

Legislative Assembly of Alberta

Title: **Thursday, April 26, 1990 2:30 p.m.**
Date: 90/04/20

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

[Mr. Speaker in the Chair]

Prayers

MR. SPEAKER: Let us pray.

We, Thine unworthy servants here gathered together in Thy name, do humbly beseech Thee to send down Thy heavenly wisdom from above to direct and guide us in all our considerations.

Amen.

head: Presenting Petitions

MR. SPEAKER: The Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. I'd like to present a petition this afternoon signed by 22 students and their teacher from Anne Fitzgerald elementary school in Edmonton-Beverly. The petition requests that much more be done to protect Alberta's environment. The students are saying they would like to enjoy our beautiful forests and to be able to canoe and swim in clean rivers and lakes.

MR. BRUSEKER: Mr. Speaker, I have a petition here with a total of 1,055 signatures from the Dutch community expressing their concern over the cancellation by Canadian Airlines of a direct flight from Edmonton to Amsterdam and urging the government to find alternative direct flights.

head: Introduction of Special Guests

MRS. BETKOWSKI: Mr. Speaker, during National Organ Donor Awareness Week, April 22 to 28, 1990, organizations working in the life-sustaining field of organ transplants are working on an educational campaign. The goal of National Organ Donor Awareness Week is to urge Albertans to consider giving the gift of life through organ donation. The health care system does its best to assist patients awaiting transplantation, but regularly the best medical efforts are negated when no organs are available. Today we are visited by donor families, recipients, patients on the waiting lists for available organs, and members of the transplant teams. They ask Albertans to sign their organ donor cards and discuss their wishes with their next of kin.

I would like to introduce Dr. Norm Kneteman, surgical director of the human organ and procurement program, or HOPE, and director of liver transplantation at the Walter C. Mackenzie sciences centre; Mrs. Prudence Taylor, manager of the HOPE program; and Marian Kwosnitza, acting co-ordinator of the Lions' Eye Bank; as well as many other people who have joined in the campaign today. I'd ask them all to rise and receive a very warm welcome from our Assembly.

MR. SPEAKER: The Leader of the Opposition, followed by the Minister of Consumer and Corporate Affairs.

MR. MARTIN: Thank you, Mr. Speaker. It's a great pleasure for me today to introduce some 38 students from the Delton elementary school in the constituency of Edmonton-Norwood. There are 38 in the group. They're attended by their teachers Mrs. Adoline Glenn, Mrs. Bridget Cameron, and parent Mrs. Penny Melenka. I'd ask them to stand – they're in the public gallery – and receive the traditional warm welcome from the Assembly.

MR. ANDERSON: Just joining us in your gallery, Mr. Speaker, we have the Minister of Consumer and Corporate Affairs and Minister of State for Agriculture for Canada, the Hon. Pierre Blais. In addition, I believe with him are his assistant Denis Roy; his media assistant Sophie Langois; his daughter, who is Marie-Hélène Blais; and Pierre Guimond from the department. If they would all please stand, I'd like to welcome the minister and say we're glad to have you here with us.

MR. SPEAKER: The Member for Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. I'd like to introduce to you and through you to members of the Legislative Assembly 54 visitors: 50 students and four teachers. Approximately half are visitors from the province of Quebec; the other half are students attending Harry Ainlay composite high school, located in the heart of Edmonton-Whitemud. I would ask that all members of the House welcome these visitors as they rise. They're situated in the members' gallery and the public gallery.

head: Ministerial Statements

Consumer and Corporate Affairs

MR. ANDERSON: Mr. Speaker, effective November 1, 1990, all Albertans purchasing third-party automobile warranties will have additional protection on their claims. Specifically, should the company providing the warranty coverage run into financial difficulty, the company will be required to have insurance funds available to meet its obligations. The need for this change was underlined by the failure of two major automobile warranty companies within the last two years. Consumers bought warranties to cover potential damage to their cars but in the end had to pay for the repairs themselves because the warranty companies did not have sufficient money to meet all their obligations.

Consistent with the government's commitment to maintain fairness in the marketplace, we've decided to regulate third-party automobile warranties under the Insurance Act. A third-party automobile warranty is issued by a person other than the manufacturer of the vehicle covered by the warranty. Upon the effective date, November 1, 1990, all issuers and sellers of third-party automobile warranties must be licensed under the Act. This date will give all issuers and sellers sufficient time to make whatever adjustments or changes they find necessary.

This initiative is in addition to earlier announcements in this House which were designed to safeguard Albertans from possible life and health insurance failures.

MR. SPEAKER: The Leader of the Opposition.

MR. MARTIN: Yes, Mr. Speaker. It's actually a pleasure to stand up and reply to the ministerial House statement and to

support a very progressive measure. I mentioned the other day that we also have to look, besides talking about the marketplace, at fairness in the marketplace. I see the government even recognizes, Mr. Treasurer, that you do have to intervene from time to time. I think, specifically, that the company providing the warranty coverage should be required to have insurance funds available to meet its obligations. Again, a good measure by the minister.

There are other areas, though, I hope he would find time to look at, following along the same situation, the same circumstances here. We've had the discussion about travel agencies. What's good for warranty coverage for third-party – the same concept might be good in travel agencies so that when they go belly-up, the traveler isn't stuck with the bill. It seems to me a natural follow-up from what we're doing here today. I would suggest to the minister that there are some other unfair practices he perhaps will have his department look at, Mr. Speaker, but in saying that, a very good measure by the minister announced today.

head: Oral Question Period

Smoky Lake Poultry Plant

MR. MARTIN: Not to be quite so positive, Mr. Speaker, things go from bad to worse for this government and the Member for Redwater-Andrew. On April 5 a public meeting took place in the town of Smoky Lake. That meeting was called to discuss a very controversial proposal for locating a poultry processing plant in a subdivision widely believed – widely believed – to be owned by the Member for Redwater-Andrew. Everyone at that meeting knew he was the local MLA. Everyone believed he owned the land in question, and the member did absolutely nothing to suggest otherwise. I might point out that this is well on tape if the Premier wanted to look for it. Now I'm quoting from that meeting. The member says:

It's for sale right now.

And I stress "we've."

We've been trying to sell it ever since 1985. We haven't had any offers on it.

On April 9 the MLA for Redwater-Andrew said that the land is still for sale.

My question to the Premier: now that a tape recording of that meeting has been made public, is the Premier still sticking to his line that the Member for Redwater-Andrew did absolutely nothing wrong?

MR. GETTY: Well, Mr. Speaker, I assure the hon. Leader of the Opposition that I haven't heard the tape he's waving around, and if he wants to send it to me, I'd take the opportunity to listen to it. It was a public meeting, so I don't know why there's any magic about a tape of a public meeting. I would say this though: I've had a review provided to me of what's purported to be in it, and in the way it's been placed in certain publications, and there's nothing new there, so why would I do something different?

MR. MARTIN: Mr. Speaker, the Premier may find this amusing. It's not amusing. Clearly, there was an alleged attempt – "alleged," I said – and it's been promoted by many people in the local area to say that the MLA was acting in an improper fashion. The Premier said it was a serious matter when it was raised. I would hope he would still consider that it was a serious matter. I want to ask the Premier: now that these

tapes have been made public and seem to show clearly a conflict of interest by the MLA for Redwater-Andrew, will the Premier do the honest and honourable thing and call a judicial inquiry so we can get to the bottom of this sordid mess?

MR. GETTY: Well, Mr. Speaker, I guess I'll just have to come back to my response to the hon. member before, and that is that we have had an unsubstantiated allegation made. Allegations, as I said, are serious. Whether or not anything else happened, that's a different matter. We've had the member of this Legislature stand up and tell all of his colleagues here, both sides, his position. Now, since that has happened, the only other new information has been the Speaker advising us that there is not a matter of privilege here in the Legislature. We also know that this chicken plant, or whatever, didn't ever get built and that the member doesn't own the land. I gather that the Leader of the Opposition and the NDP now say, on the basis of that material, that the time has come to have the taxpayers of Alberta spend millions of dollars on a judicial inquiry. Frankly, Mr. Speaker, unless there is some other information, I see no reason to change that position that we are satisfied with what the member told this House.

MR. MARTIN: Mr. Speaker, this is absolutely a shameful performance by the Premier of this province. He may stonewall all he wants and bring in red herrings, but the people of Alberta know what was going on. I say to this Premier: how can this Premier stand in this Assembly and say there was absolutely no conflict of interest? Only the members on that side of the House believe that.

MR. GETTY: I'm not sure, Mr. Speaker, if there was a question in that statement or comment by the hon. Leader of the Opposition. Nobody is stonewalling anybody. We have had the member stand up and talk to this whole Legislature, and then we have had the process through this Legislature. Now, I say to everybody: if you have something more than what has come out as unsubstantiated allegations and the answer from the hon. member, then provide it. Provide it. I'd be happy to see it. But let's be clear about something: the taxpayers of Alberta have only so many funds that can go towards governing a province, and to now want them to spend millions of dollars on the basis of this unsubstantiated allegation . . .

MS BARRETT: You guys are the big spenders.

MR. McEACHERN: Why would it take millions?

MR. SPEAKER: Order. Order.

MR. GETTY: Frankly, I'd say, Mr. Speaker, let's consider the taxpayers of Alberta.

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

MR. MARTIN: Just to follow up to the Premier, Mr. Speaker, he might consider the 20 percent increase to hire a bunch of flacks to run his office and put it into that.

But again I want to say to the Premier that this is one of the most shabby, disgraceful performances by this Premier that's ever been seen in the province of Alberta. The stonewalling and cover-up is not acceptable. Yesterday the Deputy Premier said

the hon. Member for Redwater-Andrew was carrying out his business activities as a licensed real estate agent and as a real estate developer and that he in no way used his position as a Member of the Legislative Assembly.

The Deputy Premier actually tried to apply this amazing theory that there are times when an MLA really isn't an MLA. Figure that one out. The MLA stood up in the public meeting, that the Premier doesn't want to even look at – see-no-evil, hear-no-evil Premier Getty. The MLA said, "I am the developer" – that's on the tape if the Premier is interested – referred to himself many times as the MLA, and tried to persuade people to support a project in which he was believed to have a direct financial interest. My question: can the Premier tell us how this fails to qualify as an apparent conflict of interest?

MR. GETTY: Well, Mr. Speaker, the hon. Leader of the Opposition has now followed through on some additional questions on apparently the same subject, and he hasn't added any new information.

MR. MARTIN: Mr. Speaker, I just added the information that was said at the public meeting. I ask the Premier again. Instead of fooling around stonewalling, answer the questions here. Albertans want to know this. I want to ask the Premier: if an MLA goes and he says, "I'm a developer and I'm also the MLA and I want you to put a development on my land," is that not an apparent conflict of interest?

MR. GETTY: Now, Mr. Speaker, I am dealing with complete hearsay from the hon. Leader of the Opposition. I don't know where he's coming from with those comments. Frankly, he is adding no new information here nor is he changing his question.

MR. MARTIN: His investigation should have turned up that, a thorough investigation.

Again, Mr. Speaker, the most shabby performance I've seen in this Legislature. It's time this government was thrown out, precisely for a reason like this. I want to say to the Premier, following on that: does he not realize that by his stonewalling and covering up here, he's sending a message out to all Albertans that it's okay for MLAs to do whatever they want? Isn't that the message he's sending out?

MR. GETTY: Well, Mr. Speaker, let's understand it. There has been no stonewalling. It's been discussed every day, and the member has stood up and made a statement to his colleagues in this Legislature.

MS BARRETT: Yeah. He said he sold the land in March.

MR. SPEAKER: Order.

MR. GETTY: Listen. Mr. Speaker, we're trying to answer the question, and we listened to them.

I would say there's a message going out, and it's this: that there are some members of this Legislature who are perfectly prepared to attack the reputation of another member of the Legislature on unsubstantiated grounds and then ask the people of Alberta to spend millions of dollars to find out whether they're accurate or not and do it without any substantiation at all. Now, I find that is a shabby message and a terrible way to handle yourself as a member of this Legislature.

MR. SPEAKER: Calgary-McKnight.

Teacher Shortage

MRS. GAGNON: Thank you, Mr. Speaker. During question period yesterday the Minister of Education indicated that only now is he seeking recommendations regarding solutions to the teacher shortage even though his own department officials have been sounding the alarm bell since December. In January I suggested practical and immediate solutions such as easing annual teaching restrictions for retired teachers, refresher programs which would attract a lost generation of teaching graduates back into the profession, and providing a component of the teacher internship program for rural Alberta. To the Minister of Education: will the minister show some leadership and move immediately to prevent teacherless classrooms in September by easing the restrictions on the number of days during which a retired teacher can teach?

MR. DINNING: Well, Mr. Speaker, I welcome the comments and the suggestions made by the hon. member. I asked her for those comments yesterday, and I'm glad to receive them today. But I go back to my comments yesterday when I said that the Minister of Advanced Education and I met with representatives of the four faculties of education in the province as well as school superintendents, the School Trustees' Association, and the Alberta Teachers' Association. That began the process that has led to a group of people coming back to this government, coming back to the Minister of Advanced Education with recommendations on how we hopefully will put more teachers in the classroom. Because we may be running short. The minister to the left tells me that – well, not exactly to the left . . . But one member to the left reminds me that two years ago we had an excess of teachers in this province. It goes through very difficult cycles.

But I also remind the hon. member that her same release back in January suggested some antediluvian, outdated thinking that the people behind the iron curtain are throwing out. She is suggesting that somehow we force kids into the education faculty. That is not the way this government operates.

MRS. GAGNON: No, I didn't say that.

MR. DINNING: Well, it's in your press release, hon. member, from January of 1990. That kind of forceful thinking, forcing Albertans and Canadians into our faculties of education, is typical liberal socialist outdated thinking.

MR. KOWALSKI: Red Liberals. Ah, they're hypocrites, those Liberals.

MR. SPEAKER: Order please.

MRS. GAGNON: Mr. Minister, I have absolutely no idea what you're talking about.

Mr. Speaker, I would like to ask the minister how he intends to assure that only qualified teachers will be allowed after this consultation process takes place, late as it is, and that we will never again return to the past where so-called six-week wonders were allowed into the classrooms of Alberta.

MR. DINNING: Mr. Speaker, the hon. member has raised a good point yesterday and again today: that we must have qualified teachers in the classroom where students are. There should be no question about our commitment to ensure that

there are qualified teachers in that classroom. Nothing less will do.

MRS. GAGNON: Mr. Speaker, my last question is to the Premier. Mr. Premier, next week is Education Week. Your government claims that education is its top priority, yet here we have a situation where the Department of Education is predicting a shortage of 825 teachers in four years, there are quotas in faculties of education, and the Minister of Education muses that the U of A should maybe cut law or religion programs in favour of education programs, a most irresponsible suggestion. Will the Premier acknowledge that the looming teacher crisis is due to underfunded universities and lead his caucus to reverse their funding decisions?

MR. GETTY: Mr. Speaker, first I do want to confirm for the hon. member that education is the government's number one social priority, and we will conduct ourselves in a way that will make sure that education remains our number one priority. I might say to the hon. member: be very careful about short-term reading of certain things like teacher availability and supply. I recall that just two years ago my son was in education and was cautioned that he should get out of that wonderful profession because, he was told, there was a huge oversupply of teachers. Now we are hearing that within some few months we have a looming crisis, a shortage. So I just caution the hon. member to not take these short-term readings about certain matters, but I do want to also confirm for her that education is the number one priority of this government.

MR. SPEAKER: Calgary-Glenmore.

Glenmore Dam

MRS. MIROSH: Thank you, Mr. Speaker. Over the last several weeks and even months many Calgarians have expressed concern with the construction of the Oldman dam in southern Alberta. Many concerns have been expressed regarding environmental and safety impact of this dam. The province has stated repeatedly and clearly the reasons and need for this dam. In Calgary-Glenmore we have a very old dam. The people of Calgary take a lot of pride in this water reservoir, as it's the city's main source of drinking water and it provides a beautiful park and a recreation area for sailing. There's also a variety of wildlife habitat. It's aesthetically appealing for all Calgarians to enjoy, and it's right in the heart of the city. Because of the age of this dam there are now some serious structural problems and there's a need for upgrading. I've met with the city commissioners. They have submitted a proposal for the province to upgrade this dam. I would like to ask the Minister of the Environment whether or not his department is aware of this serious problem, and is the department prepared to finance some of the repairs this dam is in need of?

MR. KLEIN: Well, Mr. Speaker, I'm aware of the problem. However, not since becoming Minister of the Environment: I was aware of the problem when I was the mayor of Calgary. Indeed, I asked the then Minister of the Environment for some financial assistance, and I'm still waiting for an answer. Now that I'm in a position to answer it, I'll look into it.

Thank you.

MRS. MIROSH: Mr. Speaker, the environment minister's constituency is just downstream from this dam, and I would like to know if the minister will be conducting some sort of environmental impact with the city of Calgary with regard to this dam.

MR. KLEIN: It's been around for a long time, Mr. Speaker, and I think it has proven over the years its environmental worthiness. It was built during the early '30s, as I understand it, as a make-work project. The mayor then was one of my favourite mayors, Andy Davison. It put about 3,000 people to work during the worst depression in memory. It has provided the city's water supply. It has provided flood control along the Elbow River, particularly as it affects my own constituency. It has provided a beautiful recreation area, and I don't know what the city of Calgary would do today without that dam. I would hate to think of the costs of building a similar structure in today's economic and environmental climate.

MR. SPEAKER: Edmonton-Centre, followed by Edmonton-Whitemud.

Surgery Effectiveness

REV. ROBERTS: Thank you, Mr. Speaker. Recently a woman here in the city of Edmonton had a cesarian section six weeks before she was due and then discovered that three other women had had cesarian sections on the same day, before the obstetrician left for vacation. Later an elderly constituent told me that he had consented to back surgery but wasn't quite sure why and felt no improvement after the procedure. Now there are increasing reports that fully 20 to 30 percent of all heart surgery – expensive heart surgery – is unnecessary and does not improve either quality or quantity of life after those procedures. Given the Minister of Health's purported commitment to better accountability and better outcomes in the health system, what specific strategy is she now implementing to ensure that expensive and unnecessary major surgery being done on Albertans is being curtailed?

MRS. BETKOWSKI: Mr. Speaker, the question as to what surgeries are performed and which ones are most appropriate is not one that I singly as Minister of Health would ever make. It's obviously a decision that has to be made by a physician, whether or not that surgery is needed, and that judgment, frankly, is one that I think the health system must support.

However, there are two elements to the member's question. One is the appropriateness from a medical point of view, and the ethical question of whether or not a surgery had been performed. If any individual Albertan has a complaint against any individual physician, there's clearly a process by which those complaints can be laid through the College of Physicians and Surgeons.

However, on the issue of quality assurance, I'm please to report to the hon. member that under the auspices of the first ministers when they met a year and a half ago, there was direction to hold conferences across Canada with respect to three issues, one of which was quality assurance. The issue of physicians striking protocols for appropriate procedures, including the option of not performing certain procedures, is something that is under way within the profession. If the hon. member would like some updates with respect to that, I'd be pleased to respond to something he might put on the Order Paper.

REV. ROBERTS: Well, Mr. Speaker, I think we need a lot of updating here, because not only are people's lives being drastically affected but millions of dollars are going into major surgery, and it's not being carefully monitored at all except by some people at the department of surgery at the Foothills hospital in the city of Calgary, where the chief of surgery has already admitted that there is a great need to examine the outcomes of major surgery and do some drastic things to improve the quality of life and save millions of dollars. Will the Minister of Health therefore explain why the Foothills project has received federal funding and national recognition for their study and work on unnecessary surgery but her department has not even begun to look at their program or support it financially?

MRS. BETKOWSKI: Well, Mr. Speaker, as usual, the hon. Member for Edmonton-Centre excerpts one piece out of the health system and extends it to the full extent and concludes that nothing is being done or monitored.

I am not about to stand in front of an individual Albertan and tell them that their surgery should not be performed. I don't think that's something that should ever be done by a ministry or a province or a Department of Health. That's clearly a medical decision. Letting the medical fraternity work through some of the programs which they have under way in their own profession, including relative value measures, including quality assurance measures, including the acute care funding project, of which I spoke at some length yesterday during my estimates, is the way in which we are proceeding.

I support those efforts, because in the final analysis what we are trying to do as a health system is ensure that Albertans are healthier as a result of the efforts we make. I support the efforts that are going on throughout our province, and I think it's an area where we are going to see a great deal of change taking place as the issue of quality assurance becomes a very real issue within medical practice in our country.

REV. ROBERTS: You can't do it alone.

Lottery Funds

MR. WICKMAN: Mr. Speaker, when questioned in the House on March 13 in regards to the Auditor General's comments on the administration of lottery funds, the minister responsible accused me of selective quoting, and the minister made reference to his amendment Act eliminating the Auditor General's concerns. Let me remind the minister that had he chosen to read the next sentence of the report, the Auditor General went on to state, and I quote:

However, legal advice recently received concludes that the Act provided only a partial solution to my concerns and that most of the problems remain.

Mr. Speaker, to the minister responsible for lotteries: will the minister give this House his assurance that he will now comply with the recommendations of the Auditor General and administer the lottery funds in accordance with prevailing legislation?

MR. KOWALSKI: Mr. Speaker, if my memory is correct, going back to March 13 when the Member for Edmonton-Whitemud raised the question, I also indicated at that time – and I'm sure it's contained in *Hansard* – that the recommendation of the Auditor General in the annual report for 1988-89 was a 180 degree switch from the recommendation, the position taken by

the Auditor in the previous report in the previous year. I also indicated at that time that I was hoping to avail myself of an opportunity to discuss this matter with the Auditor General, perhaps at the conclusion of this Legislative Assembly or when time would permit, to ascertain what the basis was for this reversal in the position of the Auditor General. Because all members will recall that when Bill 10 was before this Legislative Assembly in 1988, that Bill was presented and provided to the Auditor General for his comments, and he assured my predecessor in this Assembly that should the government proceed with Bill 10 and the amendments thereof, that would meet all the requirements and concerns set forth by the Auditor General.

MR. WICKMAN: Mr. Speaker, to the minister responsible for lotteries: in addition to the expenditure for sweatshirts for the MLAs, is the minister aware of any other goodies or items that may have been purchased for MLAs using lottery funds?

MR. KOWALSKI: Mr. Speaker, this week is Volunteer Week in the province of Alberta. All Albertans and all members of this Assembly will recall that on February 17, 1989, her Honour the Lieutenant Governor read the Speech from the Throne and indicated that should the Progressive Conservative Party be successful in an upcoming venture, the government would ensure that part of its program for 1989 would be the creation of a first-ever volunteer appreciation week in the history of Alberta. That week was established in 1989. This week, this very week we're in right now, is the second volunteer recognition and promotion week in our history.

One of the things I took upon myself to do, Mr. Speaker, was to ensure that all my colleagues in this Assembly would become as enthusiastic and as committed to the promotion and recognition of volunteers in all parts of Alberta as I believe I am. One small way of trying to encourage my colleagues to come forward with that was that I had directed that some 83 T-shirts manufactured in Edmonton, Alberta, at a total cost of \$10.50 per T-shirt, would be provided to each of my colleagues. I ask them to show pride in support of volunteers in this province. I ask them to wear that T-shirt. I ask them to go out and pat a volunteer on the back, thank a volunteer for being outstanding. I think \$850 or thereabouts to have my colleagues promote volunteers, the 900,000 volunteers in the province of Alberta, is a very, very, very minor expenditure. If the hon. member would like me to do more, I'd be happy to consider such a proposal.

Police Chases

MR. THURBER: Mr. Speaker, yesterday the hon. Solicitor General announced that he was establishing a fact-finding task force to enquire into and provide recommendations on high-speed police pursuits. Given that our province has witnessed the tragic result of people who wantonly disregard the law and refuse to stop for law officers, I would like to ask the Solicitor General: what additional measures is he considering that would address the simple fact that if people would stop for law officers, these things would not occur?

MR. FOWLER: Mr. Speaker, there is no doubt that if, in fact, every chased automobile stopped on the signal from the police, pursuits just would not be necessary and we wouldn't have the amount of carnage we've had on the highway, the resulting deaths and the trauma that has concerned many people. It has been suggested that we look at increased fines in respect to

people that won't stop, and it's my view that this could possibly create as much or a greater problem than it would try to face, because if the fines went up, as they have in the province of Ontario – I believe up to \$5,000 – and the pursued driver was in fact aware of that, I'm afraid there wouldn't be much there to convince her or him that they should stop. However, the task force that has been set up will be looking into this and, I suspect, making recommendations as well.

MR. THURBER: Supplementary, Mr. Speaker. In the makeup of this task force, I note that the police are represented not only by the chiefs of police but also by the unions who represent these officers and by police commissioners. To the Solicitor General: do you believe it would be necessary to have other people on this task force as well?

AN HON. MEMBER: Sure he does. That's why he did it as he did.

MR. FOWLER: Thank you, hon. member from Calgary.

The whole matter of the task force has been under consideration since last fall, late summer as a matter of fact. The members of the task force, Mr. Speaker, are actually three civilians and three police officers: the task force is chaired by Mr. Ed Hahn, the director of law enforcement from our department, who is a civilian; Robert Davie, Q.C., director of prosecutions for the Attorney General's department, who is a civilian; Terry Wauters, a police officer, chief of the Lethbridge force and representing the Alberta Association of Police Chiefs; Inspector Sid Slade, a uniformed officer of the RCMP, a traffic officer out of K Division. There will also be appointments from the Alberta Association of Municipal Police Commissions, and the cop on the street will also be represented by an appointment from the Alberta police associations.

MR. SPEAKER: Edmonton-Highlands, followed by Westlock-Sturgeon.

Advanced Education Funding

MS BARRETT: Thank you, Mr. Speaker. Over the last few years universities, particularly the University of Alberta, have had to look at attempts at deterrents to enrollment, including raised entry criteria, increased tuition fees, and in fact quotas in, I think, all departments now. Despite those attempts, demands for enrollment at the universities has increased beyond the capacity of universities to accept them. This has resulted in a backlog at colleges, which are now throwing up their hands and saying, "We can't take your overflow." Now, Mr. Speaker, I think this is all caused by a fairly orchestrated strategy by the Conservative government to chronically underfund postsecondary institutions over the last eight years. My question to the Minister of Advanced Education, who knows perfectly well what sort of crisis is not looming but is actually here, is this: what strategy, if any, has the minister or his government come up with to accommodate the students who want access to postsecondary education?

MR. GOGO: Mr. Speaker, we spend a great deal of time determining, in the interests of students who wish to attend postsecondary institutions – we have some 29. This may be old hat to the hon. member. We spend about a billion dollars of taxpayers money, which is 90 percent of the total cost. We have

a very successful system. Attesting to the success, obviously, are the numbers of people who would like to get into the system.

The admission standards set by the institutions are, of course, the business of the institutions and not the minister and the government. We rely on the institutions to accommodate those students. My information to date is that 1990, beginning in September, may be a somewhat difficult year but there is room in the system.

I find it very interesting, based on the hon. member's question, Mr. Speaker, that I have not had direct representation from any of the institutions with regard to changing admission standards.

MS BARRETT: I doubt it, Mr. Speaker. He knows that the universities and colleges have all asked for increased funding so they can accommodate the number of students who want access to advanced education.

My question to the minister is this: seeing as this Conservative government always has the spare bucks to build a new provincial building, a new hospital, in whatever riding it might look like they're losing, why doesn't the minister consider funding additional money to, say, the U of A so it could be open on a full-time basis year round or Athabasca University so it can operate very efficient satellite classes in all sorts of locations so people can get access to the university degrees they want?

MR. GOGO: I'm not surprised, Mr. Speaker, by the reference to the University of Alberta, which now has a quarter billion dollar budget which this government happens to believe is adequate for the need at the time. Athabasca U runs a very successful program in terms of distance education. It's the view of this government – and I find it somewhat strange that during my estimates these matters weren't raised directly. We constantly review the access system, the funding system. I, as advocate for the system, am attempting to do the very best I can with regard to funding. At this time I'm satisfied with the system we have in place for funding, but obviously if we had more, perhaps we'd give consideration to sharing more.

MR. SPEAKER: Westlock-Sturgeon, followed by Smoky River.

Utility Rebate

MR. TAYLOR: Thank you, Mr. Speaker. My question today is to the Provincial Treasurer. The federal government, as the Treasurer knows, has frozen transfers to the provinces under the Public Utilities Income Tax Transfer Act, which will cost Canadians in general \$50 million but, more importantly, Albertans \$27 million. In other words, over half the cancellation will impinge on Albertans because we are the province with privately owned utilities. But instead of protesting this, the provincial government, like Brutus, ran in there to stick another knife into the Alberta consumer by canceling their rebate to the public utility tax completely, running up the bill another \$90 million. What I'd like to ask the Treasurer today, Mr. Speaker, is: in view of the fact that at this time of high cost to farmers and to small towns, which are mainly on the privately invested utilities, we'll raise their utility costs by anywhere from 8 to 10 percent, would the minister reconsider and withdraw his refusal to rebate any more taxes to the consumers?

MR. JOHNSTON: Mr. Speaker, the responsibility for public utilities is with the Minister of Energy. I'm sure the Minister of

Energy would love to explain to the member what it is we're doing with respect to that policy question.

MR. ORMAN: Mr. Speaker, when we were doing our provincial budget we had a very hard look at a number of areas as to ways we could reduce our expenditures, and certainly the tax rebate to utilities was one we looked at very closely. We made the decision that in the context of fiscal restraint, in trying to reduce the expenditures of government, we would do away with the tax rebate to utilities.

Now, the reason we were able to come to that conclusion is that in comparison with other provinces, both on the consumer side and on the industrial side, we were more than competitive and, in some cases, lower than any other provinces whether they be in municipal or industrial rates.

MR. TAYLOR: Supplementary, then, to either one of the ministers, because I realize that in a free enterprise province this must be a real hot potato. Does this cancellation of income tax rebates to private investor owned utilities and a definite bias to public ownership mean that this government over there is now trying their best to put the power companies under public ownership?

MR. ORMAN: Oh, it would be interesting to hear the hon. gentleman's argument in that regard, Mr. Speaker, and I'd be pleased if he'd put it forward to participate in that debate. It's interesting that during the election his leader was waving his wallet around about expenditures, and now that the election is behind us and they no longer have a need to manipulate the government programs, they are on the other side of the fence. It's been identified on a regular basis in this House, Mr. Speaker. It's consistent with the hypocrisy of that party.

MR. CHAIRMAN: Smoky River.

Volunteer Recognition Week

MR. PASZKOWSKI: Thank you, Mr. Speaker. This is Volunteer Week, and we've heard a fair amount of criticism, particularly from the Liberal caucus. My question is to the minister of supply and services. It basically is: why are we spending money promoting volunteers, and why isn't the government doing the things we're expecting volunteers to do?

MR. KOWALSKI: Mr. Speaker, this week is Volunteer Week in the province of Alberta. I've already pointed that out once in this question period today. It's the second time in the history of our province. The fundamental question the hon. Member for Smoky River said: why should the government promote volunteers? Well, because volunteerism is extremely important. And that's a statement I want to amplify in the context of Alberta, where five out every 10 Albertans do volunteer work. That is disproportionately higher than in any other province in this country of Canada, Mr. Speaker, by every measure that has been taken by the Canadian Centre for Philanthropy.

Our province was created by volunteers. We believe there are enormous amounts of things we would want to do as people who believe in the fundamental rules we follow in our society that it's important to share, important to be involved, important to assist, and important to help. What we're doing this week is honouring and thanking those volunteers by promoting them.

I'm just really delighted and tickled pink that the foremost volunteer of Alberta, the Premier himself, volunteered to convey a message to all Albertans thanking them for their involvement. And all the people who appeared with him on a very important television message that was created especially for this week were volunteers themselves, Mr. Speaker.

MR. PASZKOWSKI: Thank you, Mr. Speaker. The word "volunteer" has different connotations and different perceptions across Canada. My question is to the minister of supply and services. Is he disappointed with Albertans in that they don't volunteer enough? Is this the reason he has announced a Volunteer Week? [interjections]

MR. KOWALSKI: Mr. Speaker, the reality of the situation is that it's quite the opposite. We're thanking volunteers because of the enormous amount of work Albertans do in volunteerism. In addition to the amount, five out of 10 Albertans volunteer; 900,000 Albertans volunteer annually. This week hundreds and hundreds of people have appeared at sessions for all activities throughout this province. [interjections]

MR. SPEAKER: I'm sure glad I got out of my sickbed to come back to this.

Edmonton-Belmont.

Welders' Safety

MR. SIGURDSON: Thank you, Mr. Speaker. My question today is for the Minister of Career Development and Employment. The welding apprenticeship program currently allocates only 10 hours of classroom time to the topic of welding safety. In fact, the course is grossly deficient in the area of fumes and gases, which is that area that is most dangerous for welders as they go out into the work force. Many of the welders, the instructors have advised that 10 hours is simply not sufficient in order to learn the proper process to avoid some of these fumes and gases. I'm wondering if the minister of career development, given the growing awareness of dangers of welding, will undertake to review and improve the safety education component in the welding apprenticeship program.

MR. WEISS: Well, Mr. Speaker, to all hon. members of the Assembly, I appreciate the member raising it. I first noticed it from the minister of occupational health, who had indicated there was a concern and had said that the information was available. I've asked our department to review with the board to see if any extra time allotment can be made to ensure that the exact regulation will be taking place.

MR. SIGURDSON: I appreciate the answer from the minister. In the meantime, I'm wondering if the minister would undertake to make available the program from the Department of Occupational Health and Safety that we talked about yesterday, take out that program to all the welders listed in the Department of Career Development and Employment, almost 9,000 welders. There are only 1,000 of those brochures available. Would the minister make those available to the other 8,000 members?

MR. WEISS: Mr. Speaker, I'm not prepared to take that as a commitment at this time, but I am prepared to say that we are as concerned as the minister who's responsible for the overall safety of all workers, and within the department of Career

Development and Employment safety will be a prime concern of the apprenticeship Act and we'll ensure that it will be there. As to the extent of the distribution of the Welding Safety Reference Guide, I cannot make that commitment, because I do not know exactly what it would take to do so at this time. But I am prepared to review it.

MR. SPEAKER: Edmonton-Kingsway.

Provincial Debt Servicing Cost

MR. McEACHERN: Thank you, Mr. Speaker. In March the Treasurer proclaimed his billion dollar deficit reduction budget. Of course he overestimated in several areas the revenues of the province, but he also underestimated the debt servicing costs, claiming there would only be a \$90 million increase this year over last year to some \$965 million. My first question is: does the Treasurer, Magic Johnston, still stick to that figure, a \$965 million debt servicing cost?

MR. SPEAKER: Thank you, Provincial Treasurer. We'll just take the term Treasurer; we don't need the other smart apple remarks. Thank you.

MR. JOHNSTON: Yes, Mr. Speaker.

MR. McEACHERN: Mr. Speaker, we know we got higher interest rates than ever, but even that aside, the Treasurer might also recall . . .

MR. SPEAKER: Might we have unanimous consent to complete this series of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

MR. McEACHERN: In last year's budget the Treasurer showed his debt servicing costs had increased by \$300 million, one could assume basically as a result of the fact that the year before the debt went up by some \$2 billion. Now, last year the debt went up by \$2 billion again, and yet this time he's trying to claim that the debt servicing costs are only going to go up by \$90 million. This is the question: will the Treasurer acknowledge that the debt servicing cost for 1990-91 will not be \$965 million as he stated but closer to \$1.2 billion, the equivalent of the yearly earnings of the heritage trust fund?

MR. JOHNSTON: Well, Mr. Speaker, I know Albertans are certainly interested in hearing this answer. I don't know if the same credibility had been given to the ND party, but clearly Albertans want to talk about the fiscal plan presented by the province of Alberta in our budget. Of course, it's under current debate right now, and I think Albertans agree with the general thesis that was put forward by our plan, a very simple thesis, one which suggests that this government wants to have a balanced budget. Now, Albertans know that if you reduce the size of your deficit, you're going to reduce the cost of your borrowing. That's why our forecasts show that we are able to reduce the cost of our debt servicing, because our deficit is reducing. We believe that we have a very good opportunity to continue that path, to get to the balanced budget by '91-92, and in doing that we will then get on with reducing the size of our debt, which will

further reduce the size of our deficit and our debt servicing costs.

Now, I know the opposition is really not too excited about our fiscal plan. Albertans like it, by the way, Mr. Speaker. The opposition certainly thought we were going to do this by privatization, but there's not one nickel of privatization dollars in this budget. That's what's perplexing my colleagues across the way. Now, Albertans know that when it comes to financial management, it's the Conservative Party that has the leadership in this country. No question about it, Mr. Speaker, no question about it, and I want to make it clear . . . [interjections]

MR. SPEAKER: Thank you all very much. [interjections] Thank you, thank you. It's the courtesy of the whole House to extend question period. It shouldn't then be abused in terms of the length of the question and the length of the answer or the amount of shouting that can take place.

Would the House give unanimous consent to revert to the Introduction of Special Guests? No, I'm sorry, Provincial Treasurer.

MS BARRETT: Spend, spend, spend.

MR. SPEAKER: Thank you, Edmonton-Highlands. We've heard that before from you as well.

Do we agree to a reversion?

HON. MEMBERS: Agreed.

MR. SPEAKER: Thank you. Opposed? Carried. Thank you. West Yellowhead.

head: Introduction of Special Guests (reversion)

MR. DOYLE: Mr. Speaker, I'd like to introduce to you and through you to the members of the Legislature 57 schoolchildren from Gerard-Redmond public elementary school in the beautiful town of Hinton on the edge of the Rockies. They have with them teachers Jeff Miller, Russ Keating, Sandy Gillis, and parents Lois Tunke, Wanda Taylor, Carol Rondeau, Vern Koch, Luci Reitzel, Don Quast, and Donna Petrie. I ask them to rise and accept the warm welcome of the Legislature.

Orders of the Day

head: Written Questions

MR. GOGO: Mr. Speaker, I move that all written questions appearing on the Order Paper except for 245, 256, 258, and 259 stand and retain their places on the Order Paper.

[Motion carried]

245. Mr. Taylor asked the government the following question: With regard to the Alberta government offices in New York; Los Angeles; London, England; Hong Kong; and Tokyo: what are the names and titles of the employees working in these offices, what are their salary classifications, and what benefits does each employee receive by way of automobile or automobile allowance, accommodation or accommodation allowance, and entertainment allowance?

[Question declined]

256. Mr. Chumir asked the government the following question: What is the amount of legal fees paid by the government for Mr. Donald Cormie and members of his family with respect to the Code hearing and related matters?

[Question declined]

258. Mrs. Hewes asked the government the following question: How many Albertans received premium subsidy under the Alberta health care subsidy plan in the past three fiscal years in the following categories:

- (1) family coverage
 - (a) regular rate, combined adjusted taxable balance above \$10,000,
 - (b) combined adjusted taxable balance above \$8,000 but not more than \$10,000,
 - (c) combined adjusted taxable balance above \$6,000 but not more than \$8,000, and
 - (d) combined adjusted taxable balance not more than \$6,000, and
- (2) single coverage
 - (a) regular rate, adjusted taxable balance above \$5,500,
 - (b) adjusted taxable balance above \$4,500 but not more than \$5,500,
 - (c) adjusted taxable balance above \$3,500 but not more than \$4,500, and
 - (d) adjusted taxable balance not more than \$3,500?

MRS. BETKOWSKI: Mr. Speaker, I accept the question.

259. Mr. Mitchell asked the government the following question: What facilities are available for the safe disposal of biomedical waste, e.g. syringes used by diabetics, by individuals, and what information is available to inform the public about these facilities?

MRS. BETKOWSKI: Mr. Speaker, I accept the question.

head: **Motions for Returns**

MR. GOGO: Mr. Speaker, I move that all the motions for returns appearing on the Order Paper except for 157, 158, 159, 161, 162, 163, 164, 181, and 182 stand and retain their places.

[Motion carried]

157. Mr. McEachern moved that an order of the Assembly do issue for a return showing a copy of the audited financial statement of 354713 Alberta Ltd., Softco, for the year ended March 31, 1989, and a financial report for the nine-month period ended December 31, 1989.

MR. McEACHERN: Mr. Speaker, I would choose to speak to Motion for a Return 157 initially rather than later. In this motion I've asked for the financial statements of 354713 Alberta Ltd., or what is commonly called Softco. I've asked for the audited financial statement and also any updates that we might get to March 31, 1989, which would be some three-quarters of this year that has gone by. In fact, a whole year has gone by since the financial statement for 1988-89, which we did get, by the way, a short time ago. However, I found it a very disappointing document. It doesn't have who the directors or the

officers of the company are. The only thing that's on it by way of identity is that Touche Ross did the auditing. When you mention the auditing, there is a rather strange phenomenon there, and I think it's that the Auditor General only gets to see the financial statement after Touche Ross has done it. The Auditor General, I do believe, does not get to go through the books of Softco and decide for himself whether or not that financial statement fairly represents the assets and liabilities of that company. Of course, that's one of the reasons the Treasurer set up Softco in the first place in such a manner: that it would not be accessible to the Auditor General in detail to audit. He gave one share to a lawyer. It's turned out to be very convenient actually. It's the same lawyer that he got to set up another numbered company to handle the purchase of the Principal assets.

[Mr. Deputy Speaker in the Chair]

Now, Softco was set up as a company to be the fall company for the new North West Trust, and they are fulfilling that role reasonably well, as the annual statement shows. Although it's a funny thing. You have to go to the annual statement of North West Trust itself to learn some of what's going on, because the financial statements of Softco give as little information as it's absolutely possible to give and still call it a financial statement. I'm going to use the new North West Trust and the old North West Trust just to distinguish those two organizations so that people will know which I'm talking about. The new North West Trust shows that they made some \$9 million this past year, but the funny thing is that \$10 million of it was on an \$80 million loan to Softco. Now, doesn't that make the new North West Trust a really viable trust company? On top of that they actually took money, the last million and a half, out of the reserve fund. I'm not sure of the exact number there, but they cleaned out the last part of the reserve fund that had been set up in the takeover. Plus they took most of the last of the \$12 million that was set aside to help Softco with its – if I can remember the right terminology, it's something like: so North West Trust could maintain a good spread between interest rates charged and interest rates paid. Therefore, it would be attractive to get people to invest in them. They've used most of that money, Mr. Speaker, in the last three years as well. So the new North West Trust is sure making it on its own all right. It's still being subsidized by Softco and still dumping its worst properties into Softco three years after they were set up.

Softco itself is rather a catchall. It gets all the garbage from the new North West Trust and the old Heritage Savings & Trust. I want to mention that company as well for a moment. Some of the people from there are still now on the board of directors of the new North West Trust, one of them being Mr. Conway, a vice-president, who, by the way, had the gall to threaten the Member for Edmonton-Highlands and myself with a lawsuit because we reacted to some information we were given that he'd been given a preferential write-down on a \$97,000 loan to some \$18,000. He threatened to sue us at the start of the last election. So we waved the papers around and said, "Go ahead; sue us." He didn't get around to doing anything for the longest time. Finally, when the House sat last year, he threatened us again and sort of put some more papers out. He did manage to keep a lot of stories off the front pages of the newspapers, though. Some of the newspapers have been reluctant to talk about the old North West Trust and the takeover and the coverup that went on. It's disappointing. I mean, when we waved those papers

around, it was on a Friday, and there were no articles in the papers until the Monday, a little article on page 7 of section something or other, far down in the paper. So he's had some success in scaring the newspapers, because he also threatened to sue them.

Mr. Speaker, what is going on with Softco is not information that is given to the public and to this Assembly. It's government money. It's taxpayers' dollars, and I don't understand why the Treasurer thinks he should cover it up. This statement that we got is totally inadequate as an explanation of the takeover of the old North West Trust and the old Heritage Savings & Trust companies into the new North West Trust, the setting up of Softco to be the fall company. By the way, Softco is now not only being used to purchase these assets from Principal, but it's also being a dumping ground for some more money, and we're not quite sure where they're coming from. The only places it could be, I think, Mr. Speaker, is probably S C Properties or maybe some of the dog properties of Alberta Mortgage and Housing. Now, I don't quite understand why the government has to be so secretive about these things. Eventually it comes out in the public accounts two or three years down the road if you can find it.

When you do look at public accounts and start reading, you do find some interesting things if you get into the notes and things. They're never up front where you can see things right away, but if you look around and dig hard enough, sometimes you can piece together some of the things that happened a year or two ago. You never know what's happening now, because the government won't release those kinds of things. I just refer you to the latest public accounts that we've got, 1988-89, which of course is a year out of date already, page 1.10, section 4(b), about the third paragraph.

The Province has agreed to indemnify North West Trust Company . . .

This means the new North West Trust Company in my terminology.

. . . from any loss in the event any of the payment or performance obligations of 354713 Alberta Ltd., a company jointly owned by the Province and Treasury Branches, are not paid or performed.

Now, an interesting thing, Mr. Speaker, is that this is the only reference anywhere in any document that I've ever seen released by the government that admits that the Treasury Branch still owns some of Softco.

Now, I want to just take a little second on the Treasury Branches' involvement with Softco. If you go back to the old North West Trust, they were allowed to borrow – I'm not sure if the word "allowed" is the right one – over half a billion dollars out of the Treasury Branches in '83, '84, and '85. They may have borrowed as much as \$650 million, Mr. Speaker. The exact number is not known, but we're convinced that it's over half a billion dollars. Now, that represented almost 15 percent of the portfolio of the Treasury Branches. I do not believe for one minute – and I've said it a few times before, but I'm going to put it on the record one more time and hope that people will start picking it up – that the Treasury Branches, anybody running a bank, any management group, any administrative group of a bank in their right minds and with sane thought and care for the dollars that they're handling, either depositors' or taxpayers' dollars, which are at risk in the Treasury Branch, would put 15 percent of their portfolio into one company they knew was going down the tube. So it is my belief – I've said it before, and I'm going to say it again – that this government told the Treasury Branches they had to loan that money to North

West Trust Company. Now, it was done through several different subsidiaries in different ways, a whole convoluted group of loans, and it's not possible to know how much was ever paid back.

What we do know is that the Treasury Branches have been suffering ever since, and I'll just detail a few of the costs that are probably related to that over half a billion dollars they threw at a company that was going down the tube. They got \$153 million in the takeover. When CDIC was conned into giving the Treasurer \$277 million to cover up the mess, \$153 million of that went immediately back into the Treasury Branches. Two hundred and fifty million dollars is still carried as debt on the books of the Treasury Branches. The taxpayers of this province are liable for that. The Treasury Branches also in the last four years have written off \$200 million. So the cost, Mr. Speaker, of the mismanagement that this government pushed onto the Treasury Branches is incredible, and the Treasury Branches are not in healthy shape today. In fact, they probably only can keep going because this government backs them with tax dollars. That is a misuse of the Treasury Branches and what they were intended to be used for. This Treasurer has the gall to stand up and say that this government knows how to manage the economy. I mean, you throw that in on top of the \$100 million loan to Peter Pocklington and things like the Principal affair and it's incredible that he has the gall to stand up in the House, as he did earlier today, and claim that they're good money managers.

Well, Mr. Speaker, what I'm basically trying to tell the government is that the way they are managing the Softco portfolio is not acceptable. The Treasurer never really came clean and explained exactly what he was doing and how he was setting up Softco and North West Trust and what the relationship is. He tries to claim that they are separate, yet North West Trust bills Softco for doing their books for them. So we know that North West Trust actually controls the books for Softco. Now, I don't mean to say that they necessarily control the directors that are put in charge. I assume those people can think for themselves, except that I know that the guy who really controls it is sitting right across there: the Treasurer of this province. He also controls North West Trust and the credit unions. So he wheels and deals with a great deal of secrecy and behind closed doors, and he makes sure that none of that information gets out in a form that's usable until a year or two years later in the public accounts. You've got to be a Philadelphia lawyer or an accountant to figure out what's going on. Well, I think I've got it figured out what's going on, but all I ever get from the Treasurer when I ask for specific information is put off and a lot of: "Well, no we can't release that. No, we need to be secretive about that. No, we can't tell that." We always just get no, no, no.

Now, he will probably stand up and say that he did give us the financial statement for March 31, 1989, and that is true, but the document is hardly worth being called that because it doesn't really tell you an awful lot about what's going on with Softco. Any other self-respecting company puts out a quarterly statement or at least a semiannual statement of some sort so that you're a little more current with what's going on with them. Any other business organization worth the name puts out a list of the board of directors and puts out a list of the chief executive officers and that sort of thing. There is no such thing in this document that he released on 354713 Alberta Ltd.

So, Mr. Speaker, I don't know what the Treasurer can give to me other than an update. Perhaps he's got a half year statement, or maybe he's got a three-quarter one, which we asked for

here, but I don't suppose that he will consider doing such a thing. He'll go along in his usual secretive manner.

MR. JOHNSTON: Well, Mr. Speaker, I've heard truths and half-truths, near truths and false truths.

AN HON. MEMBER: No truths.

MR. JOHNSTON: No truths is better. No truths. The no-truth Member for Edmonton-Kingsway. Well, that's all right.

I've never heard such a confused set of illogical statements in all my life, Mr. Speaker. Now, there is only one statistic that is really accurate, and that is that while the member was speaking, 75 percent of his caucus left. Now, that's a fact, Mr. Speaker. There's no doubt about that. Now, it's increased a bit because the Member for Calgary-Mountain View came back in. Even he wants to ensure that the member isn't too far off the tracks, and he must be scratching his head from time to time, too, when the member is up.

Since the member wants to talk about the success story of North West Trust and the success story of the so-called Softco company, then I guess I'd better oblige him. I'd better talk about the success story. I'd better lay it out for him. Now, first of all, the member, in his motion for a return, talks about the "audited financial statement of 354713." That's what he asked for. Somewhere through his muddled and confused state he did finally confess that he has that already. He's got it, Mr. Speaker, because as a matter of routine we always put it on the table when we get the statement. You notice what he says here: "audited financial statement of 354713."

Just so the record is clear, Mr. Speaker, I also have a copy of that statement. It's right here. I would refer to the somewhat important statement made by the auditors of the company. They say, "In our opinion, these . . . financial statements present fairly the financial position of the Company as at March 31." It's an unqualified opinion about the financial statements of the company. So, Mr. Speaker, a professional group has looked at this company on a basis consistent with last year, provided the information to the shareholders, the government of Alberta, and the government of Alberta, through the Treasurer, accordingly has passed it on to the Assembly. It's now in the hands of the member. I want to make it very clear that this information has been provided, and in fact the audited financial statements are in his hands presumably, although you'd never know from his questions that he's ever read the financial statements or that he understands them. But it's an unqualified statement by the auditor.

Mr. Speaker, if the member wants to check the Auditor General Act of this province, he'll see that certainly the Auditor General has the right to review the working papers of the independent auditor, in this case an independent firm. He has confirmed with me that he's done just that and that he has no doubts or questions about the relationship that he has with, in this case, the independent firm, and that information is available.

Mr. Speaker, this company was, in fact, an asset company which was used to take the assets out of North West Trust. Now, let's just recount the deal here. North West Trust was an important part of the financial system of this province, which went through a very difficult period, along with others. The collapse of two major banks took place, we had a run on the Treasury Branches, we had a run on the credit unions, and we had failures in a variety of other financial institutions. But those are behind us, Mr. Speaker. We've been able to stanch that

change. These companies are now performing well, and North West Trust is an important part of the performance of the financial services sector in this province, providing services to depositors, to small businessmen, and to people who want to acquire a home. The mortgage business is a large part of their portfolio.

Mr. Speaker, the government received control of North West Trust for not one nickel of its own money. Not one nickel, Mr. Speaker. CDIC put in \$280 million or \$290 million. They gave it to the government, put the money into North West Trust, and North West Trust accordingly, to improve its balance sheet and get rid of the losses that were taking place, took the real estate and put it aside. Not only did the government get control of North West Trust together with about \$300 million; we also got control of a real estate portfolio which was somewhere close to \$300 million.

Now, the member keeps standing up and saying that somewhere back there, somewhere over there, there's other money involved, Mr. Speaker. Well, how many times can I tell him that that's the deal? The company is now performing well, as the member admits. North West Trust is generating profits, has for the last little while. The equity value of North West Trust is running somewhere close to \$75 million. It's performing very well.

I must correct the record here, Mr. Speaker. He goes on to talk about two elements of North West Trust which he needs to understand, so I'm just going to have to explain it to him. There's no other option, Mr. Speaker. First of all, there was a reserve set up to ensure that North West Trust would be able to deal with any missed bad loans. We did that in a very reasonable way. We provided for a so-called reserve. But the record should show that the reserve was used up in the past year. It was not at all reflected in this year's current statements. So any profits that are there this year have no accounting tricks, to use his words, at all. These are all pure profits. The reserve was gone in the last financial year. This year it's stand-alone business, and the profitability is there, some \$9 million or so. There you have it.

Then he goes on to say that North West Trust advanced money to a company called 354713. Well, sure they did, Mr. Speaker. But so what? If North West Trust didn't have the money in the so-called Softco company, it would have had it in mortgages. They still would be making the money on it, Mr. Speaker. There's no benefit at all to North West Trust. It was part of the original transaction. Now, if the money wasn't in Softco, the money would be out in mortgages. I think it should be out in mortgages, and we're moving as fast as we can to reduce our position in that real estate portfolio. So I think the member should at least, if he's going to have the data and if he wants to be responsible, disclose appropriately what in fact is in the statements of North West Trust: this current fiscal year, no adjustment at all from their so-called reserve accounting. Yes, they did get some interest from the Softco company, but if they didn't, they would have made the money, perhaps done better somewhere else, even in T-bills.

Now, also for the record, Mr. Speaker, we started the sale of that real estate at a very difficult time. We started with somewhere close to, I think, \$334 million or \$335 million worth of real estate at a time when the real estate market was very soft, not much confidence in investing in shopping malls or apartments or developable land or some of the major shopping centres on the west side, not much confidence. But, by gosh, I tell you, there's a big demand for that real estate right now, Mr.

Speaker, a very big demand. We're turning that property over quickly.

Now, we had to be quite responsible as to how we did that, because, of course, with that kind of real estate in one pool, ready for sale, you could see what would happen. You could erode the current market value of other holdings in this area very quickly across Alberta. We also had the additional problem of S C Properties and AMHC as well, but we controlled the real estate sale, Mr. Speaker, so that good deals were done. Reasonable prices were established, but the real estate market did not erode the way in which the socialists across the way would have it happen.

REV. ROBERTS: Marxist-Leninists.

MR. JOHNSTON: We'll get to that; we'll get to that. Don't worry, Bill.

REV. ROBERTS: Soon.

MR. JOHNSTON: Yeah. Don't worry. We've got another hour or so. I mean, you started it.

Now, let me advise you, Mr. Speaker, that we started in the early part of the portfolio development with about 286 properties. We added about another 114 because of mortgages which were moved to Softco, which became foreclosures. That had a total inventory of about 400 properties, Mr. Speaker. On February 28, 1990, the most recent information I have, we'd reduced that portfolio by three-quarters of the inventory, down to about a hundred items. More is being sold daily, Mr. Speaker, and we hope and we expect to be out of this inventory position very soon. The market is working in our favour. I agree that interest rates may be a little high right now, but nonetheless we're moving this portfolio into the hands of the private sector, where decisions are made by market forces, where profit is part of the profile and part of the formula, where ownership of property is a sense of pride. Now, these are principles which are unknown to the ND Party across the way of course, and that's why I have to stress that this is the framework of our policy. This is the framework as to how we're going to operate with this real estate.

So we expect, Mr. Speaker, that by the end of, say, 1990 a very large part of the portfolio is going to be sold. It's going to be put back in the hands of the private sector. Already, as I say, the so-called N A. Properties group have acted very well, I think. The management and salesmen there have done a superb job and have moved the real estate into the marketplace without deflating considerably at all the relative values of contemporary property and have done it, I guess, through a period which was not very supportive of property. But it's moving very effectively right now.

Just so that the record is clear, in the so-called N A. Properties group there is also now the S C Properties. That S C Properties has moved from the credit union system. They started with about 1,700 properties. It's now down to about 575 properties. It's now being merged within the N A. Properties group. As well, we have the property from the FIC/AIC group, approximately 135 properties, now down to about 90 or so. This is what we're operating, Mr. Speaker. These are the properties that are held by the N A. Properties group of companies. The sole intention of that company is to get out of real estate, to get the job done, to sell off these assets, put them back in the hands of the private sector, and end that process. So at the end of the

day, Mr. Speaker, you'll end up with zero assets and the real estate company back in the hands of the private sector. We'll try to balance our position there fairly evenly. Maybe we'll lose; maybe we'll make a bit. It depends how it goes. In any event, we're controlling the sale of these assets into the marketplace.

Well, what do we end up with, Mr. Speaker? Here's the clear point. What do we end up with? Well, we end up with North West Trust, a company which now has an equity of about \$75 million or so, still making profits, performing right across western Canada, providing services to small businessmen, to people who want to acquire homes, to individual depositors, providing a needed financial service in this part of the province, head-officed here in Edmonton. We'd like to put it back in the private sector as well. We'd like to do that, and that's our plan. At some point, at some time when we think it's appropriate, we'll put the ownership of North West Trust back into the private sector, as we're doing with the real estate assets.

When it's all done, Mr. Speaker, you can see what will happen. The real estate will be back in the hands of the private sector, performing again with good cash flow position, good mortgages attached to them. North West Trust will be re-structured, back here in Alberta, operating effectively, doing business, generating profits, back in the hands of the private sector, and the government will have acted as an intermediary, will have taken the decision to get involved, to get CDIC to pay the bill, the federal government to put the money up for the company . . .

MR. FOX: Socialist.

MR. JOHNSTON: . . . and working it through so that it is back in the hands of the private sector.

MR. FOX: Pinko.

MR. JOHNSTON: Now, the Member for Vegreville, Foxy Loxy, who talks about blues all the time: everything to him is dull and negative and downright terrible as far as he's concerned. I mean, that's the thesis he lives on; that's the thesis he survives on. If it wasn't for the doom and gloom of the ND Party, they wouldn't have any policy at all, nothing to talk about. We know that, and we like it when they're up asking these doom and gloom questions, because they play right into our hands. Even the Member for Vegreville knows that. We like them to remind us how good the economy is in this province. Before the day is over, I may have to remind them again how good the economy is.

So what do we have here? Let's go back and look at this. Now, you see, Mr. Speaker, the member is using up valuable time of the House. He puts specious motions for returns on the paper. I mean, I've already filed the information in the House. He knows full well that he has it. He's asked for the audited financial statements of 354713. He's got them in his hand. Now, I only ask one favour: why doesn't he just allow debate to take place on substantive issues as opposed to making these spurious statements, talking around the issues, misleading the whole House about the way in which the government operates, and causing this fairly generous misstatement of the facts. That's what we have here. I mean, this is the most contrived, convoluted position I've seen in some time, and that's all it is. We provided the information. I've given an update today with respect to the holdings of the real estate firm. I've already filed the financial statements of the company. We'll file them again

when we have them. We'll not file them on any other basis except the annual basis, because they're audited and you can have the view of the independent auditor as to how the financial position of the entities compares with previous years. That's what we'll continue to do.

So you see, Mr. Speaker, Members of the Legislative Assembly, that this question should not be here. The member should have stood up and said, "Well, I appreciate the Treasurer providing the information to me," and sat down. Instead he wasted the time of the Assembly, forced me to get up in a rebuttal position. I've been fairly generous so far. I mean, I could have gone on a bit more, a little more rhetoric here. I've been pretty careful what I said, but I could be tempted yet today.

So you can see, Mr. Speaker, why it is that we have to turn this down. He's got the facts in his hands. We provided the facts to him before. If he doesn't like the content of the financial statements, don't talk to me about it; talk to the people who are responsible for preparing financial statements. Financial statements don't include the directors of the company. Financial statements don't include the head office. Financial statements include what they say: financial statements. [interjection] If he wants the annual report, why doesn't he say annual report? I mean, he can't make up his own mind what he wants, and that's the problem we're facing time and time again. So I have to apologize, but since we've provided the information, obviously this motion for a return is like many of the motions for returns from the opposition: not necessary, redundant, and clearly out of order.

MR. HAWKESWORTH: On a point of order, Mr. Speaker. *Beauchesne* 495:

A Minister is not at liberty to read or quote from a despatch or other state paper not before the House without being prepared to lay it on the Table.

I would ask that he do so at this time.

MR. DEPUTY SPEAKER: Order. Could I ask the hon. Member for Calgary-Mountain View what document he's referring to?

MR. HAWKESWORTH: In his debate earlier this afternoon the Provincial Treasurer quoted the covering statement, apparently from the independent auditor, to a document which he had in his possession, and I'd ask him to lay it on the Table.

MR. DEPUTY SPEAKER: Order please. As I understood what the Provincial Treasurer said, that's already been tabled in this House.

MR. McEACHERN: On the point of order. The document he was quoting from was not the annual financial statement; it was another.

MR. JOHNSTON: How do you know?

MR. McEACHERN: I can see what you had in your hand. [interjections]

MR. DEPUTY SPEAKER: The hon. Member for Red Deer North.

MR. DAY: On the purported but unsubstantiated point of order, if the member could read further than his proverbial nose

down to (3) of 495: "A public document referred to but not cited or quoted by a Minister need not be tabled." Subsection (2) says:

It has been admitted that a document which has been cited ought to be [tabled], if it can be done without injury to the public . . .

The same rule, however, cannot be [applied] to private letters or memoranda.

Subsection (4) says: "Only the document cited need be tabled by a Minister. A complete file need not be tabled . . ." And it goes on and on.

There are a number of different references to 495, not just the one narrow one the member mentioned.

MR. McEACHERN: I said most of the things I wanted to say beforehand, and I am pleased that at least it provoked from the minister some description of some of the things that are going on with those companies in a substantive way. It is about time that he gave us some kind of update on what's going on with those companies. He did, however, not refute one fact I gave. Well, he did try to on one, and I want to just point out that I was, in fact, accurate and correct.

In the 1989 North West Trust annual statement, note 9:

The rehabilitation agreement . . .

This is between Softco and North West Trust.

. . . provided a reserve to establish an acceptable interest rate spread between interest bearing assets and liabilities and a reserve for extraordinary costs to complete the rehabilitation plan and to reorganize operations.

The first one was \$12 million. I forget the exact value of the other; I think some \$6 million. But it goes on to say:

During the year . . .

Meaning 1989.

. . . \$1,758,000 (1988 - \$3,047,000) was amortized into income from the interest spread reserve . . .

He just said a few minutes ago that the profits made by North West Trust did not include any money from the reserve, and here it clearly states \$1,758,000 were. Furthermore, it goes on to say:

. . . and \$957,000 . . .

Almost a million dollars.

. . . (1988 - \$1,515,000) was [amortized] for reorganization costs from the restructuring reserve. At December 31, 1989 the unamortized balance of the interest spread reserve was \$1,668,000 and the balance in the reorganization reserve was nil.

So the Treasurer is wrong. Nearly \$3 million of the so-called profits of North West Trust came from reserves. It states it right here; those numbers add up to that. So of the \$9 million they claimed in profits, \$3 million came from reserves, and furthermore they made \$10 million on loans to Softco. So, clearly, North West Trust is healthy only because it's milking Softco, and only because it's using its reserves and calling them profits. So I wanted to put that on the Order Paper.

I also wanted to say that the Treasurer is very interesting in his analysis of how he's put this together, and I do hope that these companies do well in the future. But there is no question that what was done in terms of the old North West Trust and the old Heritage Savings & Trust Company and the whole cover-up of that mess still stands as a real indictment to the way this government handled the economy of this province. I want to promise the principals organized in that that when we form the government, we're going to have a public inquiry into that, because it is absolutely scandalous what was done in that day and age with that.

Now, he thinks he's quite clever that he was able to get federal money to cover up. I guess it was clever, but that still

doesn't take away from the fact that the North West Trust and Heritage Savings & Trust fiascos cost taxpayers of Canada in this case a heck of a pile of money, and it doesn't take away from the fact that the Treasury Branches are still in trouble because of the amount of money they put into that company. I told the member when I stood up that as far as the audited statement was concerned, yes, we had it. We did get it after it was on the record here. I chose to leave it on the record because I wanted to make some statements, and I'm glad I did, because for once he didn't just get up and make a lot of smart-ass comments. He actually made some factual statements that made some sense. I notice that he did not refute one fact that I put forward.

MR. DEPUTY SPEAKER: Order please. Order. The hon. member shouldn't use slang terms like that in parliament.

[Motion lost]

158. Mr. Fox moved that an order of the Assembly do issue for a return showing a copy of the master agreement, including any amendments thereto, between the government of Alberta and Peter Pocklington covering a \$55 million loan guarantee and a \$12 million loan made available to Gainers Properties Inc. on March 3, 1988.

MR. FOX: Thank you, Mr. Speaker. I'll speak to the motion, if I might, and describe in brief the purpose for putting such motion on the Order Paper in an effort to do my best to convince this open-minded government opposite to agree to the motion for a return and provide the documents requested. I might make note of the fact that I had this identical motion for a return on the Order Paper last year. They did not comply. They rejected it out of hand and didn't provide the important information requested. But I might note that following up the Treasurer's speech the other day, the world has changed, there is an aura of glasnost in the air, and I'm hoping that they'll respond in kind and provide the information so that Albertans can assess for themselves what's been going on with in excess of \$100 million of their money over the last few years.

Basically, what we're asking for here, Mr. Speaker, is a copy of the master agreement and any amendments thereto of the deals made between the government of Alberta, also known as the Conservative Party, and Peter Pocklington "covering a \$55 million loan guarantee and a \$12 million loan made available to Gainers Properties Inc. on March 3, 1988."

I think the reason we want to have this information made public, Mr. Speaker, is so that we can help sort out the mess that has been created, the damage that has been done to the red meat industry in Alberta by this government's secrecy, favouritism, and unfortunate habit of making secret deals behind closed doors with their big-shot friends, using, in every case, taxpayers' money. We believe the Pocklington fiasco has not only left Albertans exposed to an amount in excess of \$100 million, but it has done substantial damage to the red meat industry, to the confidence in the red meat industry, and to the economics in the red meat industry. We think it's time for the government to quit stalling, quit covering up, quit trying to hide their mistakes, come forward, lay the information on the table, and let's deal with it in an open, public way so that we as elected members in the Alberta Legislature can work together to try and build a better future for the red meat industry in this province.

If I might refresh the memories of some of the members here – I know some of them weren't elected back in March 1988 when the deals were made public – it was on that date, March 3, 1988, that the then Minister of Economic Development and Trade, who's no longer in the Assembly, issued a press release describing the limited details of a \$55 million loan guarantee given by the government to one Peter Pocklington and a \$12 million loan to the same gentleman. In that press release it stated very clearly that the purpose of this money was to expand and upgrade a facility in Edmonton, being the Gainers facility, and to build a new hog slaughter facility in southern Alberta. It was an as yet unnamed location in southern Alberta, Mr. Speaker, but it was a \$55 million loan guarantee and a \$12 million loan to expand and upgrade the facility in Edmonton and to build a new hog slaughter facility in southern Alberta. It was very clear in the document what the stated purpose of the agreement was.

We were as alarmed as all Albertans were when that announcement was made. Let's, you know, remember the history. This is a businessman in the province of Alberta whose reputation had been tarnished on more than one occasion because of his record in the province, and here the government was, only a month or two after having advanced him a \$100 million line of credit to buy Palm Dairies, providing a further \$67 million in government largess to Peter Pocklington. Again I would remind hon. members that there wasn't likely anybody in the province of Alberta who'd be willing to lend this guy 10 bucks, but here they were, putting us on the hook for \$67 million.

Then the Department of Economic Development and Trade came along sometime later and said, "Well, when he finishes building the plant in Picture Butte" – that was the eventual location named, Picture Butte, in southern Alberta – "we're going to give him a further \$4.1 million or \$4.4 million grant upon completion of that plant." So it was \$71.4 million total public exposure and/or largess on this project, which amounts to about \$30 for every man, woman, and child in the province of Alberta. They put us on the hook, Mr. Speaker, for \$30 dollars for every man, woman, and child in the province of Alberta, when they knew darn well that not one sane, right-minded person in the province would lend this guy 10 bucks. They were out lending him 30 on behalf of each one of us.

Our concern at the time was very great, but the deal was already done, so we wanted to get at some of the details and the information. We said to the then Minister of Economic Development and Trade, the Premier, the then Minister of Agriculture, "Would you folks please provide us with the guarantees that Peter Pocklington gave you in exchange for all the money you're giving him?" There's a quid pro quo here, Mr. Speaker: if they're going to give him public money, if they're going to give him government loan guarantees, then what we ought to have in exchange are some performance guarantees. We ought to be able to rest assured that in exchange for the money we're going to get some performance, something positive is going to happen in the province. We got up and asked for that stuff. The government members stood up and gave their usual little speech about doom and gloom on the opposition side: "Don't you know we're trying to build the economy?" The economy was great back then, too, if I remember the statements. The economy was in great shape then, too, according to the Conservatives. They were moving the economy forward, diversifying the economy, further processing for agriculture, and it was none of our business. We shouldn't ask to see this stuff because it's none of our business, because Conservatives know

how to run the economy. They know how to manage business. It's in their hands.

SOME HON. MEMBERS: Right on. [some applause]

MR. FOX: The Conservative members are pounding their desks, applauding my statement about how well Conservatives run business. Let the record show that this and every other deal has turned sour. These guys have what amounts to a Midas touch in reverse, Mr. Speaker, because every deal they've touched has turned to sand, not to gold.

At any rate, all we were asking for, with the best interests of the province at heart, in a positive, constructive way, was performance guarantees: let's see on paper what this guy was proposing to do in Alberta. No such agreements, no such undertakings from Peter Pocklington. This government just gave the guy the money and said: "Do as you will, Peter. We hope it works out, and let us know later."

We didn't have opportunity to question the government during the summer of 1988. The House was adjourned sometime in July, I believe. During that period of time there was discussion about where the plant would be built. Communities were vying for the plant that was purported to be built in southern Alberta, and Picture Butte was eventually chosen as the location. That caused some understandable excitement in the community. I might say that in anticipation of the construction of the plant, the community committed themselves to some expenses which they've had to endure and not been able to recover unfortunately. But they were looking forward to the construction of this plant.

We weren't able to get an update on this in the fall of 1988, because as is the tradition in this government under the leadership of Premier Getty, there is no such thing as a fall session. I guess it conflicts with duck hunting season or something. We didn't have a fall session in 1988 to get an update on it. We came into 1989 looking forward to being able to deal with a lot of important issues, including the money that the government of the province of Alberta had committed to Peter Pocklington on behalf of taxpayers. We wanted to deal with those questions, find out what kind of development had occurred as a result, looked forward to questioning that during the spring session in 1989. There was no spring session, as you'll remember, Mr. Speaker. There was a spurious Speech from the Throne that was meant to launch their ill-fated and ill-timed election call on February 20.

So then several months passed. We had to wait for the Premier to find a seat where there were enough people that could be convinced to re-elect him. Eventually the Legislature came back to session on June 1, 1989, and we in the opposition, wanting to live up to our public responsibilities in a positive way, got up to ask the new Minister of Economic Development and Trade: can you tell us, sir, in exchange for the some \$6 million that has now been advanced to Peter Pocklington of this \$12 million loan – and I should again remind the Conservative members who don't know the history that that's \$2 million every six months after the agreement was signed. So he had \$6 million in his pocket. In exchange for the \$6 million . . .

MR. JOHNSTON: Not 12?

MR. FOX: Six million, I said. Two million every six months. [interjections] I said six million. The Treasurer's got to clean the wax out of his ears there.

In exchange for the \$6 million advanced to Peter Pocklington on this sweetheart loan, at 9.6 percent interest, I might add, Mr. Speaker. At the same time they're bragging about an interest shielding program of 14 percent for farmers and small business-people during the 1989 campaign, here they are giving Peter Pocklington money at 9.6. [interjections] Fourteen percent in the 1989 campaign. [interjections] Okay.

In exchange for the \$6 million – boy, they're sensitive about this. [interjections] There are issues, although I can't think of them, that you guys have loused up worse than this one.

Anyway, \$6 million. I asked them, "In exchange for this money, what construction has taken place on the new hog slaughter facility in Picture Butte, Alberta?" The minister had to get up in his place and admit that absolutely nothing – no construction, zippo, nada, none – had been done in Picture Butte. Through a series of questioning afterwards, Mr. Speaker, we learned and Albertans learned through our questioning that he not only hadn't undertaken to construct that plant in Picture Butte, he hadn't even bought a piece of land. Yet these rubes, waiting to be had, gave him \$6 million to build a plant. Well, we pursued the line of questioning. It was ludicrous, Mr. Speaker, to find out what had gone on. They'd given him the \$55 million loan guarantee, which was supposed to be used to upgrade and expand the plant in Edmonton. He hadn't even bought a sheet of plywood to fix up the walls in the plant. He hadn't spent any money on that plant, but they signed the dotted line: a \$55 million loan guarantee. No problem, Mr. Pocklington; you get what you want. We don't want anything in return, but you get what you want.

So here we have a situation where the government had given him a \$55 million loan guarantee to build and upgrade a plant in Edmonton that the Minister of Agriculture came along and said was too old and obsolete to be worthy of the upgrade anyway. That was a curious statement for him to make. They were lending him money, a \$6 million advance so far, to build a plant that wasn't being built. Now, these are the stewards of the economy. These are the skilled business managers that, well, in the last four years have driven the province \$11 billion in debt. And it's no wonder.

Anyway, we tried to get to the bottom of it because we thought it was important to probe the depths of the incompetence of this government in an effort to find out just what had happened to the money. What happened to the money that the people of Alberta had lent to Peter Pocklington through their government? What happened to the money that was involved in the \$55 million loan guarantee? We, in good faith, assumed that when they announced a \$55 million loan guarantee to this guy, he would take that chit, if you will, and go around and shop the market for a preferential interest rate on \$55 million so he could go and do something useful at the Gainers plant in Edmonton: build, upgrade, and expand that facility in Edmonton.

We found out, in fact, that all he did with the \$55 million loan guarantee was use it to cover some existing debts that he already had with Lloyds Bank; in other words, bail out Peter Pocklington. The \$6 million that had gone out so far under the \$12 million loan to be used to build a plant that wasn't being built, they admitted in questioning, as shocking as this might seem, was used to cover the day-to-day operating expenses of Peter Pocklington. It's just unbelievable, Mr. Speaker, and what it means, clearly, is that the news release issued March 3, 1988, was a cover-up. The news release that said this money was going to be used to build a new plant in southern Alberta and

upgrade and expand a plant in Edmonton was just a cover-up, an attempt by them to whitewash the kind of shoddy deal they'd made with one Peter Pocklington in the fall of 1987, when the Treasurer created this little numbered company and put Mr. Softco in charge of it to make the deals with Mr. Peter Pocklington. They never made it public until March 3, 1988, because they realized that as sensitive as the public is to any sort of deals with Peter Pocklington, they had to find some way of whitewashing it, some way of laundering the description of the agreement so that it might be palatable to Albertans.

In fact, they had no intention, I contend – no intention – to see a plant built in southern Alberta or to expand and upgrade the plant in Edmonton. It was merely to bail out and prop up their good buddy Peter Pocklington. And that is, I submit, Mr. Speaker, in the history of the province of Alberta, one of the most shameful abuses of public funds and misuses of the public trust that I've ever seen from any government, and they're not going to get away with it.

Mr. Speaker, through the course of questioning last year we tried to probe the details. We're still trying to get at the details, trying to follow the paper trail here in an effort to find out what's gone on. What kinds of agreements did they make? We asked for the master agreement. They don't want to give it to us. They're not going to give it to us today. The reason they don't want to give it to us is because it would reveal once and for all to the people of Alberta that these stewards of the economy made such a shoddy, flimsy business arrangement with Mr. Peter Pocklington that required virtually nothing in the way of performance guarantees. This deal would so clearly implicate some members of cabinet at the time in this deal that they don't want it to see the light of day.

That's why we're trying to get at it, Mr. Speaker, because we think this dark cloud that the Conservative government has created over the red meat industry is threatening to bring this once vital industry to its knees. It's crippling the opportunity for growth in the red meat industry. We want to open the window up, let some fresh air in, expose the information, and if you guys have to say you're sorry, people will listen to you. Albertans will say: "Okay. They made a mistake. They're admitting it. Let's move forward and build a confident future for the red meat industry in Alberta." Don't be afraid of admitting when you're wrong, hon. members of the Conservative Party. People make mistakes; maybe not as many as you guys have over the years. Albertans are forgiving with politicians who make mistakes. They might even forgive you, although I doubt it.

We've been trying to follow this paper trail and get to the bottom of things so we can move forward, Mr. Speaker. The rest of the history is clear.

MR. JOHNSTON: Get Alex to work on it.

MR. FOX: He'll be a much better Treasurer than you've ever been, sir. [interjections]

MR. DEPUTY SPEAKER: Order please.

MR. FOX: Economic Development and Trade and Treasurer: they work together, hand in glove. And if the current Treasurer and the current Minister of Economic Development and Trade worked together the way we work together, some of the grief that the hon. would-be Premier from Sherwood Park experienced last year . . .

Anyway, we want to get to the bottom of this, Mr. Speaker, because we want to move beyond the mistakes of the past and look forward to the opportunities of the future. The government, in the end, had to move in and take over the plant when it became obvious even to them that Mr. Pocklington was not going to live up to the terms of his agreement. We know that he'd failed to live up to the terms of it much sooner, and other motions for returns we have on the Order Paper try and get some information with respect to Sodor Foods and some of the agreements concerning some of these other things. We know that the agreement had been violated much sooner, in fact before the session even began in 1989, but the government didn't seem prepared to admit that until the fall of 1989, when they moved in and took over Gainers.

Things in the industry have, quite frankly, gone from bad to worse in a lot of ways since that takeover, Mr. Speaker, and it's because the government, I think, has been trying to use these plants as sort of levers against one another. We've had the hon. Minister of Agriculture, who is part of a government that two years ago was saying that we need three hog slaughter facilities in Alberta . . . We've got two already: one of the most modern facilities in the world in Red Deer and a facility in Edmonton that's doing yeoman service, killing thousands and thousands, almost – what? – 25,000 or 30,000 hogs a week? What's the figure? They do a lot of work there, and they're doing it well. We've got two plants, but we need a third one, and we're willing to go out and lend Peter Pocklington a bunch of money to build a third plant. Then we get the Minister of Agriculture saying, "Well, gee, he didn't build that plant, and I'm not sure that we even need the two we've got." So they've been trying to play Fletcher's and Gainers off against one another, and it's been up to the opposition to take a positive stand and come forward and say we believe there's a future in the province for both plants; in fact, room to expand. My colleague from Edmonton-Belmont and I said very clearly that there's room to expand production at both facilities because of the number of hogs produced in Alberta and the kind of growth that we'd like to see in the industry.

So we have some, I think, very noble and positive reasons for trying to get to the bottom of this, Mr. Speaker. We've been probing the details, pressuring the government for over two years now to come clean, present the information to Albertans. Let Albertans decide whether or not the stewards of the economy have done a good job on their behalf, and let's see the master agreement.

I took advantage of the opportunity a month or so ago, Mr. Speaker, to raise this issue with the Premier. The government, as you might remember, had been trying to strong-arm the pork development corporation, through the Agricultural Products Marketing Council, into releasing the books of Fletcher's, trying to persuade the pork producers that they had to release the books of Fletcher's and make them public. Even though the government is in a position of operating Fletcher's number one competitor, the government said, "We want to see the books of Fletcher's." So they made some changes through the Agricultural Products Marketing Council and forced the Pork Producers' Development Corporation to comply, and they did. They said: "Okay. Those are the rules. We'll open our books. Here they are." They complied, and I thought that that might provide a good opportunity for me to suggest to the Premier that the government of the province of Alberta should follow the good example set by the pork producers and make the books of Gainers public: open up Gainers books so we can see just how

Peter Pocklington, in a very calculated way over a period of years, tried to bankrupt that company; how, during the time the Conservative government was shoveling taxpayers' money into Peter Pocklington's bank account, he was shoveling out the other end into who knows what else. There has to be some way for this government to account for the over \$100 million . . .

MR. JOHNSTON: Talk about shoveling.

MR. FOX: You'll have your chance to stand up and refute anything I've said, hon. Provincial Treasure and you'll have to provide some backup information.

MR. ADAIR: It works both ways.

MR. FOX: Yeah, it does, Boomer.

They're going to have to substantiate, tell Albertans in the end, how we are on the hook for over \$107 million.

AN HON. MEMBER: Albertans got it in the end.

MR. FOX: Yeah, Albertans are going to get it in the end.

AN HON. MEMBER: You said six.

MR. FOX: Huh? It's over \$105 million, Mr. Speaker. And that just doesn't happen overnight. I believe that as these guys were shoveling taxpayers' money into Peter Pocklington's bank account, he was doing several things in a deliberate attempt to move money out of that company so that he could leave them with the carcass. This is payback time from Peter Pocklington to the people of Alberta and the government.

AN HON. MEMBER: They're against loan guarantees to agriculture.

MR. FOX: Yeah. So they're going to have to account for that. We wanted them to lay the books of Gainers on the table so that we could determine for them, because they seem unable to do it, just what happened to that money over the period of years. What did Peter Pocklington do with the \$6 million that the Minister of Economic Development and Trade gave him? What did he do with that money? Did he buy a new house in Kelowna? Did he use the . . .

MR. DEPUTY SPEAKER: Order please, hon. member. I'm sorry. We're going to have to wait for the next installment of this exciting serial because, according to Standing Order 8(3), we must now move on to the next order of business.

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

Bill 205
Freedom of Information and
Protection of Personal Privacy Act

MR. CHUMIR: Thank you, Mr. Speaker. I'm pleased to stand up to move second reading of Bill 205 on behalf of the leader of the Alberta Liberal Party.

Mr. Speaker, the freest possible access to government information is at the heart of the democratic process, which depends on debate of issues and ideas. As has well been noted, information is power, and without it citizens are powerless to effect change and to redress grievances. Information is becoming increasingly important with the growing role of the government in areas of our economy and health and social services; indeed, in all of our society. Now, the provincial government clearly recognizes the importance of information, and because it recognizes this, it has, I've noted during the four years since I've been in the Legislature, unhappily adopted a policy of cynically hiding information which should be available to the citizens of this province. I suspect that it takes pride. I've heard members of the government say they are proud of my reference to them as being the most secretive government in Canada and probably in North America. I don't think most Albertans realize that in this province no citizen, whether elected or unelected, has a right to receive any information whatsoever from this province. The flow of information is totally – and I say totally, because that's what it means – at the discretion of this government, and it is unhappily a discretion which is exercised in the interests of the government rather than in the public interest.

Now, of course, there are many examples. We've heard several of them debated earlier this afternoon, one of the most scandalous of which in recent times has been the refusal of the government to provide the master agreement with respect to the \$55 million loan guarantee to Peter Pocklington's Gainers operation and provision of a \$12 million loan, of which \$6 million was actually advanced. We have requested that information for several years now, and the standard answer of the government is that that's commercial, confidential; it's a private business. Our money, private business? Come on. Indeed, when one looks at the background of this particular loan, particularly at the press release of March 3, 1988, we find that the government has scandalously misled the people of this province into believing that the loan was for expansion of the Edmonton packing plant and the building of a new hog plant. The fact is that the government was being economical with the truth in that situation. That was just not true; that was not the purpose of those loans. Why has this assistance been given to Mr. Pocklington? Well, we see now that not even Mr. Pocklington can understand why, but what we do know is that this is going to result in the loss of millions and millions of dollars to the taxpayers of this province.

[Mr. Moore in the Chair]

But it's not merely the Pocklington agreement. We in this Legislature, indeed all citizens, are precluded from getting a single agreement relating to billions and billions of dollars of loans and guarantees which have been committed to by this province in recent years. The government deals with public property as if it was the private asset of the Progressive Conservative Party, except that when the bills come in, the Progressive Conservative Party isn't paying the bill; it's the taxpayers. It is, in fact, a formula for disaster when decisions are made by incompetent people behind closed doors without public scrutiny or knowledge of the facts. We've seen the evidence of that disaster in the Pocklington affair and in others, and we're going to see more.

Now, the government likes to give us the old blarney that information is readily available in this province. I read with great amusement the comments of the debate on the intro-

duction of this Bill last year by the leader of the Alberta Liberal Party. I read the comments of the hon. Member for Lacombe with a great deal of mirth. It was like reading an episode of *SCTV*, it was so funny. I can't imagine how he kept a straight face during the course of the debate. He has said that information is certainly available and all that one has to do is either put in on the Order Paper or ask a question in question period. Question period? He's got to be kidding. One of the classics today in question period – and we rarely get any meaningful answers – that should go down in posterity was the question to the minister of lotteries in which he was asked about lottery expenditures other than in respect of the wasteful expenditure on T-shirts for MLAs, and he went on at length to talk about T-shirts and didn't answer the question.

What about the Order Paper? Well, as we've seen during the preceding hour and as we see during most Tuesdays and Thursdays, the government refuses to provide information requested on the Order Paper. One of the classics that I will always remember as a day of infamy was April 3 of this year, in which a series of seven questions that I asked was turned down in rapid order. These were questions seeking outrageous information such as information with respect to the interest guaranteed and paid by the province on the \$55 million Gainers Properties Inc. bank loan. Not accepted; no answer: that's question 203. Question 226: details of the 1989-90 statement of loans and advances estimated at \$126,200,000 under the "other" category in the budget. Not going to answer to whom amounts and to whom those loans were made. Loan guarantees for years March 31, 1988, '89, and December 31, '89, some up to the amount of \$74 million: that was Question 227. Question 229: long-term investments for the 1989-90 year in the amount of \$18 million plus. Question 230: long-term investments of \$6,732,000 proposed by the government. Question 233: "estimate of the natural gas price upon which the Provincial Treasurer based his projection for natural gas and by-products royalty for 1990-91." And today, of course, we had the rejection of Question 256, which I asked with respect to the amount of legal fees paid to the lawyers for the Cormie family with respect to the Code inquiry: turned down; "We're not going to answer that," the Provincial Treasurer tells us.

It's noteworthy that most of the questions that have been turned down here relate to the Provincial Treasurer, whom I refer to as the most secretive minister in the most secretive government in the province. He expresses a feeling of flattery when he hears that, but he's only first amongst equals in that regard.

Well, what will the government provide if they won't provide this form of information? Let's face the fact that although this government is one of the worst, the fact is that secrecy is characteristic of all governments and bureaucracies. Accordingly, it has been recognized in many jurisdictions that we need legislation to provide for citizens to have a right to receive information in the possession of government, subject, of course, to reasonable exceptions. This was recognized in Canada back in the 1970s by a well-known Tory, Mr. Ged Baldwin, who was introducing freedom-of-information Bills in the Parliament of this country at that time in the same way as we are now, some 16 years later, attempting to drag this government into modern times. He is quoted in the *Hansard* of December 19, 1974, as stating:

I am attempting, by this bill, to reverse the practice that exists in Canada, namely, that no information is given by the government unless it sees fit to do so.

And then he added:

My bill provides that it not be left to the government to make the final decision whether a subject matter or information comes within areas which are excepted. . . . this must be decided by the courts. In other words, I am not prepared to trust any government. I am not prepared to trust a Liberal government, a Conservative government, and . . . an NDP government [in that regard].

He probably meant particularly an NDP government.

Now, Mr. Speaker, we have these comments emulated by Mr. Perrin Beatty, who's now a minister of the federal Crown, who said during the same debate on December 19:

Today we have been discussing a piece of legislation which deals with the ability of a member of parliament to serve his constituents.

I repeat: "the ability of a member of parliament to serve his constituents."

Now, the need for such legislation was recognized by the federal government some 10 years ago. It has been recognized by six provinces. It has been recognized by the U.S. federal government. It has been recognized in every state of the United States, all of which have enacted freedom-of-information legislation. However, what's the position of this government? We're wiser. Ten years ago I asked the then Attorney General, for I was interested in the issue at that point of time, whether the government would enact freedom-of-information legislation. He said, if you can believe it, that freedom of information was a fad. Yesterday on TV I noted that the Minister of Federal and Intergovernmental Affairs was asked by a TV reporter why we did not have a freedom-of-information Act in Alberta, and he said, "I can't answer that question right now." Well, the fact is that there is no credible answer. The real answer is something that the members of this government know, that all ministers know but they can't say in public – they won't say in public – and that is that they don't want that type of legislation because it serves the interests of this government to hide information from the people of this Legislature. But it doesn't serve the public interest, and it's my contention that we should be here to serve the public interest. I know I certainly am, and I know most of the members on this side of the House are. I wonder why the members on that side of the House are not able to recognize and act on the importance of this type of legislation and the importance of freedom of information.

Now, I'd like to move on to the legislation, which is the specifics of the legislation which is being proposed by the leader of the Alberta Liberal Party, who believes very strongly in freedom-of-information legislation and has implemented initiatives with respect to freedom of information at the municipal level in the city of Edmonton. The Bill that is being proposed, Mr. Speaker, Bill 205, is based on legislation enacted some few years ago in the province of Ontario. We think it's very good legislation. It may not be perfect, but it's very good. The Bill is intended to perform two important functions. The first function is to provide Albertans with a right of access to information held by the provincial government and its institutions. The second is to protect individual privacy with respect to information of a personal nature in the possession of the provincial government or its institutions. Now, this is a very important corollary of freedom of information: the right to privacy. It's much neglected in this province, and it merits more comment, unfortunately, than time will permit me today.

Now, the Bill would encompass the following institutions in this province. Firstly, it would encompass all departments of the government of Alberta. Secondly, it would include provincial agencies, boards, and Crown corporations such as the Energy

Resources Conservation Board, Alberta Government Telephones, the Students Finance Board, and others. Thirdly, it would encompass a wide range of municipal government entities, including city, town, and county councils. Fourth, it would encompass school boards, universities, and other government postsecondary institutions such as NAIT or SAIT.

Now, the Bill is governed by some very important fundamental principles that should be at the forefront of every government in a democratic system or democratic society. The first principle is that government-held information should be available to the public as a right. Secondly, necessary exemptions – and indeed there are necessary exemptions, and they're provided for in this Bill – from the right of access should be limited and specific. They should not be so broad as to give the government the discretion, as it has now, to decline to produce the information. Thirdly, decisions on disclosure should be reviewed independently of government. Again, get it away from self-interested members of legislative bodies. Fourthly, individual privacy must be protected.

Now, the Act, Mr. Speaker, creates an officer of the Legislature, the information and privacy commissioner, whose duty it is to enforce access provisions and protect privacy. This commissioner would be appointed in the same manner as the Ombudsman, upon the recommendation of the Legislative Assembly. Requests for information are to be made to the appropriate institutions, which are required to provide either the information or an explanation as to why the information is being denied and on what basis of which specific exemption within 30 days of the request being made. If the request is denied, appeal may be made to the commissioner, who is to attempt to reach a mediated agreement. If no such agreement can be reached, the commissioner is obligated to hold an inquiry on the matter, in the course of which he is entitled to have complete access to all records in dispute. Very importantly, the burden of proof lies with the government rather than the applicant to justify denial of access. Thus, the information is assumed to be suitable for public release unless proven otherwise.

The government of Alberta would be obligated to produce annually, as is the case in Ontario and in other jurisdictions which have this form of legislation, an index of all government institutions and the various types of information that they hold. Each individual institution must produce an annual report outlining requests for information received and the outcome of these requests.

The Act then sets out guidelines governing the types of information which can be deemed unsuitable for release. The types of information that need not be released are as follows. First, information whose release could interfere in the administration of justice and law enforcement; secondly, information which could prejudice relations with other governments; thirdly, trade secrets, commercial and financial information supplied in confidence to the government – not just any agreement that we might have with a commercial entity, but confidential information provided by that entity; fourthly, information which could pose a threat to public safety and/or health; fifth, information of a personal nature, except to the person to whom it relates or with the consent of that person.

I would note that there is a provision with respect to overriding this right to personal privacy. In section 21(2) on page 15 of the legislation it provides that

A head, in determining whether a disclosure of personal information constitutes an unjustified invasion of personal privacy, shall consider all the relevant [information], including whether,

(a) the disclosure is desirable for the purpose of subjecting the activities of the Government of Alberta and its agencies to public scrutiny.

That's a provision parallel to what they have in Ontario, and note the emphasis there on the need to subject the activities of government to public scrutiny. That's the heart of this type of legislation.

Similarly, section 21(4) on page 16 of the Bill states that A disclosure does not constitute an unjustified invasion of personal privacy if it . . .

(b) discloses financial or other details of a contract for personal services between an individual and an institution; or

(c) discloses details of a licence or permit or a similar discretionary financial benefit conferred on an individual by an institution or a head under [specified] circumstances.

Every intention, Mr. Speaker, of allowing details with respect to government financial dealings with individuals to be made public.

Sixth, there is an exemption with respect to cabinet confidences, advice of civil servants, and policy options prepared for government, including background analyses, but these background analyses are to be available after the decision is implemented. There are a number of relative exceptions to these relating to factual material, statistical surveys, environmental impact statements, reports of tests carried out on products, all of which are determined to be in the public interest to be released but which are all kept confidential and are not disclosed by this government on a regular basis. There are other relevant exemptions, Mr. Speaker, where the harm of disclosure would exceed the public interest in knowing the information. It is, indeed, a balanced catalogue of exemptions and requirements for disclosure. Now, despite the above the commissioner can still decide to release the information if he deems the release of that information to be in the public interest.

Now, the Act also sets out guidelines for protecting personal privacy by placing limitations on the type of information to be gathered by government and limitations on the method of collection to be used. Further limitations are put in place regarding the disclosure of personal information, and provision is made for access to this information by individuals so that errors can be corrected: badly needed legislation in this province, where there is a total abandonment of interest and concern for the privacy of individual Albertans.

The Bill in total, Mr. Speaker, is designed to open up the governing process while ensuring that the government does not become overly intrusive in regard to personal privacy, again a very nice balance. I'd just like to list a few of the examples of information which is currently unavailable but would be available if this legislation were in force. Firstly, we would be able to know – the people of Alberta would have access to the master agreement between the province of Alberta and Gainers Inc. We'd like to know why Mr. Pocklington was not asked to provide a personal guarantee when he was given a guarantee of \$55 million of our money to support his loser. Why he walked off with the Oilers and Palm Dairies and other assets while we the taxpayers, you and I and everybody else we know in this province, are going to be paying the bills: we should know that, don't you think?

Secondly, we would be able to obtain copies of loan and loan guarantee agreements between the province of Alberta and private businesses. Third, we would get such information as the severance agreement granted to former Chief Deputy Minister of Economic Development and Trade, George de Rappard. Fourthly, we'd be able to get a copy of the Dominion Securities

report, commonly known as the Alexander report, regarding the privatization of Alberta Government Telephones. Fifth, we would have access to lease agreements between government and the private sector, such as the Olympia & York agreement with the government for the Manulife Place offices, which is being requested by members of this House. We'd have a copy of the report done by Touche Ross regarding the financial prospects and viability of General Systems Research. We'd have access to polling, public opinion polls paid for by taxpayer dollars and used for the private political interests of this party. They're available at the federal level and in Ontario, and they should be available here. We would have access to financial statements of provincially controlled corporations like 354713 Alberta Ltd., otherwise known as Softco, access to which has been shamelessly turned down this very day by the Provincial Treasurer in response to a request by my friend to the right here.

This Bill, Mr. Speaker, would provide the right of access for individual Albertans who deserve such access. It would provide a right of access to members of this Assembly who, as Mr. Perrin Beatty noted in 1974, require this information as part of their ability to do their jobs. It would enable the press to do a better job. Of course, having said that, that's what the government fears.

Now, let me note that the United States has had freedom-of-information legislation in place since the early 1970s. Federal legislation has been in place in Canada for some 10 years. It's been in place in every American state, and they say in six provinces. I've not heard of one movement, one suggestion, no credible suggestion, not even an incredible suggestion, that those initiatives be reversed. The fact is that in each and every one of those jurisdictions, the movements are towards expansion of the right of access to information. How do we enhance the right of citizens to get access? I note that last year, far from recognizing this, the Member for Lacombe was quibbling that New Brunswick's and Nova Scotia's legislation, he had heard, was not well used. But we've contacted the Attorney General's departments there, and they are very much appreciated. They are very valuable aspects of the political culture in those provinces.

I now close my comments with the forlorn hope that a miracle will ensue and we will get the support of the members of the government on this legislation. But even if they don't, and that would be very much in character, I ask them to take this concept back with them into caucus, discuss it, and recognize how denigrating it is to the democratic process and how it detracts from the democratic process as a whole to continue to hide information of the type that is kept secret by this government from the people of this province. As Grantland Rice once said:

When the One Great Scorer comes to write
against your name —
He marks — not that you won or lost — but
how you played the game.

We should be leaving this Chamber, we should be leaving office, feeling that we've enhanced the respect of the members of the public for the democratic process, that we've left it stronger than when we came here. This is one of the things that is absolutely essential in order to strengthen the democratic process. I hope you'll all take this matter back to caucus and do something, because we're among the very few people in the regiments of government on this continent and, indeed, in democratic countries around the world that do not recognize this. Indeed, as has been said, perhaps partially in jest but with a grain of truth: we're getting to the point where it's easier to get information in Russia than it is to get it here in Alberta, and that should give us pause to think.

MR. ACTING DEPUTY SPEAKER: The hon. Member for Drayton Valley.

MR. THURBER: Thank you, Mr. Speaker. The hon. member from across the way was looking for support. Well, I fully support the principles of freedom of information and the protection of personal privacy, and I don't think there's anybody in this Legislature that does not support this. However, I am not quite so sure that the proposed Bill would actually serve to promote these principles.

In Canada half of the provincial governments have an information Act in some form or other, while the rest continue to use other provisions to address the situations as they come up. I think, because of this debate before the House today, that it would be most interesting and probably enlightening to examine some of the experiences encountered in areas where they have this freedom-of-information legislation in place.

Mr. Speaker, to begin with, several interesting facts have come to light in Ottawa since the passage of the Access to Information Act and the Privacy Act. During late 1988 and early 1989 the federal government demonstrated how the parameters of freedom-of-information and personal privacy Acts can be manipulated in order to achieve whatever end is desired at the time. Although in 1988 personal information held by two Crown corporations, Air Canada and Petro-Canada, was supposed to fall under the coverage of the federal government's new privacy law, the government changed its mind in January 1989 and granted the corporations special status.

[Mr. Deputy Speaker in the Chair]

The result is that today personal data held by these corporations can be accessed with no right of appeal on the part of the individual. Clearly, because the will did not exist in this case to uphold the principles of the information laws, they were easily undermined and demonstrated to be ineffective.

Another example, Mr. Speaker, indicating that you can't legislate freedom of information effectively would be last October when the federal Finance minister refused to release documents containing forecasts made in regard to interest rates, the deficit, and the national debt, despite their having actually been applied for under the Access to Information Act. Statistics show that in Ottawa over the past five years only about 35 percent of the more than 16,000 requests for information have been successful. The costs incurred and the time spent in trying to access this information are significant. Over \$5 million was added to the budget and spent by the Information Commissioner's office in 1988. A few years ago it took an average of one or two visits to a department to complete an information investigation. Now staff of Ottawa's Information Commissioner have to make five or six trips to a department, on average, to complete an information investigation.

Nuisance requests are also common and add unnecessarily to the workload of the bureaucracy. If you can imagine some of this private information getting into the hands of irresponsible people, it would be a nightmare. The appeal process is similarly slow and costly, as one in eight information requests in Ottawa ends in a complaint to the Information Commissioner.

There has also been evidence, Mr. Speaker, that the federal legislation has created a negative backlash from the civil service. For example, a request to the Canadian Mortgage and Housing Corporation by an Ottawa researcher was refused within 24 hours of the time it was received. The civil service simply said

that all requested information was exempt under the Act, even though the 24 hours had not been adequate time for a proper review of the material. Co-operation was minimal.

In Nova Scotia, which my hon. colleague had mentioned, where the first such legislation was passed, the kind of information that is available and specific conditions under which it can be accessed are listed. This Freedom of Information Act, the intent of which is to provide the people access to as much information in the hands of government as possible without impeding the operation of government, has actually enhanced government's right of control over the information more than it has enhanced the public's right of access. The use of specific lists and categories has legally sanctioned and legitimized government's ability to limit access to information.

In Ontario, which seems to be a prime case that some of the people are bragging about, several problems have arisen which are of particular interest to us today, given the similarity between the Ontario Act and Bill 205. The Ontario legislation, like Bill 205, permits government agencies to charge a fee. These fees are in the hundreds and sometimes thousands of dollars for the release of documents. However, since the inception of the law, it has been discovered that this fee can and is used to obstruct the right of access. If one cannot pay or will not pay, one's right becomes meaningless.

Further, Mr. Speaker, because people requesting the information do not always know what the records will contain, they become less willing to pay a fee for access to the document. Charging a high fee has become a simple and effective way for government officials to bypass the demands placed on them by access laws. The effects of Ontario's new Act have gone beyond the private citizen's ability to access information and have begun to have an impact on the functioning of the Legislature itself. In 1988 an opposition member of the Ontario parliament was charged \$696 for requesting information that fell under the freedom-of-information Act. That member, in line with his duties, requested details regarding an \$885 million grant to the province's school boards. Suddenly the historic function of the Assembly, to provide an area and an arena where ministers can be questioned and information about government action can be sought, had a price on it. Instead of standing up and asking for it, you had to pay the price. The implications of this for parliamentary tradition and for the functioning of the system are monumental.

MR. McEACHERN: There's no use in it being free if you don't get it anyway.

AN HON. MEMBER: Oh oh. You woke Alex up.

MR. THURBER: Yeah. I thought he had gone to sleep.

There has been criticism of Ontario's appointment of an information commissioner, which Bill 205 would also have us do in Alberta. The Ontario commissioner in effect functions as a one-man appeal board, an arrangement which most people would consider unfair for both the commissioner and the information seekers. Critics are concerned that a good appeal under these circumstances is at least partly dependent upon the personality and attitudes of a single individual.

Mr. Speaker, I think everyone agrees that we must find the right balance between freedom of information and protection of personal privacy, but after looking at the experiences of provinces who have adopted legislation, I am not convinced that this is the best route to follow. Instead, I believe the answer

seems to lie more in a reaffirmation of Alberta's general commitment to pursue freedom of information that is limited by rights of privacy.

Any information that is not obtainable through normal channels, like department or agency public records, is available through motions for returns or written and oral questions submitted in the Assembly. Personal information is accessible through Vital Statistics, land title searches, and the corporate registry. They all offer means of accessing business information that already exists. Mr. Speaker, this access to information is appropriately balanced by a general policy to protect confidential, personal, and business information from abuse. The public service in Alberta operates under the civil service oath of confidentiality, and any breaches of that oath are treated very seriously.

The existence of freedom-of-information laws guarantees nothing; in fact, legislation may actually undermine the principles of freedom of information and the protection of personal privacy. In jurisdictions where laws are in place, somebody will find a way to work around them. Even the United States, which is commonly cited as being a country with one of the most open systems, has found recently that the flow of information can be sharply curtailed. Critics charge that information is restricted primarily through the charging of heavy fees and a secret classification system. In Ottawa, where two complex Acts guarding privacy and access to information rights are in place, gaining access to government information can be a nightmare, yet access to personal records is sometimes easily obtained. In Prince Edward Island, on the other hand, the government and Legislature have worked toward a general policy of openness that respects the right to privacy, and there has been no move to implement legislation; the system works successfully. In Newfoundland in 1982 they put through their Freedom of Information Act, and it focused on information in government departments, and exceptions were outlined. Immediately, they had to pass an Act respecting the protection of personal privacy. Each Bill received nearly unanimous approval. Appeals or refusals may go to the Ombudsman, who can only make recommendations to the department in question. Further dissatisfaction ends up in the court in the trial division of the province's Supreme Court.

Mr. Speaker, I could go on and on and point out some of the pitfalls of this Bill 205. Of course, freedom of information and protection of personal privacy is something we all believe in, but given what I've seen happen in other jurisdictions and the information that I have in my hand, I am not convinced that we should move ahead with Bill 205, so I would urge you to defeat it.

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

MR. McEACHERN: Thank you, Mr. Speaker. Before I talk about the Bill itself, I just have to reply to a few of the comments by the Member for Drayton Valley. Perhaps the reason that the federal legislation isn't working very well is because his federal Tory cousins pretty well sold out Ged Baldwin and Grant Notley and the detailed freedom-of-information Bills they fought for for years and years. When the federal Parliament got around to passing legislation, it was totally inadequate. No wonder it's not working worth a darn; fairly simple. The other thing I want to mention is that I think all his objections are just an excuse for this government doing nothing.

Finally, I want to say that if he suggests that we use motions for returns, what do you think we've been trying to do? I've got a list here that would choke you with the number of motions for returns where we've asked for information and haven't got it. I will cover some of them.

But this Bill is worthy of some serious analysis and discussion in its own right, apart from the refusal of this government to give us the information we ask for, so I want to take a minute and look at the purposes of the Act. I want to say also that the New Democratic Party in almost every year in the last two decades has put forward either a freedom-of-information Bill or a motion asking the government to consider a freedom-of-information Bill.

MR. CARDINAL: You'll just have to form the government.

MR. McEACHERN: We will. We'll get our turn, and there will be a freedom-of-information Bill.

So, in any case, this Bill is along the same tradition as the kinds of things that Grant Notley and Ged Baldwin, who was a member of that party and got sold out by that party, have put forward. I wanted to look at the words on the first page and comment on them briefly.

The purposes of this Act are,

- (a) to provide a right of access to information under the control of institutions in accordance with the principles that,
 - (i) information should be available to the public.

Fundamental; we're talking tax dollars and how they're spent, and what the government is doing to run our society. Fundamental.

- (ii) necessary exemptions from the right of access should be limited and specific,

not just general or capricious. Okay? They should be "limited and specific" exemptions. They are named later in this Act.

- (iii) decisions on the disclosure of government information should be reviewed independently of government.

So there should be a body set up which is independent of the government which decides whether or not a particular piece of information will be made available or not. It should not be the government that is the final arbiter. Excellent basic points.

And

- (b) to protect the privacy of individuals with respect to personal information about themselves held by institutions and to provide individuals with a right of access to that information.

We all know that in this day and age of the computer and of fast flow and free flow of many kinds of information in many directions, certainly individuals find themselves being examined or talked about or known about at an incredible speed, and we know that there's a great deal of danger in the computer storage of information and transmission of information. We're always surprised to find ourselves on lists for different organizations, and you wonder where they got it or how they got your name and address and phone number. So it is a concern.

But I do want to spend most of my time on the first point, the point about the government secrecy and refusal to put out information. One of the things that really amazes me about this government is how whenever it's Peter Pocklington or some business that has done business with this government, you couldn't possibly release that information because, after all, that would be invading their privacy. There was much to-do about it, and that's the main defence that they use when we ask for the lease with Olympia & York or the Peter Pocklington deal or Softco, what's going on there. It's always, "There's a private company involved, and we must not release the information."

But it is really curious that when it comes to people at the bottom end of the economic scale, people on welfare, people on AISH, people on social assistance, I tell you this government wants to know with which finger they pick their nose. They want to know every detail about them. They are incredibly inquisitive before they will pass out a few dollars to some poor person that doesn't have enough to live on. They have no idea of the rights of privacy of that individual. They pry into their every little matter. Now, that doesn't mean, of course, that they're prepared to share that with anybody else, and that's okay. There should be privacy of information at that level, but the individuals feel violated at the social assistance level. This government pries into everything they do and wants to know everything about them, but the minute somebody else is using government dollars, somebody with some clout, somebody with some money like our friend Peter Pocklington – as soon as you get into a deal with them and it might be considered somewhat scandalous that you're into a deal with them, then the government doesn't want to . . . Oh no, big privacy deal. So this government's defence of "It's a private company, and we can't release the information" – even when that breaks down, even when they take over the company like they did with the Peter Pocklington thing, they still claim they can't release the information. They find some other excuse.

Now, Mr. Speaker, I've just had a number of motions for returns before this Assembly, and I want to refer to a few of them. Motion 150 just on Tuesday: the right to make loan guarantees by seven departments of this government on the okay of the Treasury Board, no requirement that there be any public announcement whatsoever. I would just like to say that I made a slight error the other day when I said that at least that information does show up in the public accounts a year to two years later. Well, it does, but some programs it doesn't show up in specific detail.

For example, in the export program that the Minister of Economic Development and Trade would know about, if you look on page 1.20 of the latest public accounts and look at all the debentures and loan guarantees that the government has, you go down the list and guess what? Export program, \$20,692,000: no breakdown. So, therefore, this government has the right to give up to \$5 million to one company in a loan guarantee and never own up that they did it. They might never tell the public or this Assembly who they gave it to and how much it was. Now, that is absolutely incredible. I mean, the Treasurer stood there and said the other day: "Oh, you can find out when the public accounts come out. We divulge everything. It's all right there in public accounts." Sure it is. But it's not there.

Now, you might be able to find it in the supplementary documents, where there'll be the names of all the various recipients. There's a list of about 130 pages of various contracts the government has made to give money to different groups under public works, and then there are about 160 pages usually of grants and things that the government has put out to different persons. They're all listed in alphabetical order and the department is named, but that doesn't tell you under what department they came. It doesn't tell you how it was broken down or why it was given or anything like that. And, Mr. Speaker, it's totally inadequate as a way of accounting for the public dollars spent by this government.

So we have the need for a freedom-of-information Bill. Even sometimes when you contact the ministers' offices, you don't always get the kind of information you might require. For

example, on this motion of mine that we're on today, 157, asking for the information about Softco, I forgot to mention during our exchange on that that I had asked the minister's office for that document back in January. I know they had it, because the Auditor General had it back in December, but he doesn't have the right to release it. So I phoned the Treasury Department and asked if I could have it. Oh, they only had one copy. I said, "Well, could you make me a copy, please." "Oh, well, I'll have to ask." And I never did get to the Treasurer, and his executive assistants continued to stall and stall and never bothered to send it to me. You know, "Oh, well, we've got this one document." It would never have been on the Order Paper had they sent it to me in January or February. Finally, of course, I put it on the Order Paper, and finally it came, or at least some of the information came, but no update as was also asked for in the motion. So the Treasurer can thank his own staff and himself for the fact that that motion was there and that we had that little go-around today.

Another motion I put on the Order Paper the other day asked for the agreements with Coopers & Lybrand as to what are the details about this \$37 million in assets that they bought from them. Oh no; can't tell that. Look, this company is in receivership, for heaven's sake, and the contract holders are being paid out, supposedly, or at least getting some of their money back. Who is going to be hurt by that information? Why do we have to have secrecy of information about that deal? I mean, Coopers & Lybrand is a big receiver winding down a mess that this government helped to make because they didn't regulate the Principal organization. They're still claiming, "Oh no, we can't release that information; oh gosh, we don't want to tell anybody the details of what's going on."

Some other members of our organization have also asked for information, and we get some really curious sorts of responses sometimes. Sometimes we get the information with no problem. I thank those civil servants who do just respond in a normal sort of manner and say, "Yeah; here's the information." That does happen sometimes, and I appreciate that when it does. What I don't appreciate is when somebody decides to start playing political games and says no, we can't have it, or "Put it on the Order Paper." Then we put it on the Order Paper and we don't get it.

But there was a particular request from a researcher of ours wanting to know the details, specific requirements, for the vocational rehabilitation for disabled persons program. What did the executive assistant from that department send her? The glossy brochure outlining the program.

AN HON. MEMBER: Excellent.

MR. McEACHERN: No. If you're asking for more detailed criteria, surely that information should be public. How can somebody know what's going on in the area if they've only got the glossy brochure sort of bragging about the program? You need to know the nuts and bolts of what makes it run and how it works. That was denied, for what reason I don't know.

It's very similar, actually, to a request I made myself in another area. I asked the Minister of Energy, along with all the other ministers, to send me a detailed outline of their policies and procedures for procurement. Each department, when it puts out any procurement – in some cases, they allow bidding on various government projects and that sort of thing, and I wanted to know the details. Just what are the rules? I got back a few replies saying they're going to pass that over to the minister of

public works, as I recall. But I thought that the Minister of Energy was the one that summed it all up. He said that the contracts manual which I was asking for could not be sent to me because the manual is an internal document and only given to permanent employees of the department. So I can have a businessman in Edmonton-Kingsway wanting to know what the rules are for bidding on something, and the only way he can find out is to go and talk to the minister involved and the public employees at the very top level around him. I mean, heaven forbid that another MLA might know what the rules were. Wouldn't that be ridiculous? Terrible. Or some member of the public just might want to ask and discuss them and suggest that maybe there should be some changes or maybe even like them if they saw them. But it would be terrible if we actually could see them in detail, wouldn't it? So talking about freedom of information, this is not even specific information. These are general policies and procedures relating to procurement, and this government doesn't even want to give them out.

Another researcher requested information on the number and salaries of women working in the public service from a manager in personnel administration. This was on January 22, 1990. On February 8, 1990, the manager wrote that replies must be forwarded to the minister's office. The researcher is still waiting for a reply from the minister. That same question was asked by the hon. Member for Edmonton-Gold Bar, and the Minister of Labour refused to give the information. Incredible; that's not even specific information about one company, so they can't even use that kind of reason for not giving out the information. [interjections] I guess that's the problem. Right.

The other area of secrecy that always amazes me – and my colleague from Edmonton-Jasper Place asks an incredible number of questions in the House about this area, the whole forestry and environment area and the whole sell-off of our northern resources. Well, we keep asking: will there be a public inquiry, public hearings, into this or that particular project? Or will there be an environmental impact assessment, and what will be the terms of it, and how will it work? "Well, we don't know." I mean, "No, there won't be," or just stall and talk around it and never specifically say, "Well, yes; these are the rules, and these are how they're going to be played," and lay it out ahead of time so we can know what's going on. It's always just ad hoc and stall and stall and wait. We don't know how many licences they've already handed out before proper environmental impact assessments and public hearings were held. I mean, there's a lot of companies building a lot of projects on the assumption that they've got a licence to start operating – I'm thinking of Daishowa, for example – and we don't even know if they're going to hold public hearings or proper environmental impact assessments. An incredible way to run a government, absolutely incredible; secretive and afraid of their own shadow, I guess.

Now, of course, the best example and the most obvious and worst example I can possibly think of is the Peter Pocklington thing. I mean, we had a good go-around with that and the Member for Vegreville gave you a bad time about that already today, so I'll just remind you of it and say: how can you not be just embarrassed to death by that problem? I mean, you always say you don't need to give out the information because there's a private company involved, and that is just a flimsy excuse, because obviously the information could be made available, and if somebody's using tax dollars, it should be made available. But when the company is owned by the government as well, then even that excuse is gone. So what excuse do you have not to give us the information on the Gainers thing?

Now, I've got a list of many others as well. I remember asking questions about the AGT privatization report, the Alexander report. We asked about Olympia & York. You're not even prepared to tell the people of Alberta on what terms you got Olympia & York to build that building so you could lease 400,000 square feet at some incredible price that is totally ridiculous when we didn't need the space, and you put the nose out of joint of all the businessmen downtown, and rightly so. I just can't believe this government.

By the way, back in January when I was asking for the Softco report, I was also asking for schedule 5 from the commercial investment division of the heritage trust fund. It's supposed to be released with the heritage trust fund committee reports. It never was this year, and we still haven't got it. There's no reason in the world why the government shouldn't give that information out; every year they've given it. The last few years we've had to keep asking and asking, but we still haven't got it. We now have a motion for a return on the Order Paper.

Mr. Chairman, I move the question now be called.

MR. DEPUTY SPEAKER: Having heard the motion of the hon. Member for Edmonton-Kingsway . . . [interjections]

MR. McEACHERN: [Inaudible] the question will now be put.

MR. DEPUTY SPEAKER: Well, hon. Member for Edmonton-Kingsway, there seem to be other members who wish to participate in this debate.

The hon. Member for Rocky Mountain House.

MR. LUND: Mr. Speaker, I had many things that I wanted to say about this Bill 205, and I'm very anxious to get in on this

debate, but in view of the time I adjourn debate.

MR. McEACHERN: Point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: Hon. member . . .

MR. McEACHERN: When I have asked to call the question [inaudible]

MR. DEPUTY SPEAKER: No. No. Order please.

The hon. Member for Rocky Mountain House has moved that the debate be adjourned. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no. Carried.
The hon. Deputy Government House Leader.

MR. GOGO: Mr. Speaker, it's the intent this evening to go into the Committee of Supply to deal with the Department of Recreation and Parks. I move that when members reassemble at 8 o'clock, they do so in Committee of Supply.

MR. DEPUTY SPEAKER: Having heard the motion of the hon. Deputy Government House Leader, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no. Carried

[The House recessed at 5:30 p.m.]