

## Legislative Assembly of Alberta

Title: **Thursday, May 17, 1990 2:30 p.m.**  
Date: 90/05/17

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

[Mr. Speaker in the Chair]

### Prayers

MR. SPEAKER: Let us pray.

We give thanks to God for the rich heritage of this province as found in our people.

We pray that native-born Albertans and those who have come from other places may continue to work together to preserve and enlarge the precious heritage called Alberta.

Amen.

### head: Introduction of Special Guests

MR. SPEAKER: The Minister of Culture and Multiculturalism, followed by the Attorney General.

MR. MAIN: Thank you, Mr. Speaker. Today in the public gallery is a group of 23 students, teachers, and adults from the Apostolic Christian Leadership Institute in the great, burgeoning, beautiful constituency of Edmonton-Parkallen. With the group today are Dwight Kroening, Lisa Shenk, and the Sabo girls – Joann, Eileen, and Annette – along with the 18 students. I'd ask them to rise and receive a warm welcome from the Assembly.

MR. SPEAKER: The Premier, followed by the Solicitor General, I suppose, in this case.

MR. GETTY: Mr. Speaker, we're hiding that 275 pounds of brawn and muscle.

Mr. Speaker, I'm very pleased to introduce to you and through you to members of the Legislature a second group of 52 students from the Forum for Young Albertans. They're from all across Alberta, and they are visiting Edmonton to learn about our political process. I understand that they have met with you, Mr. Speaker, and other members of the Assembly have also spoken to them. They're seated in both the members' gallery and the public gallery. They're accompanied by forum staff: Blair Stolz, Brian Tittlemore, Holly Strach, and Annette Klassen. I'd ask that they rise and receive the warm welcome of this Assembly.

MR. ROSTAD: Mr. Speaker, it's always a pleasure to defer to the Premier.

It's my pleasure to introduce to you and through you to the Assembly 69 grade 6 students from the Chester Ronning school in Camrose. They're escorted by teachers Bob McClarty and Mrs. Jobber. They're seated in the members' gallery and in the public gallery, and I'd ask that they stand and receive the warm welcome of the Assembly.

MR. SPEAKER: Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you a very special constituent from

Edmonton-Whitemud. The reason why this person is special is she is head of an organization called Our Future, which is an organization of students in grades 6 or 7. She's inviting the president of McDonald's to have lunch with her in Edmonton so she can explain what's wrong with their utensils. Through you, Mr. Speaker, I would ask all my colleagues here to give Kimberly Thompson the usual warm welcome as she rises in the public gallery.

MR. SPEAKER: Edmonton-Kingsway, followed by Calgary-Glenmore.

MR. McEACHERN: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and members of the Assembly 15 English as a Second Language students at the Alberta Vocational Centre. They are in the public gallery, and they are accompanied by Cheryl Wilson, their teacher. I request that they rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Calgary-Glenmore, then the Solicitor General, then Smoky River.

MRS. MIROSH: Mr. Speaker, I'd like to introduce to you and through you two young ladies from California, Janice Voloshin and Chi Yamada – actually from Toyko, Japan. Chi is studying political science at the University of California San Diego, and Janice is studying premed. They are visiting our city today, and I believe they're in the members' gallery. Would you please stand and receive this warm greeting from the Assembly.

MR. FOWLER: Mr. Speaker, a nice event took place today in your chambers when at noon hour there were certain presentations made by the Canadian Parliamentary Association to the Alberta Girls' Parliament. I'm pleased to advise the House through yourself that one of the recipients was from my constituency, Susan Dioszeghy from the city of St. Albert. She is also a page of this Assembly. So I'm pleased to introduce her through you to the House together with her sister and her mother and dad, Mr. and Mrs. Dioszeghy, who are in the gallery today. Would they please rise and receive the traditional welcome of the House.

MR. SPEAKER: Smoky River.

MR. PASZKOWSKI: Thank you, Mr. Speaker. Another person who was recognized today is a constituent of Smoky River, one that we are all particularly proud of as Albertans and, more particularly, as constituents of Smoky River. Joanne Dechief has been an outstanding debater, has won awards for her debating abilities throughout the province, and has competed nationally. Representing the Junior Forest Wardens, a representative of Henri Routhier school in Falher, it's my pleasure to introduce Joanne Dechief. She is accompanied by Jerry Fochler, the assistant chief forest warden for the province of Alberta. They are seated in your gallery, Mr. Speaker, and I would ask the House to recognize these two outstanding people.

MR. SPEAKER: Also seated in my gallery, hon. members, is Jennifer McKercher. She's the Tuxis recipient of the 1990 Commonwealth Parliamentary Association bursary. She's a member of the constituency of Calgary-Egmont. Accompanying her are her parents and her guest Michael Wilson, and I ask that they rise and receive the welcome of the House.

**head: Ministerial Statements****Technology, Research and Telecommunications**

MR. STEWART: Mr. Speaker, today marks a new milestone in the advancement of science and technology in this province. Later today the membership of the Premier's Council on Science and Technology will be announced, and it will hold its first meeting under the chairmanship of our Premier.

The council brings together a broad spectrum of Albertans from all corners of our province: educators, scientists, manufacturers, and other committed men and women who will advise the government on science and technology matters not strictly in the advanced technology area but in its application to energy, agriculture, and the environment.

Mr. Speaker, science and technology is the key to our ability to compete in world markets, to open new doors through discovery and innovation, and to provide new opportunities for Albertans, particularly our young people. As the hon. Premier recently stated, the strategic application of science and technology are an integral part of Alberta's continued economic, social, and environmental well-being, and this advisory council would be one of the tools government can use to plan its strategies for the future.

**head: Oral Question Period****Social Workers' Strike**

MS BARRETT: Mr. Speaker, I understand that this morning as he was entering Government House, the Premier was greeted by striking social workers. He told them, I understand, that the only way he could help was if they returned to their jobs. I understand the following quote accurately reflects what he said: "I guarantee you that we'll be able to find a good contract." Now, I remind you that the Premier also got a response from the crowd this morning. They said in unison: "We can't trust you." What they're really saying is that the government's track record betrays their real agenda in this regard, that the impasse is long overdue, and that the only way the Premier or the government is going to be able to solve this problem is to actually put something on the table, which they have not yet done. I think what the workers made clear is that they're tired of vague promises. They don't believe the government anymore. My question to the Premier is this: is he prepared now to step in, end this dispute, and address the specific issues by making a concrete offer that they can deal with?

MR. GETTY: Well, Mr. Speaker, I must say the hon. Member for Edmonton-Highlands has certainly a selective recall of what went on today as I was discussing matters with the social workers who were near Government House. I thought the discussion was in some ways helpful. I pointed out to them that I care about them; I care about the services that they provide in this province. I told them that I have additional responsibilities: that I've sworn to uphold the laws of the province of Alberta – and that all members of the Assembly have, as a matter of fact – that they were breaking those laws. I told them that I thought they were receiving bad advice, that I wanted to help them, but they were making it impossible for me to help because they were breaking the law, and, therefore, what they should do is return to their work. If they do, I told them I felt very strongly that we would be able to negotiate a satisfactory solution to their

concerns and to the concerns of the government; in other words, management coming together with the employees and working it out across the table. That still is available. I urged them to stop breaking the law and to go back to work. Many of them, Mr. Speaker, were thinking that it was strange that they were there breaking the law. They really want to go back to work, and I encouraged them to do that.

MS BARRETT: Well, Mr. Speaker, I note that the Premier did not deny the accuracy of the quote which, I repeat, says: "I guarantee you that we'll be able to find a good contract." So my question to the Premier is this: seeing as how he was able to make a guarantee outside Government House this morning, will he tell us why it is he's not prepared to make that known right now, what the deal is that he's offering these workers?

MR. GETTY: Mr. Speaker, again the fallacy, I guess, or the inability of the hon. member to understand that it takes two people at the table to reach an agreement. The government was prepared to be at the table, but we are not going to bargain with people who are breaking the law. Now, if I understand the Member for Edmonton-Highlands' position, it is this: that if you break the law in Alberta, you will gain some benefit. That cannot be the message that goes out in this province. I'm sorry the hon. member is of that persuasion: that what you should do in Alberta is be selective, pick some laws that you don't like, and break them, and that somehow that will gain you a benefit. That cannot happen.

MS BARRETT: Mr. Speaker, what the Premier has said so far is no excuse for them refusing to negotiate an end to this strike. The fact of the matter is it's this government that painted itself in the corner; the fact of the matter is it's this government that brought in the lousy labour laws that make criminals out of these people in the first place.

Mr. Speaker, I'd like to ask the Premier if he can't see after 17 days of an impasse that in fact the only way out of this mess is for him to put something on the bargaining table. Tell them what that good contract consists of and get this strike ended.

MR. GETTY: Mr. Speaker, I urge the hon. member to not become shrill on an important matter like this. [interjections] Well, sorry; I'm just trying to give the hon. member some advice, that's all.

I say again to her that we have discussed this matter many times in the Assembly over the past several weeks. The government's position is clear. We care about these workers. We care about the services that they provide. We believe they have received bad advice. They're getting even worse advice from the NDP. What we ask them to do is to stop breaking the laws of Alberta, come back to work. I have given orders to our negotiators to immediately negotiate the matters which they care about. The courts have given orders to them to go back to work: a judge of our Alberta court has made a ruling, which I gather the NDP have said to defy and break, which is a terrible thing for lawmakers to countenance, law breaking. So there is a solution: go back to work. Come back to the table and we'll be able to solve this.

MR. SPEAKER: Second main question, Edmonton-Highlands.

MS BARRETT: I think the social workers had it right. They said, "We don't trust you," and they're right, Mr. Speaker.

I'd like to designate the second question to the Member for Edmonton-Kingsway.

### Provincial Debt

MR. McEACHERN: Yesterday, Mr. Speaker, the Treasurer introduced Bill 21, which is legislation that increases the province's borrowing power to a limit of \$11.5 billion, an extra \$2 billion on top of the \$2 billion the year before and the several billions before that. This money will have to be borrowed at very high interest rates because of his federal cousin's high interest rate policy. My question to the Treasurer is: will he now admit that this new and costly borrowing totally shoots down his claim that his budgetary deficit will be \$780 million? The fact is it's going to be closer to \$2 billion, isn't it?

MR. JOHNSTON: That's a very interesting conclusion, Mr. Speaker, certainly not at all in line with the budget presentation which we have provided to all Albertans. Of course, members have now had a chance over the past 25 days to thoroughly debate the estimates of the government, and I haven't heard anyone saying that our estimates are out of line. We've made a case to show that our budget will be around the \$780 million deficit level this year, on course to a balanced budget in '91-92. Of course, as we have done in the last five years, when unfortunately we have had to borrow in the capital markets to support the kinds of social objectives we have outlined in our budget, including education and health – in that way we have been able to gradually reduce our deficit from that disastrous level of about \$3 billion, caused by oil and gas changes, down to \$780 million and to a balanced budget next year, as we have outlined.

Now, what the member fails to point out is that of course we move it in these \$2 billion intervals. It doesn't mean we're going to use it all. It just means we have to have the flexibility. We have done this before. We think it's the right way to communicate with Albertans to show that the deficit is under control, expenditures are under control, revenue is predictable. Now we're going to borrow just a bit more, Mr. Speaker, so we can wrap down to that balanced budget position next year. I know that the opposition doesn't like to see us on course. They know they could never manage this economy, and God help Alberta if they ever become elected again.

MR. McEACHERN: Mr. Speaker, it becomes clearer and clearer that the Provincial Treasurer fudged the books, and now he's got caught out by his own numbers.

The Treasurer also claimed in his budget, and it was just as much a fairy tale as some of the other figures, that the debt-servicing costs would be \$965 million. Now that he's admitted that the debt is going to be 11 and a half billion dollars, will he also admit that the debt-servicing cost is going to be closer to \$1.2 billion . . .

MR. SPEAKER: Thank you. [interjection] Thank you, hon. member. It's a supplementary.

MS BARRETT: You didn't cut him off, did you?

MR. JOHNSTON: The member from Shrinville is really on a roll today.

Mr. Speaker, when I give speeches across the province now, I no longer have any jokes in my speeches. What I do: I simply

observe the socialist opposition across the way and report the facts. That brings the house down.

Mr. Speaker, let me say again that this is a bunch of nonsense. The people of Alberta know that we're on course to balancing our deficit. It's going to happen. We're the only province in Canada with more assets than liabilities. We have the lowest tax regime in Canada, and guess what? We haven't got a sales tax in this province and still have the highest level of services. The opposition doesn't like it; they don't like to see the economy performing as well as it is. They don't like to see the commitment to this province that Albertans have, and that's why they're whining and crying across the way. The economy is working. This government's carrying out its commitment, and it's on course.

MR. McEACHERN: Yeah, and he's blown the heritage trust fund in four years.

This government's balanced budget plans are a total shambles, yet this government and the Treasurer steadfastly refuse to raise the taxes for corporations and their rich friends, leaving the individual taxpayers to pick up the bundle. Will the Treasurer admit that the additional cost of borrowing and debt servicing will be loaded onto Alberta families in the form of higher taxes and the lack of quality services?

MR. JOHNSTON: Now, Mr. Speaker, if one of our members had asked that question, the opposition would be screaming about a puffball question. Members know, as do all Albertans, that the level of services in this province is, without question, the best on aggregate in Canada. We intend to maintain that objective.

Now, just yesterday we saw some interesting statistics, and I know my colleague the minister responsible for employment will tell you about them if you ask him. Unemployment in this province is the second lowest in this country. Why is that? Because there's a new sense of confidence in this province. It's a result of that new confidence, it's a result of that new economic performance, Mr. Speaker, that all kinds of revenue are increasing in this province – all kinds of revenue – including the tax revenue the member refers to.

I pointed out in our budget plan, contrary to what he indicated, that *in fact* corporate taxes have gone up in this province as a result of this budget plan. Moreover, in 1987 corporate taxes went up 35 percent. Now, his numbers are just all wrong in terms of his analysis. I've pointed that out consistently before. Albertans know that the economy is ticking along very nicely: one of the best growth rates, retail sales per capita are highest, disposable income is working. And the private sector – the private sector, that dirty word the socialists don't like – is responding with their dollars here in this province. That's what makes them so upset. They haven't got anything to hang their hat on, Mr. Speaker.

MR. DECORE: Mr. Speaker, the Provincial Treasurer talks about being on course. The Treasurer is on course to the largest debt in Alberta's history, greater than any other debt of any other province. Last year the Provincial Treasurer was able to convince this Assembly, mostly that side and nobody on this side, that he needed a \$400 million cushion over and above the projected accumulated debt of the province of Alberta in terms of borrowing levels. This year we've started off with a \$9 billion debt, and the documents that we're now reviewing, that the Treasurer has brought forward as the budget, show that the

accumulated debt of this province will be about \$10 billion. Incredibly, yesterday the Treasurer tabled legislation that would increase the borrowing levels to give him a cushion of \$1.5 billion. That's the largest in Alberta's history. This a year before he says he's going to balance the budget. My first question to the minister is this: how can the Treasurer ask us to approve a \$1.4 billion debt cushion, especially when he says that next year he's going to balance the books? How can you do it?

MR. JOHNSTON: Mr. Speaker, you can see between the two socialist opposition parties, obviously, two different kinds of analysis. In fact, what the Member for Edmonton-Glengarry has confirmed is that we do have a cushion. Now, he should talk to the one from Edmonton-Meadowlark, and maybe they could compare notes, and they'd find out that in fact it is a cushion. I have to agree that it's a cushion there, but it's a reasonable cushion, because we need some additional money for the Capital Fund. Now, the Capital Fund is one of those important, special capital funds wherein we invest in education, health, hospitals in particular, universities and colleges: these kinds of important capital projects which have a long-term benefit to Albertans, which maintain our priority in health and education, as we have always said in this House, and which are paid off over a longer period of time. Now, that's what the Capital Fund does, Mr. Speaker, and I think those kinds of dollars are valuable. We'll maintain our commitment to ensure that the best facilities are put in place.

Now, obviously you have to have some cushion. You know that from time to time the demands on cash flow vary considerably. You can't tell what's going to happen. We're not predicting a disaster, as the opposition is, but there could be some unusual situation which could run us through. We don't think it's going to happen. We're on course with our balanced budget, as I said. I know both opposition parties hate to see success. They don't want to see a government that's doing what it says, performing as indicated, with a plan of action. It's the plan as much as anything that upsets them, because they know we're on course. That is very frustrating to them, because Albertans know we're on course as well, and they're going to support our government, Mr. Speaker.

MR. DECORE: Mr. Speaker, it seems to me that the Provincial Treasurer should feel great shame in taking this province to the greatest, the highest debt load in its history.

My second question to the minister is this. Given that interest rates have gone up, given that oil revenues are going down and are projected to stay down for some time, and given that the Canadian dollar is not in particularly good shape, it's my belief that the minister knows something that he's not telling Albertans, and that is that the projected deficit and the projected accumulated debt of this province is much greater than we're being told. I'd like to know what it is – the real facts.

MR. JOHNSTON: Well, Mr. Speaker, certainly this government has always said that debt is not our objective, and we have managed the economy, managed our position very effectively since 1986. Of course, if you have \$1 of additional deficit moving from 1986 to today, that's additional debt. And it's new to Alberta. It is new.

Mr. Speaker, the other side of the question must be examined. When that oil price collapsed in 1986 and our revenues collapsed at the same rate and we did not have predictability on our

revenue, obviously we had to smooth that by borrowing, by running a deficit if necessary. Because Albertans have said to us two things: maintain the level of services, keep the lowest taxes possible in Canada for us, and get to a balanced budget as soon as possible. And that's exactly been our plan.

Now, the Member for Edmonton-Glengarry talks about oil prices. Well, obviously he knows nothing about the market at all. The market in oil prices is now trading about \$19.60. The future market going out for WTI is trading well over \$20 in U.S. currency right now. Our view, as the Premier has called upon repeatedly, is for interest rates to go down and for the Canadian dollar to soften. Now, all of these variables are important, but what we did in the March budget is present the best information we had to us at the time. Nothing substantial has changed to change our view, and Albertans and this government know that we're on course to a balanced budget by '91-92. That's our commitment, that's our plan, and it's working.

MR. DECORE: Mr. Speaker, other provinces have felt the pinch like Alberta felt the pinch during the recession, but they were able to do much better than the terrible debt this minister has incurred for the province of Alberta.

My last question to the minister is this. The minister has talked about giving speeches all over Alberta. Most of it's been flimflam talking about how deficits are going to be reduced to zero. The minister hasn't talked about a plan to reduce the accumulated debt of \$10 billion down to zero. I'd like to know what that plan is now.

MR. JOHNSTON: Mr. Speaker, let me again remind Albertans that Alberta is the only province with more assets than liabilities – the only province. I know that the opposition like to see us have a very difficult position the way some of the socialist operated provinces across Canada have operated, but our province is the only province with more assets than liabilities, a very major feature of the strength of this province. Moreover, we are the only province that eventually will be able to retire its debt. Other provinces have simply said: "Well, we've got 20 percent of our budget committed to debt retirement. So be it; we'll continue to roll the debt over." That's not our plan, Mr. Speaker. Our plan is to eventually reduce that debt. Everyone who knows anything about financial situations will suggest to you that the first thing you do is balance your budget, then you get on with reducing debt. Anyone who runs a household across Alberta understands that message, and it's too bad the Member for Edmonton-Glengarry doesn't.

We will reduce the debt eventually, Mr. Speaker. We will balance the budget as we committed, and we're doing it with a plan, a plan which is reasonable, which is balanced, and which treats all sectors of our economy and all individuals equally. And it's working. The economy is performing very well. We'd like to see interest rates reduced – no question about it – because that would trigger a new round of investment in this province. But I think on balance most Albertans will agree that the plan we have presented and the course of action we are on is reasonable and balanced and working.

#### **Meech Lake Accord**

MR. PAYNE: Mr. Speaker, last evening in the city of Calgary at a sellout dinner meeting attended by more than 900 Calgarians, the Premier's remarks on the Meech Lake accord and the so-called companion resolution attracted considerable

interest, particularly with respect to the House of Commons committee dealing with the so-called companion resolution. Now that the Commons committee report has been released, can the Premier advise the Assembly as to the process by which that report and its recommendations will be assessed by the Alberta government?

MR. GETTY: Mr. Speaker, it is true that there was a group of fine Albertans gathered in Calgary last night. I was able to talk to them about our view of Canada, our view of a united Canada, our view of strong and equal provinces, our view of the potential and importance of Senate reform, and I must say there was a heavy, strong endorsement of our position.

Now, it is also true, Mr. Speaker, that today the House of Commons committee has released its report. We have received a copy of it. I've asked the Minister of Federal and Intergovernmental Affairs to have his department do an assessment of it. They have taken some considerable period of time to come up with this report. It's on a very important issue, one that will be facing all of us as legislators and members of governments in the coming 37 days. We are doing a full assessment of it. I will have a report.

My initial reaction from discussing it with the Deputy Premier is that it does lay the groundwork for an early First Ministers' Conference. I hope we are able to get together as first ministers to see whether we can heal the constitutional impasse that now seems to be hurting and has potential to hurt even more this country of ours. I hope we can do it, and I hope we can do it as soon as possible.

MR. PAYNE: Mr. Speaker, I appreciate that the Premier probably hasn't yet had an opportunity to personally review the document, the recommendations of that Commons committee, but I do understand there is at least one recommendation that has to do with the critical issue of Senate reform. I wonder if the Premier would be in a position today to indicate what would be his minimum requirement or minimum expectation with respect to the Commons committee's recommendation on Senate reform.

MR. GETTY: Mr. Speaker, I'm very pleased and I think all members of this Assembly would be pleased to know that across this country there is a sweeping movement toward Senate reform, a movement and a feeling of how essential it is. I'm very pleased and this Assembly should be pleased, because I think here is where that momentum started. We've been fighting for Senate reform until we've been able to convince Canadians all across the country. It's interesting. This morning I was talking to the Prime Minister and he made the comment that Albertans should feel pleased that Senate reform is now the number one issue in Canadian minds other than holding together a united Canada. Of course, that follows right within the principles we've been working for.

I don't want to be taking positions, Mr. Speaker, prior to going into a First Ministers' Conference. I think those things should be said directly to my colleagues, other first ministers. But I do know this: the Meech Lake accord unlocks the door to Senate reform, and with the additional efforts that are being made by other first ministers now, I think we can improve the situation even more and we can put in place the attitude and capacity for us to finally to make the breakthrough of meaningful Senate reform.

MR. SPEAKER: Edmonton-Jasper Place.

### **Natural Resources Conservation Board**

MR. McINNIS: Thank you. Mr. Speaker, yesterday the government stooped to using raunchy locker-room humour to try to deflect serious public concerns about the state of environmental policy in the province of Alberta. Last winter the Minister of the Environment set up a public task force – two from industry, two from government, two from the environment community – to set up new rules for environmental impact assessments. Unknown at that time to the volunteers and people who worked on that task force, the Premier set up his own task force, chaired by his deputy minister, Dr. Barry Mellon, who worked behind the back of the Environment minister to prepare a different report under the direction of the cabinet committee on economic development. Of course, that work was reflected in the first draft of the legislation tabled here a month ago. I wonder if the Premier would explain to Albertans why they should continue to work as hard as they do to provide input to this government when the power clique makes their own deals and makes their own decisions anyway.

MR. GETTY: Mr. Speaker, it's hard to dignify that lead-in to a question with a response. I think actually the hon. member might spend a little time in a locker room; some people can straighten him out on a few things.

In any event, Mr. Speaker, the Minister of the Environment is a very effective member of our cabinet. He is working together in a team, with other members of our cabinet, and I'm sure this House will be pleased when the legislation that he has such a large influence on and other members of our caucus and cabinet are also having great influence on is presented here to the House for debate.

MR. McINNIS: Well, this is not a locker-room joke. You know, Albertans want an Environment minister who makes policies. They don't want an Environment minister to be a salesperson for decisions made by somebody else, and that's what you've made him. I would like the Premier, since he's now trying to pawn off the Minister of Energy as some kind of neutral chairperson who's going to referee this thing – the Minister of Energy has had plenty to say about environmental assessments. He thinks environmental assessment is creating chaos for business; it's threatening major projects. How can the Premier pawn off his Energy minister as a neutral chairperson when he has indicated from his own mouth that he wants the bad old days when governments cut deals and sacrificed the environment?

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

MR. GETTY: Well, Mr. Speaker, if there is a joke here, it's the Member for Edmonton-Jasper Place, and if we're talking about locker rooms, let's send the guy to the showers for God's sake.

Mr. Speaker, it is disappointing when the hon. member can't sell his point of view in terms of policy questions but rather has to try and deal with personal attacks on one member or another in this Assembly. It's a shame. It's a shame, Mr. Speaker.

Now, we are going to be able to bring a piece of legislation before this Legislature. It will be a well-thought-out, reasoned piece of legislation. It will play an important role in the future

development of this province. I urge members to bring their thoughts and their arguments to focus on the legislation when it's here, but please don't provide that kind of personal attack. Deal with the policies.

### Environmental Initiatives

MR. MITCHELL: Mr. Speaker, it's long been a suspicion that the Minister of the Environment was put in that particular position because of his prowess with public relations. Now, after seeing the minister kept in the dark on the Jaakko Pöyry decision, excluded from the critical meeting with AI-Pac officials, undercut in his position on the AI-Pac review panel recommendations, and just recently being relieved of his responsibility for the natural resources conservation board legislation, it's no longer a suspicion; it is a proven fact. My question is to the Premier. How can the Premier claim any priority on environmental policy when every time his Minister of the Environment gets close to doing something significant and substantive for the environment, he guts the very authority that minister requires to do the job?

MR. GETTY: Mr. Speaker, in a way, I guess, the two of them have had the same researcher working on the same subject, because he just repeated the question from the Member for Edmonton-Jasper Place, although I must say he presented it in a more credible manner than the Member for Edmonton-Jasper Place.

Mr. Speaker, the Minister of the Environment is a valued, effective, and respected member of this Assembly, of our caucus, and our cabinet. He is playing an important role in the future development of this province. He has the strongest legislation in Canada; he is improving it even more. The members will see, as we proceed through debate of the legislation they talk about, the fact that the hon. Minister of the Environment has had a major role in the development of that legislation.

MR. MITCHELL: If he keeps complimenting me like this, Mr. Speaker, pretty soon he'll be calling me his good friend.

With the Minister of the Environment's authority consistently eviscerated by this Premier, by this cabinet, why would we believe for one minute that the Minister of the Environment will be able to deliver on important environmental policy promises like his omnibus environmental protection Act, his conservation strategy, and his waste reduction and recycling policy?

MR. GETTY: Well, Mr. Speaker, I'm perfectly prepared to call him my friend. No problem at all with that. He's not as attractive as the Member for Edmonton-Gold Bar, but . . .

Mr. Speaker, the member of course is starting from a false premise. The natural resources conservation board is not just an environmental Bill. Obviously by its very title it is not just an environmental Bill. As we've always said, just the same way that the Energy Resources Conservation Board is operated with great respect and effectiveness in this province, the natural resources conservation board, which will be mirrored upon and adapted to the same kind of operation as the Energy Resources Conservation Board, will be able to present a balanced place. You aren't for the environment or for development. Surely that's not going to be the answer in our province or in our country. Surely it's going to be working together with a balanced view in how to make sure we're able to develop our resources. It's so important that our natural resources and our energy resources be devel-

oped in the best way possible for the people of Alberta and yet make sure they're compatible with sound environmental protection. That's the role, and that's what we're going to do.

### Employment in the North

MR. CARDINAL: Mr. Speaker, my question is to the hon. Minister of Career Development and Employment. I understand that the unemployment rate in Alberta is now the third lowest in Canada at 6.5 percent. We are not as fortunate in some parts of Alberta. In the constituency of Athabasca-Lac La Biche the unemployment rate continues unacceptably high. In fact, pockets of areas, 80 and 90 percent . . .

AN HON. MEMBER: Maybe they need a new MLA.

MR. CARDINAL: Welfare and poverty, hundreds of people unemployed, thanks to the Official Opposition and the Liberals; they fight the industries here every day. Their economic policies are to close down the industries in the north, increase social assistance, hire more social workers: What a policy. No wonder they don't elect you guys up there.

MR. SPEAKER: Now the question.

MR. CARDINAL: My question to the hon. minister is: I would like you to explain why there are such regional disparities in our province in relation to the unemployment in Alberta.

MR. WEISS: Well, Mr. Speaker, I'm not sure whether there was going to be a question rather than a statement. I'm also, pleased that the hon. Member for Athabasca-Lac La Biche was able to correctly respond to the unemployment level being the third lowest in Canada, and that isn't a correction to the hon. Treasurer. I'm sure he was just alluding to – stating from the crystal ball that I'm sure he looks at on many occasions – what may be happening in the future.

In particular I'm pleased to report to the hon. member and to all members of the Assembly that yes, we have significant gains, some 40,000 more working at this time than we did last year. While there's some 7,000 more people going into the work force, we do have some 4,000 extra working. So all in all, at a 6.3 level, I think that's very significant, and while we are third lowest, we're certainly striving to continue.

But more directly to the question as it relates to the northeastern sector. To the hon. member, Mr. Speaker, please remember that we make reference to statistics as a region, and the northeastern region in particular has shown significant gains in this last while. At this time last year, if he'd refer to the statistics, I think he would find they were about 10.2, and today at a this time the comparison is 7 percent even. So we've had a significant drop in levels of 3.2 percent. Now, please keep in mind as well at this particular time, hon. member, that there are more people coming in and looking for work, and we would see that hopefully as the months progress – in particular, summer periods – that figure as well would drop to a more accurate level and reflect the overall picture in Alberta.

MR. CARDINAL: Mr. Speaker, my supplementary question is the hon. Minister of Family and Social Services. A number of times I've introduced and discussed new initiatives in this House in relation to the delivery system of the welfare program that

would reduce the caseloads for social workers and put more of our welfare people back to work as long as there are jobs. I would like a commitment from the minister today. When will these new initiatives be introduced?

MR. OLDRING: Well, Mr. Speaker, the member knows that the minister is committed to social reform in this province, and I've had the opportunity of looking at some of the innovative concepts they've introduced in that member's constituency, particularly as it relates to Calling Lake. The member has invited me to join with him at Calling Lake and see firsthand. I've accepted that invitation, and I look forward to visiting it with the member. I can only say that we need to be looking at and considering those kinds of innovative steps as we progress with our social reform.

MR. SPEAKER: Edmonton-Avonmore.

### Gender Bias in Judicial System

MS M. LAING: Thank you, Mr. Speaker. My questions are to the Attorney General. In the wake of a recent precedent-setting Supreme Court decision which recognized the seriousness of the battered wife syndrome, it is outrageous that we have an Alberta judge and defence lawyer minimizing the rape of a wife by stating that such a rape is not as traumatic as the rape of a stranger. It is clear that they fail to understand rape as an act of violence involving anger and coming from a mentality that regards women as property. To the Attorney General: given that we wonder how widespread this lack of understanding is in the court system, will the Attorney General establish a task force to look into all aspects of gender unfairness in the courts?

MR. SPEAKER: Before the Attorney General responds, the Chair cautions the Member for Edmonton-Avonmore to pull out *Beauchesne* and look at 493 with respect to the comments made in the preamble.

Attorney General.

MR. ROSTAD: Mr. Speaker, the hon. member made reference to a judge and a lawyer. I'd like to point out that the judiciary is independent of this Assembly, and if she has a particular complaint about a particular judge, she should take that up with the chief judge, not the Attorney General. If the lawyer she's referring to happens to be a prosecutor that would be in the employ of the province, I'd be more than happy to have the details she may have. If it's a lawyer that's in private practice, she should direct her complaints to the Law Society and have them look into it. It is unfortunate at any time that anyone takes disparaging views in the sense of what rape and its effects on our society are and to belittle it, and I would look forward to her communications in that regard.

MS M. LAING: Well, Mr. Speaker, I was addressing the need to look into what I expect is a systemic bias. The request was for a task force to determine the extent of that bias, recognizing that in the U.S. such task forces have been effective vehicles to educate the judiciary, the legal profession, and the public about that bias. Another recent case, in which a police officer . . .

SOME HON. MEMBERS: Question.

MS M. LAING: Well, Mr. Speaker, would the Attorney General provide the necessary funding for the development of educational materials to be made available to judges and lawyers and incorporated in law school curricula, as well provide funding for professional development workshops, so we can address this bias once we've determined the extent of it?

MR. ROSTAD: Mr. Speaker, the short answer is no. That is not my jurisdiction. The training of lawyers is under the aegis of my colleague the hon. Minister of Advanced Education. Today – in fact, right after question period – I am going to a conference, which has been going on all week, that in fact has gender bias as part of the curricula in a western Canada judge education seminar. I will be sure to take the member's concerns to them when I am speaking this evening.

MR. SPEAKER: Edmonton-Belmont.

### Corrections Employees' Strike

MR. SIGURDSON: Thank you, Mr. Speaker. The Solicitor General is on record as stating that the job action by correctional officers is well in hand, can go on comfortably for some period of time, and is saving the province some money. Well, my information is a bit different. RCMP officers are working full shifts in prisons in addition to their regular policing duties, which is making for a much longer work week for many officers. They're getting burned out, and they're stressed out. Given the approach of the long weekend and all the added duties that will accompany the weekend, which can be expected, that relate to increased drinking, can the Solicitor General assure Albertans that public safety will not be jeopardized this weekend by the deployment of overworked RCMP officers?

MR. FOWLER: I've no indications or any reports from my department that RCMP officers are being burned out, stressed out, put out, or anything else, Mr. Speaker, and I am pleased to be able to assure the people of Alberta that policing services will be provided this weekend as they have every other weekend, holiday or otherwise, in this province.

MR. SIGURDSON: Well, Mr. Speaker, not all is well, because I've had reports of increased drug use in the prisons, inmates fighting – and they are requiring hospitalization – unhygienic conditions inside the Remand Centre, and a drug overdose that also required hospitalization. So the question may very well be: will the Solicitor General recognize the serious state of affairs that's going on, relieve these overworked RCMP officers and stop misleading Albertans that everything is under control, and deal with the workers' concerns so this strike can be over with as soon as possible?

MR. FOWLER: I wish with all my heart, Mr. Speaker, that certain people, certain organizations in this province, would stop aiding and abetting what is in fact an illegal act. I tell you and I tell the people of Alberta that I as a Solicitor General, solely responsible as a government minister for all the prisons, have not had one report on the allegations just indicated by the member.

MR. SPEAKER: Calgary-McKnight.

### Advanced Education Programs

MRS. GAGNON: Thank you, Mr. Speaker. My question is to the minister of 29 institutions with a \$1 billion budget. The Minister of Advanced Education has placed Alberta postsecondary institutions in a catch-22 situation. In order to maintain quality, the institutions have been forced to compromise on accessibility by reducing timetables, cutting sections, and capping enrollments. When talking about program cuts, however, the minister has told this Assembly that the boards of governors are responsible for setting their own priorities. Yet at the same time he has stated publicly that the institutions must have his approval to cut programs. My question to the minister is: does the minister stick by his own words that if a program is going to be reduced he has to be consulted, words which show that in fact he is the final arbitrator in decisions of program reductions?

MR. GOGO: Mr. Speaker, we believe it's only fair that when an Albertan enrolls in a program of study which we define to be a degree granting program, having paid the tuition fee, their expectation of being able to obtain a degree should be realized and should not be arbitrarily reduced at the whim of one of the postsecondary institutions. So in Bill 27 that's exactly the matter that's addressed.

MRS. GAGNON: Well, Mr. Speaker, I think the minister has put the boards in an untenable situation. Will he finally admit that it's his funding policy which is forcing boards of governors and university and postsecondary institution administrators to cut programs and this is creating despair, frustration, and anxiety?

MR. GOGO: Mr. Speaker, it's the hon. member and the hon. member's party that in the past have quoted the so-called lack of funding to Alberta postsecondary institutions relative to other jurisdictions. If I'm not mistaken, in the past the University of British Columbia has been mentioned. It's interesting to note not the expenditures of an institution but its revenue. If one looks at the latest information available – and UBC is often quoted – then the grant from this government to the U of A, again as the university quoted, was some \$8,500, and UBC was some \$8,290. It seems to me that the taxpayers of this province have done their part through this government to see that the funding of the institutions is there. The expenditure side of the institution, with all fairness, is up to the board of governors of that institution. So I think the hon. member frankly should research her facts in a different way or from a different institution.

MR. SPEAKER: The Chair is concerned that the preamble and questions by the Member for Edmonton-Avonmore were indeed a breach of order of the House and would therefore read into the record *Beauchesne* 493(1).

All references to judges and courts of justice of the nature of personal attack and censure have always been considered unparliamentary, and the Speaker has always treated them as breaches of order.

In that respect, the Chair then invites the Member for Edmonton-Avonmore to stand and make it absolutely clear that the member was dealing with the broad issue and was not making an attack upon a certain judge, please.

MS M. LAING: Mr. Speaker, that is in fact the case. I was looking at the broad issue of gender bias in the courts.

MR. SPEAKER: Thank you, hon. member.

MR. SPEAKER: Point of order, Minister of Energy.

MR. ORMAN: Thank you, Mr. Speaker. I would like to raise a point of order under Standing Order 23(i). I quote subsection (i), which in brief says that the member has imputed "false or unavowed motives to another member." I'd like to point out to the hon. member with regard to his comments that the Minister of Energy is against environmental assessments – I would like to present my case to you and the members, Mr. Speaker.

Firstly, it is a clear case that the hon. Member for Edmonton-Jasper Place is misleading this Assembly, and I noticed that he was misleading the public outside the House, Mr. Speaker. I'd like to point out that on a number of occasions I have expressed my support for the environmental assessment process in this country, firstly in Kananaskis with the energy ministers from across Canada on April 2. I indicated to them that I did support environmental assessment and in fact we were concerned about the duplication of process. That was repeated in a speech to IPAC on March 29 and on public television in the city of Calgary.

I would like to quote inside this House that in fact I do support environmental assessment; we just do not support the duplication of the process. For the hon. member to suggest that that is not the case – I would refer him to Monday, April 23, the estimates of my department, wherein I indicated that we support the environmental assessment process in this country. It is the duplication of the process we do not support, and that is what we are faced with under current federal legislation.

MR. SPEAKER: Thank you, hon. member.

Edmonton-Jasper Place, speaking briefly to the point of order.

MR. McINNIS: Mr. Speaker, on the point of order, this is indeed an interesting process, whereby the minister gets up under an alleged point of order and uses all kinds of unparliamentary language and makes all kinds of allegations against another member of this Assembly. It's indeed an intriguing use of the rules of the Assembly for him to get up and do that. I do draw to the Chair's attention that under *Beauchesne* 489 to refer to a member's having misled the Assembly is unparliamentary language, and I don't know what gives that minister the right to stand up here and use unparliamentary language on a point of order, which is supposed to be a device that we use to maintain order and decorum in this Assembly.

Mr. Speaker, as to the substance of the member's allegation that I have imputed false or unavowed motives, all I did was read his press cuttings in the Legislative Assembly. That's all I did. Now, if he chooses to interpret that as meaning that he is against environmental assessments or that he's against some other such thing, perhaps he has some discussion to do with himself and some of the people he talks to in the news media. What he said in Kananaskis and again in Edmonton is that environmental assessments are creating chaos for business, and he said that the assessment process was threatening major projects in the province of Alberta. That's the view he stated, and that does indicate a bias of sorts, certainly a strong opinion,



about a matter which is to come before the Assembly. I was attempting to deal with the fact that this minister has been presented by the Premier and others in the government as being some kind of a neutral chairperson who's going to referee a dispute among the warring factions within the government, as if government was a question of stakeholders getting together under the umbrella of a neutral chairperson and fighting it out as in a boxing ring.

I suggest that the minister has been, indeed, quite unruly to stand up here today under an alleged point of order which is not a point of order and to use that to make unparliamentary attacks on my character. I would like a ruling on that.

AN HON. MEMBER: You're a liar.

MR. SPEAKER: Thank you, hon. member.

REV. ROBERTS: He just called him a liar.

MR. SPEAKER: Forgive me, hon. member; let's not bother with that.

The Chair is always interested, if not somewhat bemused, that one part of the House one day argues that it's okay to use one set of words and then the next day gets upset when the same sets of words are used in return. With respect to the use of the words "misleading" and "deliberately misleading," indeed we have to do a check to the Blues, but in actual fact, as all members know, especially the two persons involved in this difference of opinion, *Beauchesne* 489 rules it to be unparliamentary to say "deliberately misleading," "deliberately misled," "deliberately distorted," and so forth. Whereas, then, 490 says that it's okay, folks, to go ahead and say "misleading." This is the same difficulty with respect to a number of words. It also may depend on the temperature of the House and the fervour of the way various phrases are being hurled about.

The Chair understands that in terms of question period and preamble, trying to make your point, sometimes one overstates the case and it indeed comes forth as being your personal opinion as to what a minister may or may not have said or believes or so forth. Nevertheless, it's up to each individual member within their own conscience to be responsible for what they believe and what they say. Therefore, the Chair also understands why the Minister of Energy leapt to his feet to engage in the alleged point of order.

So the Chair regards this as being a dispute as to interpretation between the two hon. members.

### Orders of the Day

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?  
Calgary-Glenmore.

### head: **Introduction of Special Guests** (*reversion*)

MRS. MIROSH: Thank you, Mr. Speaker. Earlier I introduced two young students from the University of California, San Diego, in the members' gallery. I guess it was crowded; there was no

place for them to sit. They've now arrived, and I'd like to introduce again to you, Mr. Speaker, and through you to members of the Assembly Janice Voloshin, and Chi Yamada from Tokyo, Japan. Would you please rise and receive the warm welcome from this Assembly.

### head: **Written Questions**

MR. HORSMAN: Mr. Speaker, I move that all written questions appearing on the Order Paper except 312, 313, 314, 315, 322, and 323 stand and retain their places.

[Motion carried]

MR. HORSMAN: I can advise the Assembly that questions 312, 313, 314, and 315 will be accepted by the government.

312. Mrs. Hewes asked the government the following question:

- (1) How many RCMP staff members were placed in Alberta correctional institutions in order to replace correctional personnel during their labour walkout beginning May 10, 1990?
- (2) What is the total number of RCMP officers stationed in the province of Alberta as of May 10, 1990?

313. Mrs. Hewes asked the government the following question:

What is the government's advertising budget on the present job action taken by local 6, and to which budget will the cost of advertising be charged?

314. Mrs. Hewes asked the government the following question:

What is the cost of all government advertising on the local 6 job action that appeared on Saturday, May 12, and Sunday, May 13, 1990?

315. Mrs. Hewes asked the government the following question:

Who was the advertising consultant or public relations firm that developed the government advertising on the job action taken by local 6 of the Alberta Union of Provincial Employees?

MR. HORSMAN: Questions 322 and 323 will not be accepted.

322. Mr. Mitchell asked the government the following question:

What proportion of paper purchased by the government is recycled paper?

323. Mr. Bruseker asked the government the following question:

How much did the government pay Merran Leeds, Janet Younie, Helen Clark, and Ruth Drew in its out of court settlement concerning the expropriation of their land in the west end of the city of Edmonton?

### head: **Motions for Returns**

MR. HORSMAN: Mr. Speaker, I move that the following motions for returns stand and retain their places on the Order Paper: 166, 167, 168, 183, 212, 226, 291, 298, 300, 308, 309, and 310.

[Motion carried]

163. Mr. Fox moved that an order of the Assembly do issue for a return showing copies of audited financial statements of Gainers Inc. for the fiscal years 1984 to 1989 inclusive and a copy of the quarterly financial report for the period ended December 31, 1989.

[Debate adjourned May 10: Mr. Fox speaking]

MR. FOX: Mr. Speaker, continuing debate on Motion 153 standing on the Order Paper in my name . . . Would you please inform me as to how much time I have left to speak on this motion for a return?

CLERK: Twenty-eight minutes.

MR. FOX: Twenty-eight minutes. Thank you.

It's part of a co-ordinated attempt, I suggest, on the part of the Official Opposition to pry some information out of the hands of the Provincial Treasurer and this provincial government, a government that seems determined to keep from the view of Albertans any of the details respecting the deals they made with one Peter Pocklington some a little over two years ago, Mr. Speaker. I've laid out very clearly, I think, in several motions for returns the reasons that I and my colleagues in the Official Opposition think it important for the government to provide the details of these cozy little deals, to make them public, because the deals themselves, the kinds of deals that were made between the Conservative government and their good friend Peter Pocklington, are a very good example of the kind of approach to managing the economy, the kind of business approach that this government purports to use in dealing with the economy. I submit that it's their particular and unique approach to building the economy that results in the Provincial Treasurer standing up in the House yesterday and introducing a Bill that asks permission to borrow up to 11 and a half billion dollars, supposedly to demonstrate how competent he is and how his fiscal plan is on target. Mr. Speaker, I suggest that it's an indication of exactly the opposite: a government out of control, an economy in shambles.

We have to look at the root causes, and the deals that were cut between Peter Pocklington and the Conservative government with respect to a \$55 million loan guarantee, supposedly to upgrade and expand the Gainers plant in Edmonton, and the \$12 million loan that was supposed to be used to build a new hog slaughter plant in southern Alberta, Mr. Speaker, more than anything else we've seen in the years we've been here, speak loud and clear and tell Albertans very clearly what this government has as an approach to building the economy and economic diversification. They believe that the way to build an economy is for the province to give as much in the way of solid resources – i.e., taxpayers' cash – to their select group of friends, relax whatever rules may exist, ignore the ones that seem convenient to ignore, cross their fingers, close their eyes, and hope that economic development occurs as a result.

Mr. Speaker, with respect to all the money that was given to Peter Pocklington, all the rules that were broken, all the concessions made, I'd like to suggest that there was nothing, absolutely nothing that occurred in the province in the way of economic development. The very existence of the Gainers plant in Edmonton in the years to come has been jeopardized by, I think, a fairly obvious strategy on the part of one Peter Pocklington to divest that company of its assets as quickly as he could. As fast as the Provincial Treasurer could shovel tax-

payors' dollars into Mr. Pocklington's bank accounts, the said gentleman was busy trying to do other things with those assets, Mr. Speaker. There wasn't one job created. There may, in fact, be several hundreds jeopardized as a result.

So in terms of creating jobs, building the economy, diversifying things, it's an absolute failure. The government, you know, believed that by giving bucketsful of taxpayers' money to their rich and apparently needy friend Peter Pocklington, economic development would occur, that Albertans would be better off, but in fact Albertans are worse off as a result. Not only do we not have any jobs created, not have any new development and no plant in southern Alberta that was promised; what we have instead, Mr. Speaker, is taxpayers on the hook for in excess of a hundred million dollars, a direct result of the incompetence, bungling, secrecy, and favouritism of this government. I think these are important things to bring out into the public domain, and we've been urging the government for more than two years now to lay this information on the table, show Albertans what kind of deals they made. They've steadfastly refused.

Now, in this motion for a return we're asking specifically for copies of audited financial statements of Gainers Inc. for the fiscal years 1984 to 1989 inclusive and a copy of the quarterly financial report for the period ended December 31, 1989.

We believe that if we have access to this information, we can not only show Albertans just how sloppy, how haphazard, and how underhanded this government has been when it comes to managing the public trust, taxpayers' hard-earned dollars, Mr. Speaker; we think it will enable us to put increased pressure on the government in a very public way to change the way they do business, to realize that no longer is it acceptable in Alberta for them to attempt to build the economy by making secret deals behind closed doors with their good friends, using bucketsful of taxpayers' money, and hoping some good will come out of it. No good ever comes out of it, Mr. Speaker. We always end up on the hook: a hundred and some odd million dollars in the case of Peter Pocklington, \$125 million in the case of Don Cormie, maybe even a billion dollar investment in the provincial economy – you know, the Cormie ranch project – jeopardized because of the latter-day conversion of the Provincial Treasurer to protector of the public purse.

So we're dealing in this request with a specific thing; that is, audited financial statements for said company. But our reasons are far reaching, because we believe it will show Albertans very clearly just how this government has mismanaged the assets of the province, show them very clearly that this supposedly business-minded, management-oriented government can't manage anything, Mr. Speaker. Taxpayers will be as convinced as we are in the Official Opposition, after seeing these statements, that if you were to give the Provincial Treasurer \$20,000 and give him an opportunity to run a lemonade stand, he'd go broke the first year and then have to go out and borrow money to keep operating it in subsequent years, Mr. Speaker. That's exactly what's happened to the province's economy in the four and a half years that he and his beloved Premier have had their hands on the levers of the economy.

That's why we're asking for this information. I know the Provincial Treasurer is very reluctant to share any of it with the people of Alberta even though it's public dollars that are being dealt with, even though important companies are involved in the provincial economy, even though it deals with a very important sector of the province's economy, the red meat sector. In spite of all of those very compelling reasons, the Treasurer will not give us this information, Mr. Speaker.

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

MR. SPEAKER: Thank you, hon. member.  
Provincial Treasurer.

MR. JOHNSTON: Mr. Speaker, during his comments the Member for Vegreville used the word underhanded. "Underhanded" is clearly referred to as unparliamentary language, reference 489. I would ask the member to withdraw it. It's chagrining and terribly offensive for that kind of language to be used in this Assembly.

MR. FOX: I'll be happy to withdraw the term, and pardon if I've offended the hon. Provincial Treasurer, Mr. Speaker.

MR. SPEAKER: Will you withdraw, hon. member?

MR. FOX: I just did, Mr. Speaker.

MR. JOHNSTON: I didn't hear it.

MR. FOX: I happily withdraw the remark, Mr. Speaker, if I've offended the hon. Provincial Treasurer.

MR. SPEAKER: No. You withdraw it because it's unparliamentary.

MR. FOX: I withdraw it because it's unparliamentary, Mr. Speaker.

REV. ROBERTS: Why is it unparliamentary is the question.

MR. FOX: It's in the rules.

MR. SPEAKER: Order please. If the member for Edmonton-Centre would like to pull out *Beauchesne* 489, chapter and verse – it's not a biblical quote, but I'm sure you can find it nevertheless. Thank you.  
Vegreville.

MR. FOX: Thank you, Mr. Speaker. I can understand why the hon. Provincial Treasurer is so sensitive on this deal. With respect, I'm not sure that he was in on these deals when they were cut. I believe that the order to involve the provincial government, hence the taxpayers of Alberta, in such a shoddy kind of arrangement with Mr. Peter Pocklington came from the top. I think it was a deal that was cut by Mr. Pocklington and his advisers and agreed to by the Premier and that the people who work for the Premier, the hon. Provincial Treasurer and the then Minister of Economic Development and Trade, were left to try and cope with the kind of deal that the hon. Premier expected them to cut with Mr. Peter Pocklington. So I know that the responsibility in the beginning at least is not his, and he feels somewhat sensitive about that, and I can understand that. It seems to have frequently been his task to try and clean up messes that other people leave. Whether it's the Principal affair or the Pocklington fiasco, the Treasurer ends up in the same sort of situation. So he is a little sensitive.

I suspect, Mr. Speaker, that one of the reasons the government is reluctant to share with the people of Alberta the audited financial statements of a company that we now own – we now own that company, and they still refuse to share the audited financial statements with the people of Alberta. You know, if

there's ever a more compelling reason for a government not to be secretive in this modern era of glasnost, a worldwide revolution in freedom of information for people – we've got a government here that is telling the people of Alberta: "You cannot see the books of a company that you own. Even though we've put you on the hook for over \$100 million, even though we allowed this businessman to jeopardize the future of this country and take your money and run, we're not going to let you see these books." The reason they're not going to let us see them is, I suggest, because the reputations of some of the ministers in question would be called into question by an examination of said documents.

The fact is that the deals made between the government and Mr. Peter Pocklington were so poorly negotiated, so shoddily and hastily cut that we have very little in the way of protection, very little in the way of performance guarantees. There was nothing on paper that compelled Mr. Pocklington to do specific beneficial, helpful things for the province's economy in exchange for the money that he received. The Treasurer is going to hang onto these documents and all of the ones that I'll be asking for in a series of motions for returns, hang onto them with his tight little fists until his knuckles turn white and his face turns red. He's going to hang onto them until this government goes down to defeat in the next election, because this issue more than any other has told Albertans exactly what kind of a government they have, has told Albertans exactly why our economy is close to being 11 and a half billion dollars in debt, and why one of the most important industries in this province, the red meat industry, has been brought almost to its knees as a result of the incompetence, bungling, and mismanagement of this government.

MR. SPEAKER: Call for the question?

HON. MEMBERS: Question.

[Motion lost]

164. Mr. Fox moved that an order of the Assembly do issue for a return showing copies of audited financial statements of Gainers Properties Inc. for the fiscal years 1987 to 1989 inclusive and a copy of the quarterly financial report for the period ended December 31, 1989.

MR. FOX: Well, do you think, hon. Member for Calgary-Fish Creek, if I'm nice to the Provincial Treasurer that he'd comply? [interjection] I do my best to be nice to him because I do have a grudging respect for the hon. gentleman, and I regret the kind of position that he's been put into. It's like a lawyer trying to defend a guilty client, and it's a role he has to play.

Motion for a Return 164, Mr. Speaker, seeks copies of audited financial statements for Gainers Properties Inc., kind of a sister company to Gainers Inc. There's an intriguing little relationship that developed between Gainers Inc. and Gainers Properties Inc. in terms of which company owned the land, which company owned the copyrights, trademarks, labels, et cetera, which company got the money from the government, and which company shoveled it out the back door. There's an intriguing little relationship between all of these companies, and even though the Provincial Treasurer has refused to provide for us copies of audited financial statements for Gainers Inc. for the fiscal years 1984 to 1989 inclusive, as requested in the previous motion for a return, we still think it relevant that we be asking them for "copies of the audited financial statements of Gainers

Properties Inc. for the fiscal years 1987 to 1989 inclusive" – it didn't exist until 1987, Mr. Speaker; it was incorporated in fact to facilitate the flow of money from the Provincial Treasury into Mr. Pocklington's bank accounts – "and a copy of the quarterly financial report for the period ended December 31, 1989."

Now, the Provincial Treasurer from time to time refuses to accept motions for returns from the Official Opposition claiming that we don't know what we're asking for, claiming that the motions for returns . . . [interjection] You have said that on occasion, hon. . . .

MR. SPEAKER: Through the Chair, hon. member. This is not a back and forth conversation; it's through the Chair.

The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. The hon. Provincial Treasurer on occasion likes to accuse us of wording these things very poorly and making it difficult for him to comply because we're asking him for things he can't provide or things that don't exist, Mr. Speaker. I would suggest that the reason he is reluctant to provide us with this information, Mr. Speaker, is because we're too accurate in the requests. In motions for returns 164 and 163 and those that preceded them and all the ones to come on the Order Paper, we have outlined in a very complete and effective way all of the documents we think we need, hence the people of Alberta need, to follow the paper trail, to sort out the fiscal sleight of hand that Mr. Pocklington in collaboration with the Provincial Treasurer and the Premier concocted so that the people would have no idea what happened with the money that was lent to Mr. Pocklington and given to him by way of loan guarantees, so people of Alberta would not be able to determine years later why we're left with a plant whose future is called into question by the Minister of Agriculture, why we're left with an industry whose future is clouded, and why we're left with a fiscal headache in excess of \$100 million.

I suspect that this was all part of a very deliberate strategy to keep from the view of the people of Alberta the intricacies of these sorts of dealings, and I would like the Provincial Treasurer to at least advance the cause a little bit by providing some of the information requested. He's refused to provide the master agreement and any amendments thereto. I notice that it's the Member for Calgary-Buffalo who's been hacking away, if I can paraphrase, at the Provincial Treasurer for this information, although it's been our debates in the Official Opposition that seem to be seeking the information in a legitimate way. We've been trying to get this information. We hope that he will advance the cause a little bit by providing some information at least to keep us occupied, to keep us off his back for a little while. Give us the audited financial statements for Gainers Properties Inc. 1987 to 1989 and the quarterly financial report for the period ended December 31, 1989. At least give us that much so that we have something to chew on for a while. We can work on that and then come back at him with another whole range of motions for returns in an effort to find out just what he's done to the people of Alberta. Not what they've done for the economy, Mr. Speaker, what they've done to the economy of Alberta. I hope that if the Provincial Treasurer is planning to turn this down for some reason, he would take advantage of his opportunity to debate in an open, public way in this Chamber, to explain to us why he would want to keep this legitimately public information from the people of Alberta.

I might remind him, Mr. Speaker, that it was his provincial government that put pressure by way of change of regulation of the Agricultural Products Marketing Council. By changing the regulations of that marketing council, they put pressure on the Alberta Pork Producers' Development Corporation to make public the books of Fletcher's Fine Foods in Red Deer. They changed the rules. The changes really only apply to Fletcher's Fine Foods. They had to comply, and they did. Fletcher's Fine Foods complied with the request to make public their books, attached them to the annual financial statements to the Pork Producers' Development Corporation. I think that should be taken by the government as a good example. The pork producers of the province are willing to be open and honest and up front with people, recognizing that to make that information public put them in a very difficult situation. There are only two facilities in the province that slaughter hogs: Fletcher's in Red Deer and Gainers in Edmonton. The provincial government has taken over Gainers and competes in a very direct and sometimes hard-nosed way with Fletcher's. They're direct competitors for a dwindling market. For Fletcher's to make public their books, to give their books to the government, to their competitors, they believe jeopardized their position somewhat, but they were willing to do it because it's important to be open and honest and up front with people.

I suggest, Mr. Speaker, that that ought to be a compelling reason, at least as compelling as any of the reasons I've raised thus far this afternoon, for the Provincial Treasurer to stand in his place and agree to Motion for a Return 164, to provide for the Official Opposition copies of the audited financial statements for Gainers Properties. I mean, I submit to the hon. Provincial Treasurer that what's good for the goose is good for the gander, and if he expects the pork producers to comply with certain rules and regulations, I'd like him to stand up and tell us why he shouldn't have to comply with that same sort of situation. Why is it okay for one and not for the other? Reminding him again that this is important, public information: it's a company that we now own; it's a company whose liabilities we've now assumed. Surely we have a right to see those audited financial statements.

MR. JOHNSTON: Mr. Speaker, I wasn't too sure if the member was moving an amendment when he suggested that he wants to change the motion for a return. I'd have to ask him if it's an amendment he's moving or if he wants to deal with the motion.

MR. SPEAKER: He's not able to make an amendment to his own motion.

MR. JOHNSTON: That's what I was wondering, but it seemed to me that he was doing just that. That's why I wanted the direction of the Assembly.

Well, I'll have to deal, then, with the motion, Mr. Speaker. There are three points that I'll make again today, points which are germane to the arguments put forward under this motion, which in a broad way, under the umbrella of arguments, will deal with the concerns the government has on this issue. First of all, although the Member for Vegreville protests that this is an accurate set of information which could be answered by the government, I have to advise him that, in fact, it could not be answered by the government. Now, I'm not going to tell him why, Mr. Speaker, because if he wants to spend his time researching, as he seems to be very diligent about digging out these elements, I'll let him worry about the fact that, in fact, it

is technically impossible for the government to answer this question.

Secondly, Mr. Speaker, is the question of the motion for a return, a motion of this Legislative Assembly, asking to divulge information on an entity which was not in government hands until sometime in 1989. The periods 1987 and 1988 were periods when the entity was owned in the private sector. It was not a publicly traded corporation; it was a private corporation. Therefore, the information, the financial statements in particular, are of course information available only to the major shareholders and other interested parties. In this case I don't think the Legislative Assembly becomes an interested party.

Finally, Mr. Speaker, the third point is that, of course, if the province did have information with respect to the period under which Gainers Properties was, in fact, owned by the government, these would be, in this case, commercially confidential; not so much in the context of Fletcher's, Mr. Speaker, but in the context of other matters which at some time will become apparent to the Legislative Assembly.

The fourth point I must make deals with the whole question of the sub judice convention. I know that you yourself, Mr. Speaker, have the same concerns about this issue. I could quote you a considerable number of references which show that. Some comments which could be made by the government, myself in particular, may well become certainly not advantageous to the government's case before the courts, and it does raise a subset of that point. Point 4 has got two subsets, Mr. Speaker. First of all, subset 4(a) is the broader sub judice convention. Under that argument it could be argued that in fact all of those motions which are touched by the sub judice convention should be struck from the Order Paper. I know you have thought about that. I would ask you, Mr. Speaker, to, in fact, do that. These motions are clearly before the court. It would be a matter of privilege that I have been instructed not to comment on the matters which will be the subject of litigation over the period ahead.

So, Mr. Speaker, those points alone are substantial reasons for the province and the government not to provide the information that 164 deals with.

Now, on a broader basis, Mr. Speaker: the question of information. The government, through a process, does in fact provide an abundance of information. Just today in the Assembly there was a series of tablings and returns provided to all members of the Assembly, to all Albertans. That information included motions for returns, written questions ordered by this Assembly which had been complied with by the government, as well as other kinds of filings which, in the normal course, are reported to the Assembly as a result of legislation requiring annual reports being filed.

At the same time, Mr. Speaker, there is an abundance of information flowing through to members both in the form of comments by the Auditor General, who evaluates the operations of the government, and, secondly, through public accounts, which is the annual statement of all expenditures and revenues made by the province. Those statements are now under consideration by a subcommittee of this Assembly, the Committee on Public Accounts. Through that process, of course, information flows in a very abundant manner, very open for all people to deal with. That information is readily available to all members of the Assembly. But from time to time it is necessary for the government to hold some things in confidence. This, Mr. Speaker, for the four points I raised above, must be one of those, and therefore, the government would not accept this motion.

I would ask, Mr. Speaker, that in those questions which deal with the items that are before the court: Gainers, Gainers Inc., Gainers Properties, or any of the subsidiaries, you may well consider – and I seek your advice there – striking from the Order Paper those motions which touch on that matter.

MR. SPEAKER: The Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. One cannot listen to the Treasurer without rebutting at least a few of the rather ridiculous points that he made. The sub judice rule – I mean, talk about the height of hypocrisy. He doesn't want to answer any questions in this House, so he suggests that he should hide behind the Speaker's ruling that all these things are sub judice and should never be put on the Order Paper. It would be a great way to not have to answer any questions, wouldn't it? The public wouldn't even know he didn't answer any questions. At least this way they get to know that he won't answer the questions.

One of his other points was that from 1987 to '89 this company was under the control of a private corporation: it was a private corporation, and therefore we don't have the books; we don't have the right to those books. Well, I'd like you to know that it's not under a private company anymore; it's under this Treasurer's thumb. If he doesn't have enough accountants that know how to get into the books and find out what the heck was going on so that he can tell the population of this province, whose tax dollars are the ones he put at risk, then what good is he as a Treasurer of this province? They gave up their right to any privacy the minute they made the deal with the government and let it go under and this government took it over. They have no right to privacy. Those are tax dollars we're talking about that are at risk, and you should be able to dig back as far as you need to or as far as you want to to find out what was going on in that company and be able to make it public if you wanted. There's nobody telling you that you can't make it public. That's just nonsense that you can't make that public.

The other thing is: he brought in the Auditor General and made some gobbledygook statements about how the Auditor General audits some of these things. The Auditor General does not audit anything about Peter Pocklington's Gainers company, at least not that's in the public accounts. You show me where this company's financial statements are outlined in the public accounts. What kind of nonsense is that? So that committee is sitting. They're talking about other things. The Auditor doesn't have the right to put into the public accounts anything that you don't tell him to put in, and he sure as heck hasn't put anything in there of any merit on the Gainers situation. Well, you might find a couple of references here and there, but there's no financial statements in the public accounts of this province on any of the Gainers companies that this government now has taken over.

So I wish the Treasurer would quit bafflegabbing around and making out that there's information available to the population of this province when there isn't.

MR. SPEAKER: Thank you.

Summation, Vegreville.

MR. FOX: Thank you, Mr. Speaker. I'd just like to say briefly in summation to the curious points made again and again and again by the Provincial Treasurer in response to our motions for returns that I think it important to understand that when certain

people are in receipt of money from the government, when businesspeople come hat in hand to the government, or wheelbarrow in hand to the government, and get it filled up again and again and again with public money, they have to recognize that they give up some of their rights, and that is the right to keep from public view the details of what happened to that money. For the Provincial Treasurer to suggest that it's nobody's business what is in the books, be it Gainers Properties Inc., Gainers Inc., GSR, or any multitude of companies that we may care to deal with – for him to suggest that it's none of our business because that's a private corporation and this is private enterprise and we've got to keep things secret here in order to keep the province competitive is just absolute bunkum, Mr. Speaker. There's a substantial amount of public money involved and the public has an interest. What we're trying to establish here is the public interest.

Now, he said that these companies were in the private domain and that means, from his point of view, that nobody in Alberta has a right to know what happened to their money in that private domain until October of 1989. And that's true. But is he denying that he has those books now? Is he denying that he couldn't put them on the table this afternoon and let people see what's in there, Mr. Speaker? Whether or not there may be proceedings of a legal nature in a court of this province is something that at this point is difficult to determine. But the information's there. The information is his, and the obligation, I submit, is his as well to make it public for the people of Alberta.

[Motion lost]

MR. SPEAKER: Forgive me, Clerk, for a moment.

In the last discussion, with respect to Motion 164, the Chair would like to point out a gentle reminder to members of the House not to refer to each other as "you" or "he"; you speak of "the minister" or "the member." And as pointed out there, too, the discussion is to be addressed through the Chair no matter who the occupant of the Chair happens to be.

The Provincial Treasurer raised the matter of the sub judice rule. One needs to stress the word "rule" again, because in our Standing Orders it is that; it is not a convention.

The difficulty with respect to motions for returns such as 163 and 164, a number of which are on the Order Paper at the moment – 163 and 164 have now been defeated and therefore are not on the Order Paper – is that at the time of submission to the Chair to be signed for inclusion in the Order Paper, the Chair has no way of knowing whether or not the issue before the courts will have been decided by the time the matter is brought forward to the House. That is the reason why they are allowed to proceed for Votes and Proceedings and then also on to the Order Paper. All members are aware, I'm quite certain, of the difficulties with regard to the sub judice rule. Sometimes there might be little chance and at other times it's absolutely impossible to even guess as to when a matter might be resolved in terms of the court system. We'd therefore allow the matter to proceed on the Order Paper.

Having said that, the Chair also noted that the Provincial Treasurer put forward a suggestion – because while it was framed like a procedural motion almost, it was not, of course – that the Chair then strike from the Order Paper any other motion for a return which deals with this particular issue. The Chair has indeed examined this over the past few weeks, and the Chair is unable to accede to that request by the Provincial

Treasurer. Again, part of the difficulty is that the Chair has no control whatsoever as to which motions for returns will be called on any day, nor has the Chair any control over how long the debate will continue on certain motions for returns, and as a consequence one doesn't know whether one will get to a particular motion for a return this week or next week or four or five weeks hence, when indeed at that period of time the sub judice rule will then be in a different light as to whether or not a judicial decision has been reached.

Therefore, now let us move on to the next order of business.

MR. JOHNSTON: Mr. Speaker, I'd just like to raise a point of order, mostly to ensure that the Member for Edmonton-Kingsway is not suggesting in his comments that, in fact, we tell the Provincial Auditor, a servant of this Assembly, what to do or what to say. That was the inference, Mr. Speaker. I would hope that the record could be corrected or that the member himself would correct it, because of course that is not the case at all.

MR. SPEAKER: To the point of order, then, Edmonton-Kingsway.

MR. McEACHERN: I wasn't implying that the Speaker would necessarily obey what the Treasurer would wish to happen, so I wasn't implying that at all. I just pointed out that it would be very convenient and very nice for him if he could have his way and strike all such embarrassing questions from the record and never have to deal with them. I think the Speaker has made a very fair ruling. I'm quite happy with it.

MR. SPEAKER: Hon. member, I believe you've missed . . . Perhaps the sound system wasn't working correctly. The comment of the Provincial Treasurer was with respect to the Auditor General. Perhaps the Treasurer would like to briefly restate the point of order.

MR. JOHNSTON: Mr. Speaker, unless I'm mistaken, the Member for Edmonton-Kingsway, when he was speaking to the last motion for a return, suggested at some point in his comments that the government or the Provincial Treasurer – or I – have directed the Provincial Auditor, who is an independent servant of this Assembly, as to what would be revealed in the public accounts or in the Auditor's report. I hope that wasn't the case, but it was the inference left as I listened to him, Mr. Speaker.

MR. SPEAKER: Thank you.  
Edmonton-Kingsway.

MR. McEACHERN: My apologies for misinterpreting the Treasurer.

No, Mr. Treasurer; I understand that if the Auditor General is allowed to audit some books, he can put in the public accounts and in his annual report anything he wishes. Certainly he is a man of integrity and will do that. But there are certain things that he is not allowed to put in, one of them being very much in the way of the information about Gainers, for example, because it's not under his purview. The Treasurer very carefully saw to it that a number of companies whose books he didn't really want to have included in the public accounts were not under the purview of the Auditor General in such a manner that he's allowed to release that information or put it in the public accounts. That's what I was implying.

MR. SPEAKER: Thank you. Indeed, sometimes by virtue of legislation as passed by this Assembly, sometimes perhaps by an order in council or by an Executive Council decision certain matters are indeed directed to the Auditor General as a case in point, and the Chair interprets that the Member for Edmonton-Kingsway does understand indeed that the Provincial Treasurer does not direct the Auditor General to put certain things into reports or to exclude them.

205. Mr. Bruseker moved that an order of the Assembly do issue for a return showing copies of all financial analyses paid for by the government or done by its employees that investigated the financial transactions made by Gainers Inc., involving government loans and loan guarantees, during the period before the government's takeover of the company.

MR. BRUSEKER: I'd like to just make a few comments about Motion for a Return 205 and give the Treasurer the opportunity to once again wax eloquent, as I'm sure he will.

Shortly before the provincial government took over the operation of Gainers, we, being the people of Alberta through this government, made a loan of some \$6 million to Peter Pocklington to assist in the redevelopment of Gainers. What I'm interested in asking for, and the reason I put this on the Order Paper in the manner that I did, is that at that time there were some concerns with Mr. Pocklington's companies. In particular, the Mill Creek property was subject to a couple of court cases, including Pocklington Financial Corporation, Gainers, and the liquidators of Fidelity Trust. Both of those cases were settled quite quickly after the government forwarded the \$6 million loan. Although the terms of this agreement have all been signed, sealed, and delivered, there is still the question of what kind of analysis was required by this government prior to the loan of the \$6 million. We all know what ended up happening, of course: Mr. Pocklington got the prime beef and it seems the Provincial Treasurer got a lot of baloney.

So what I'd like to know is: before the \$6 million loan was made by this government to Mr. Pocklington, ostensibly to help him develop his company and rejuvenate it, what checks and balances were in place so that, in fact, we had at least an indication that there was a good chance we would get our money back and in fact it would help the province?

I would close my comments there and allow the Provincial Treasurer an opportunity to respond.

MR. JOHNSTON: Mr. Speaker, the government will not accept Motion 205. First of all, in respect to the government's position on this issue, you have heard already my comments just above today with respect to Motion for a Return 164, and 163 as well. All those arguments, Mr. Speaker, would apply here. But in addition, there is a somewhat different point here, and that is that it is a common tradition with any government and any parliamentary system that internal analysis which is conducted by governments or a government's employees of course must remain confidential. There is no question at all that that is in any way distracting from the information flow, which is generous in the case of this government, which is distracting from the kinds of data which are reasonably requested.

All members know that the responsibility of government is such that you must have, from time to time, internal analysis which generates information for you. Now, the reason that can't be made public, of course, is that government may or may not

act upon that analysis. But to have that information made public would, of course, prejudice the kinds of internal objectivity which the civil service in this province provides to the government, the kind of objective information which allows decision-makers and policy-formers to decide on courses of action. Without that freedom to know that arbitrariness in terms of adjudication by those people who are unable to qualify or to review the information, it would not, therefore, allow objective information to flow through to the government.

This point must be well made, Mr. Speaker, because it's the first time in some time that we've an opportunity to put this point forward. Again I stress that this is not unique; this is not in any way trying to block the normal flow of information on this particular point. It just happens that the broader issue happens to be folded into the Gainers issue in this case. So I stress to the member that in any other issue where the government's internal information is requested, you can expect the government to say no for the reasons that I have indicated.

Now, Mr. Speaker, I know that the members don't want me to proceed with the other points that I have made already. I think the record today already and the record historically over the past few days are clear. But I can advise the Assembly, Mr. Speaker, through you, that the government will reject this motion for a return.

MR. SPEAKER: Summation, Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. Just very briefly. I do recognize that what the Provincial Treasurer has referred to is, in fact, in *Beauchesne*: the concept of financial analysis paid for by the government being an internal document that should not be released. But, Mr. Speaker, the reason why I put this on, despite the fact that it is, as the Provincial Treasurer refers to, against a standing order in *Beauchesne*, a point of one of our rules, is that when we look at the total loans, loan guarantees, grants made to Mr. Peter Pocklington, the whole concept of objectivity clearly has been shot out the window with a cannon. This man has received hundreds of millions of dollars from this government, either directly or indirectly, by loans to Palm Dairies, by loans to Gainers, to his financial corporations, and now to the problems that we have had to accept and attempt to resolve with a variety of his companies that have gone down the drain and we're left holding the bag. So we have, as a result of decisions made by this government, supposedly objective decisions, been left holding the bag for many millions of dollars.

Mr. Speaker, the concept of objectivity clearly is gone. I can't think of any other single individual that has been offered as much as this government has offered to Peter Pocklington and the variety of corporations which he has owned. So I cannot accept the argument as put forward by the Provincial Treasurer, and I hope all members would support this motion.

[Motion lost]

223. On behalf of Mr. Hawkesworth, Mr. McEachern moved that an order of the Assembly do issue for a return showing copies of the documents which form and support the claim by the government against the federal government made under the stabilization provisions of the Fiscal Arrangements Act in respect of the 1986-87 revenue downturn.

MR. McEACHERN: Mr. Speaker, the Provincial Treasurer asked for some \$539 million initially, and he asked for it over two years. However, he didn't get much of a reception from his Tory cousin in Ottawa, Michael Wilson. What he eventually got was \$75 million in 1988-89. So by this time he sort of set his sights a little lower, and in the 1989-90 budget estimates he thought he'd put in \$195 million and hope maybe he'd get a little more that year. But toward the end of the year, when he was making up his new budget for '90-91, he thought he'd better revise that number a little bit, so he put it down to \$75 million, and the last we heard, just a few days before the end of that fiscal year, he hadn't got it yet. I guess one of things we'd like the Treasurer to do when he stands up later is tell us whether he's got it or not. Certainly, if he didn't get it before March 31 of '90, that \$75 million makes nonsense out of that part of the budget for the fiscal year '89-90.

Now, the Treasurer, somewhere along the line, plucked up his courage again and said, "Well, we've got to try, you know." I think what he said is, "We've got to make the deficit look smaller this year," because, after all, we had nearly a \$2 billion deficit last year, even though he sort of doctored the numbers a bit and tried to make it look like one and a half billion. This year, if he's going to have a balanced budget next year, he's got to be somewhere halfway between that \$2 billion and the balanced budget, the zero deficit for next year. So he had to find ways to change the books, doctor the books, make it look like the deficit would be around a billion dollars or maybe a little less preferably.

One of the ways to do that was to claim that the federal government is going to give him, in this fiscal year we're now in, 1990-91, \$250 million. Now, the Treasurer has supposedly been making this case; he deals minister to minister, by gosh. We on this side of the House offered to go with him to help him make his arguments. But no. We'd do that anytime. We think we deserve this, that Alberta had such a severe downturn in '86-87 that, in fact, we deserve this money. But it doesn't really make much sense for the Treasurer to hide his light under a bushel if he really knows what he's asking for here. I don't understand why he won't tell us why or how he's making his case and ask the people of Alberta to help him. We'd go down to Ottawa with him and say, "Michael Wilson, Albertans deserve this." But, no, Dick wants to be secretive and deal minister to minister. Obviously it hasn't worked in the past, so I don't know why he doesn't change that.

In any case, that throws his budget for this year out of whack by a quarter of a billion dollars. Of course, he also threw it out by a quarter of a billion in a couple of other areas like over-claiming on taxes and renewable resource energies by probably \$250 million each. So his budget ends up telling us that he's going to have less than a billion dollar deficit. Of course, when he brought in Bill 21, he put the lie to that pretty quickly, because he's asked for a \$2 billion increase in borrowing power. So the number does come out. As I told him, the debt for '90-91 is going to be in the neighbourhood of \$2 billion, whether he likes it or not, and to doctor the books and try to convince people it's going to be \$780 million by claiming \$250 million from Ottawa that he doesn't really have much hope of getting — they've been cutting back what they give us; what makes him think they're going to come through with this now?

Anyway, Mr. Speaker, it seems a reasonable request that the Treasurer put forward what his plans are, what the rationale is, what the reasons are, and enlist the help of every member of this Assembly. We'd all help him. The people of Alberta would

help him. But if he's going to deal in secret, he's obviously playing with his federal cousin in a game he can't win. So I just suggest to the Treasurer that he come through with this information so we can get those dollars.

MR. SPEAKER: The Provincial Treasurer. [some applause] The applause, hon. members, is totally out of line, as you know.

MR. JOHNSTON: Mr. Speaker, in looking at this motion, I can say that at least the Member for Calgary-North West, when he put an irregular motion for a return on the paper, admitted that he subsequently found out that it would be out of order. I should say that the Member for Edmonton-Kingsway — I'd also direct his attention to 'Beau-chain,' who says it clearly under . . .

REV. ROBERTS: 'Beauchesney.'

MR. JOHNSTON: 'Beauchesney.' That's it; that's Lethbridge French.

*Beauchesne* 446 with respect to the filing of papers: it would not be proper to file papers "the release of which might be detrimental to the future conduct of federal-provincial relations." Now, Mr. Speaker, during the period when in fact relations are at this heightened level between the federal government and the province, and this issue is quite important to the discussions and negotiations which are ongoing at this point, you can see, obviously, that it would be improper for us to file that information. Therefore, the government would reject this motion for a return.

[Motion lost]

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

**Bill 208  
Rent Review Act**

MR. EWASIUK: Thank you, Mr. Speaker. I'm pleased to be able to rise today and to introduce Bill 208, which is a Bill for a Rent Review Act.

[Mr. Deputy Speaker in the Chair]

This Bill, Mr. Speaker, provides for a rent review process which will require landlords to justify rent increases. This legislation, I believe, is both appropriate and necessary, particularly in a tight rental market. The major difference between this Bill and any existing models is that this proposal would require landlords to justify a rent increase rather than forcing tenants to complain after the fact. Furthermore, this Bill will establish a rent review commissioner who would administer the system.

The principle of this Bill is that in occupied suites rent can only be increased once a year and only as much as the consumer price index for the previous year. Furthermore, it could be that the entire CPI or just the housing portion could be utilized in determining the rent increases. The CPI could be announced by the commissioner on a three-month basis in order to prevent the increases all occurring at the same time. The landlord, if he or she wished to increase rents by more than the set rate, would



have to first justify to a provincial review commissioner that the increase is justifiable. Things like capital, operating, maintenance, and extraordinary costs might allow for a greater increase than the CPI. The commissioner could order the amount of the increase; in other words, he could decide what is reasonable in a particular situation. However, Mr. Speaker, the Bill proposes that the financing costs associated with a change of ownership or corporate structure would not be considered reasonable justification for a rent increase.

This particular portion is a result of what we've been experiencing in this city and in the province in the last several months: the gouging that has occurred as a result of people who have come in from perhaps outside of the province, have purchased properties and wish to regain their costs in a real hurry, and as a result, rent increases have been escalating in some cases as high as 40 percent. Upon approval of an increase by the commissioner, the landlord would have to give two months' notice to the affected tenants. In other words, he or she could not give notice of an extraordinary increase until it has been approved.

Mr. Speaker, a major question in developing and drafting this Bill was how the review process should be constituted and where the person or persons should be located. I believe locating the review process with the landlord and tenant advisory boards would be a problem, although they are the vehicle that is used at the present time, inasmuch as these boards are municipally appointed and do not have jurisdiction throughout the province of Alberta. It would be feasible to establish a provincial person or a committee who would be responsible for areas not in the jurisdiction of these boards, but again I don't think that would meet the needs and the consistency that is required in dealing with an issue like this. Or it could be established under a separate Act with reporting responsibilities to a certain minister, such as the Minister of Municipal Affairs or the Minister of Consumer and Corporate Affairs.

Another problem was how the rent review system should be structured. One person would be cheaper; it would be more economical, of course. However, a board made up of a number of persons might be more accountable. A problem would be deciding who should make up the board. There are not a lot of tenant organizations to draw from, for example, to have tenants serving on this board. Therefore, Mr. Speaker, this Bill proposes that a rent review commissioner position be established. The commissioner shall be co-located to the office of the provincial Ombudsman and shall report directly to the Ombudsman. The office of the Ombudsman of Alberta has a strong record of impartial and effective service to Albertans, and that is how we envisage the rent review commissioner serving both the tenants and the landlords. The duty of the commissioner "shall be to administer the rent review provisions of this Act."

Mr. Speaker, during the spring session of the Legislature the topic of housing, particularly rental housing, has been discussed on numerous occasions. There have been a number of suggestions as to what might be the appropriate process in resolving the difficulty that is being experienced by a large number of tenants. It must be pointed out that tenants make up nearly, or in some cases more than, 50 percent of the population in our large urban centres. It is therefore important that their concerns be addressed. It is paramount, Mr. Speaker, to recognize that most tenants for a variety of reasons do not and cannot own a home. Some, of course, rent by choice. However, most would prefer to own a home. Some tenants can cope with rent increases. On the other hand, many cannot because they live on

fixed incomes which are not adjusted to reflect the real cost of living; I'm talking about people on social services. It is these individuals that require legislated protection to ensure that a fair share of their income is dedicated to shelter. Unfortunately, that is not always the case, and it becomes a hardship for these individuals who must live on a fixed or moderate income. This Bill would provide assistance and protection for these persons.

The lack of adequate social housing has become very evident during this period of a tight housing market. I'm extremely disappointed in the projections by the government that the housing market will magically improve and in the lack of government commitment to social housing. I am particularly concerned regarding the lack of housing proposed for the disabled and people with special needs.

Now, this government has provided for homeowners in terms of interest shielding and interest-free loans for first-time home buyers. These programs are well received, but there are many citizens that will never benefit from these programs: they are tenants, seniors, and low-income people, who are ignored by this government. By passage of this Bill tenants would at least have some recourse against unreasonable rent increases, and the government could respond with the social housing the tenants need.

For tenants to cope with the pressures of shelter costs, other initiatives must be implemented. Reintroduction of the renters' tax credit would be a step in the right direction. This has been raised on a number of occasions in the House during this sitting. The need for a review of the renters' tax credit I think is important, and we certainly hope that the government will give consideration to it.

Secondly, many changes are required to the existing landlord and tenant laws. We, Mr. Speaker, have proposed some of these changes in Bill 220, which is designed to provide tenants with greater security. The establishment of a proper minimum wage would go a long way in assisting the working poor to cope as tenants. I mentioned earlier that 50 percent of the population in large urban centres are tenants, and of that 50 percent, a third are tenant households that are poor, with incomes of \$20,000 a year or less.

Finally, Mr. Speaker, what will the GST mean to renters? Landlords will raise rents to offset the higher costs as a result of the 7 percent sales tax. In addition, Mr. Speaker, it's predicted that the GST will deter construction of new apartments, creating even fewer choices for tenants and higher rental costs.

Mr. Speaker, we as legislators have a responsibility to ensure that all sectors of society have decent, affordable housing. I believe this Bill will provide that assistance for tenants. I would therefore urge all members to support second reading of this Bill.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Millican, followed by Edmonton-Whitemud.

MR. SHRAKE: Thank you very much, Mr. Speaker. I want to congratulate the hon. member there for bringing forth an attempt to handle the housing problems we've got in this province. Unfortunately, I think what he's brought forth is basically a regressive step. He hasn't looked at history, and any way you want to call it, it's basically going back to rent controls.

Mr. Speaker, in 1945 Soviet Russia, eastern Europe finished a war. A lot of their housing stock was devastated, and they started to rebuild; they wanted to build enough housing. They have now tried for 45 years under the control system, and they

haven't done a very wonderful job of it. The rents are very low in eastern Europe, the rents are low in Soviet Russia, but unfortunately they don't have much housing stock. They thought, "Well, if we control and keep the rents low, that's all we need to do." But they didn't realize that no matter how low it is, if there's not enough housing to go around, there's going to be a housing shortage, and you haven't done a thing to help the people. Even today you have their big apartment blocks, and you have families on this floor and the families at the end of the hall, and they all share a common bathroom. Nobody in Alberta would really like to do that, where we have our own houses, our own suites and apartments and condominiums, and we all have one bedroom with a bathroom on the side as well as the other. Goodness, we're getting now some homes that have two and three and four bathrooms, and it's kind of nice; it really is.

But just to try to go into a little history on this, in 1981 – I think that goes back to a very significant year to start tracking, to find out where we are now – Calgary was in the midst of this great boom; Alberta was in a boom. Well, we were cooking along and we were building houses, and the city of Calgary alone, one little city of not even a million people, had 2 and a half billion dollars' worth of construction going on in that city, more construction than Great Britain, the entire country of Great Britain. There was more construction that went on in little Calgary. Then we had our crash, thanks to a little help from the federal government, and then all of a sudden we had a surplus of offices, a surplus of warehousing. The ads in Calgary – I think Billy Steinberg was trying to rent out warehousing for \$1 a square foot, and of course he finally, I think, lost a lot of the warehousing, period. A lot of people went bankrupt; it was terrible. The vacancy rate shot up; construction stopped. A lot of the people went back down east, a lot of the tradespeople. Alberta Mortgage and Housing Corporation ended up – I think at one point they had over 5,000 housing units. They didn't foreclose, by the way. The news media always said that there were all these foreclosures. They were not foreclosures. The \$90,000 houses dropped down; they were only worth \$70,000. So the guy that owed \$80,000 on one of these houses was sitting in the house for roughly six, seven, or eight months till the sheriff finally arrived with the papers. He would bank the money and go down the street and buy the same house that he owed \$80,000 on; he'd buy it for \$70,000. He'd put about \$7,000 or \$8,000 down, and he only owed \$62,000. It was good business, and actually I don't blame him. It was a thing they did at the time.

Finally, we began to recover. The housing stock started to fill up. The vacancies came out to be a real livable 8 or 9 percent, which was not bad. The rents were fair. Now, in '88, '89 we had a miniboom. It's growing again, and from '88 to '89 in the city of Calgary the price for houses and homes went up 20 percent, and the vacancy rate has gone down low. The affordable housing rate is down to 1 and 2 percent in certain types of affordable housing.

So we have an option now. What do we do? Do we bring in rent controls or try to squeeze the people who would build some more? Because the problem is not that we have too much housing; we don't have enough. I guarantee you: you bring in some further rent controls, and nobody will build any. But what is the solution? What is the answer? I used to have a contracting company, by the way, at one point.

But if you get the average nice little suite, 800 square feet, in the city of Calgary, you're hard-pressed at this time to build it

for less than – when you figure out the costs of the utilities, the land, the plumbing and heating, I don't think you can get anything at \$50 a square foot. But supposing you could – you get in some really cheap labour – 800 square feet: that's \$40,000. Well, that's not much for a suite to cost. But if you rent it out, how much can you get? Well, first off, you're going to have to get . . . At today's interest rates – that's 15 percent – 15 percent of \$40,000 is \$6,000 a year. That's pretty simple arithmetic. That's \$500 a month. But if you have a commercial type thing, if you're going to rent it, the taxes are higher on rental property than on nonrental property through most of this province. So you're going to hit about \$600 a year; that's 50 bucks a month. So it's going to take you \$550 a month just to break even, no depreciation, on this affordable 800 square foot housing unit. Well, \$550 a month is pretty rough; a lot of families have a little trouble with that. And you still haven't got enough back to even pay anything on the principal of your \$40,000, which was the cost of this unit. Let's just take another little scenario. This could happen. Say we take the same \$40,000 house, and the interest was 8 percent. Well, that's \$3,200 a year; that would be \$267 a month. The tax would still be the same, 50 bucks a month, but you're at \$317 a month.

I think the point I'm trying to make is that we don't want to go in, bring in the controls that drive away the very people that would build these houses, build these apartment buildings, build affordable housing. We should instead be looking at a way to encourage them to build some more so that we have enough. But how do we bring the price around to where they can afford to build, where we get affordable housing? Frankly, there is only one way that this poor, humble MLA can think of, and that would be that we've got to get some 8 percent money out there, get some cheaper money.

Let me tell you a little story about some of these here investors, the people that went into building housing. I know a few of them. We had these incentives. Alberta Mortgage and Housing Corporation was actually almost enticing them. "Come in; we'll give you this super-duper deal. Go build apartment buildings. Participate with us, and we'll back your long-term loans and all those things." We cranked a lot of housing out. And in 1982, when the crash hit, these people had put their personal guarantees on apartment buildings to Alberta Mortgage and Housing Corporation, and Alberta Mortgage and Housing Corporation was taking a hard look at going back and calling in these guarantees, which basically would bankrupt these people, yet it was the province that wanted housing for the people. So we were going to throw the entire loss onto the investors. There's only one thing that kept us from throwing it onto the investors and bankrupting them, and that was that there was a crash and they found out that if they went out to sue these people, they didn't have the assets anymore because the crash had taken away most of their wealth. That's what held Alberta Mortgage and Housing Corporation back.

So back to this here Bill in front of us. I think rather than a Bill where we're going to make it less and less attractive, we should be doing the thing of making it more and more attractive and build more housing. It's a simple thing that Albertans do real well. We build housing well; we can construct housing. In the heydays Nu-West Development used to crank out 5,000 and 6,000 housing units a year. Maybe we need a little of that coming up.

I know the Minister of Municipal Affairs, who's over Alberta Mortgage and Housing Corporation, has got his problems. The Alberta Mortgage and Housing Corporation was criticized by

many members in this Legislature year after year for taking those terrible losses. They had forgotten why they started an Alberta Mortgage and Housing Corporation. It was basically to produce houses, and they did it. They produced affordable housing and got people in there who normally would never be able to afford a home or a house. Needless to say, when the crash came, these people were the first to go under, and they dumped the housing back. These were homes that went out with the least amount of down payment possible. It barely covered the legal fees and so on, but we got Albertans owning their own homes. I think the minister has to take a hard look at possibly selling some of the housing stock, but don't put that money back into the general revenue. See if you can find some 8 percent money or a lower interest rate and build more housing: that's the answer.

Don't try to conserve what we have, the limited housing there, and never build any more and just control the rent and put the landlord . . . We shift the onus. It's easy to say they're kind of the scoundrels; they're making all this money. But nobody's built any major apartment buildings in the city of Calgary since '82. Why haven't they built them if they're making so much money? They're not making money. If you make it too tough on the landlord, sometimes the landlord . . . There's the other side of the coin. It's a pretty sad thing when you have a person – you can't get the person out. He's owes you two months rent, and you finally go ahead and get the sheriffs bailiff. You evict him, and you go in and the suite has \$7,000 or \$8,000 or \$9,000 or \$10,000 worth of damage. How do you ever recover that money? You don't. You write it off as loss.

The member in his good intentions – I'm sure they're well intended, but so were a lot of the Communist programs where you control the economy, and you later find out: why do we not have enough housing to house our people? I think you'd do better to squeeze the Minister of Municipal Affairs to put some money out in the private-enterprise market, maybe some 7 or 8 percent money. I think if you ever do that, you'll find a lot of people will go back and build some housing. But don't bring in the rent controls. It's been tried here; it's been tried in England; it's even been tried in the United States. There's nothing new about rent controls or squeezing the landlord. That's been tried a lot of places. Idi Amin in Uganda ran all the people out, all the businesspeople. He said, "Out with you, because now we can distribute all the wealth here, and we will all be richer." They found that when they left, nobody produced any more wealth, and they did not do too well. If nobody produces any more housing – and with Bills like this, you sure aren't going to build any more housing. If you have any doubts, go ask any home builder in the city of Calgary or the city of Edmonton. I've talked to them; I advise you to talk to them too. Because they're not encouraged right now, and a Bill like this . . . We will never get any more housing built in Edmonton or Calgary that's affordable if we're going to squeeze the builders. They'll get right out of the rent business.

So I hope we defeat this Bill and maybe come in with something a little more practical.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. I first want to commend the Member for Edmonton-Beverly for recognizing a problem and making some very valid points and attempting to

address that problem. However, I guess our approaches are a bit different.

The Minister of Municipal Affairs, being responsible for housing – I'm aware that he has been monitoring the situation, and he does have stats. The stats in his office indicate that the rental increases, in terms of those that have been applied, aren't as severe as may have been anticipated prior. However, the stats do indicate very, very clearly that a number are getting hit with very excessive increases. I believe there is a very, very strong indication that the next report, which is due to be released fairly quick like, is going to indicate that there is another drop in the vacancy rate. Those stats, I fear, are going to see another round of rental increases by some of the landlords. That's my fear. That's why I say that there is a problem there now to a degree, and I think that problem is going to become more severe. I don't feel that the government has a handle on ensuring that there are sufficient units out there to provide flexibility for people having to move about.

Now, there are areas, problems areas where some landlords are – let's use the term – greedy, and they do attempt to take advantage of the situation. That's unfortunate, that they will try and benefit off the plight of the lower income, because that's what's happening in most of these instances. I can point out, for example, the Lansdowne Park development in the constituency of Edmonton-Parkallen, where they were faced with rental increases of 41 percent: a quick grab. Obviously, the owners of that development said, "Here's an opportunity to really give it to these tenants." Now they've found out that the problem wasn't as severe for the tenants as they had originally anticipated and that in fact this was going to maybe backfire on them, so they backpedaled a bit. But you can be sure that that type of developer or owner or landlord, when the next opportunity comes along, if the vacancy rate is still dropping, he's going to bump it back up again. He only reduced it by eight points from the original 41 percent increase.

I can give another instance right in Edmonton-Whitemud where we have a development of condos, or three-bedroom town houses – let's use that term – where units are being advertised in the paper, and they're still being advertised for \$595. However, those people renting for \$595 a month are being asked to sign a one-year lease, which is fine because that ensures their rent is going to remain at \$595. But the tenants that were already in that same project in identical units were given notices that their rent was going to be going up to \$675 a month, and they weren't given that option of having to sign a lease that would allow them to stay in the units for \$595 and have that protection. There again I think is a very, very sad situation, and I find it actually deplorable that a landlord would do that type of thing. I would think that's the type of situation that really is kind of a gray line as far as consumer protection or consumer rights are concerned. Obviously, it doesn't break any laws, but it's an area that maybe the minister of consumer affairs should be looking at, because it is not fair to the consumer. The renter in that particular situation that is already in there has the option, I guess, of moving out, moving elsewhere, then reapplying to come back in and hoping to sign a 12-month lease, but that isn't practical because of the costs involved in moving, relocating, and such. So they're boxed in, and somebody there is taking advantage of the situation and anticipating that. Because the vacancy rate is on the decline, they've got the people by – well, where it makes it very, very difficult. And those are the types of instances, the type of situation that I think makes it bad, by and large, for tenants.

We can see with the question of what's happened in past experiences when it has come to rent controls – and I realize the Act is not advocating outright rental controls, but it does advocate a mechanism that could be perceived by some as the first step towards rent controls. Rent controls in the past have compounded the problem because they've acted as a deterrent towards developers building additional units. In fact, it has encouraged some developers of existing units to convert them into condominiums, just compounding the problem: making for a greater shortage of rental units, decreasing the flexibility, decreasing the vacancy rate. It just compounds itself and makes the situation worse and worse.

We also have another problem that compounds it. We have the Landlord and Tenant Act; we have landlord and tenant advisory boards at the present time that simply do not have the clout because it's not in the legislation. I realize that's going to be addressed, but that same report that I refer to – the review that was done of the landlord and tenant advisory boards, done of the Act – quite clearly states that rent controls are not the answer. The direction that this Bill is heading towards is not the answer. It's going to slow down the development of units. That's the concern that I have, because that is not resolving the problem.

So we have a situation here where we recognize on the one hand that there is a problem. There is a problem created by a number of landlords, and I believe government has an obligation to provide protection to those consumers or those taxpayers or those Albertans. It's no different when we saw the interest rate start to increase and the government announced very rapidly in the midst of an election the sheltering of interest rates, which by and large is a good program, and I would hope the minister would announce very quickly that it is going to be extended so that doesn't become another factor that slows down the development of new housing units.

So there are a number of factors, Mr. Speaker, that I think the minister has to address. He has to look at means of stimulating additional units. He has to look at the fact that there are situations where tenants are being abused, taken advantage of, being exploited, and that there has to be a solution. We feel that we have what is a more workable solution than proposed under this Bill, and that's the establishment of a temporary renters' rebate, not that much different than the cheques that those who own single homes receive at the present time. They receive theirs on a monthly basis to allow for the interest rate being over 12 percent. We propose a renters' rebate to those in the income levels who need that type of sheltering. We propose a renters' rebate that would be similar to the child tax credit, to the proposed GST rebate, where it's paid up front, and it's paid during regular periods of time. In other words, instead of the individual having to wait till the next year for the income tax return to be completed and receiving the rebate there, we would see a situation where we would encourage the government to implement something that is up front.

At the same time, the minister has to somehow be prepared to use his office, and the consumer affairs department I think has to take a good close look at these areas where there is outright abuse, where there is exploitation. I don't see setting up a commissioner to start to tamper with the marketplace to that degree as being the answer. But obviously the Member for Edmonton-Beverly has pointed out a problem, and I do concur that to a degree there is that problem, and there have got to be

ways of addressing it. I don't agree with this particular way of addressing it, but there have got to be ways of addressing it, possibly through the department of consumer affairs.

The other area, Mr. Speaker, that I believe the minister responsible for housing has to look at – and I know there has been some discussion on it – is the role of the Alberta Mortgage and Housing Corporation. There was indication that the minister, after the restructuring, was going to redirect the corporation in such a way that it was going to fulfill the mandate that it was set up for originally. That is to provide sheltering, stimulate the development of housing for those who are disadvantaged, disabled persons- or persons with disabilities; it's not fashionable to refer to people as "disabled persons" anymore – persons who may be single parents, persons who for whatever circumstances simply do not have the opportunity to gain a decent income, who may have to live on programs that have been initiated by the government, whether it be the assured income for the severely handicapped: that's the type of focus that I believe the corporation has to look at. The sooner that can happen and the sooner the corporation can redirect its efforts and show some results in that particular direction, the better off I think we are.

I think as well the minister has to, without interfering with the marketplace . . . I think interfering with the marketplace is about the worst thing that can be advocated. We've seen in the past with wage and price controls the problems that can occur when government becomes too involved. But government can act as a stimulus to initiate things. By being creative, by showing some ingenuity, the government can work with private development, go to private development: what is it that has to be done to stimulate development? One of the municipalities in Quebec, for example, to stimulate more housing waived property taxes for the first three years. It was a concession; there's no other way of putting it. Now, I'm not saying that's the answer. I can see my colleague from Edmonton-Gold Bar already starting to look over in my direction. I'm not saying that's the answer in this particular instance, because of course concessions can have a nasty connotation to it as well. But I'm just pointing out how one municipality – it was the city of Hull, Quebec, incidentally, that did that. It was very, very successful in Hull, Quebec.

The department that the minister is responsible for does have some innovative programs that I have to commend. The one very recently is still displayed in the pedway, where recognition is given for excellence in developing affordable housing, and that recognition, of course, has some monetary benefit to it as well. That's a step in the right direction. But there has to be kind of a partnership between the private sector and government. It can't be a question of government stepping in and saying, "We're going to control it; we're going to do it; we're going to control what you do," because I think – at least what the housing industry is telling us is that they don't want a government that does that. They want a government that will respect that there is a marketplace out there and that marketplace has to govern itself to a degree. Government's role, of course, is to work with that industry and to also protect the consumer in cases of outright exploitation and to provide a sheltering when that sheltering is required. I believe we're in a situation now where we have to seriously look at a sheltering, and we have to look at the rebate program.

On that note, Mr. Speaker, I'll close, and I await the response of the minister's comments.

MR. GIBEAULT: Mr. Speaker, I want to speak today in support of Bill 208, the Rent Review Act, sponsored by my colleague the Member for Edmonton-Beverly.

Mr. Speaker, this is an Act which will introduce a new element of fairness and responsibility in the rental marketplace, an element of responsibility and fairness that currently does not exist. That should be obvious to anyone who's been monitoring recent developments, and hopefully that includes the minister responsible for housing, as well as Consumer and Corporate Affairs, not to mention the Member for Calgary-Millican and others who have commented on the debate here today in opposition to this Bill. The Member for Calgary-Millican made some points. You know; we can't have any interference whatsoever in the marketplace, or somehow it'll just choke it to a standstill. Yet I submit that it's been this very same government that has acknowledged on other occasions the need for regulation in the marketplace. It's this government that has supported for years the Public Utilities Board, that regulates utility rates in this province. Do you see utility companies whining and sniveling and saying, "We can't make a living?" No, sir, you don't. They recognize that in the public interest there are cases that demand some regulation.

The Public Utilities Board also regulates the price of milk. Do you see dairy farmers and dairies complaining and whining and sniveling and going out of business? No, sir. Yet the Member for Calgary-Millican would allege that that's going to happen, that there's all of a sudden going to be some tremendous collapse of the rental housing market if we dare to have provisions in legislation here saying that proprietors must get prior permission if they want to increase rents beyond the cost of living in a year. It's the most ludicrous proposition, Mr. Speaker. The need for seniors, for single parents, for anyone who is renting their accommodation in the private marketplace for some reasonable protection — we're not saying freeze the rents forever. We know that doesn't work, that that's not a solution. We're saying that there should be reasonable regulation. We're saying that if in any given year there's a need to increase rents for the normal cost of living, it can be done with only the normal notice. Then we're simply saying in this Bill that if there are reasons that require a rent increase beyond the cost of living, landlords have to justify that just like the utilities have to justify an increase to the Public Utilities Board now. What is the problem here with the people on the Tory back benches, and the front benches for that matter?

So, Mr. Speaker, I want to encourage all the members of the Assembly this afternoon to give this their very serious consideration and not be misled by spurious arguments by the Member for Calgary-Millican and others, who have ideological blinkers on today when they're looking at this. Regulation is done in so many areas. I mentioned utilities under the Public Utilities Board. Taxi fares are regulated. There are all kinds of prices that are subject to public regulation in the public interest, and this certainly, when we're talking about accommodation, has to be considered one of the basics of life. I mean, unless the members on the government side are proposing that living in the street is an alternative — and maybe some of them would support that, but we certainly don't as New Democrats. We believe that Albertans are entitled to decent housing at reasonable rates. The cost-of-living protection provision in Bill 208, the Rent Review Act, would provide just exactly that now.

The need for this kind of legislation is so obvious. During recent months we've been looking at rent increases, as much as 40 percent in some cases, that have created such tremendous

hardship, caused people to have to move from accommodations they've been in for years, sparked citizens across the province and particularly here in the capital to organize themselves. We have the case of the Edmonton and Area Tenants' Association, which has now been formed, with Bill and Gail Cisek as leaders in that new organization. You know, Mr. Speaker, when we review the way that renters in this province have been treated, shamefully in some respects, by this government, it really underlines the need for some kind of body to which renters can appeal, because they don't get much sympathy from ministers of this government, who seem to have some sort of ideological commitment to the private sector no matter what. That's certainly been a discredited philosophy all around the world for years now. But just recently we've had . . . [interjections] I mean, you go around the world and you see people sleeping in the street and you call that a successful housing policy? In New York, in San Francisco, around the world: now, that's the free market for you. They don't care whether people have housing and whether or not they can afford it. So I encourage the ideologues on the other side here to clear their minds of these failed ideologies, to look at the actual clauses in Bill 208, their reasonableness, and I solicit their support for it.

Just as an example, renters who are members of the Edmonton and Area Tenants' Association recently got a letter from the minister when they wrote to him regarding their concerns on the rental situation and the housing problems facing them and people like them here in the capital city. They get a letter back from the minister, who says, "Please call Edmonton Housing," and he gives a number there. It turns out that the number is not for Edmonton Housing but for CN, Mr. Speaker. I don't know if this was just carelessness on the part of the minister's staff here or if it was mischievousness at its low. But my constituents dialed the number that was given there in the letter, discovered that it was CN, and not being people to pass up an opportunity, asked if CN had a boxcar for rent, because they don't seem to be able to get too much in the way of housing from this particular minister and government. In any event, after some resourcefulness, they did get ahold of Edmonton Housing and discovered that there was no vacancy whatsoever at that time and there was, in fact, a waiting list of 200. So what kind of housing policies have we got in this province, where people are put into such desperate straits?

I commend once again the Member for Edmonton-Beverly for submitting this Bill. It's characterized by profoundly fair and reasonable clauses. It doesn't give undue leverage or power to landlords or to tenants. It provides some reasonableness in that rental accommodation marketplace that is so desperately lacking at this moment. So I would encourage all members to support Bill 208.

MR. DEPUTY SPEAKER: The hon. Member for Clover Bar.

MR. GESELL: Thank you, Mr. Speaker. I'm pleased to have the time to participate in the debate today, because I know that this topic is of considerable importance to my constituents, and I think it's of grave importance to all Albertans.

From the outset I have several concerns about the proposed legislation. As my colleague on this side of the House here, just behind me, pointed out earlier, there are considerable flaws with the proposed legislation. However, I believe there are also some problems with the side effects of rent review legislation and with the maintenance of a rent review system. Therefore, I believe

it would be in the interest of Albertans to examine this proposed rent review legislation very carefully.

Now, the Member for Edmonton-Mill Woods talks about fair and reasonable, and he draws some reference to other countries. Well, my colleague from Calgary-Millican indicated quite clearly what the situation is in some of the other socialist countries, and I would hope the member would take a close look when comparing what the housing situation is in those socialist countries to the situation here in Canada. We are much better off than those countries by a mile. So that hon. member here that is drawing those comparisons has no idea what the empirical findings are within those particular countries. He has no appreciation, and I don't believe he's actually seen what those situations are, which I have.

The side effects of rent review, Mr. Speaker – the claim here is that this particular legislation is not rent control in its truest sense. Well, I believe it is, nevertheless, a form of rent control. I don't think it's hard to see how determining the size of rent increases through rent review is really very much different. There's really a very subtle difference between that and the actual implementation of rent control.

I'm sure most of the members here are familiar with some of the problems associated with rent control and rent review. Two of those are really the deterioration of rental property – the maintenance goes down – and the decreased rental industry development. That is an aspect that concerns me greatly. Well, let me talk about the decreased rental industry for a bit, Mr. Speaker. I will get into a discussion of the market situation, but the hon. members in the opposition claim that we need this control in order to provide affordable housing. Well, I think they haven't thought that argument through completely, because if you stifle development in the housing industry, you're actually defeating the purpose, and rent control and rent review actually stifle housing and development.

In Manitoba they have had to include provisions in their rent review legislation that provide some assurance that it does not hamper future investments. As a matter of fact, I believe it's a five-year exemption that they have in their legislation. Having to include provisions such as that exemption just by itself at the very beginning would seem to me a clear indication, then, that that type of legislation does not function, because you do have to include that initial exemption. So that review has then a very serious shortfall because it does preclude investment.

[Mr. Speaker in the Chair]

In Ontario rent controls are being blamed for the severe housing problems in Toronto, and there are severe problems, Mr. Speaker. It seems that investment in the Ontario rental industry has been deterred by their particular system of rent control.

Mr. Speaker, I don't want those types of problems here in Alberta. I think we would be wiser to let the rental market find its own balance. A free market system has its own built-in checks and balances. When the economy dips, vacancy rates go up and rents are prevented from jumping too high or even decrease in some instances. Then when the economy blooms or blossoms, vacancy rates go down; rents begin to increase. But as this happens, new investment is attracted. And that is actually what's happening in my area, I know, and I want to give you some examples. New investment is attracted, and new accommodations are built. As soon as you have that additional supply, rents are again prevented from becoming unreasonable.

It is the invisible hand that is operating here, and the hon. members fail to see that it actually operates faster and much more effectively than any rent control or any rent review would. It is my opinion that the market would react much more rapidly to economic fluctuations, and balance demand and supply and balance the actual rental rates.

That then leaves me to the discussion of timing, really, of how fast there is a reaction to the economic ups and downs that are occurring. Now, I believe that developers that would bring housing on will react much faster than we can alter legislation to take away the impact of economic fluctuations. It might be argued that the development process may be reasonably slow so that the developers cannot act as expeditiously as perhaps they should, but that's a separate argument. That has nothing to do with rent review. That is a situation of the rules that pertain to development, and perhaps those need to be addressed in order to let developers, the private market, react faster.

MR. SPEAKER: Hon. member, I hesitate to interrupt, but perhaps you'd be good enough to adjourn debate. We have a procedural thing to deal with.

MR. GESELL: Sorry. Mr. Speaker, I would be pleased to adjourn debate.

MR. SPEAKER: Thank you.

All those in favour of the motion, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed? Carried. Thank you.

The hon. Member for Edmonton-Calder.

MS MJOLSNES: Mr. Speaker, with respect to my comments made on Tuesday, May 15, in this Assembly, I will withdraw the word "hypocritical" as I applied it to the Minister of Family and Social Services.

MR. SPEAKER: The hon. Member for Edmonton-Mill Woods. The second time, Edmonton-Mill Woods.

MR. GIBEAULT: What would you like, Mr. Speaker?

MR. SPEAKER: Pardon me?

MR. GIBEAULT: What are you asking?

MR. SPEAKER: Thank you, hon. member. Earlier this afternoon the hon. member knows full well that he and the Speaker had a personal conversation in the lobby with regard to this whole matter. Does that refresh the member's memory?

MR. GIBEAULT: I gather it's your feeling that I should withdraw some comments made in regard to questions that were put to the Member for Redwater-Andrew. As I recall, at the time of that incident or the day after when you made your ruling, you did not ask for me to withdraw them. If you are now asking for me to do so, could you just explain why you've had a change of heart, sir?

MR. SPEAKER: Thank you, hon. member. The Chair then will go into great detail as to what, indeed, transpired.

MR. FOX: Please do.

MR. SPEAKER: Yes, thank you, Member for Vegreville.

With regard to the matter of May 8 where the Member for Edmonton-Mill Woods directed some comments – that would be the best form to describe them – to the Member for Redwater-Andrew, the Chair then dealt with that matter with regard to a point of order that was raised by the Deputy Government House Leader later in that question period. The Chair took the matter under advisement and with respect to May 9 made an extensive series of comments with respect to what had transpired. The Chair indeed did make comments at the end with respect that it would

not insist on any retraction in this case, unless it is offered . . .  
And the operative phrase is "unless it is offered."

. . . [and] would advise all members that language is to be temperate and worthy of this institution.

At the end of that matter, hon. members cried out in the House, "Apologize." The Speaker then took the Chair and sat quietly, hoping that the hon. member, who has been in this House for some considerable period of time, would understand the process here and rise and apologize to the House. That is not, in the opinion of the Chair, a great and terribly difficult thing to do. The hon. Member for Edmonton-Mill Woods did not rise, and the Chair then noted for the record, "The Chair notes that the member did not rise." At that time the Chair felt it advisable to allow some period of time to transpire, working on the theory that the Member for Edmonton-Mill Woods would do the honourable thing.

Now, with respect to the conversation earlier this afternoon, having waited some period of time, the Chair exercised its authority and did not recognize the Member for Edmonton-Mill Woods in question period. If the Member for Edmonton-Mill Woods does not wish to apologize to the House, the Chair will not recognize him for purposes of question period.

MS BARRETT: He doesn't rule this place; the Assembly does. Don't do it.

MR. GIBEAULT: Mr. Speaker, I . . . [interjections]

MR. SPEAKER: Order please.

MS BARRETT: He doesn't rule this place.

MR. SPEAKER: Hon. Member for Edmonton-Highlands.

MS BARRETT: Yes?

MR. SPEAKER: Please keep your remarks temperate.

MS BARRETT: I do. I don't run interference in question period the way the Chair does, Mr. Speaker.

MR. SPEAKER: Hon. member . . .

MS BARRETT: Yes?

MR. SPEAKER: Would you stand and withdraw. Apologize.

MS BARRETT: May I have your citation, please?

MR. SPEAKER: Stand up and do what you're supposed to do.

MS BARRETT: I asked the citation. I have the right to ask the citation.

MR. SPEAKER: All right, hon. member. We'll deal with the whole matter, pulling back to all the various records you want with respect to the Office of the Speaker and direction of the House and also with respect to *Beauchesne* 462.

In the meantime, the Chair recognizes Edmonton-Mill Woods.

MR. GIBEAULT: Mr. Speaker, you made a ruling on May 9, and today being May 17, a week later, without any notice to me ignored my request to be in question period this afternoon. I would suggest, sir, that there may be a question of privilege. There's certainly decency involved there.

But let me just suggest that if you have now changed your mind after a week, not asking me to withdraw my comments over a week ago, I would entertain the reasons why you've now changed your mind. I would like to give them my serious consideration.

MR. SPEAKER: The Chair has previously explained that this afternoon, hon. member. Perhaps you'd also look to *Beauchesne* 192:

Speakers have resorted to other methods to discharge their duty to maintain order in the House. On several occasions Speakers have refused to hear Members who have, in the opinion of the Chair, exceeded the bounds of orderly conduct.

The Chair gives adequate notice to the House that that is the way it will continue until such time as there are at least a few words of apology from the Member for Edmonton-Mill Woods.

MS BARRETT: Mr. Speaker, did you rule the member out of order?

MR. SPEAKER: Member, there are other members about to be ruled out of order.

MS BARRETT: Fine with me.

MR. SPEAKER: Good.

MS BARRETT: Mr. Speaker, point of order. On what basis does the Speaker make a ruling . . .

SOME HON. MEMBERS: Citation.

MS BARRETT: I'm asking him for his citation, so shut up.

MR. SPEAKER: Hon. member, take your place. The citations have been given. Check the records.

The hon. Member for Edmonton-Mill Woods.

MR. GIBEAULT: Mr. Speaker, are you now asking that I withdraw those comments?

MR. SPEAKER: I'll ask to withdraw. You just apologize. What is your reflection, please?

MR. GIBEAULT: I just want to be clear. Are you now asking me to withdraw the comments that over a week ago you did not ask me to withdraw?

MR. SPEAKER: Indeed I am, sir. I ask you to apologize to the House.

MR. GIBEAULT: Well, you're now changing a ruling, and I haven't heard any reasons for that. I would only say that it was not my intention to offend the House, and if any were taken in that regard, I'm prepared to withdraw any remarks that were considered to be offensive, although I am puzzled by the change of the direction, sir.

MR. SPEAKER: The Chair is then to assume that you have withdrawn the remarks or you apologize if you have indeed given offence. Is that correct?

MR. GIBEAULT: That's correct.

MR. SPEAKER: Thank you, hon. member.

Now, with respect to other comments made by Edmonton-Highlands, perhaps that member would be good enough to look at *Beauchesne* 35 and also *Beauchesne* 71.

The hour of 5:30 has arrived.

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