufficient wilderness reserves fast enough. My question is to the Premier. Will the Premier please endorse the endangered spaces program by requiring that at least one ecological reserve of adequate size be set aside, reflecting each of the 17 ecological regions of this province, that at least 12 percent of the province be protected in its natural state . . .

MR. SPEAKER: Whoa, whoa, whoa, whoa. Thank you. Paragraph 3; two's enough.

Mr. Premier.

MR. GETTY: Mr. Speaker, representations from the hon. member and from other Albertans, people in this province, are always considered by the government as we fulfill the responsibilities that we have as a government. We will consider them in a balanced way. We will see if it's possible to do these things. The Minister of Recreation and Parks and the Minister of Forestry, Lands and Wildlife will also be involved, and we will treat these matters in a responsible, reasonable way.

MR. MITCHELL: You've had at least 10 years to consider representations and to implement this program properly.

In considering these representations from this member and from the residents of Alberta, could the Premier please tell us how he can possibly allow the Minister of Recreation and Parks not only to put a freeze on wilderness reserve development in this province but, while we wait, to ask his department officials to scale down the size of three ecological reserves that are currently under consideration by his department?

MR. GETTY: Mr. Speaker, the hon. Minister of Recreation and Parks will be in the Legislature soon, and his estimates will be in the House as well. I would expect that the hon. member would have the courtesy to wait until he's here and raise these issues with him. I think they may have an interesting debate between them as to the accuracy of the hon. member's questions, but I think the Legislature gives a perfect opportunity for the hon. member to make his representations.

MR. FJORDBOTTEN: Mr. Speaker, I'd like to supplement the answer of the hon. Premier. The endangered spaces campaign is one that I think is an excellent one and which we are supportive of. In fact, we're providing leadership in many areas. For example, the Prairie Conservation Co-ordinating Committee is unique in Canada, and we hope other provinces will follow our lead. It's really the largest multipartite environmental group that's met in this country in dealing with trying to protect areas that are representative across this province. It'll be working together with the Minister of Recreation and Parks in a very dedicated way. I have to say, too, that the Deputy Premier and I were in Medicine Hat to meet with the Prairie Conservation Co-ordinating Committee and discussed at length with them the direction that we'll be taking to see that Alberta continues to provide the leadership it has in the past with protecting land areas.

MR. SPEAKER: Edmonton-Whitemud.

Public Service Employee's Settlement

MR. WICKMAN: Thank you, Mr. Speaker. On March 20, in response to a question of mine on the firing of three individuals who were part of Liberal campaigns, the Minister of Public Works, Supply and Services stated, according to Hansard:

> First of all, Mr. McMann was not fired or terminated. The gentleman resigned from his position with the public service in the province of Alberta.

Further on he states:

> In the case of one Don McMann, the gentleman was not fired or terminated. He resigned, Mr. Speaker.

And once more the minister states:

> Mr. McMann was not fired or terminated. This particular individual resigned under his own volition.

My question, Mr. Speaker. In view of the fact that I've been informed that three months of negotiations on behalf of government occurred and Don McMann was eventually given an out-of-court settlement, to the Minster of Labour, responsible for personnel. Is it government policy to negotiate settlements with employees who leave on their own volition?

MS McCOY: Mr. Speaker, it's true that I'm responsible for the public administration office, but it is also true that the individual cases are the responsibilities of the individual departments. I believe the minister responsible for public works has answered these questions in the House, and I would invite his acting minister to supplement answers.

MR. WEISS: Mr. Speaker, if I may respond. As acting minister for the Minister of Public Works, Supply and Services, who's not here today due to an illness, I'd be pleased to take those answers under advisement for him, because I believe they were partially responded to, but the hon. Member for Edmonton-Whitemud has raised another series of questions in regard to that.

MR. WICKMAN: Mr. Speaker, in view of that fact that I'm not getting clear answers to questions of policies, to the Premier . . .

MR. SPEAKER: Order, hon. member. *Beauchesne* clearly states that that's an inappropriate comment, so let's get on with the question, thank you.

MR. WICKMAN: Mr. Speaker, to the Premier. Will the Premier give this Assembly his undertaking that his office will investigate this complete situation as to why negotiations went on for three months to arrive at an out-of-court settlement if this individual, Don McMann, left of his own volition?

MR. GETTY: Mr. Speaker, the Minister of Labour and the Acting Minister of Public Works, Supply and Services have already replied to the hon. member's question and, I thought, in a very reasonable way. They are going to make sure that the minister involved will be responding to the additional questions.

MR. SPEAKER: Thank you.

The Chair would also refer the Member for Edmonton-Whitemud to the comments made by the Chair yesterday at the end of question period with respect to a point of order that had been raised previously by the Minister of Career Development and Employment and comments made by the Member for

Edmonton-Kingsway. This matter of making issues public and naming individuals to this Assembly and through the media is one where greater caution really ought to be exercised.

The Member for Wainwright.

AADAC Regional Offices

MR. FISCHER: Thank you, Mr. Speaker. My question is to the chairman of the Alberta Alcohol and Drug Abuse Commission. Drug and alcohol abuse is the most progressive terminal illness in Alberta society. It affects one in four young people and touches the lives of 14 others. Last fall it was announced by the commission that they would set up a number of regional offices to bring counseling services to areas with a high degree of drug and alcohol abuse. Communities are anxiously awaiting action on this announcement. Could the minister update the Assembly on the time line for when these offices will be in full operation and, in particular, the Provost office?

MR. SPEAKER: Not the minister but the chairman of AADAC.

MR. NELSON: Thank you, Mr. Speaker. With the tremendous support of the Premier and the government AADAC did announce the addition of five area offices to assist communities in developing and enhancing their life-styles by having support from various offices and support staff from AADAC. All five offices are presently in temporary locations. They have a supervisor in place, and I might add that we were fortunate that all supervisory positions were filled by AADAC staff who were pleased to have a transfer into some of our rural communities. We've also added one support staff, who was hired. We had indicated support to the community, that we would endeavour to add the support staff from the community the office was placed into, and I might say that that position has been filled. The third position of a second counselor is presently being advertised and will also be filled, we hope, from each of those communities. Insofar as the operation in full place, once public works has given us the full space that's required, these offices will be completed between now and June.

MR. SPEAKER: Supplementary, Wainwright.

MR. FISCHER: Thank you. The problem of substance abuse continues to cause many Alberta communities a lot of concern. What additional expansion plans do you have for these regional offices?

MR. NELSON: Mr. Speaker, AADAC has done many assessments as to needs throughout the province and in particular our rural communities, separate from our major cities. We continue to do an evaluation as to what those needs might be with our staff and the communities. As resources become available, we will make every effort to place those resources into the communities as needed and as available. We feel that with AADAC we have a unique organization not only in Canada but possibly in the world that provides the widest range of education, prevention, and treatment services of any organization of its nature in the world.

MR. SPEAKER: Clover Bar, followed, if there's time, by Stony Plain.

Water Supply in Clover Bar

MR. GESELL: Thank you, Mr. Speaker. Potable water is a necessity for Alberta residents, and in the area southeast of Edmonton we have ongoing difficulties with the quality of water as well as insufficient quantities of water. Strathcona county, the county of Beaver, the communities of Ardrossan, Antler Lake, Deville, North Cooking Lake, Tofield, Ryley, Holden, as well as Viking have joined in discussions to address these water concerns and have submitted a proposal for a regional water line. To the Minister of Transportation and Utilities. Will our government seriously consider this proposal and assist these municipalities in providing potable water in sufficient quantities for their residences?

MR. ADAIR: Mr. Speaker, in response to the hon. member, the best answer I can give right now is that we are working with the county and the proposal that was relative to Highway 14 and that I would assume I'll be able to have more discussions and more detail when I get into my estimates.

MR. SPEAKER: Supplementary.

MR. GESELL: Thank you, Mr. Speaker. Further, there is some time pressure with some of these communities, particularly the town of Tofield, which needs a water treatment plant. Can the minister then indicate that this project might be initiated early enough so that those municipalities do not incur expenditures for alternate water treatment systems which may become redundant if the regional water line comes on stream?

MR. ADAIR: My best answer, Mr. Speaker, would be that I hope so.

MR. SPEAKER: Stony Plain.

Community Schools

MR. WOLOSHYN: Thank you, Mr. Speaker. Everyone agrees that community schools play an important and healthy role in meeting the needs of students and families. I was pleased to hear the minister's promise that funding for existing community schools is secure. The community school concept involves a number of departments, and that co-ordination needs to be strengthened, not cut back. My question to the Minister of Education is: if the minister is so committed to community schools, then why is he in the process of disbanding the Interdepartmental Community School Committee office, thereby risking the isolation of community schools from other government agencies instead of increasing liaison?

MR. DINNING: Mr. Speaker, we are in the process of strengthening the community school program by putting in place the assistant deputy minister as the chairman of that interdepartmental committee and then making sure that the regional offices throughout the province are in greater contact and closer touch with the community schools, some 67 throughout the province. So clearly our commitment to the community schools program is there; in fact, it's stronger than ever.

As I've mentioned in the Legislature in the past, we're now moving on to what I call the next generation of community schools with a pilot project in Calgary with the four boards in Calgary and Edmonton by focusing on the needs of students in

the inner-city-like schools who have needs that are different, and perhaps greater needs for education as well as social programs, to help those students in those schools get over the hurdles that are there in the way of their getting a quality education.

So, Mr. Speaker, between our community school program and our high needs program I can say that this government is very much in tune with what the needs of kids are.

MR. SPEAKER: Supplementary.

MR. WOLOSHYN: Thank you, Mr. Speaker. It appears the committee is staying.

In any event, I agree with the minister that the community schools concept is widely supported. There are 30 qualified, committed community schools which have not received the funding that they were entitled to because of this government's callous suspension of the accreditation process of community schools. These volunteer groups can be forgiven for saying enough is enough when there has been no funding for new community schools since 1983. My question to the Minister of Education is this: given that the minister has cut the co–ordinating committee, or in this case has denied cutting the committee, what assurances will he give to this Assembly and to those 30 schools that he is not freezing the program forever?

MR. DINNING: Mr. Speaker, instead of just responding to community school applications on a preferential basis – first in, first received – we're instead going to the next generation of community schools and focusing on those schools where students have the greatest need. I think that's a responsible way to spend taxpayers' dollars, rather than an unfettered distribution of funds to the first people who apply. Better we focus on the needs of children and focusing just on those needs and making sure that the highest needs are met first, and that's what the high needs program does. We're in a pilot program in Calgary and Edmonton right now with the four school boards there. I look forward to that program being successful and hopefully providing my colleagues and all members of the Assembly the evidence to show that that kind of a program is worth funding. Who knows? We may be seeking further funding in the years ahead.

MR. SPEAKER: Edmonton-Beverly, and if there's time, Calgary-North West.

MR. EWASIUK: Thank you, Mr. Speaker.

MR. SPEAKER: Edmonton-Beverly just under the wire. May we have unanimous consent to have this series of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.
Edmonton-Beverly.

Mortgage and Housing Corporation

MR. EWASIUK: Mr. Speaker, yesterday the Minister of Municipal Affairs indicated in this Assembly that there are three or four portfolios of the Alberta Mortgage and Housing Corporation that are up for sale so the government can recover every dollar possible as a result of a history of waste and mismanagement. The minister suggested that I was misleading this House in terms of numbers, and while he may have his own version of the dollar amounts, he did not deny that this government is going to sell off the operations of the Alberta Mortgage and Housing Corporation. My question to the minister is this: will he confirm to this Assembly that he has agreed to sell the mortgage lending portfolios to Montreal Trust and that five other companies are vying to purchase the two other commercial portfolios; namely, real estate and land?

MR. R. SPEAKER: Mr. Speaker, to the hon. member. Under the responsibility that I have with the Alberta Mortgage and Housing Corporation, we have some $2.1 billion in mortgages; $1.1 billion of those are in two programs called CHIP and MAP, the core housing incentive program and the modest apartment program; $600 million of that mortgage portfolio is with regards to single-family residences. So there are in a sense two main categories of mortgages.

In reviewing the Alberta Mortgage and Housing Corporation responsibilities, which is a broad base of responsibilities with regards to real estate and land and mortgages, I have said that I want to look at all the possibilities of transferring the responsibilities back to the private sector. Any land or real estate or mortgages I have that can be sold off and taken out from under the umbrella of government administration – it is our intention as a government to do that. Mr. Speaker, that is our intention. With regards to the discussions that are going on with various groups that have the capability of buying the mortgages, that is at the discussion stage. There is no definite or final decision made at this point in time. It is in the discussion stage and properly so.

MR. SPEAKER: Supplementary.

MR. EWASIUK: Well, Mr. Speaker, obviously it's time for a change when this government is ignoring the needs of working families not only by kicking them out of their homes, as has been the case with the Alberta Mortgage and Housing Corporation all over the province, but by taking jobs from people. The fact is that the portfolios are being sold to a company which already deals in lands and real estate.

MR. SPEAKER: Order please. Hon. member, please. You know, the House has given the extra courtesy of extending question period. Let's have the question, please.

MR. EWASIUK: Thank you, Mr. Speaker. The fact is that the portfolios are sold . . .

SOME HON. MEMBERS: Question, question.

MR. McINNIS: Shut up.

MR. SPEAKER: Thanks very much, hon. member. [interjection] Thank you very much.
Straight to the question.

MR. EWASIUK: Thank you, Mr. Speaker. Will the minister confirm that as a result of the sale to Montreal Trust and other assorted companies, the number of jobs eliminated in the main and branch offices of the Alberta Mortgage and Housing Corporation is approximately 70 percent or some 315 jobs? Is . . .

MR. SPEAKER: Hon. member, that's a question, thank you. Let's not try the patience of the whole House forever.

MS BARRETT: Well, these guys . . .

MR. SPEAKER: Thank you very much.
Minister of Municipal Affairs.

MR. R. SPEAKER: Mr. Speaker, I have two comments in response to the hon. member. First of all, the slurs in the opening comments are very unbecoming of the member. I think that in the future the hon. member should write his own questions, because I know he can present it in a responsible manner about his concern with regards to the employed. And, secondly, I gave him the benefit of the doubt. [interjections]

MR. SPEAKER: All right, let's do the second part. Let's get on with it.

MR. R. SPEAKER: My apology for standing, Mr. Speaker.

In response to the question with regards to the employees of the Alberta Mortgage and Housing Corporation, we are carrying on one of the most open reviews of any kind of administrative establishment that could ever be carried on. All of the changes, all of the matters that are under discussion are in total public view to every one of those employees. They will know that at a point in time when we do not have further responsibility for a function that we will have to look at other opportunities of employment for those persons. We are treating them with the utmost of care and responsibility and compassion. That is how it's handled. There will not be a Monday morning when pink slips come. There will be days when we sit down and discuss the changes with the employees, because I am concerned and the Premier is concerned. Those were the terms of reference for this review: that we show our full compassion – and we are – and that we will work out the best alternatives for those people when we transfer responsibilities for functions back to the private sector where they rightly should be.

MR. SPEAKER: There's a point of order already in progress. Clover-Bar.

MR. GESELL: Thank you, Mr. Speaker. I want to cite *Beauchesne* 484(1), *Beauchesne*, sixth edition. Mr. Speaker, I want to apologize to you first. I could not gain your attention early enough, and I waited until the Premier had finished his response.

My point of order relates to the question asked by the hon. Member for Edmonton-Jasper Place. I believe he referred to the hon. Premier by his first given name. Mr. Speaker, I find that somewhat disrespectful, not in accordance with the custom . . .

MR. SPEAKER: Thank you, hon. member, that's sufficient. As pointed out the other day with respect to another one of the caucuses, it's up to the individual member to raise that matter, and I'm quite certain the Premier has all the capacity needed to fend for himself. Thank you. Point well made.
Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. I wanted to reply to a point of order raised the other day, in which you commented . . .

MR. SPEAKER: Thank you very much. That's entirely out of order. Take your place. [interjection] Take your place, hon. member.

MR. McEACHERN: But you were asking . . .

MR. SPEAKER: I'm sorry, hon. member. The Chair, indeed, is quite willing to meet with the member after the House.
Once the point of order has been given, so be it.

head: **Motions Under Standing Order 40**

MR. SPEAKER: Standing Order 40. Edmonton-Meadowlark.

Mr. Mitchell:
Be resolved that the government of Alberta congratulate the University of Alberta Environment Association, the Environmental Campus Organization, the Association for Environmental Concerns Today, and the Edmonton Bicycle Commuters on their rally today and encourage them in their efforts to organize the No Car Day at the University of Alberta on April 6, 1990.

MR. MITCHELL: Mr. Speaker, there is growing concern in this province, in fact in the world today, with the greenhouse effect and the contribution to it of carbon dioxide from fossil fuel consumption. Alberta produces about one half of 1 percent or one-two hundredths of all of the carbon dioxide that is produced in the world and, therefore, has a huge role to play in solving the problem and has a huge economic stake in ensuring that its resolution is not inconsistent with our energy industry. Solutions exist in part in individual action to conserve through alternate transportation modes. For that reason, Mr. Speaker, I think it is important that the Legislature today congratulate the organizers of that rally at the university and encourage them in their efforts to undertake the No Car Day at the University of Alberta on April 6, 1990. I would ask that the members of the Legislature approve this resolution.

MR. SPEAKER: Under Standing Order 40, it is a request for unanimous consent to go forward. Those members in favour of granting unanimous consent because of the case of urgency, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: It's a curious, strange thing.

head: **Orders of the Day**

head: **Written Questions**

MR. GOGO: Mr. Speaker, I move that all Written Questions appearing on the Order Paper, except 216 and 217, stand and retain their precedence on the Order Paper.

[Motion carried]

216. Mrs. Hewes asked the government the following question: How many emergency food vouchers were issued by the Department of Family and Social Services for the fiscal years ended:
(1) March 31, 1986,
(2) March 31, 1987,
(3) March 31, 1988,
(4) March 31, 1989, and
(5) March 31, 1990?

[Question accepted]

217. Mrs. Hewes asked the government the following question: What is the total number of children with child welfare status in the province for the fiscal years ended:
(1) March 31, 1986,
(2) March 31, 1987,
(3) March 31, 1988,
(4) March 31, 1989, and
(5) March 31, 1990?

[Question accepted]

head: **Motions for Returns**

MR. GOGO: Mr. Speaker, I move that all Motions for Returns appearing on the Order Paper, except for 165, 174, 195, 200, 202, and 221, stand and retain their place on the Order Paper.

[Motion carried]

165. Mr. McInnis moved that an order of the Assembly do issue for a return showing a copy of all agreements, correspondence, and other documents covering all understandings between the Crown in the right of Alberta and
(1) Alberta-Pacific Forest Industries Inc. or its owners in respect of construction of a pulp mill near Athabasca and related forestry operations,
(2) Daishowa Canada Co. Ltd. or its owners in respect of construction of a pulp mill near Peace River and related forestry operations,
(3) Weldwood of Canada Ltd. or its owners in respect of expansion of the pulp mill near Hinton and related forestry operations,
(4) Procter & Gamble Cellulose Ltd. or its owners in respect of the expansion of the pulp mill near Grande Prairie and related forestry operations,
(5) Alberta Energy Company Ltd. in respect of construction of a pulp mill near Slave Lake and related forestry operations,
(6) Millar Western Industries Ltd. in respect of construction of a pulp mill near Whitecourt and related forestry operations,
(7) Sunpine Forest Products Ltd. or its owners in respect of a lumber mill near Rocky Mountain House and related forestry operations,
(8) Alberta Newsprint Company Ltd. or its owners in respect of construction of a pulp mill near Whitecourt and related forestry operations, and
(9) Pelican Spruce Mills Ltd. or its owners in respect of construction of a sawmill and oriented strandboard mill at Drayton Valley and related forestry operations.

MR. McINNIS: Mr. Speaker, it's with eager anticipation that I move Motion 165.

MR. FJORDBOTTEN: Mr. Speaker, we debated a series of motions in the last session – motions 149, 150, 151, 152, 153, 156, 159, 161, and 162 to be specific – that were identical to this motion for a return, and as we stated last year in response to these motions, private correspondence and commercial and contractual information is not normally released. The situation, really, with forestry in Alberta is unique, in that virtually the only contractual agreements that are made with forest companies are those specific items such as forest management agreements, quota certificates, et cetera. Any of those agreements are available to the public shortly after they're signed. At that time, Mr. Speaker, when the motion was addressed, I gave the full and complete answer, and I refer members to the *Hansard* copies of that.

I find it difficult that we waste valuable time in the Legislature dealing with items that were discussed before and so clearly rejected, and so, Mr. Speaker, I'm asking the Assembly to reject Motion for a Return 165.

MR. MITCHELL: Mr. Speaker, I'd like to rise and speak in support of the motion. I find it unacceptable, as I know many members of this Legislature and certainly people in Alberta find, that the government is so inclined to do so much of its work in the public domain behind closed doors. In each of the cases of documentation that is requested, there is a reasonable need for early recognition and accountability on the negotiations that may be undertaken on the kinds of commitments that may be made by this government with private-sector entities who will be, among other things, allowed to control vast tracts of land in northern Alberta under forestry management agreements which we can never see until they are signed, after which time, of course, it is too late; and the details of huge financial commitments, over one billion dollars, that are in loans and loan guarantees that have been made to companies that are dealt with in this motion.

But I would like to address specifically one case to demonstrate, to illustrate how critical it is that we know what kind of commitment the government has made to this company behind closed doors, because it has such a profound bearing on their objectivity or lack of objectivity in relating or responding to the Al-Pac review panel recommendations. I've been, as many of us have been, extremely suspicious about why it would be that three weeks ago the Minister of the Environment would think that the Al-Pac review panel recommendations are perhaps some of the most profound findings of one of the most extensive review processes in the history of not only the province but, of course, Canada. And if the minister had been allowed to continue, I'm sure he would have said the world.

[Mr. Deputy Speaker in the Chair]

All of a sudden, three weeks later we see a profound change, an overriding by the Premier of that commitment to that statement made by the Minister of the Environment. One has to ask a question: why would it be that such an abrupt about-face would have been undertaken? Certainly it may have been

that the Premier, who wants to be noted for his stalwart determination, is actually bowing to specific political pressure from people like his Member for Athabasca-Lac La Biche. But it may also be that this government has made commitments to Al-Pac such that Al-Pac has felt very, very secure in investing millions upon millions of dollars in the development of that project and that, therefore, the government now, in realizing that there are mistakes or that there are at least gaps in the studies that have to be done before we could properly approve that process, would have to admit to Al-Pac that they have allowed them to continue in this investment of millions upon millions of dollars in preparation, planning, and, in fact, initial construction undertakings, and that if they now reverse this project, the government of Alberta would be liable for millions upon millions of dollars.

What we need to see in this case, Mr. Speaker, are documents that have been transmitted between the government and the company, Alberta-Pacific, to determine whether in fact there is a legal liability on the part of the government of Alberta to Al-Pac for the money that they have undertaken to spend on the basis of some kind of commitment – whatever that commitment is – from the government of Alberta.

Mr. Speaker, it should be a standard operating procedure that if companies are to receive support from the government of Alberta – public support, therefore, from the people of Alberta – there should never be any question. It should be a condition of dealing with that company that that company is aware that every last item of documentation that doesn't bear specifically, and maybe in extreme cases, on some kind of competitiveness – and certainly this kind of documentation wouldn't – should be available to the public. To do otherwise is to erode this process. It's to erode the ability of this Legislature to properly assess this government's expenditures, its policies, consistent with the parliamentary democratic process.

Thank you, Mr. Speaker.

MR. WRIGHT: Mr. Speaker, the government says it's usual. It's also wrong. If they insist on doing something that's usually wrong, it's a very poor reason to continue being wrong. Of course, it's wrong because the government has no right at all to commit a vast section of Alberta, the last remaining extensive untouched stand of boreal wood in the world, to corporations to exploit without the public knowing about it. They have no right to enter into transactions, which may be provident or improvident but certainly entail expenditure of public money and also receipt of public money, without the public knowing about it. It's so elementary, Mr. Speaker, that it really is a depressing thing to have to keep on arguing it again and again.

I remember Mr. Lougheed saying exactly the same sort of things about this Social Credit government that his administration replaced: that they were running the business as if it was just their business and not the public's business. We know what happened to them, and the same thing's going to happen to this lot, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Speaker. I would like to close debate on Motion 165.

The Minister of Forestry, Lands and Wildlife accuses me of wasting his time. I would like to ask the question: what is the position of an applicant spurned in the development process? My colleague representing Edmonton-Meadowlark has raised the question: hell hath no fury like an applicant spurned. Alberta-Pacific has been told by the government that their project is on hold until such time as some environmental studies can be done, or that was the position as of March 2. Why, therefore, do we find the minister of forests, the minister of economic development, the Member for Athabasca-Lac La Biche, the Premier, and Al-Pac huddled together in the Premier's office trying to salvage and rescue the project? Why indeed? Is there some type of an agreement that is at stake here that the public should know about? That's the question that's asked by this motion.

I have no desire to repeat history unnecessarily, but I was at a public meeting in Calgary where the Minister of Forestry, Lands and Wildlife declared himself as a proponent of freedom of information. He said the public must have a right to know. At the time I could hardly believe my ears. I thought, given the vote last year, that perhaps he'd had a conversion, he'd crossed the Rubicon at some point; he had seen the light, and his soul had been saved. That's perhaps one reason why I put this motion on the Order Paper today. Subsequently, I saw him argue in print: well, actually the reason we wouldn't table any of these agreements is because there are no agreements. That's what he said publicly. He said there are no agreements to table.

Well, I want every member in this Assembly to think about that this afternoon. Before you vote no to this motion, think about the minister's statement that there are no agreements that will be tabled under this thing. If there's nothing to hide, if there's no agreement or understanding that exists that the public doesn't know about, why does the government oppose this motion? You know, if I'm really blowing smoke, if I'm really wrong that there exists some type of an understanding in the correspondence between the government which the public doesn't know about, if I'm wrong about that, pass the motion and table something that say's there's no agreement that I don't know about. You know, I'm calling your bluff; in other words, pass the motion. But if there is an agreement, if there is an understanding, then the public has absolutely every right to know about it. Why is it? Because this government – I've said it before and I'll say it again – ought to be the trustee of our resources. You know, we don't inherit this Earth from our forebears; we hold it in trust for future generations. And that's the way the government should view this situation. That's why it's important that the public has the right to know.

I've spent some time recently reviewing the Forests Act. You know, that's a grubby little commercial document if there ever was one. It doesn't really talk about what is a forest at all. You get right in past the definitions and already they're being carved up into this type of lease and that type of quota and this type of agreement, that sort of thing. I really think it's time that the government was prepared to at least be open with Albertans about what type of deals they're making to carve up the forests. I would say I would rather be accused of wasting this minister's time than be accused by my children and their children of wasting the resources of this province.

[Motion lost]

174. Mr. McInnis moved that an order of the Assembly do issue for a return showing a copy of all ground rules and forest management documents approved by the government between April 1, 1989, and March 8, 1990.

MR. FJORDBOTTEN: Mr. Speaker, I recommend rejection of the motion for a return. It contains ambiguities in the way it's worded, and I'd like to have the hon. member that's requesting the information know that I asked for a rejection because after I'd read it very carefully – if there's something that the hon. member would like to know, just ask me what it is that they would like to know.

I take great exception to the question about secret meetings, and I don't see the opposition or the Liberal Party making public on the front page of the newspaper who they meet with. That isn't part of any secret documents or secret meetings or who's invited to meetings. We meet with people all the time.

And with respect to public information, I agree that the public has a right to information; I believe that firmly. There are areas of privacy and commercial confidentiality that I believe we have to respect. In addition to that, I don't believe – there's no information with respect to the mills that the public already doesn't know about. When we announced the project, we said exactly what the financial arrangements were, clearly, openly. We said exactly what the arrangements were with respect to infrastructure. There was nothing hidden with respect to infrastructure. We already defined the area that the forest management agreement would be in, and, working with the small operators, there's a multiple of uses in the area to clearly define that. For example, the ground rules for Daishowa: as soon as they're ratified, I'm happy to make them public. I wouldn't dream of doing it any other way. The Daishowa ground rules are being negotiated right now. And how are they being negotiated? They're being negotiated by a public liaison committee made up of a broad spectrum of groups that participated fully in the development of the rules, and when those rules are complete, they'll be public. There are all kinds of people involved in that public process right now, in drafting up the ground rules. The forest management agreement is public. The financing for the projects is public. The infrastructure is public documents. What specific document is there?

To look and request some secret document that doesn't exist, and say: "Okay; there must be something. Tell me there's nothing" – how can I deliver something that isn't there? There have been no secret deals made with anyone. These are long-term commitments on financing and on infrastructure.

And with respect to the forested area, we didn't sell it to them; we didn't give it to them. That isn't given away. That is just absolutely ridiculous, that you go around throwing all kinds of sinister accusations about secrets, using tactics and alarmist approaches and talking about misinformation. I think all members have a responsibility in this province to be honest. Looking at what it's asking for in Motion 174, I have to wonder: are there members in this Chamber who want to kill the projects, or do they want environmentally safe projects? I haven't seen evidence . . .

MR. McINNIS: A point of order.

AN HON. MEMBER: Wait till your turn.

AN HON. MEMBER: Sit down.

MR. FJORDBOTTEN: . . . that they want environmentally safe projects. They want projects to be killed, and I think that's unfortunate, that . . . [interjections]

MR. DEPUTY SPEAKER: Order please. Is the hon. Member for Edmonton-Jasper Place rising on a point of order?

MR. McINNIS: I am indeed.

MR. DEPUTY SPEAKER: If so, the citation, please.

MR. McINNIS: I'm rising because I believe the member is imputing . . .

SOME HON. MEMBERS: Citation.

MR. McINNIS: Imputing motives . . .

MR. DEPUTY SPEAKER: Order please, hon. member. [interjections]. Order please.

That is not a point of order. The hon. member should know that he has a disagreement with what the minister has to say, and he'll have a chance to reply.

MR. McINNIS: Mr. Speaker, I made my point very clear . . .

MR. DEPUTY SPEAKER: That is not a point of order. You do not have a citation. You may have a dispute with the hon. minister, but that is not a point of order.

MR. McINNIS: Mr. Speaker, I want my point heard before it's ruled upon.

MR. DEPUTY SPEAKER: You will make a citation then, hon. member. I gave you the opportunity of making the citation on which your point was based, and you failed to accept that invitation.

MR. McINNIS: My point of order is based on the fact that no member in this Chamber . . . [interjections]

MR. DEPUTY SPEAKER: Order please. I asked you for a citation. You can make your citation and say how your point of order applies to that citation. That is the correct way to approach this problem.

MR. FJORDBOTTEN: Mr. Speaker, when I talk about the areas of what *is* the vision we have for the future of Alberta, what is the vision that we have, I'm not poking fingers at anybody in specific. I said: are there members in this House who would rather have the project killed, or do they want an environmentally safe project? I have to ask myself the question because of some of the things about secretive meetings and secret documents that don't exist. And using alarmist tactics is not an approach that I find favourable and responsible for people in the province.

As I said with respect to Motion 174, it asks for copies of "ground rules and forest management documents approved by the government between April 1, 1989, and March 8, 1990." The ground rules for Daishowa are presently being negotiated in a public way. As soon as they're completed, they will be announced, and it will be a public document for everyone to look at. The forest management agreements as they are ratified will be made public documents. I made a commitment a year ago that there would be full public participation in forest management planning in this province, and I'll deliver on that.

Mr. Speaker, I ask all members to defeat Motion for a Return 174.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Jasper Place.

MR. McINNIS: Mr. Speaker, if I can't do it any other way, I want to say that I don't believe the minister has the right to impute motives to me when I ask for information in this Legislative Assembly. But if he wants to play that way, we'll play that way.

The motion simply asks – I'm not clear; the minister says he doesn't understand what the motion asks for. Surely he understands what ground rules are. That couldn't be the issue. It must be the question of forest management documents. That's all I can think of. To me this is the thinnest ground I've heard yet for the rejection of information. If indeed the minister feels that this motion is not clear, if it doesn't give him sufficient direction in terms of what document would have to be produced, then his avenue is to make an amendment or perhaps even find some way to discuss it. But to me "forest management documents" is very clear. Those are documents subsidiary to a forest management agreement which empower a forest management holder to do something. There are all kinds of those. The minister in charge of that department should know more about them than I do, and if he doesn't know what they are, then perhaps we need a new minister.

[Motion lost]

195. Mrs. Hewes moved that an order of the Assembly do issue for a return showing the recommendations of the Goldstein study on wage parity within the human service voluntary sector prepared for the government.

MR. BRASSARD: I reject that motion, Mr. Speaker. This report was prepared for one single member of my staff. It was one single aspect of a very complex equation, and it would be improper at this time and unfair to not only that member of my staff but to those that are involved in that equation to release it. So I reject this motion.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. I regret that decision, because while the minister indicates that it affects only one person and so on, that is not my understanding, nor do I have any sense that a public report of this kind done with public funds for what is presumably a public reason should be in any way kept secret from the public.

Mr. Speaker, we have many private nonprofit agencies in our communities, and we're highly dependent upon them. They are unfortunately experiencing a situation of increasing demand on their services and dwindling or decreasing dollars. These agencies, of course, are highly dependent on their voluntary component. They are able to stretch the dollar to its very utmost, much farther than we in government can stretch our dollars, because we don't have the same access to the volunteer involvement. Mr. Speaker, the work of these agencies is essential to the health and well-being of our communities, whether we're talking about family life or individuals or communities. They provide support services to individuals and families. They provide education. They provide counseling. They provide social action. They do a great deal of fund raising, and all our communities depend upon them.

Well, the squeeze is on, Mr. Speaker, and has been for some years now. Government support for voluntary agencies has not been keeping pace with either the demand or the cost of them. The competition in our communities, often because government has pulled back, is increasing. We now see foundations for hospitals and educational institutions that we didn't see before. So the competition for dollars is increasing; the demand for services is increasing. Unfortunately many of these very essential agencies aren't in a position to pay their staff adequate salaries. The competition for good staff is increasing as well. It seems that public programs are in a position to pay more for comparable or the same work than the private voluntary agency can do. It's important that they can attract and keep professional staff in order that they can make maximum use of their volunteers and their dollars.

Mr. Speaker, it's our understanding that this Goldstein study reviewed this situation and made recommendations to the government regarding parity or any suggested differential between salaries paid to public employees and those paid in private nonprofit voluntary agencies in our communities. These recommendations are of immense importance to our communities, whether we're talking about individual agencies or the United Way and the other community fund raising organizations that attempt to keep them going.

It was a public study; it was publicly funded, and surely there is no reason not to reveal this information in our communities. I see no reason why the minister has declined this motion.

[Motion lost]

200. Mr. Bruseker moved that an order of the Assembly do issue for a return showing a list of all contracts the Department of Career Development and Employment has awarded to David Bromley Engineering (1983) Ltd. since June 1, 1989, showing the total value of each contract.

MR. WEISS: Mr. Speaker, after careful review of Motion for a Return 200 put forward by the hon. Member for Calgary-North West, I must reject it for three reasons.

MR. McEACHERN: Surprise.

MR. WEISS: That's interesting, to hear the hon. Member for Edmonton-Kingsway respond before he's even heard the reasons, but that's typical of his mouth working before the rest of him works. Now if he'd listen to the reasons, Mr. Speaker, I would love to get on with them.

Now, first, Mr. Speaker, any contracts that may have been made between the department and David Bromley Engineering (1983) Ltd. would be and would have then been confidential information between the two parties, but that's not enough.

Secondly, I'd like to remind the hon. member that the financial information he would so-called be seeking would then become public information at the time the Provincial Treasurer would file the 1990-91 public accounts. Now, that's the second reason. It would be available then without any additional cost or expense to the government or waste of this Assembly time.

Now, Mr. Speaker, and particularly to the Member for Edmonton-Kingsway, if he is listening, third and most important, emphatically there were no . . .

MR. FOX: What?

MR. WEISS: And I repeat "no" to the Member for Vegreville – no contracts between the Department of Career Development and Employment and David Bromley Engineering (1983) Ltd. since June 1, 1989.

Therefore, Motion 200 is entirely redundant, and the hon. member's research is completely irresponsible. I would urge all hon. members of all sides of the House to support the rejection of the motion.

MR. BRUSEKER: Well, just briefly then, Mr. Speaker, addressing the three issues raised by the minister. Regarding, first of all, confidentiality, I reject that concept that agreements which are reached with the government are confidential and should not be made public. Quite the contrary, I believe that any agreement that is reached with any particular industry or any business, because it involves the expenditure of public money, must be made public.

Second, the 1990-91 public accounts I believe are too late for this. It is my understanding that in fact there have been some contracts, so I'm not sure about point three that the minister raises. But waiting for public accounts when a company starts to receive contracts from the government suggests that what we should be doing, in looking at the tendering process in general, is that any agreements which the government reaches should be made through a public tendering process, of which all members are certainly, I'm sure, well aware. That's the process which should be followed rather than sort of backdoor deals that may be occurring.

So I would hope that everyone would be able to support Motion for a Return 200.

[Motion lost]

202. Mr. Bruseker moved that an order of the Assembly do issue for a return showing a copy of each study or report prepared by or paid for by the government regarding the possible effects and benefits of the privatization of Alberta Government Telephones.

MR. STEWART: Mr. Speaker, clearly, the request for studies and reports prepared by or paid for by the government as laid out in this motion are internal documents for the use of the government in arriving at certain decisions and are clearly within the ambit of *Beauchesne* 446(2)(a), (o), and (p). Therefore, I move that the motion be rejected.

MR. BRUSEKER: Well, once again, Mr. Speaker, 446 is the citation we've heard from – 446(2)(a) through or to, I'm not sure, (p) in this particular case is totally unacceptable. Clearly, the government has been talking about the privatization of AGT over a number of years. This minister has been talking about it as recently as yesterday at the chamber of commerce, hinting at privatization, not necessarily coming out and stating a particular time line. But as I cited before, the Provincial Treasurer has had the concept of privatization on the provincial agenda for a number of years. So refusing this motion, Mr. Speaker, is most puzzling. Clearly, if the government is planning on doing any type of privatization under whatever auspices, they've done some research or had research done for them. Because this is a company that has been paid for through public dollars and is a company that, as I've mentioned before, applies to virtually every Albertan in both their private and public lives and their business lives and so on, all Albertans have an interest in this.

Finally, Mr. Speaker, if the government is planning – and they have said they are planning; they haven't given a time yet – the privatization of AGT, should that privatization in fact occur or it be sold off to whomever, clearly the information that is being requested here would be made available to any purchasers. I mean, how would anyone be willing to purchase a company unless they had all of the information? So I am simply asking for this information in this Motion 202. I'm simply asking for the information that the government is going to make available anyway at some point in time to whomever the purchasers are. To allow us perhaps to side with the government or at least to see what information the government is using to base their decisions on, clearly it is in the best interests of government and opposition members to have all of the information that is available. So I would move acceptance of Motion 202.

[Motion lost]

221. Mr. Bruseker moved that an order of the Assembly do issue for a return showing a detailed list of all properties and businesses that the government has taken over due to defaults of Alberta Opportunity Company loans for the past three fiscal years, showing in each case the name of the property or business taken over, the name of the company or individual who defaulted on the loan, the total value amount owing on the loan at the time it was defaulted upon, the estimated value of the property or business that the government took over at the time of default, and the price the property or business was sold for, if it has been sold.

MR. ELZINGA: Mr. Speaker, regretfully, the release of this information would be a breach of commercial confidentiality and a breach of private correspondence. But I notice the hon. member does have written questions, and I refer specifically to Written Question 215. I leave him with the commitment that I will answer that question as it relates to AOC on Tuesday of next week.

MR. BRUSEKER: Well, Mr. Speaker, again I guess the reason I put this forward is that if we now own these – "we" meaning the people of Alberta through the government of Alberta – if we now own businesses such as Lambco, Gainers, et cetera, then clearly it is now public information or should be public information because of the expenditures of public dollars. In rejecting this motion, as the minister is suggesting, once again we see here a government that is unwilling to provide the people of Alberta, the people who have provided the dollars to purchase these companies, with the information that I think is their right. I would suggest that clearly we should be having all of the information available. However, I will also take a moment to thank the minister for making a commitment to answer my written question. Nonetheless, I will move acceptance of Motion 221.

[Motion lost]

head: **Motions Other Than Government Motions**

203. Moved by Mr. Fischer:
Be it resolved that the Legislative Assembly urge the government to introduce amendments to the Liquor

Control Act to raise the age for drinking and other activities subject to the Act to 19 years.

MR. FISCHER: Thank you very much. Mr. Speaker, it is my pleasure to bring Motion 203 before this Assembly. I ask each member of the Assembly to carefully consider this sensitive motion. I am sure that many of us as parents can closely relate to the problems of young people growing up. This motion brings to this Assembly a discussion that has always been characterized by controversy and emotion. For years Albertans have debated the legal drinking age. Opinions remain firmly entrenched. However, I believe when we consider how directly the life-style habits of young people shape the future of our society, it is time that we reconsider the legal drinking age.

Mr. Speaker, if we could legislate maturity and responsibility, a debate over the legal drinking age would be unnecessary. Needless to say, laws have never worked that way. There is no age barrier which when crossed guarantees that a person is able to handle alcohol in a moderate and responsible manner. After considerable thought, discussion, and research on this important issue and keeping in mind the best interests of society and its youth, I firmly believe an honest, serious evaluation requires us as members of this Assembly to strongly consider raising the legal drinking age to 19 years.

Part of this evaluation means considering the following scenario that occurs far too often on our Alberta roads. The scene is along a stretch of highway with a sharp curve at one end; it has been raining, and the roads are slick. A car traveling in excess of 80 miles per hour missed the curve and plowed into the embankment, where it became airborne and struck a tree. At this point two of the four young people were thrown from the vehicle, one into the tree and the other one onto the road, where the car landed on him, snuffing out his life like a used cigarette. He is instantly killed, and he is the lucky one. The girl thrown into the tree broke her neck. One month earlier she had been voted most likely to succeed by her graduating classmates. She will now spend the rest of her life in a wheelchair, and for 60 years she will relive that terrible moment over and over again in her mind.

The driver is conscious but in shock and unable to free himself from under the twisted steering column. His face will be forever scarred by deep cuts from broken glass and jagged metal. These cuts will heal, but the hurt inside will remain forever. He had recently turned 18, and the idea of treating his friends with the purchase at the liquor store had gone terribly wrong. He would do anything to move the clock back a couple of hours. The fourth passenger is 15, and by this time he has almost stopped bleeding. The seat and his clothing are soaked in blood from an artery cut in his arm. His breath comes in gasps as he tries to suck air past his blood-filled airway. He is unable to speak, but his blue eyes are pleading for help as he quietly dies, terrified, in the officer's arms. It has been a horrifying evening, but it will not get better for the constable as he brings his message of death to the parents.

[Mr. Speaker in the Chair]

Two cases of beer, one car, four teenagers who went out to have fun. No one will ever know for sure, if the legal drinking age were 19, if this and many other scenes like it may have been prevented. But I would like to show this Assembly, from the research and studies by numerous governments and organizations, that these accidents can be reduced.

Prior to 1971 the drinking age in Alberta was 21. It was lowered to 18 that year to correspond to a number of rights and responsibilities associated with the new age of majority. The argument made then and widely accepted was that if an 18-year-old was old enough to fight in a war, he was old enough to drink. There was also concern about the growing popularity of illicit drugs among youth. By lowering the drinking age, it was hoped that young people would choose alcohol as a more acceptable alternative to the dangerous drugs.

Lowering the drinking age was not restricted to Alberta. In Canada each province and both the territories had lowered their legal age to either 18 or 19 years between the early and mid-70s. Twenty-nine American states also reduced their drinking age. But they all soon discovered that they were wrong, and in 1976 and '78 Ontario and Saskatchewan enacted legislation to raise the drinking age from 18 back to 19. In 1982 the United States National Transportation Safety Board and the National Council on Alcoholism recommended that all states raise the minimum drinking age to 21. The Presidential Commission on Drunk Driving made the same recommendations in 1983, and federal legislation enacted in July of 1984 provided for the withholding of a portion of federal highway grants from states which did not implement a minimum age of 21. Currently in Canada only Alberta, Manitoba, and Quebec have legal drinking ages of 18. The legal age in all other provinces and in the territories is 19, and in all 50 states it's now at 21.

During the past 15 years Legislatures throughout Canada and the United States decided to increase the drinking age for two primary reasons. One, there was the rationale that raising the drinking age would help to keep alcohol out of the secondary schools, since most of the 19-year-olds have finished high school at that time. Two, there was an alarming public concern about increases in young people's consumption of alcohol, with particular reference to drinking-and-driving accidents. Mr. Speaker, these are two problems that seriously impact young Albertans.

I'm not suggesting that by raising the drinking age to 19 we will immediately eliminate drinking and driving or incidence of alcohol in our high schools. It will only be effective as a part of an overall, long-term approach, and that would have to be together with our schools, our families, and organizations like the Alberta Alcohol and Drug Abuse Commission. Raising the drinking age is not the answer, but it is one part in addressing this huge, frightening problem, and it is with that intent that I bring Motion 203 before the Assembly.

Mr. Speaker, we may not want to admit it, but there was significant alcohol use among our high school students over the past decade. AADAC studies indicate that of the 14- to 17-year age group, 57 percent drink, and they drink regularly. Add to this the fact that the average 16- and 17-year-old that drinks regularly does so one to three times per week, with an average of seven drinks per sitting. It seems that that is a definite pattern of significant alcohol use that is established in our high schools. Those figures are much higher than I had ever believed they were.

We are all very much aware of the social pressures at every high school. In this setting alcohol is used as a means of acceptance, recreation, experimentation, and rebellion. For whatever reason it is used, access is rarely an obstacle, and it seems that age has nothing to do with the students' ability to obtain alcohol. Mr. Speaker, one of the reasons for this is that within the high school population exists a large group of students that can legally walk into any bar, restaurant, or liquor store in

the province and buy alcohol for themselves and for their underage friends. By the time most Alberta high school students near graduation, they have recently turned 18. They represent the most powerful social influence among their younger high school peers, and they are eager to exercise the new rights and privileges associated with their age of majority. We all know that this is a very difficult and delicate stage in life. It simply does not make sense to introduce legal access to alcohol at a time when maturing and accepting responsibility is difficult enough on its own.

Unfortunately, we cannot consider alcohol use only an extracurricular activity among our high school students. Almost every high school teacher in this province can tell you stories about students taking a lunch break at the bar coming back to disrupt the entire class or having to skip the afternoon to sober up. Surely, Mr. Speaker, this isn't the educational environment that we wish our families and children to grow up in. Raising the drinking age to 19 will not keep our high school students away from alcohol, just as our current legal age does not stop all 14- or 17-year-olds from drinking, but it will make it more difficult for underage high school students to find someone to buy them alcohol. I believe that raising the legal drinking age will also the raise the illegal drinking age.

I do feel that we need to look at implementing much more serious penalties, as well, for people who are supplying alcohol for underage teens. Let's set a precedent that will make our people think twice about bootlegging for minors. I can recall back to the years when I was going to school that it was very difficult to find someone to buy you alcohol because they were very, very much afraid of the penalty. It seems that nowadays we are not strong enough on that particular offence.

I propose that we recognize and respond to the high school alcohol problem by continuing our excellent promotional campaigns along with limiting access by raising the drinking age beyond the legal age of most of our grade 12 students. Prince Edward Island, Ontario, and Saskatchewan raised their drinking age to 19 with this intent in mind, and studies are now revealing that consumption among high school students is down in those jurisdictions.

Mr. Speaker, the other prime factor involved in this drinking age issue is the incidence of impaired driving and the frequency of death or serious injury from accidents involving alcohol. The stats show overwhelmingly that 18-year-olds and under are the ones being killed. The leading cause of death and serious injuries among teenagers is motor vehicle accidents, one-half of which involve alcohol. The degree to which this problem involves young people is especially troublesome. The 16 to 24 age group has the highest rate of injury in the fatal accidents involving alcohol, and males between 18 and 21 years of age are most likely to have been drinking before an accident. One of the reasons for these alarming statistics is that the degree of impairment at a given alcohol level for a young person is much greater than for an older adult. The Traffic Injury Research Foundation of Canada has determined that the average impaired 16- to 19-year-old is 165 times more likely to die or be permanently injured in a collision than the average adult driver. That's 165 times more likely to die.

Frankly, Mr. Speaker, the combination of the social pressures of youth along with learning to drive and drink all at the same phase of life is like a time bomb. In bringing up my own family at that time, it certainly was something to have the combination of those three things all come at once. I've even considered that maybe we should raise or lower the driving age so the combination doesn't fit together like it does right now.

I don't think the members of this House would attempt to refute the fact that young impaired drivers and those on the road with them are at incredible risk. The question crucial to this debate is: will changing the drinking age do anything to lessen that risk? Mr. Speaker, the answer is definitely yes. In the past 20 years there have been a lot of studies. Some of the studies don't support raising the drinking age, but most of them do. The first of these studies were conducted in the early to mid-70s, following the North American trend to lower the drinking age. Four major Canadian studies found that after lowering the age, alcohol related accidents among those aged 15 to 21 increased anywhere from 20 to 175 percent. The highest increases were found in the age group directly affected by this legislation. A study conducted in 1976 specifically looked at Alberta. It found that there was an increase of 118 percent in the incidence of fatal collisions among impaired drivers aged 15 to 19 after the drinking age was lowered from 21 to 18, and 118 percent is a huge, huge increase.

A second group of studies established a direct correlation between a raised drinking age and a reduction in alcohol related accidents. A 10 to 30 percent reduction in accidents involving the age groups affected by the change in the legal drinking age was found. Based on this decline, investigators have estimated that from 1982 to 1988, 4,500 lives have been saved in the United States. A third group of studies, and perhaps the most relevant, involve a drinking age change from '18 to '19. The conclusion of the 1987 Ontario Report of the Advisory Committee on Liquor Regulation reported that alcohol related accidents involving drivers aged 16 to 19 decreased by 36 percent. The report concluded:

> The raising of the drinking age in 1979 appears to have been associated with a disproportionately sharp decline in alcohol involvement in accidents among young people.

Similar conclusions . . .

MR. SPEAKER: I'm sorry to interrupt the hon. member. Under Standing Order 8(3) we must move on to the next item of business.

head: **Public Bills and Orders**
Other Than
Government Bills and Orders
Second Reading

Bill 203
An Act to Amend
the Business Corporations Act

MRS. BLACK: Mr. Speaker, I rise today to initiate second reading on Bill 203, an Act to Amend the Business Corporations Act.

Bill 203 addresses the need to monitor the receivership process of businesses and companies. The amendments I propose would give the Registrar of Companies the power to demand an accounting from receivers and to apply to the court to have receiverships expedited in the interests of those affected. My motivation for introducing these amendments comes from the knowledge that there are many companies and businesses in this province that have been in receivership for years, some of them up to 20 years. I know that the process of receiving, liquidating, and winding up a company is very complex, and I do not propose to place unreasonable constraints or regulations on

it. In many instances, because of the tangled web of companies and subsidiaries that make up a corporation, it is conceivable that it would take five to 10 years to discover and sort out all the assets and complete the court cases concerning a particular company. But in the absence of an active monitoring system, there is no way of knowing if extended receiverships are in fact being handled expeditiously.

Before I go any further, Mr. Speaker, 1 would like to place a caveat on my preceding remarks. It is in the interests of whoever appoints a receiver, whether it be a creditor or the court, to appoint one who is professional and reliable and will do the job honestly and in the best interests of all concerned. This actually happens in probably 99 percent of the receiver–ships, and probably 99 percent of receivers follow the legislation in place, which would be adequate if we could be sure that 100 percent of receivers would be operating unselfishly, in a timely fashion, and in the best interests of all parties. It's the 1 percent I'm concerned about. One percent may sound insignificant to the House. However, I will refer later to two examples where the companies have been in receivership for over 10 years, one of them having over 5,000 investors. Suddenly 1 percent becomes very significant when translated into a figure represent-ing over 5,000 individuals.

Mr. Speaker, for the last four or five years both the Provincial Treasurer's department and the Department of Consumer and Corporate Affairs have been reviewing and amending the various pieces of legislation that deal with the financial marketplace in our province. The changes that have taken place deal mainly with the protection of consumers and the tightening of regula-tions for the operation of financial institutions. We are without a doubt witnessing fundamental and far-reaching changes in the financial marketplace. It is becoming more and more complex, and this has been the impetus for the changes I have just referred to. It is my contention that shareholders of companies must also be better protected in this changing environment.

If we are really concerned with making the financial market-place fair, we must also review and study the legislation dealing with the receivership process as it applies to all businesses, not just trust companies. I believe there exists a legislative vacuum in this area that may be filled with the amendments proposed in Bill 203. None of our current legislation places any time limit on the receivership process, and no government body really monitors the receivership process to ensure that it is done as efficiently as possible and in the best interests of all parties involved. The result is that receiverships can and do draw out for years and years.

Mr. Speaker, I have examples of companies that have been in receivership for 20 years. This is definitely not to the advantage of shareholders of these companies. When a company goes into receivership, any money available goes to paying the costs of the receiver, the government for deductions for income tax and government pension plans, and all the secured creditors. The result is that the shareholders are left with severely diminished or possibly nonexistent returns after the creditors and receivers are paid.

I referred earlier to two examples, Mr. Speaker, and I would like to relate them now. In May of 1979 the bank demanded repayment of two loans from a company. When they were not paid, the bank appointed a receiver. The company, which once had asset values at more than $500 million, was declared bankrupt three years later, causing financial hardship for about 5,000 client developers who had invested in the company. On the statement of realizations for the company, entitled Advances to Receivers and Managers, for the period of May 1979 through June 1986 receiver and manager fees totaled $15,901,046 and legal fees totaled $5,738,270, for a total of over $20 million.

In the same report, Mr. Speaker, for the same period of time there were 45,836 hours charged by the receivers and managers in the first year. That translates to 22 people working 40 hours a week for 52 weeks a year. The question that has to be asked is: what were they doing for 45,000 hours in the first year? In the second year they charged 36,896 hours. That translates to 17 people working 40 hours a week for 52 weeks. Now, surely, with the benefit of audited financial statements from the previous years, they still weren't trying to identify the assets and liabilities of the company. At the same time that the receivers were identifying assets and liabilities, the lawyers were charging fees to the tune of $5 million. Again, the question begs to be asked: what were they doing?

Mr. Speaker, I could go on for each year, but I think I've made my point. This company is still in receivership, and the receivers and lawyers are still to this date drawing similar fees from the asset base. Twenty million dollars for 5 years work?

The second example I have is a trust company. This company was placed in receivership through order in council in 1968, 22 years ago, and it is still not completely wound up. In this case it would appear that as far back as 1982, according to their financial statements, the assets were in a liquid form. A payout to the shareholders could possibly have taken place at least 8 years ago. It didn't.

Mr. Speaker, in my mind this is outrageous. It is morally wrong that these receiverships have taken so long to wind up. In fact, it's sinful that fees are paid to receivers year after year and no one is monitoring them. You can use the argument that the onus is on the interested party to do the monitoring. This is not fair. Many of them are not qualified to monitor these things, and in many instances the original investor has passed away by the time the company has finally wound up.

I could arrest my case here, Mr. Speaker. However, I won't. I would like to discuss the current legislation and what I think can be done to rectify such a problem. The current legislation dealing with the receiverships lacks any real provision for one to intervene in the receivership process to either monitor it or expedite it. Companies that are not trust companies, financial institutions, or dealing with securities are regulated under the Business Corporations Act and are, for short, referred to as BCA companies. The Business Corporations Act does stipulate that

> a receiver or receiver-manager of a corporation . . . shall
>
> (a) act honestly and in good faith, and
>
> (b) deal with any property of the corporation in his possession . . . in a commercially reasonable manner.

There are provisions in the Business Corporations Act for the court to replace or discharge a receiver, to order a receiver

> to make good any default in connection with the receiver's . . . custody or management of the property and business of the corporation,

and for the court to order the receiver to make available any information from the "accounts of his administration" to any applicant. The matter of remuneration for receivers is obviously an important one when we are discussing returns for share–holders. The Business Corporations Act does not specifically state that the court will limit this remuneration. It says "the Court may."

One of the duties of a receiver as set out in the Act is to prepare at least every six months a financial statement of his administration and, subject to an order of the court, file a copy

of it with the Registrar of Companies. This is all very well and fine. The problem, however, is that there exists no monitoring of it or enforcement of these provisions. As long as there is compliance, everything is fine. Not so if a receiver is in contravention of the Act. If a receiver of a company fails to file a return with the Registrar of Companies, he's sent a reminder letter. If he does not file an annual return within the year, the company is struck from the registry. This ability to take away the incorporated status of a company is the only power the registrar has over receivers in contravention.

This action of striking a company places the interests of the shareholders in an even graver situation. When a company is no longer incorporated, the receivership carries on with the receiver as sole proprietor. Under these circumstances, there is absolutely no monitoring of the process and no legislation governing the actions of the receiver. As we can see, the Business Corporations Act does not include any provisions for active monitoring of the receivership process or place any time limits on it. The Act deals effectively with the administrative aspects of companies in receivership but makes no reference to responsibilities to shareholders.

I have been discussing the receivership process for companies that fall under the jurisdiction of the Business Corporations Act. The receivership process for financial institutions and trust companies is dealt with under the Trust Companies Act. I would like to take some time to look at the provisions of the current Trust Companies Act. The provisions in most areas are similar, but there is one fundamental difference that is very important. The Trust Companies Act is administered and monitored by the government, and the Business Corporations Act is in the main administered by the court. Under the Trust Companies Act the minister has the power to set the rate of remuneration and expenses of the receiver; in the Business Corporations Act the court may set or limit remuneration. Under the Trust Companies Act the minister appoints the receiver; under the Business Corporations Act the court or an instrument appoints the receiver. Under the Trust Companies Act the Lieutenant Governor in Council may at any time revoke the appointment of a receiver and appoint another; under the Business Corporations Act the court may, if it sees fit, discharge or replace a receiver. I think the interests of shareholders and contract holders are better protected under the Trust Companies Act by the very fact that it is the government overseeing the process and not the court.

Mr. Speaker, under the Business Corporations Act if there is mismanagement or perceived mismanagement on the part of a receiver, the onus of proof and complaint to the court is on the shareholder. The process of proving such a complaint in court is not in the best interests of the system or the shareholder, nor, in my opinion, is it the most effective approach. Again, it seems that companies that are not in the securities or trust business have been left in a regulatory vacuum concerning the protection of shareholders. Bill 203 proposes that the Registrar of Companies should have the power to demand an accounting from receivers and to apply to the court to have the receivership expedited in the interests of those affected. Under Bill 203, the registrar's power to monitor and act as a watchdog is enhanced. The registrar or an official appointed by him could require the receiver to report to the registrar on the receivership and to provide accounts, records, or papers respecting the receivership. In addition, the registrar could apply to the court for an order to require the receiver to do anything which the registrar believes to be in the best interests of the parties affected by the receivership or to refrain from doing anything which the registrar believes to be against the interests of those involved in the receivership. Under Bill 203 the registrar would have the power to terminate a receiver and appoint another as he saw fit, as well as to have the court review the accounts and services of a receiver. I believe the effect of these proposals would be that a greater duty of care would be placed on the receiver and sound and expeditious business practices would be better ensured through this kind of supervision and monitoring.

Mr. Speaker, it's always prudent when faced with a problem to look around a bit and see how others have dealt with it. The British revised their Insolvency Act in 1986. Many of the new provisions dealing with receiverships are precisely what I think we need in Alberta. For the sake of time, I will go through this quickly, listing in point form the provisions from the British legislation that I think apply to today's debate.

The remuneration of the receiver is fixed by the court. The receiver is "personally liable on any contract entered into by him in the performance of his functions." Every receiver or manager of a company's property "shall deliver to the registrar of companies . . . accounts of his receipts and payments" within one month of the expiration of 12 months from the date of his appointment and every six months thereafter. The most important point of this provision is as follows. If a receiver defaults in complying with this provision, he "is liable to a fine and, for continued contravention, to a daily default fine." In the case of a receiver failing to make good a default in filing, delivering or making any return or in giving any notice, which is required by law within 14 days, the court can order the receiver "to make good the default" in the time it sees fit. In addition, "the court's order may provide that all costs of and incidental to the [default] shall be borne by the receiver." Mr. Speaker, these provisions certainly place more responsibility on the receiver to file records faithfully with the registrar for his scrutiny. These provisions have been in place in Great Britain for three years and have not been amended, so they are obviously feasible and workable.

The Alberta government has also been working on new legislation to regulate the financial marketplace and protect consumers in the last two years. It has recognized that the major areas requiring change are disclosure, plain language, standards for salespeople and financial advisors, enforcement powers, controls against self-dealing, prudent investment rules, and measures to strengthen the role and independence of boards of directors. As a government we have moved ahead with a number of actions to address these issues. We have totally revised the Credit Union Act. In April 1987 the Committee on Fair Dealing was appointed to make recommendations for government actions that would help savers and investors make informed decisions. In the committee's report, A Blueprint for Fairness, sweeping regulatory initiatives were recommended. The result, a white paper for a proposed financial consumers Act, was tabled in this Legislature.

During 1988 and 1989 consultations were held with industry on a proposed loan and trust corporations Act. This proposed loan and trust corporations Act will require consistency with generally accepted accounting principles, and auditors will have greater access to boards of directors and committees of the board. Under the loan and trust corporations Act auditor/regulator communications will be improved, and the auditor will be given more powers to demand information and records. I think these same powers should be granted either to the Registrar of Companies or to his official to expedite receiverships.

In the Credit Union Act the minister has the powers to issue cease-and-desist orders, reappraise property, demand information, and conduct special examinations. I don't think it's unreasonable that these same provisions be applied to companies in receivership. The proposed loan and trust corporations Act will enable regulators to freeze property and to take possession and control of a trust corporation. Could not the same power be given to the Registrar of Companies when it becomes apparent that a receivership is not being handled in the interests of the shareholders? The loan and trust corporations Act will require greater reporting from holding companies and subsidiaries. Why not allow the Registrar of Companies the same power over receivership processing?

Both the Credit Union Act and the proposed loan and trust corporations Act increase directors' duties and stipulate that they must consider the interests of the depositors and must exercise the care, diligence, and skill of a reasonably prudent person. Again, Mr. Speaker, I see no reason why the same responsibility cannot legislatively be placed on a receiver. These are all progressive, important, and necessary steps toward tightening up the regulations of financial industries and enhancing consumer protection. However, I feel we need to go further and address the problems related to the failure and subsequent receivership process of all businesses and companies in Alberta, not just financial institutions. The reforms have not touched this area, and that is why I am proposing Bill 203. There is a need for some new and practical provisions to deal with receiverships. I believe Bill 203 is a reasonable and viable solution.

[Mr. Jonson in the Chair]

Mr. Speaker, Alberta is leading the country in the development of legislation for financial consumers and responsible regulation of the financial marketplace. We could continue in that leadership by tightening regulations for the receivership process.

Thank you.

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

MR. WRIGHT: Thank you, Mr. Speaker. I support this Bill. It's good. It really doesn't get at the biggest single problem, though, of receivers appointed out of court. Ninety percent of them are. At one time receivers appointed out of court weren't regulated by statute at all, and the Business Corporations Act has that amendment in it – I guess it's quite recent, about 1988 – which for the first time requires them to act in a commercially responsible fashion. But that's ambiguous, because what is commercially responsible?

At common law the only duty a receiver had was to follow the instrument that appointed him. That's usually a debenture in the case of a bank, more often than not a debenture. His only duty was to the principal – i.e., the bank or the creditor – at common law. So there was nothing the wretched debtor could do if the assets were disposed of at an unreasonable level, even a derisory level, at common law.

Now, it does say commercially responsible, "in a commercially reasonable manner," so there is perhaps some limit. But most businesspeople would think it's commercially reasonable to dispose of the assets really cheaply if that's the only price you can get at the time. So long as it's the going rate for whatever it is, that's commercially reasonable. Whereas a reasonable person, looking at the way the receiver/manager is managing the corporation, would say: "Hey, wait a minute. Surely, if you hang on till the market turns around or you get in the debts of the corporation, if you manage it for a while, at least there can be a larger return if not the thing saved." That consideration – and I'm sure there are many hon. members here that speak from if not personal experience then experience of people they know in this respect – just ends up going down the drain and the debts are brought in way under the value they would get if more attention was paid to it.

So this Bill is good in that it requires an accounting function to the registrar, which again is good, because that means you avoid having to pay a lawyer to go to court for you. You probably have to pay a lawyer to deal with the registrar, but not necessarily. It's a cheaper process, a simpler process. It's largely aimed at expediting the process, which is in itself good, but it doesn't quite get at a more basic problem that should be addressed.

Now, if the appointment is made by the court, which, as I say, only happens in fewer than 10 percent of the cases, then you can't keep on going back to court. The court will sort of impose a more reasonable standard. The Business Corporations Act in the amendment did say that whether the receiver was appointed in or out of court, you could still make an application to fix a remuneration and to make orders requiring them to make up any default and so on, but still no obligation to act in the reasonable interests of the debtor as well as the creditor.

That's the defect still in our legislation, and perhaps next time around the hon. member might consider that or we can amend it. But this is certainly a better step than nothing.

MR. ANDERSON: Mr. Speaker, I rise briefly to participate in the discussion on Bill 203, An Act to Amend the Business Corporations Act. In doing so, I'd like to congratulate my colleague from Calgary-Foothills for bringing to the Legislative Assembly and to my department an idea and concept that I believe must be explored further. It's a pleasure to have the expertise of the Member for Calgary-Foothills, even more of a pleasure since the member and I go back some years to high school days in terms of having met each other there. I think the constituents of Calgary-Foothills are indeed in good hands with the current member, who has contributed much to the Assembly in her short time here, including this particular Bill.

With respect to the Bill, the member has well underlined a frustration that I think many citizens today feel, many members of this Assembly today feel with respect to the time it takes for, in this case, companies to be wound up, for justice to be done; as well, a frustration with respect to the costs associated with that from the professionals who are involved. That system and those costs and that process are all part of evolution in terms of a legal process and a justice system and a way of trying to deal equitably with all citizens. But perhaps it is time that we looked behind us and said, "Are we in fact fulfilling that responsibility to fairness and justice in the midst of all these complex developments that are required by accountants and by lawyers and others in terms of dealing with disastrous circumstances, where people's life savings or just investments have, in fact, been put at jeopardy because of a failure of a company?"

I have to say that in terms of the provisions of the Bill itself it would cause us a considerable relooking at our whole operation in order to fulfill the provisions. At the current time the Act assumes that businesses will operate on a free market basis, they'll fulfill certain responsibilities as laid out in the Act, and

the staff and personnel we currently have in that corporate registry are people who are able to fulfill those specific responsibilities. The member's Bill would suppose that we would have the ability to judge whether or not the legal activities, the accounting activities, and those activities needed to wind up a company were in fact taking place in a timely way and appropriately. That will require some more work.

Having said that, it's an idea that should not be lost, an idea that we must explore. Whether it's this department dealing with that concept or a combination with Treasury, who has some of that expertise, or the Attorney General's department, which deals with many legal matters involved, I believe it's one of those items that does underline a requirement throughout North American society to relook at our system and see if there aren't better, more efficient, more able ways of dealing with those points of justice, those requirements for accurate and true accounting that have brought us to this position. I take as well given the frustration of the years it takes to deal with that and the time some people have to wait, on the edge of their seats, to see whether or not any dollars will be returned from their investment, whether anything will be realized from that investment activity.

Mr. Speaker, the Member for Calgary-Foothills well indicated that in the past couple of years this government has taken a number of steps to try and ensure not only that our financial marketplace is fair and just but that we have a mechanism for allowing our citizens to make decisions in the most informed way possible. That is required in this fast moving, rapidly changing financial marketplace of today. The point made that we should follow through with this philosophy regarding the small percentage of circumstances where companies are not successful may be a good case.

I might say to the member that we are intending through this next year to review the Business Corporations Act to ensure that it is the proper vehicle. I would invite her to be involved in that review and to add her expertise to those investigations we're carrying out with respect to the Act. I might also suggest that we may need to tap some of the resources of the business community, of the legal community, and others in order to find innovative ways of responding not just to this difficulty but to others where we see excessive costs and excessive time in terms of the operations of our free market system. All of this, of course, has to be kept in the context of that free market system, ensuring that government doesn't overly burden the private sector or try and make decisions for individuals, companies, or others who take their chances in that marketplace. As long as it's a fair operating marketplace, it should do so with the ability to fail or succeed.

I support the intent of this Bill, Mr. Speaker, and do undertake to investigate further its possibilities while at the same time recognizing that in order to enact this kind of legislation, we would need to considerably look at the resources we have and how they're utilized in government at this point in time.

MR. ACTING DEPUTY SPEAKER: The Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. I rise also to lend my support to Bill 203, prepared by my neighbour from Calgary-Foothills. The Bill has a number of good intentions behind it. I think they have been highlighted by previous speakers, so I shall keep my comments brief regarding this particular Bill.

The intention' of facilitating the process is an excellent one. I think the concept of speeding up the process is very important. Perhaps one of the things that either the Minister of Consumer and Corporate Affairs or the member may wish to address is a concept that perhaps there should be a maximum percentage. If a company is worth, for example, a million dollars, perhaps the receiver should get no more than 10 percent of the total cost, rather than 'administrivia' and court delays, et cetera, et cetera, eating up the entire $1 million and there being nothing left for the principals who have invested the dollars. Perhaps if a fee structure were established in that way, it might behoove all people who are interested to speed up the process. When we put the almighty dollar on the line, it tends to motivate a lot of people to work expeditiously. So that would be a suggestion I would make that might facilitate this particular process.

We have had, unfortunately, a number of companies that have gone bankrupt and have gone into receivership, and of course that is a difficult time for many individuals. There's an interesting concept here – and I realize we're not to deal with it specifically clause by clause – of providing accounts and records and so forth to the registrar. Perhaps one thing that may facilitate the process and leave the principals feeling more comfortable with the concept of decisions that are made on their behalf is if those documents could be made available to all the principals, not simply the registrar but the people who have invested the dollars in there.

For example, I think most recently to the GSR fiasco, where decisions were made, a court settlement was reached, but the individual shareholders weren't quite sure what the information was that was being used to make those court decisions. If the people who have invested the dollars can have that same information made available to them – you know, the accounts, the records or papers respecting receivership as mentioned in this amendment – perhaps it might make people feel a little bit more comfortable in terms of the decisions that are finally, shall we say, imposed upon them. So I think that might be a consideration: to make sure that everyone who finally walks away from a settlement has all the information before them, because it could eliminate a feeling that not all the information was provided. I think that would be a positive step in the right direction.

Just briefly, two more points and then I will cease. There should be guidelines. I think the concept of terminating a receiver is an appropriate concept that is referred to in here. The concern I would express on this particular issue is that there doesn't seem to be any guidelines on why that should occur. I would hate to see perhaps a revolving-door policy, shall we say, where we say: "Well, this guy's not doing what we want. Turf him out; get a new fellow in." We let a new receiver work at it for a little bit and then we say, "Well, this one's not doing it," and we turf him out. That could be a whole new process for delay. The intent of this Bill, as I understand it from the Member for Calgary-Foothills, is to facilitate, not delay, the process. So I think there needs to be some strengthening up in that particular area so we don't see a delay implemented there.

Finally, I recognize that in her previous incarnation the member had some accounting skills, and I would encourage the member and the Minister of Consumer and Corporate Affairs to lobby the certified general accountants and the certified management accountants, get their input as to how this Bill could be facilitated. I think it's a great seed of an idea and a great start, but I think there are some areas where some improvements need to be made. Similarly, the lawyers who have

expertise in the receivership area: I think those individuals and that group should be consulted so we get the best possible legislation before this House. So I think we have a good start here.

Also in terms of facilitating the process, I'm wondering if somewhere in legislation there might not be some consideration of a final time limit, a maximum amount of time a receivership should take. I'm sure that given sufficient consultation with individuals who have expertise in the area, such as the lawyers and accountants who deal with receiverships, perhaps a maximum time of, say – and I'm going to guess and throw out a figure – one year might be a consideration: no receivership action should take any longer than one year, or whatever number is appropriate. I see no reason why that can't be wrapped up. I'm throwing that out as a concept.

So I think we have a good start on a Bill. I support the member and applaud her efforts in this area.

Thank you.

MR. ACTING DEPUTY SPEAKER: The Member for Bow Valley.

MR. MUSGROVE: Thank you, Mr. Speaker. I rise to support Bill 203. I believe the member has given us a reasonable argument, that we need to tighten up the receivership process in Alberta. I'll agree that in most cases they're handled efficiently and as quickly as possible, but as has been pointed out, there are a few cases where it becomes questionable as to whether the process is being handled in the best manner possible and in the best interests of the shareholders.

Now, Mr. Speaker, receivers are appointed, and they're professional, reliable, the ones who'll do the job honestly and in the best interests of all the creditors. We mention that they are accountants and lawyers, and with all due respect to both those professions, they're not always good businessmen. Once they're appointed, they do take a very hard line on any interference in the operation of a receivership. I agree that that's the way it should be, because you would not be able to process a receivership if you were . . . But there should be some guidelines and some flexibility in the way they operate the receivership. It has to do with the way a business operates, why it's in receivership. A lot of things should be taken into consideration.

The member mentioned a section of the British insolvency legislation. I find that it's kind of interesting, because I don't necessarily think it should be expedient. I also agree that it shouldn't be dragged over a lot of years. There are cases where by the time some of the compulsory payments have been made, particularly federal salary deductions and that sort of thing, and then the receiver is paid, there isn't any money left for the creditors or the owners of the company. So in those cases it shouldn't be dragged on. But the British legislation creates an administrative receiver. This administrative procedure could be a method of corporate rescue. It is designed to give a company in financial difficulties protection from its creditors and to enable it to survive for a better realization of its assets than if it had gone straight to liquidation. I think this process is not only more flexible to the alternative of the red tape of receivership and liquidation but it also affords a better chance for a return to the shareholders. In many cases a company or parts of the company can remain viable, and it is my feeling that everything should be done to keep it alive and receivership should not be the last alternative.

I'm reminded, Mr. Speaker, of a couple of incidents. One in particular was in my constituency, where an inventor had invented a certain type of oil field equipment. It was a tremendous success. He had a patent on it. He sold it all over the world. He employed some 80 people full time. But in some other business ventures that he had got involved in, he got so far in debt that the profits from this particular company couldn't service the debt he was in, so his whole life went into receivership. Now, that particular piece of oil field equipment manufacturing was part of the receiver's liquidation process, and he closed the company down and sold it piecemeal to whoever wanted to buy it and certainly expedited the process. With my limited ability I tried to see if we couldn't get the receiver to put that particular manufacturing company on the auction block as an operating company that was making money. Unfortunately, I wasn't able to convince anyone that that should happen, so the company was dismantled and about 80 people lost their jobs. The alternative to that is that if they had sold the company to some other owner, those people would still have held their jobs and we would still be manufacturing a very good piece of oil field equipment. So those are some of the concerns I have and one of the things this type of flexibility would do for liquidation.

Now, in the British case the administrator is appointed by the court, and it's for a period stated on the court order. He manages the affairs and the business and property of the company under legislation, but the appointment is for a certain period of time. He does a report on the survival of the company or whether any part of it can be a going concern, and then he comes up with a business plan. He goes to the shareholders and the creditors of the company and gives them a chance to discuss whether they want him to carry on or whether they want to go into liquidation. It does give some alternate reaction to how it takes place, and of course it stalls the liquidation of the company so the shareholders and the creditors have a chance to see if there is any chance of it being carried on as a viable company.

Now, I'm aware of another very large corporate business some years ago that went into receivership; actually it was a corporate hotel. It went into receivership the day it opened, and the receiver carried on operating the hotel for two years. Then the creditors were brought up to date on what they were owed, and the former corporate owner of the hotel took over the operation of it again. So there should be enough flexibility in receivers taking over companies that those companies can still survive and be viable.

Now, I've wandered away from the topic a little bit, Mr. Speaker, but certainly those were some points I wanted to make, and I want to say I certainly support this Bill.

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

MR. McEACHERN: Thank you, Mr. Speaker. I also rise to support this Bill, and I commend the Member for Calgary-Foothills for her thoughtful Bill and the ideas it contains. It is, however, only a start. It's a move in the right direction, but more should be done.

I want to reiterate the couple of very good points raised by my colleague from Edmonton-Strathcona. In the liquidation process there ought to be some protection, within reason of course, of the debtors as well as the creditors. That was one of the points the Member for Edmonton-Strathcona made. Certainly if a firm is totally bankrupt and has really got far more debts than they have assets, then it's really not fair, I suppose, that they would

have very much to say as to how the disbursements should take place. But in some cases you get companies that are put into receivership because of cash flow problems, yet in the long term they may have a lot of assets there that could in fact pay those debts and they could remain a viable operation. I think some of those thoughts were put forward by the previous speaker as well. This does not seem to deal with that particular thing.

I guess the minister and yourself both talked about the progress made by the Alberta government in regulating financial institutions, and I would say some has been made. You're claiming to lead the way now in reform of the monetary system and learning to reregulate this deregulated environment we now have in the financial institutions of our country. I've got to say that we also lead the way in bankruptcies, and we've had 10 or 15 years of incredible numbers of bankruptcies in Alberta, particularly in financial institutions. Some of that has to come back on the government, and they should be reacting and should be getting involved in figuring out how better to protect the consumers and investors of this province. I mean, all we have to do is look back at the Principal affair. Or I suppose we could go back to the CCB, which was more of a national play than a provincial one but nonetheless concerned with this province. The North West Trust case, Dial, Abacus, Battleford, credit union difficulties, which supposedly and hopefully have been sorted out, a number of cases. But it seems to me there's a lack in the Bill that perhaps would help avoid these situations in the future or at least put more onus on the government to do its job of regulation. I really believe it wasn't so much that we didn't have the regulatory authority to prevent some of these problems in this country and in this province but that we seemed to lack the political will to enforce the regulations we had, so we allowed companies to get into these kinds of situations.

Not only should the registrar be able to demand certain accounting from the receiver, but that accounting should be made public at the end of it. If you have a private company, commercial companies, and all the commercial partners are satisfied and don't want to make it public, I suppose that doesn't really matter too much. But in the case where the government is involved in a major way, as they've been with some of the examples I put forward, like GSR, for example, as an ongoing or specific case right now, then it would seem to me that public release of those documents at least at the end, if not every six months, where the full story was laid out and the numbers were fairly clear and that report to the registrar had to be made public, would put a tremendous amount of pressure on the government and the people involved to do what is right by all the participants in the bankruptcy, not just the main and big creditors.

It seems to me also that the system as it now stands is somewhat loaded in favour of people who have a lot of money behind them so that they can turn to the court system. It's a very expensive business tinkering with receiverships. It makes you wonder if the receivership business isn't something of a sinecure for the accountant firms in this country. I mean, some of these huge accounting firms get some pretty lucrative deals, as you pointed out yourself with the $5 million for lawyers spread out over a 20-year period or some such. So if we are going to make the system more fair, perhaps we also have to have some rules for the smaller cases. Maybe the individual who can't fight the big bank, let's say for example, should be able to turn to the registrar on a fairer set of rules; the registrar would have at least some mediation role. Or maybe the registrar should be able to act a bit like an ombudsman in his field or something so that the small players in situations of this sort can at least turn to somebody for some justice if they feel like they're set aside and left out of it all.

[Mr. Speaker in the Chair]

Look at some of the problems, for instance, in the Principal case. You know, Coopers & Lybrand were given this incredible amount of power. I'm not picking on Coopers & Lybrand. Any receiver in a situation like the Principal one or in the CCB example, or if we'd had a bankruptcy with North Trust, which we normally would have had, if the government hadn't been able to find money from the CDIC to cover it up instead – if you consider the amount of power given to the receivers in cases like that, where hundreds of millions of dollars are involved, then maybe you have to stop and think about how those receivers are appointed. Now, at the present time the main creditor, I guess, gets to say who the receiver will be. I guess if the government is involved, often they get to say who the receiver will be. But I can't help wondering if instead of just restricting the amount of fee to, say, 10 percent, as my colleague for Calgary-North West suggested, maybe somebody should consider the idea of some kind of tendering process and make these companies bid against each other for these contracts. There's no doubt that once they've got the contract, they're in a position of incredible power. They can let assets go cheaply to their friends. I'm not accusing them of this; I'm merely saying that they're in a position of tremendous power. They can liquidate in a hurry or they can stall liquidations for 20 years, as you've pointed out. So maybe we need some kind of open tendering process, and certainly we need some kind of accountability like you suggested and maybe even more than that, maybe some public accountability, particularly if governments are involved in any way, shape, or form.

MR. SPEAKER: Thank you.
The Member for Calgary-McCall. [interjection]

MR. NELSON: Well, Mr. Speaker, I've got about a 30-minuter here, so there'll be no problem.

I would like to also support the Member for Calgary-Foothills. In dealing with this Bill, there are many circumstances out there that I guess we can relate to relevant to receivers going in and not only obtaining for themselves tremendous fees and what have you but also placing a lot of hardship on individuals through what I call their spending like drunken sailors. Sometimes they're too quick to do a number of things that they're placed there by the people they have a duty to, such as banks or other people.

However, Mr. Speaker, considering the hour, I request leave to adjourn debate and carry on another day.

MR. SPEAKER: Thank you. Having heard the motion by the hon. Member for Calgary-McCall, those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

AN HON. MEMBER: No.

MR. SPEAKER: The motion carries.
Deputy Government House Leader.

MR. GOGO: Mr. Speaker, the business of the House tonight will be Committee of Supply dealing with the Department of Consumer and Corporate Affairs. Tomorrow it would be the intent of the government to deal with second reading of Bills.

I would move, therefore, that when the House reassembles at 8 p.m., it do so in Committee of Supply.

MR. SPEAKER: Having heard the motion, those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries.

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