

Legislative Assembly of Alberta

Title: **Wednesday, June 13, 1990 2:30 p.m.**

Date: 90/06/13

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

[Mr. Deputy Speaker in the Chair]

Prayers

MR. DEPUTY 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 Bills

Bill 222

An Act to Amend

the Interprovincial Lottery Act (No. 2)

MR. CHUMIR: I request leave to introduce Bill 222, being An Act to Amend the Interprovincial Lottery Act (No. 2), which would require lottery expenditures to be reviewed and approved by the Legislature.

[Leave granted; Bill 222 read a first time]

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Buffalo.

Bill 225

An Act to Amend the Auditor General Act

MR. CHUMIR: Thank you, Mr. Speaker. I request leave to introduce Bill 225, being An Act to Amend the Auditor General Act.

This would expand the authority of the Provincial Auditor General to provide value-for-money audits as well as expanding the jurisdiction of the Auditor General to audit companies which are not 100 percent owned by the provincial government.

[Leave granted; Bill 225 read a first time]

head: Tabling Returns and Reports

MR. ORMAN: Mr. Speaker, I'm pleased to table the 1989 annual report of the Alberta Petroleum Marketing Commission.

DR. WEST: Mr. Speaker, I wish to file with the Assembly copies of the response to Motion for a Return 204.

MRS. BETKOWSKI: Mr. Speaker, I am pleased to table with the Assembly the annual report of the Department of Health for the fiscal year ended March 31, 1989. I'm also tabling the health care insurance statistical supplement for the fiscal year ended March 31, 1989. Finally, I wish to table the Alberta health schedules for 1988-89 showing actual payments to hospitals and nursing homes by facility.

MS McCOY: Mr. Speaker, it's my pleasure this afternoon to table the annual report for the Department of Labour.

head: Introduction of Special Guests

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

MR. WICKMAN: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to my colleagues in the Legislative Assembly 68 bright, eager students from the Duggan elementary school in the riding of Edmonton-Whitemud. They're accompanied today by three teachers: Linda Neron, Helga Cooper, and Arnold Ostfield. They're seated in the public gallery. I would ask them to rise and stand as we give them the customary warm applause of the House.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Glenmore.

MRS. MIROSH: Thank you, Mr. Speaker. I'd like to introduce to you and through you to members of the Assembly three seniors who live in Calgary-Glenmore and are members of the Southwood seniors group. Their names are Audrey Bothwell, Elsie Knowles, and Margaret Baker. Would you please rise and receive this warm welcome from the Assembly?

MR. DOYLE: Mr. Speaker, I'd like to introduce to you five hardworking volunteers from the beautiful community of Edson in the riding of West Yellowhead. They are Florence Gour, Jean Mercier, Lori Matonovich, Tom Williams, and Terry Roome. They're in Edmonton today to express their concerns to the press and the citizens of Alberta on the underhanded way the government transferred the St. John's hospital from a voluntary organization. I ask the members of the Legislature to give them a warm welcome.

head: Oral Question Period

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

Workers' Compensation

MS BARRETT: Thank you, Mr. Speaker. I'm assuming that since about this time yesterday the minister responsible for Occupational Health and Safety and the Workers' Compensation Board has had time to consult with his officials with respect to a matter raised in the Assembly yesterday, and that is, a company's intention to unlawfully fine workers who are injured on the job, against the Act itself. My question to the minister is this: now that he's had time to review the matter, does he agree that that Act is unlawful, and will he now go after that company to make sure it does not proceed with its intentions?

MR. TRYNCHY: Mr. Speaker, I have not consulted with my officials in regard to that question, because all I received yesterday were two blank pieces of paper and I don't know if that company would ever take effect in what they were doing.

MS BARRETT: Mr. Speaker, the minister is basically saying: "If you threaten to violate an Act of this Assembly, you're off the hook. It's only if you do it that you're going to get caught." My question to the minister is this: will he agree to contact the

company in question, Newsco, and tell them (a) that this is illegal, that even their intentions are questionable, and (b) that they have no right to fine compensable injuries by workers who are injured on the job?

MR. TRYNCHY: Mr. Speaker, I would contact the Workers' Compensation Board and make sure that they advise employers of what's in the Act and make sure they follow the Act.

MS BARRETT: Mr. Speaker, I wonder. You know, this is a pretty lax attitude by a minister who's supposed to be responsible for the health and safety of workers in this province. Is the minister satisfied that there are no other underhanded extortionist tricks being contemplated or played by other employers who basically want to saddle injured workers with the premiums that they have to pay? Is he satisfied?

MR. TRYNCHY: Well, Mr. Speaker, I have not received any concerns such as what's being raised today. Now, if the hon. member across the way has something in writing, has something positive, something from an employee that the employer is taking against that employee, I wish they would provide that information to me. But until that happens, Mr. Speaker, there's no way I can act.

MS BARRETT: In the event that the minister really did receive blank copies, in a minute he will not receive them; he will get the real McCoy.

MR. DEPUTY SPEAKER: Order please.

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

Health Hazards of Drayton Valley Sawmill

REV. ROBERTS: Mr. Speaker, one of the top priorities for us New Democrats is to ensure that Alberta children can grow up in a healthy environment in this province, and I'm proud, in fact, that our leader is the only leader who is himself leading a full task force on the needs of children to grow up in a healthy environment in this province. However, just last week in a report Dr. Bob Rogers of the health unit on the west side of the province released his study into the adverse health effects of the Pelican Spruce mill in Drayton Valley, which emits fly ash and fine particulates which Dr. Rogers concludes can cause severe respiratory problems, including asthma, and even fine particulates which are carcinogenic as well. Mr. Speaker, we are most alarmed by this situation, as we've talked to people in Drayton Valley, and we want to know today what actions the Minister of Health has undertaken to ensure that the health of the people in Drayton Valley is not put at risk like this and that the children there can grow up in a healthy environment, which they deserve.

MRS. BETKOWSKI: Mr. Speaker, the report on the environmental health in the Drayton Valley area was appropriately commissioned by the health unit of the area. We have now received a copy of that report. Both the environmental health people in the Department of Health and the health unit are reviewing it extensively, and obviously we'll be sharing it with other departments of government.

REV. ROBERTS: Well, Mr. Speaker, don't tell me that this minister is going to have another review of a review of another study. What we need is to have some action here. This mill, as we know, is obeying only 1966 Alberta Environment standards, which at that time did not even take into account the adverse health effects of the mill. I'd like to ask the Minister of Health to take some personal and direct action in this regard and if she will, in fact, personally come with me to a meeting with Mrs. Debbie Brigley of Drayton Valley to discuss firsthand the adverse health effects of the mill on her two children: many respiratory and other related health problems. Will she come to Drayton Valley and get to the root of these problems and hear firsthand what's going on with these children there?

MRS. BETKOWSKI: Mr. Speaker, I asked officials in my Department of Health to attend the meeting. They did so, and we are now reviewing the report. As much as I respect the hon. member's interest in health and my own interest in health, I am not an expert in health, and I think it's appropriate that the health unit that serves the community of Drayton Valley and the environmental health people and the Department of the Environment review that report for the impact that it can have on children and all Albertans to ensure that appropriate responses are made by government.

REV. ROBERTS: Mr. Speaker, this minister is the expert on how health units are funded, and as we know, the health units have repeatedly asked for increased funding. They got less than inflation: only a 3 percent increase to the environmental health services in the budget last year. The Alberta Public Health Association has repeatedly asked for health impact and risk assessment studies to be done on any new development as well as some of these old ones. I want to know how the Minister of Health can sit idly by, not giving the money where it's deserved and not giving the personal commitment that's deserved, when our children deserve to grow up in a healthy environment throughout this province.

MRS. BETKOWSKI: Mr. Speaker, my commitment to this portfolio is a commitment to every single Albertan and their access to health services and their right to a healthy environment. That is the responsibility I share with all my colleagues in government. The fact, Mr. Speaker, that the health unit commissioned the study I think is indication of the resources and the appropriate call on an appropriate expert to review the matter that is going on within our health system today.

MR. DEPUTY SPEAKER: The hon. leader of the Liberal Party, the Member for Edmonton-Glengarry.

Senate Reform

MR. DECORE: Thank you, Mr. Speaker. One of the unfortunate results of first ministers meeting for some 80 hours in secret is the rumours that abound after those meetings, and another unfortunate aspect is the tangled webs that are created from those secret meetings. One tangled web that is now clearly in the minds of Albertans and of Canadians is: was there a deal or wasn't there a deal insofar as the appointment of Mr. Waters? Today I'm informed that the Deputy Prime Minister in the House of Commons indicated that there was a clear understanding that there would be no elections for five years while this commission that's looking at a reformed Senate would be doing its job. Our Premier has indicated that there was no deal.

MR. DEPUTY SPEAKER: Order, please, hon. leader. You're into the fifth sentence now of this introduction.

MR. DECORE: Mr. Speaker, my question is very simple. I believe our Premier. Why is it that the Prime Minister is misrepresenting to Canadians a situation completely different than what our Premier has represented in this Assembly?

MR. GETTY: Well, Mr. Speaker, surely the hon. member should ask either the Deputy Prime Minister or the Prime Minister if he's somehow referring to things they've said. We dealt with this yesterday from the Alberta point of view, and as I said then:

I made it very clear to the Prime Minister, I make it clear now to the House, and I've talked to the Prime Minister about this: Alberta has the legislation and Alberta will use that legislation whenever it sees fit. There has been no commitment to do anything else. I think it is wise to consider and watch how this Senate reform process proceeds, but there is absolutely no way that Alberta will not use the Senate selection process when it sees fit to do so.

MR. DECORE: Mr. Speaker, the Prime Minister of this whole country on more than one occasion is giving a very different set of explanations on this. Who do we believe here? I want to believe the Premier. But, Mr. Premier, isn't it your responsibility to table a letter or something that clears this matter up with the Prime Minister immediately? He's getting away with something that is quite incorrect from the position that you're taking.

MR. GETTY: Well, Mr. Speaker, why table a letter? There's no agreement. There is no agreement, and other first ministers have already indicated that. The Premier of British Columbia has just mentioned it. So I don't know why the leader of the Liberal Party is confused, because there's certainly no one in the government here confused.

I want to just say for emphasis: the leader of the Liberal Party and his party voted against the Senate selection Bill. We wouldn't even have Mr. Waters selected or appointed if they had had their way. It was this government that introduced the Bill, this Legislature that passed it. It's a historical move, Mr. Speaker. We've been able to have a breakthrough for the first time in the history of our country. I guess they don't like it, but that legislation's on the books and will be used whenever we feel it should be used.

MR. DECORE: Mr. Speaker, I think it should be clearly established for the record that the idea for the election of a Senator comes from Nick Taylor. [interjections] It takes the Premier a little time to steal ideas from other people.

My last question to the . . . [interjections] The hon. members across the way don't remember that, conveniently don't remember that.

MR. DEPUTY SPEAKER: Order please. The hon. leader of the Liberal Party would like to ask a final supplementary in a succinct way.

MR. DECORE: Mr. Speaker, my final question is this: when Mrs. Bielish ends her term in the fall, why can't Albertans elect a Senator to look after the needs of Albertans? Why is it necessary to deny Albertans the right to have a representative in the Senate? I'd like a reason for that.

MR. GETTY: Well, I thank the hon. member for the opportunity to respond, as I did yesterday, Mr. Speaker, that the people of Alberta have mentioned to us one of the concerns of having a stand-alone election for one Senator. Nevertheless, it may well happen. We also said that we would look, as the Bill allows, for either a municipal or a provincial election as well, so that it's tied in and lowers the cost.

If we're going to talk, Mr. Speaker, about allowing a Senate selection, let me just draw attention to *Hansard*, August 15, 1989, because the member raised this again. The Speaker called for a vote for the Senate selection: all those against the Senate selection Act. Here we have Mr. Decore against it. And if he's the champion and the originator – Mr. Taylor also against it. Mr. Taylor. The lesser lights in the Liberal Party are in here too. I won't go into all the details, Mr. Speaker, but there they are; they all voted against it. And now, boy, if it looks like there's some political chance, get in there and try and get on the wagon. [interjections]

MR. DEPUTY SPEAKER: Order please.

Before recognizing the hon. Member for Grande Prairie, the Chair feels compelled to remind the hon. leader of the Liberal Party that *Beauchesne* 501 prevents the use of exhibits in the Assembly. [laughter]

The hon. Member for Grande Prairie.

Flooding in the Northwest

DR. ELLIOTT: Thank you, Mr. Speaker. My question is directed to the minister responsible for Public Safety Services. I'd like to make reference to the fact that the county of Grande Prairie has been in a state of emergency for the last few days with all of the rain. In fact, in the last few hours there have been 165 millimetres, which means in excess of six and a half inches, and there are 17 rivers that have been negatively impacted with this kind of flood. Obviously, people have had property damaged, and there are some threats still to come. I was wondering if the minister could tell us about his action plan, where people could make contact with respect to their emergencies.

MR. KOWALSKI: Mr. Speaker, events such as the one that is occurring in northwestern Alberta right now change at a given hour, but where we're at right now is that at 2:20 this afternoon – and I've just received this note – the mayor for the town of Peace River has called the blue alert, or an advisory evacuation, for the town of Peace River. The lower west side of the town of Peace River has been asked to evacuate their houses, and there is a phone number in the Peace River area, 624-2861, where citizens in the town of Peace River might want to be located.

The Peace River itself will presumably peak in the town of Peace River this afternoon between 6 o'clock and 8 o'clock, Mr. Speaker. Earlier today the town of Fort Vermilion was advised that the water will crest in the Fort Vermilion area later in the week, and there has been a request submitted to the Alberta government through an agency of the government for 20,000 additional sandbags that are now being delivered to the High Level area.

I want to repeat, Mr. Speaker that the anticipation is that the Peace River will peak at Peace River between 6 and 8 o'clock this afternoon, at Fort Vermilion on Friday, June 15, around the supper hour as well, and at Peace Point on the Northwest Territories boundary by supper hour on June 17.

We also have people in the field today, Mr. Speaker, advising all Indian settlements along the river of these changing circumstances with respect to water levels. It may very well be, Mr. Speaker, that my colleagues the Minister of Transportation and Utilities and the Minister of the Environment have additional information they would want to supplement as it continues to evolve.

MR. DEPUTY SPEAKER: The hon. Minister of Transportation and Utilities.

MR. ADAIR: Well, Mr. Speaker, I'm interested in that last report. My home is behind the dikes at Peace River, and I may be going up there to sandbag.

But seriously . . .

MR. McINNIS: Instead of sandbagging us for a change.

MR. TAYLOR: He just sandbagged the Prime Minister . . .

MR. DEPUTY SPEAKER: Order please.

MR. ADAIR: You wouldn't fit in the bag, sir.

MR. DECORE: Mulroney's chin is too big for that.

MR. ADAIR: My chin may be, but your mouth is. I'd better get back on track here, Mr. Speaker.

From the standpoint of highways, one of the major concerns we have right now is the bridge at Watino. It's being watched very closely because the water is at the bridge level, and we're concerned about that, as well as within the town of Peace River. The bridge across the Heart River is the one that may be a problem for us as it peaks a little later today. One of the concerns we have is that we're not able at this point to assess the total damage in the area because a great number of the roads are still under water. Some of the culverts and some of the bridges are gone, and we'll be assessing that on an hourly basis so that we can determine what the next move is. I'm working very closely with my colleague the minister of Public Safety Services.

MR. DEPUTY SPEAKER: A supplemental question?

DR. ELLIOTT: Thank you, Mr. Speaker. To the Minister of Transportation and Utilities. I'd like to extend a question with respect to the Alberta Resources Railway and any damage that might be involved there.

MR. ADAIR: Mr. Speaker, in that particular point a message that I got within the last hour is that we have five problems on the Alberta Resources Railway – at mile 112, 117, 116, 125, and 164 – with the damage anywhere from about 1,500 feet to . . . In one case the river's not going where the bridge is.

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

Legal Aid Funding

MR. WRIGHT: I'm obliged, Mr. Speaker. My question is to the Minister of Labour as Acting Attorney General, and it concerns the meeting tomorrow of the Law Society at which they will consider severing connection with the legal aid system in this

province. The hon. learned member will be aware of that. The reason is, Mr. Speaker, that the government of Alberta refuses to increase the funding of legal aid to a level where the lawyers there will be getting somewhere between half and one-quarter of what the government pays for civil lawyers that they fund from time to time – e.g., in the Code inquiry – instead of the present level of between one-quarter and one-eighth. I submit that that's shameful, Mr. Speaker, and I ask the minister: how can the government of this province justify that typical Conservative discrimination against those who act for the poor?

MS McCOY: Mr. Speaker, the Member for Edmonton-Strathcona is always eloquent. As he has been in the courtroom, he is here as well.

Let me point out that legal aid is a practice that this government has supported for years, because we believe quite firmly in equal access to the criminal justice system and, in fact, to the entire justice system for those people in the province who cannot afford it. By the same token, there is now ongoing a debate as to the fees that are paid to lawyers acting through the legal aid system, and as I understand it, the Law Society of Alberta has been holding some discussions and indeed have come up with a report. They are considering that report tomorrow. We would anticipate receiving that report and their recommendations early next week, and we are very much looking forward to receiving that so that we can have ongoing discussions with the Law Society.

MR. DEPUTY SPEAKER: A supplemental question?

MR. WRIGHT: Yes. The report, so called, was delivered in October of last year. Tomorrow they are acting on the recommendation to get out of it, having had six months for the government to consider and the government doing nothing. I ask the minister, Mr. Speaker, how the government can continue to justify the level of funding which runs at one-third, approximately, of the per capita level in Ontario, for example. How can they possibly justify that?

MS McCOY: As I said, Mr. Speaker, we have been having ongoing discussions with the Law Society of Alberta on this issue, a very important issue, and they have had discussions with certain stakeholders, as I understand it, in the public. They have been gathering those comments and will be, in fact, putting those together and will be submitting their recommendations and the report to the Attorney General early next week, whereupon the discussions with the Law Society will continue. I would like to reiterate at this time that the principle behind our efforts over the years to fund the legal aid system is that there be equal access by all those who need it to such fundamental areas, particularly the criminal justice system.

MR. DEPUTY SPEAKER: The hon. Member for Westlock-Sturgeon.

Flooding in the Northwest (continued)

MR. TAYLOR: Thank you, Mr. Speaker. My question today is to either Bonnie or Clyde, the ministers of Agriculture. I don't know who's responsible for it. The unfortunate part of the rains in northwest Alberta is that it affects a great number of farmers, the same farmers that were kept from harvesting their crop off their land last fall. I know the ministers have been in

the area visiting, and I'm sure they're aware of this, but because of the rain these same farmers will not be able to qualify for crop insurance this year because one of the qualifications is that the seedbed has to have been prepared. It can't be prepared, in other words. So could one of the ministers inform the House just how we are going to handle this double calamity, you might say, because farmers are not qualifying for crop insurance in the coming year, yet they can't get on the land or even prepare the bed?

MRS. McCLELLAN: Well, Mr. Speaker, I'm not entirely sure if the hon. member is discussing the unseeded acreage clause of crop insurance or the general program. I would ask for clarification on that. There is a portion of the crop insurance Act that does allow for a payment of up to \$20 an acre for unseeded acreage because of excessive moisture. There is also in the contract a section that does require that it be prepared for seeding. I expect that is the clause the hon. member is discussing, not the general crop insurance coverage. I would just simply inform the member and the House that we are working with the corporation and with Agriculture Canada to address that issue.

MR. DEPUTY SPEAKER: Supplemental question.

MR. TAYLOR: Thank you, Mr. Speaker. Twenty dollars is small compensation compared to what you should get if your crop-bearing land is out of commission, so I think it's quite important to realize that there's much more to be yielded if we can get it as crop-bearing land.

Could the minister then go this far and tell the House what percentage or how close we are to completing the program of present aid that was only decided a short while ago to help them out for last fall? My understanding is that many farmers have still to receive their cheques. What percentage of that total program has been completed, and when can they expect the last cheques?

MRS. McCLELLAN: I will just make one comment and then I would ask that the minister of public safety answer the question because it is that program that I think the hon. member is discussing. I would just say that the unseeded acreage — \$20 an acre, that portion, was really designed to cover input costs that producers incurred in preparing the land for seeding. So that is why the amount is set the way it is. So if you made some cultivation passes, you spread some fertilizer, if you used Avadex or Treflan and then were unable to seed, this was designed to cover that, to at least help cover your input costs in preparation of the land. That was the intention of the unseeded acreage portion.

I think the Minister of Public Works, Supply and Services might want to respond to the question on the program from last year.

MR. KOWALSKI: Mr. Speaker, the program that was announced earlier this year by the Premier in Sexsmith is one that has been responded to to date. I guess in the neighbourhood of nearly 1,700 claims have been dealt with at a total cost of over 16 and a half million dollars. It's our intent and our hope that by the end of June we would have most of those claims dealt with.

The situation, of course, continues to develop as we stand here today. There is a state of emergency, as an example, in the county of Grande Prairie that has to be dealt with, and we have

other matters evolving at the same time. Assessments can only be done when a disaster or situation has abated.

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

Fort Saskatchewan Correctional Centre

MR. GESELL: Thank you, Mr. Speaker. My question today is directed to the Minister of Public Works, Supply and Services. The old jail property in the city of Fort Saskatchewan, the lands and the buildings, have not been actively used for the past two years. Community groups in the city, sports organizations, cultural associations, and individual residents in the city of Fort Saskatchewan as well as in the region request that the buildings be used for community purposes. City council of the city of Fort Saskatchewan has applied to the province to obtain the buildings for such use. Will the minister transfer ownership of certain buildings to the city so that they may be used effectively in the community rather than let them deteriorate through non-use and limited operations and maintenance?

MR. KOWALSKI: Mr. Speaker, within the confines of the city of Fort Saskatchewan there's the old correctional centre site in an area of approximately 180 acres that currently has buildings on it, and there's no usage for it at the moment. What the province has been doing with the city of Fort Saskatchewan the last several years is working with the city and asking the city to identify what property within that 180-acre site might be usable to the citizens of Fort Saskatchewan for either historic reasons, tourism reasons, or recreation reasons.

Another larger portion of that amount of acreage, of course, would be land that might be developable. We would not be in a position nor want to transfer ownership to any title of land within the city of Fort Saskatchewan that might be developable and used by the city to create a profit for themselves. Those lands of the province, if the land was declared surplus, would be made available to the public at market value, but if there were a usage within the city for historic/recreation purposes, there may be a small portion of that site, including the buildings, that the province after negotiation might be in a position to provide to the city of Fort Saskatchewan at nominal rate. There's an advantage for the province to basically work towards this because annually it costs the taxpayers of the province of Alberta over half a million dollars to deal with the maintenance of the site plus the provision of the grant in lieu of taxes we're currently making to the city of Fort Saskatchewan.

MR. DEPUTY SPEAKER: Supplemental question.

MR. GESELL: Thank you, Mr. Speaker. Well, the city has actually made an application to acquire some of the buildings.

I would ask the minister: will the minister commence and actively work toward concluding negotiations with the city of Fort Saskatchewan for all of the buildings on the old correctional property and also the lands as expeditiously as possible such that some effective and beneficial use of those properties may be made?

MR. KOWALSKI: Mr. Speaker, it would be my intent to visit the city of Fort Saskatchewan at the conclusion of this sitting of the Legislative Assembly and to have an opportunity to meet with the mayor of the city of Fort Saskatchewan, along of course with the Member of the Legislative Assembly for Clover Bar and the town council of Fort Saskatchewan, as well as to have an

opportunity to review personally the quality and the condition of the buildings and the land at stake. Once that is done, I think we'll be in a position to become more aggressive in terms of the negotiation for a finalization.

Workers' Compensation

(continued)

MR. GIBEAULT: Mr. Speaker, my questions are to the minister responsible for workers' compensation. Once again we have yet another report about how the WCB would rather harass injured workers in this province than help them. I'm referring to yesterday's decision by the Alberta Court of Appeal, which ruled that the WCB had no right, no claim to the award made to Mr. William Peters pursuant to a private insurance contract that he bought and paid for. In light of this ruling by these judges and by the court, will the minister that's responsible for the WCB now apologize to Mr. Peters for this harassment and immediately order the WCB to stop harassment tactics like this against the injured workers of Alberta?

MR. TRYNCHY: Mr. Speaker, I am not aware of anything the hon. member is asking about, and if he would . . .

MR. GIBEAULT: Read the *Calgary Herald*.

MR. TRYNCHY: I wonder if the hon. member would provide me something he's received personally and not act on the advice of some of the press that sometimes don't get the facts straight, and I'd be glad to act on it.

MR. GIBEAULT: Mr. Speaker, it's appalling that this minister doesn't know what the decisions of the Court of Appeal of this province are. That's disgraceful. He doesn't know what's happening.

Let me ask him this because the people of Alberta would like to know: would he agree to table in the Legislature an itemized list of all the costs that were incurred by the WCB in this case in trying to steal Mr. Peters' insurance award, as well as all the legal costs in the past year that the WCB has incurred to try to harass workers through the courts? Would he do that?

MR. TRYNCHY: Mr. Speaker, the word "steal" – the Workers' Compensation Board would not steal from anybody, and I don't think that's a proper word.

In response to the question: am I aware of the orders of the court? I suppose I would be if the order of the court comes to my office. So far I have received nothing. So, Mr. Speaker, it's pretty hard to act on what's in the . . . [interjections]

MR. DEPUTY SPEAKER: Order please.

AN HON. MEMBER: Well, what does he do to earn . . .

MR. DEPUTY SPEAKER: Order.

MR. TRYNCHY: Well, it's a little difficult to act on what's in the *Calgary Sun* or the *Edmonton Sun* or the *Edmonton Journal* or the *Calgary Herald*, but if the information . . . [interjections] I guess, Mr. Speaker, they don't care to hear it.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Mountain View.

Public Accounts Committee

MR. HAWKESWORTH: Thank you, Mr. Speaker. Public accounts committees are intended to be watchdogs on government spending on behalf of the public. The Canadian Council of Public Accounts Committees have published guidelines on how they might be more effective. These guidelines set out a comprehensive series of reforms which would help public accounts committees make governments across Canada more accountable for their management of taxpayers' money. Today the Tory majority on the Public Accounts Committee of this Legislature forced through a motion that Alberta abandon any further consideration of these reforms. I'd like to ask a question of the chairman of the Public Accounts Committee, Mr. Speaker. Would the chairman give this Assembly an indication of what some of those reforms were that were defeated this morning by the Conservative majority? What did the Tories vote no to today?

MR. DEPUTY SPEAKER: The hon. Government House Leader is rising on a point of order?

SOME HON. MEMBERS: After question period. [interjections]

MR. PASHAK: Mr. Speaker, for the last three years the Canadian Council of Public Accounts Committees has been meeting . . .

MR. DEPUTY SPEAKER: Order. [interjections] Order please. While the Chair understands that the rules do provide for members of the majority party to ask questions under certain circumstances of members of the opposition, the Chair is unaware of any authority that allows a member of one party, a private member, to ask another private member . . . [interjections] Order please. The Chair recognizes that the hon. Member for Calgary-Forest Lawn is the chairman of a standing committee of this House, but the Chair is unaware of any precedent that allows for chairmen of standing committees to be asked questions. Therefore, the Chair believes that that question is out of order. [interjections]

MR. HAWKESWORTH: Beauchesne 405, if you'd like a citation, Mr. Speaker. [interjections]

MR. DEPUTY SPEAKER: Order please. Citation 405 says: Questions may be asked of private Members only under strict limitations. Virtually the only question possible would refer to a committee of which the Member is the Chairman.

Therefore, the Chair, with the advice of *Beauchesne* 405, will allow the chairman of the Public Accounts Committee to answer the question.

MR. PASHAK: Thank you very much, Mr. Speaker. The question, Mr. Speaker, had to do with some of the guidelines that were proposed by the Canadian Council of Public Accounts Committees for the operation of public accounts committees. First of all, the guidelines proposed that the size of these committees should be reduced – the maximum cap would be 11 members – that members should be allowed to complete a line of questioning, that there should be adequate resources made available to these committees so that they could do proper research, that they should have the power to meet both during and outside of session.

The most controversial recommendation, which, I think, led to the motion that appeared before the Public Accounts Committee this morning, was the recommendation that says that the Public Accounts Committee shall have the right to investigate or review all past, current and committed expenditures of government, organizations receiving funds from government. Essentially, Mr. Speaker, that's what they voted down.

MR. HAWKESWORTH: Mr. Speaker, this action by the Conservative majority on the Public Accounts Committee reinforces the image of a tired, secretive government more interested in protecting themselves from questions about their mismanagement . . . [interjections]

MR. DEPUTY SPEAKER: Order in the Assembly. Order, [interjections] Order please. The hon. member has the floor for a supplemental. Now, members of the House should give the hon. member the courtesy of being able to put that question.

MR. HAWKESWORTH: I'm obliged to you, Mr. Speaker.
The action today . . . [interjections]

MR. DEPUTY SPEAKER: Order on the government side, please.

MR. HAWKESWORTH: This action today by the Conservative majority reinforces an image of a tired, secretive government more interested in protecting themselves from questions about their mismanagement than they are in improving the financial . . .

MR. DEPUTY SPEAKER: Order, hon. member. To be in order the supplemental should have at least a succinct introduction, if any. You've had the lead-in to the main question, now ask the supplemental question.

MR. HAWKESWORTH: I keep being drowned out, Mr. Speaker.

I would like to ask the chairman whether he has any examples of the savings to the public that could be realized by adopting some of the recommendations of the Canadian Council of Public Accounts Committees?

MR. PASHAK: Yes, Mr. Speaker, I can provide, I think, a very good example. The Ontario Public Accounts Committee reviewed the proposals to spend over a billion dollars in public money on the Skydome in Toronto, and through the activities of that committee, they were able to save the taxpayers of Toronto – and I have this on the authority of the chairman of that committee – approximately \$100 million.

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

Trucking Industry

MR. WICKMAN: Thank you, Mr. Speaker. It's days like today when I reflect on those wonderful memories of city hall.

Mr. Speaker, my question is directed to the Minister of Transportation and Utilities. The truckers' dispute continues. Consumers have to be concerned about the possible impact on certain goods, such as gasoline. Disruptions are occurring in vehicular movement because of lane blockage. Safety concerns have clearly arisen. My question to the minister: are you

prepared to appoint a mediator to resolve this dispute and get those trucks rolling and the drivers back on payroll?

MR. ADAIR: Mr. Speaker, the trucks are rolling, goods are moving, and to the best of my knowledge there are no blockages on the public highways. In the meetings that I've had over the last couple of days with the representatives of the newly formed association, that concern was raised, and we discussed that if blockages should occur, they left me no alternative but to call in the RCMP to remove the blockades. They assured me at that time that there would not be blockades; that was not in their best interests.

The question relative to the part about the mediator: I said earlier, yesterday and the day before, that when you're dealing with an independent operator/businessman and another businessman, there is no mechanism in place to do that and that basically in the formation of their association, to get the cart and the horse in the right order, once the association is formed, they should make an effort to contact the owners of the companies and sit down with them. My understanding as of yesterday was that they were beginning to do that and they were getting some good responses. They haven't had the meetings as yet, and I haven't had any return call from those that I met with who would indicate to me that someone has not indicated that they would meet with them and then I would kick in the good offices clause that I said earlier, yesterday and the day before in response to questions, to call those people. Although I had no legal right to tell them to do it, I would ask them to sit down with them.

MR. WICKMAN: Mr. Speaker, the concerns raised by drivers as far as safety is concerned have to be a concern to all of us. To the minister: will the minister undertake to review the truckers' concerns relating to safety and take whatever steps are necessary to ensure that there are no unnecessary risks when it comes to the transporting of goods by trucks?

MR. ADAIR: Mr. Speaker, presently, as both the members that I met with were assured, in the process of the National Safety Code we now do the inspections and have done for a good number of years, and we would continue. If they had any trucks that they were prepared to identify for me that were not safe, we would check them out. Safety is number one, and that safety standard is met by the inspections. In Alberta I should mention that they are voluntary, in B.C. they are mandatory, and in Saskatchewan they are mandatory. We discussed the possibility of looking at what would happen if they were to be mandatory in Alberta, a suggestion that we may be sitting down at some point after this is settled with the association and discussing with them. They have a concern for safety, and I believe it's a true concern, and certainly we do in the movement of goods and services. Our inspections will continue, and anybody that is not meeting those standards will be pulled off the road.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Glenmore.

Petroleum Exhibition

MRS. MIROSH: Thank you, Mr. Speaker. Last evening I had the opportunity to host on behalf of the Alberta Economic Development and Trade minister a reception for approximately 700 people at the National Petroleum Show, and while all of us are sitting in here, everybody in Calgary is having a lot of fun.

There were at least 150 different countries represented at this petroleum show, and many of these delegates were brought to Calgary at the expense of the Alberta taxpayers. There was some concern expressed to me that this is an unnecessary expense, and should the Alberta taxpayers be burdened with it. I would like to ask the Minister of Economic Development and Trade if he could explain to the Assembly the reason for the department paying for these delegates' expenses to come to Alberta.

MR. ELZINGA: Mr. Speaker, let me leave the hon. member with the strong assurance that we always scrutinize very carefully any expenditures that we do on behalf of the Alberta taxpayer, because we are very cognizant of the very good work that can be done in a very modest way. I stress the word "modest." We do these in conjunction with the federal government. We access federal funds, plus we put together funds on behalf of the Alberta taxpayer. As the hon. member has justifiably indicated, it is the most successful and the largest petroleum show of its kind in North America. We do offer support to foreign visitors who are potential buyers, recognizing that trade is so essential to the province of Alberta. As an example, last year we sold some \$200 million worth of oil, goods, and services related to that industry.

MR. DEPUTY SPEAKER: Supplemental question.

MRS. MIROSH: Thank you, Mr. Speaker. It's a shame that members across the way are laughing at an important issue such as this with regards to trade delegations brought to the province of Alberta to help sustain our economy.

I'd like to ask the minister again if the private sector is becoming involved with bringing these delegates forward in conjunction with your department.

MR. ELZINGA: Mr. Speaker, we work hand in hand with the private sector. There were some 1,200 exhibitors at this show. Private-sector individuals and companies are very involved, making sure that their wares are well exposed to those potential buyers from a number of countries throughout the world. I leave the hon. member with the strong assurance that we do work hand in hand. The private sector is the spark plug of growth within this province. We recognize how important trade is to this province, and we're proud of the increase by way of exportation of our goods that we have experienced over the last number of years in the trade that we do with some 140 countries throughout the world.

MR. STEWART: Mr. Speaker, I rise to respond to the point of order raised by the Government House Leader. It's in relation to the question posed by the hon. Member for Calgary-Mountain View to the chairman of the Public Accounts Committee. Mr. Speaker, I draw your attention to *Beauchesne* 410(10), which states that

the subject matter of questions must be within the collective responsibility of the Government or the individual responsibilities of Ministers.

Mr. Speaker, I also refer you to 409, in the preamble before the subparagraphs, saying that:

a brief question seeking information about an important matter of some urgency which falls within the administrative responsibility of the government or of the specific Minister to whom it is addressed, is in order.

Therefore, I would respectfully submit on behalf of the Government House Leader that the question was out of order.

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

MS BARRETT: Thank you, Mr. Speaker. We anticipated that this question might arise, and I'd like to point out, first of all, that the citations from the minister do not preclude asking questions of the Chair of any committee. This would obviously be true, because the government members themselves often ask questions of Chairs of committees who are not ministers. So let's be very careful about that.

Now, the limitation that is cited in the *Beauchesne* reference 405, which follows what you read into the record earlier, which followed our stating that 405 is in fact the basis for being entitled to ask the question, reads as follows:

A question asking, for example, if a Member intended to introduce certain legislation, is out of order.

Mr. Speaker, that was taken into account today.

So was an extensive and, I would argue, exhaustive reference in *Erskine May*. As you know, Mr. Speaker, this often is used as a backdrop series of arguments from which we derive Canadian rules of order, and I think it's worth while reading a section that starts on page 286. It'll take a couple of minutes, but it is worth it. The subsection is (iii), and it reads:

Questions to private Members. Questions addressed to private Members relating to a bill, motion, or other matter connected with the business of the House for which such Members are responsible, have been allowed. The Speaker has, however, expressed doubt whether it would be in accordance with modern parliamentary practice for questions to be addressed to private Members except in the case of the Second Church Estates Commissioner and chairmen of certain select committee; questions are also sometimes addressed to the chairmen of committees directly concerned with the working of the House.

The next sentence is long, but I'll read it because it bridges to the one that's critical here.

The Leader of the House regularly answers questions not only in this capacity, but as Chairman of the House of Commons (Services) Committee, and in exercising this function private Members who are members of the Committee have answered questions on his behalf including, on catering matters, the Chairman of the Catering Sub-Committee. Since the establishment of the House of Commons Commission, questions, on their behalf, have been regularly answered by a private Member who is a member of the Commission.

This is the critical part:

Questions may be similarly addressed to the Chairman of the Public Accounts Commission.

Mr. Speaker, the reference is about twice that long, but I didn't want anybody to argue that I had taken the citation out of context. I will read again what I believe makes the argument very clear, and that is:

Questions may be similarly addressed to the Chairman of the Public Accounts Commission.

I think there is no doubt, Mr. Speaker, that that question was in order, and if the government faces a certain sensitivity about this issue, maybe it ought to ask the political reasons why, and not the rules.

MR. SHRAKE: This question today was questioning the decision of the Public Accounts Committee. Now, Mr. Speaker, in all parliamentary tradition anywhere if you were going to bring that in and question a decision, then undoubtedly you would during the question period of this House debate the two

sides of it, while today we heard a one-sided debate on that. That is not in order.

MR. WOLOSHTYN: Mr. Speaker, further to this is *Beauchesne* 409, as cited by the Deputy Government House Leader, and I'll read it very clearly so that he can remember it. It says:

In 1975, the Speaker expressed some general principles in order to clarify the regulations and restrict the negative qualifications which traditionally have guided the Question Period:

Then he went to another subsection. I would like to point out that the reason for this particular citation is to enhance the quality of question period. I have sat here for many, many a day and listened to questions from both sides of the House to other chairmen to get similar kinds of information, and we have accorded to the chairmen of these committees, AADAC or multiculturalism or whatever it is, the courtesy and the opportunity to express what is happening within their domains.

I would also like to point out another area where we have been exceedingly tolerant in some instances, and that is subsection (4) which reads: "The question ought . . . to be on an important matter, and not be frivolous." How many frivolous questions have we heard back and forth to get puffball answers? [interjections] Very good.

So, Mr. Speaker, I think these questions were totally in order, and they should be respected today and in the future. Thank you.

MR. DEPUTY SPEAKER: Order please. The Chair is not prepared to rule on the point of order at this time. It wishes to take it under advisement and will report to the Assembly tomorrow or the next day.

Orders of the Day

head: **Government Bills and Orders**
Second Reading

Bill 37
Alberta Government Telephones
Reorganization Act

Moved by Ms Barrett:

The motion for second reading be amended to read:
That Bill 37, Alberta Government Telephones Reorganization Act, be not now read a second time because this House believes in the principle of a public utility being operated with a primary mandate of serving the interests of the public in a fair, equitable, and affordable fashion, which could be superseded by the Bill, which makes possible providing handsome profit opportunities for the shareholders, who could be as few as 20 individuals or corporations.

[Adjourned debate June 12: Mr. Hyland]

MR. HAWKESWORTH: Point of order.

MR. DEPUTY SPEAKER: A point of order.

MR. HAWKESWORTH: Mr. Speaker, did I hear Bill 37 called?

MR. DEPUTY SPEAKER: Bill 37. The hon. Member for Cypress-Redcliff adjourned debate.

The hon. Member for Cypress-Redcliff.

MR. HYLAND: Thank you, Mr. Speaker. I listened last night to debate on Bill 37, the Alberta Government Telephones Reorganization Act, and I really tried to listen to what was being said. I thought maybe it was because of the lateness of the hour that the debate by members was hard to understand, so I went back to the unofficial Blues of *Hansard* and reread it. I tell you it didn't make any more sense rereading it now than what the debate did then.

Mr. Speaker, we look at Alberta Government Telephones and the ability for Alberta Government Telephones to compete, to be released from government and compete in the electronics area, in the area of long distance and local telephone calls, et cetera. We look at part of AGT and the joint ventures they now have. They are partially competing in that area with joint ventures such as NovAtel and things like that. They are showing they can compete. I think those that say it will stop government from doing any programs because the telephone company will not be owned by the government anymore; it'll be owned by a group of people – I think that's false. The individual line service program, which we are approximately somewhere around 60 percent of the way through, was funded 75 percent by the government and 25 percent by the people who receive the service which provided them with individual line service in the rural parts of this province, the same as people in the cities are able to have. This kind of service, I would suggest, could have been agreed to with any telephone company, be it a Crown corporation or a private telephone company with shareholders. I think those that say making AGT a private company will take these kinds of abilities away from government – that is false, because those agreements can be brought forward and made with anybody.

Mr. Speaker, if I could just go through about four or five main points quickly, I think that would show why this amendment we're dealing with should be defeated. These were outlined by the minister in his opening remarks, and I think they should be reinforced. One is: no individual or corporation will be allowed to own more than 5 percent of the shares in the new AGT corporation. So there we get the greatest thing to scare people: put a scare tactic out. So we get the opposition making a motion that 20 people can own the corporation. Alberta Energy Company has been out there for a number of years with somewhat the same share structure in an amount that a person could own. That hasn't happened there. That hasn't happened there.

MR. SIGURDSON: One year.

MR. HYLAND: In those where Alberta Energy Company sat with 3 percent, it hasn't happened there, hon. member, so why would it happen in the 5?

Foreign ownership will be limited to a total of 10 percent of the shares of the corporation, similar to other corporations. Has it happened in Pacific Western? No. Albertans must make up at least two-thirds of the board of directors. The provincial government will appoint up to four directors of the corporation. A special share will also be held by the government so it can act early to ensure that there are no fundamental changes in the company. Mr. Speaker, it's interesting that certain members of the opposition have put this motion forward and also in their debate on the Bill – I can remember when the exchange was going on between Alberta Government Telephones and Edmonton Tel that people with the same party were saying to the

minister: "Do something. Tell the company to do something. Do something. Make them do something." Now that we're giving the company a free rein, they say: "Don't do it. Don't do it. Take it back. Don't let them go." Mr. Speaker, one thing about *Hansard* – maybe it's a good thing; maybe it's a bad thing – is that it keeps our words for many years, and some of us can go back and look at those words.

Mr. Speaker, I think last night was an interesting night, an entertaining night. I would think the one thing that was missing – I've seen the hon. Member for Edmonton-Highlands participate in a lot of debates, but I think in this one the member really outdid herself in her performance. It's too bad there weren't cameras in the House last night, because that performance could be taken and entered in the Alberta film festival in Banff, that that party's opposed to, and they'd probably pick up \$20,000 for a prize so they could use it for their research.

Mr. Speaker, I urge all members to defeat the motion.

MR. WRIGHT: Mr. Speaker, my remarks will be fairly brief. They refer to the inanity of this move, mainly. This company is one of the sole surviving relics of an extremely good administration for most of its tenure, the first popular administration in this province, from 1921 until 1935, of the United Farmers. They had no doctrinaire attachments to some particular way that the province should be run. They saw what was and is a natural monopoly, that of the telephone system. It makes no sense to have that in private hands, because the essence of the private sector working is competition. If there is a monopoly, there is no competition, and for some reason Conservatives who believe in competition, as we all believe in competition where it works, think that even where it cannot work because there's a monopoly, still we should have it.

But it doesn't, because what you have is the company trying to make money for its shareholders, as it ought to. That's its duty if it's a private company. So it runs into a state-regulatory body, a provincial one in this case – Public Utilities, I suppose – who will regulate the rates, and we have the same charade that you have with the Public Utilities Board attempting to regulate the private utilities in this province, the public utilities that are privately owned. We see that again and again, Mr. Speaker, but it is a fight between municipalities and other public interest groups, woefully underfunded, who try to fight the highly paid experts employed by TransAlta Utilities or the gas company or other small electrical utilities in this province who can obfuscate the true profits being made to the shareholders. It's a very uneven match, and it's the public that ends up as the loser. There is absolutely no increase in efficiency and no increase in service to the customer. No necessary increase, I mean. There may be or there may not be; it depends on how well the company is run. But there's nothing that says that where there is no competition, a publicly owned company is ipso facto worse run than one which responds to shareholders, particularly where there is a guaranteed margin of profit.

The Premier, unwittingly I suppose, exposed this fallacy so clearly when he was so far from the truth, Mr. Speaker, so inexact in his words as to say that we have the opportunity for the first time for every man, woman, and child in this province to own the profits and participate in the progress of this great company. For goodness' sake, who does he think owns and participates in the progress of this great company now, if not every man, woman, and child in this province? The contrary will be the case if the thing is privatized. Moreover, the profits they will enjoy will shrink, obviously. For a given level of efficiency and profitability, there will now come off taxation at three levels:

first, at the company level; second, in the pockets of the recipient; and third, of course, the GST. None of those are being paid so far as income tax is concerned, or will be paid under the GST, if the company remains as is.

A favourite statement of businessmen is "If it ain't broke, why fix it?" Same thing here. I mean, we've had successive ministers responsible for Alberta Government Telephones over the years – United Farmers, Social Credit, Conservative – taking pride and usually, not always, justifiable pride in the efficiency of this company. We know that compared to the Bell company, the rates of Alberta Government Telephones are excellent. We know that the service is good. We know that when it is privatized, the rates are bound to rise for rural members. Others will elaborate that argument.

But I say to this government that the undertaking of Alberta Government Telephones is held in trust by them for the people of this province. If, to fix up the public accounts of this province, the government intends to sell Alberta Government Telephones off, or a substantial part of it, as in fact this Bill represents, Mr. Speaker, then they are engaged in using capital to pay the running expenses of this province. As trustees of this undertaking, they are guilty of a breach of trust to sell off the undertaking of what's in trust to pay running expenses. If they are doing it for their own advantage – and I submit they are because the government is doing this to enhance what in their view will recommend themselves to a segment of the public, they think a large segment of the public, to get a partly political advantage from it. If as trustees they breach the trust for their own benefit, they participate in a criminal breach of trust. I say, Mr. Speaker, that what they propose is tantamount to a criminal breach of trust on the part of the government in respect of the people of this province. It is shameful. It is truly shameful.

Now, many arguments can be made and will be made on the details of it all, how it is there to serve a doctrine. And it is. I mean, people claim that we "socialists" are the ones who are doctrinaire and have blinkers on and so on. It is quite the opposite. It is the party that is represented on the other side of this House, Mr. Speaker, that has the blinkers on, and this is a very good example of it. "If it's to be run privately, it must be better." They are not pragmatic. We try and be pragmatic; they don't even try. "If it can be privatized, do it, because that's the way it should be done." They do not look at the evidence. In that, they are breaching the trust that is reposed in them by the people of this province in respect of the one money-spinner they have. They see it; they grab it. They want to sell off a big chunk of it, put it in their pockets to make the accounts of this province look good for the year of receipt, and that's it. To heck with the future. To heck with the patrimony that has been built up in the telephone system for the people of this province since the 1920s.

I mean, they don't look at it and say, "Look; this isn't working." They don't look at it and say, "Look; the rates are all askew compared to the Bell telephone company." They don't look at it and try and estimate how much goes, because of the contribution that the profits of the company make to the public accounts of this province, into the pockets of the citizens of this province. They don't look at the indirect contribution made to the pockets of the citizens of this province by the rates being lower in many ways. No, they do not. They simply have their blinkers on and say, "Look; here's a chance to grab something, to sell it off to those members of the public who have enough money to pay for the shares," instead of all the members of the Alberta public who own it at present. That's the one thing that actuates these people, Mr. Speaker, and it's not good enough.

Then, of course, even that is a fallacy, a complete fallacy. You can say all you like, Mr. Speaker, about the restrictions on the ownership. They're circumvented all the time by shares being in trust. We know that in a matter of weeks of these sales going on offer, they will be snapped up by others who are not residents of Alberta, by those who have an institutional interest in acquiring the assets of this company, and by those who already own shares and will be getting more than their share under trusteeship provisions, as is so commonly known amongst those that deal in securities.

The thing is bad from start to finish, I say. It is a breach of trust of the people of this province, and it will serve them ill. That is why on this amendment we seek to hoist the further consideration of this Bill until even this government can come to its senses.

Thank you.

MR. PAYNE: Mr. Speaker, during last evening's debate on the amendment to Bill 37, the New Democrats' caucus expert on the oil industry and international finance, the Member for Edmonton-Kingsway, made some absurd comments about the oil industry in general and about Imperial Oil in particular. Now, ordinarily I would prefer to ignore his comments about the industry, but his remarks last evening were so absurd that I feel compelled to set the record straight.

AN HON. MEMBER: On the amendment.

MR. PAYNE: Mr. Speaker, with great respect, I am responding to observations made by the giant from Edmonton-Kingsway during the course of his comments on this amendment. If his comments on the amendment were in order, then my response to those comments surely must be in order.

But in the interest of time, let me simply focus briefly and succinctly, Mr. Speaker, on three of his more sage criticisms: number one, oil companies have been ripping off the province; two, Imperial Oil made a killing in the downstream in 1986; and three, a criticism with respect to Alberta royalty payments being down.

First of all, Mr. Speaker, return on capital employed for the oil industry as a whole, both upstream and downstream, for the last five years averaged 4.6 percent; for Imperial it averaged 7.13 percent. I wonder if the Member for Edmonton-Kingsway would like to receive those kinds of returns on his deposits at his local Treasury Branch or other bank. I somehow doubt it.

Two, with respect to Imperial making a killing in downstream in 1986, like other companies Imperial's corporate earnings dropped sharply in '86, down to less than 5 percent from about 9 percent in '85. I ask the same rhetorical question of the Member for Edmonton-Kingsway: would he be prepared to have his personal funds on deposit at those kinds of rates of return?

Three, his comments about Alberta royalty payments being down. Of course they're down, and primarily, Mr. Speaker, because of collapsing world oil prices at the time and then falling gas prices. It's worth noting that the industry's royalty payments are traditionally far higher than its earnings. In 1988, for example, the industry paid about \$2 billion to Alberta in royalties and land bonuses, yet its total upstream earnings for all of Canada were about \$900 million. Regrettably the '89 numbers aren't yet available.

Now, Mr. Speaker, if the NDP MLAs allow themselves to be driven blindly by their socialist ideology to a knee-jerk rejection of Bill 37 and an unquestioning acceptance of this amendment,

so be it. But I trust they will renew their efforts to factor some truth into their ideology, especially when they're attacking the oil industry, an industry to which this province is indebted for its contribution to the strength of Alberta over the years.

MR. DECORE: Mr. Speaker, I've said that the concept of privatization doesn't bother me; I'm not hung up on it. I think you have to review the role of government in utilities and see whether or not that role is in need of being continued. As I look at the development of telephone companies in Alberta, there are some interesting observations, I think, that can and should be made.

There are two telephone companies. Edmonton Telephones is owned by the citizens of Edmonton. When it started, the city of Edmonton got involved because that line initially went from Edmonton to St. Albert and the entrepreneurs that first started it didn't have the capital, didn't have the wherewithal, to make it a bigger system. So the city of Edmonton got involved and took it over. Where there were no entrepreneurs that were ready to take the risk, the city of Edmonton was and developed that particular telephone company into – I think it's the fifth largest in Canada.

With respect to AGT, the Alberta Government Telephones system can clearly go its own way and develop and look after urban Alberta. There are enough people living in the cities of urban Alberta to make AGT viable. It was rural Alberta that we had to be concerned about. I think that's the major reason why Alberta Government Telephones continued to be owned by the Alberta government. Albertans wanted to see as good a telephone system as possible in rural Alberta, and I think we've gone further than any other province in Canada in the development of that service. We have individual line service being developed to rural Alberta, and it is clear that that will continue, and it is clear in my mind that there will be contracts and legislation that will allow that to proceed. With respect to extended flat rate service, that gets bigger and more extensive, and it's clear in my mind that that will be an infrastructure in place that will serve rural Alberta.

Mr. Speaker, I do have concern with one area, and I invite the minister to help through that concern. It is the problem that exists in terms of rates to rural Alberta. I think it can be looked after. I think the legislation can be perfected to ensure that there is no difficulty in that regard. I'm almost there, Mr. Minister, in terms of giving my support to this privatization process. [interjections] I know the NDP don't like it, because that's their mind-set. They immediately take the position that the government should own everything from cardboard boxes to telephone systems. That's not my view, and it's not the view of the Liberal Party.

I invite the minister responsible to give me some better assurance, because last week I took the opportunity to visit some people in Ottawa who know about the CRTC, a former member of the CRTC, who indicated that statements made by the minister are correct, that Alberta has a first-class service going out to rural Alberta. But that former member of the commission cautioned me to caution Albertans that there should be absolute certainty in looking after rural Albertans in terms of contracts and legislation, contracts with the new entity that make it absolutely certain, Mr. Minister, that that extended flat rate service, that individual line service, and particularly the rates, are protected. Now, I hope that, again, the minister will give me some assurance, perhaps agree to an amendment that will allow for a contract to be put into place with the new entity to ensure that cross-subsidization continues in the same form that it has

for the last, say, 10 years and that it would be protected by legislation. If I could have that assurance, Mr. Minister, you have my support on this particular Bill.

MR. STEWART: No jurisdiction.

MR. DECORE: Well, Mr. Minister, I think that in the same way that you've laid out the groundwork to look after employees, to ensure that employees aren't going to be fired and laid off, we can look for ways of ensuring that rural Albertans aren't going to get hurt here. So I invite the minister to address that particular problem in due course.

Mr. Speaker, the city of Edmonton – I have some firsthand knowledge about this, and I think it should be shared with my colleagues in the New Democratic Party; they should know this particular story. During the debates about whether or not Edmonton should get a fairer share of long-distance toll – and I give credit to the ND Party for coming to the aid of the city of Edmonton in that regard. It was timely, it was needed, but there were some things that happened that I think need to be told to members of this Assembly. One was that during the course of that battle, the toll wars, a minister of the Crown came to visit me as the mayor of Edmonton and said, "Do you know, Mr. Mayor, that the city of Edmonton's telephone system is one of the most archaic in Canada?" Now, when I asked questions of the telephones people at Edmonton Tel, they told me that the telephone system in Edmonton was one of the most advanced. I said: "Mr. Minister, where did you get that information? How could you possibly have that information, because I've been saying publicly and members of city council have been saying publicly that Edmonton Telephones clearly is a much advanced system." The only one that was more advanced, to my knowledge at that time, was Alberta Government Telephones. The minister informed me that it was officials in AGT that gave that information to the minister.

MR. McINNIS: Which minister?

MR. DECORE: I don't think it needs to be told which minister. The fact of the matter is that a minister of the Crown was being informed by the management of AGT as to a certain set of facts that were clearly wrong.

Now, Mr. Speaker, for 70 years the governments of Alberta have been, I think, led by the nose by Alberta Government Telephones. They've been telling the Social Credit government, the Conservative government a certain state of facts. Often those facts were either misinformation or disinformation. I want it clearly on the record that during the telephones war there was much misinformation and disinformation that was coming from the management of Alberta Government Telephones to the government.

MR. DEPUTY SPEAKER: Order please, hon. member. I hesitate to interrupt the hon. member, but the Chair must remind the hon. member that we are not discussing Bill 37 generally in second reading. The hon. member may wish to make the remarks he's making at another stage, but right now we're dealing with an amendment proposed by the hon. Member for Edmonton-Highlands. The Chair would be, of course, happy to hear the hon. member make the remarks relevant to the amendment before the House.

MR. DECORE: Mr. Speaker, thank you for noting that I should have said at the outset that I don't think the matter

should be hoisted. I don't think it should be delayed. I think we're ready to proceed and vote on this as soon as we get some assurances from the minister. So perhaps with that statement that clarifies my position on the amendment, I can continue. I noted that the hon. Member for Edmonton-Strathcona had pretty great latitude, as did the Member for Calgary-Fish Creek.

Mr. Speaker, it's important, then, to note for the record that I don't think there's anything sinister or improper. This is human nature, to try to put your company in the best advantage possible, and that's what AGT has successfully done, at least with two governments I've seen, the Social Credit government and the present government, in setting up a set of facts, having the government believe a certain line, and clearly getting advantage over the other telephone company in Alberta. I don't think that puts the government in the kind of position it should be in. I don't think you can have a conflict, and there was and clearly is demonstrated to have been a conflict in the government's involvement with AGT in that whole telephones war. A government ministry must be able to look after the needs of all Albertans, some 600,000 or 650,000 Albertans in the city of Edmonton and the rest. It has to have a ministry that weighs things fairly, that determines whether or not subsidies should be given in one area or reduced in another. It doesn't have that ability when there is a clear conflict, as there has been conflict in the relationship of the Alberta government with Alberta Government Telephones.

This is an important point, because for 70 years the city of Edmonton banged its head against a wall trying to get its position clearly understood. It wasn't able to do so until a court – a judge, an associate chief justice of our province – looked at all the issues. Of the 73 issues, I think it was, that he looked at, he decided in Edmonton's favour on 69 of those, and that was a position AGT was taking diametrically opposed to the position of Edmonton Telephones. You can't serve two masters.

Mr. Speaker, that's one reason for me seeing a clear need for having this entity created, so that the government can be fair to all Albertans. I think this makes it possible for a minister of telecommunications to say to a company that's not being fair, "Hey, get in line; you're not doing things that are fair for this part of Alberta or that part of Alberta or all Albertans."

Mr. Speaker, we know that some 70 percent of the long-distance toll revenues Alberta Government Telephones gets is the mainstay of the revenue of AGT. We know that those revenues are used to cross-subsidize rural telephone users and local users, local users in Calgary and Red Deer and Medicine Hat and so on. But particularly great support has gone to rural Albertans: extended flat rate service, individual line service, and rates. In my discussions with this gentleman in Ottawa that had been involved with the CRTC, it's clear that Alberta has, I think, the biggest revenues coming from long-distance tolls. My understanding from that conversation was that the cross-subsidization for rural Albertans was the greatest in Canada.

Now, Mr. Speaker, I'm asking that the minister take a little time with his officials and perhaps with lawyers in the Attorney General's department to look for ways and means of protecting rural Albertans to ensure that when this competition occurs on that 70 percent, the long-distance toll – and it most assuredly will, I think, because of Unitel entering the fray. When there is more pressure, there is going to be a reduction of the 70 percent, a reduction of the long-distance toll, and I think a corresponding increase to local users, to people in Medicine Hat and Lethbridge and Red Deer and particularly rural Albertans. So why can't we set up some kind of contract that says that the support we've been giving to rural Albertans will be continued

in the same kind of proportion it has for the last 10 years? You see, this was easy if there was a government in place, because the government used its heavy hand, used the fact that it was exempt from the Railway Act, exempt from the CRTC, to have this social engineering, this telecommunications engineering taking place. But once it gives up its exempt status, it's got to do something more specific in protecting rural Albertans, and unless this is done, there is going to be a very heavy price to pay in rural Alberta.

I note for the record, Mr. Speaker, that I've spent some time in rural Alberta since this legislation was brought forward asking people what they think of it. Our offices have spoken to some 40 mayors in rural Alberta. The great majority of the mayors think this – that is, the privatization of AGT – is a good initiative. I repeat, most mayors representing rural Alberta think it is a good initiative. But again, their concern is: make sure something is done to protect rural Albertans. I'm offering that suggestion to the minister to come forward.

Mr. Speaker, the only other thing I would like to ask the minister to fulfill is: when this matter first came to the Legislature, when the Act was first introduced, the minister invited members of this Assembly to make requests for information that relates to privatization. Now, I know that when the city of Edmonton looked at this issue, a number of reports were made – I had left the office of mayor by that time – and there was a decision not to give that information out by the new administration. So people never got an opportunity to examine whether it was good or bad in terms of what experts had to say. There was lots of information that could have been and I know should have been given to Edmontonians to help them go through that complicated issue of privatization. It is clear from my understanding, my knowledge, what I've heard, that the government has a lot of information; a lot of studying of this particular matter has been done. Why is it not possible, Mr. Speaker, through to the minister responsible, for the minister to table all the information? I'm not asking for documents that go to cabinet that talk about strategy. I'm just talking about the experts you hired. The minister is shaking his head. I don't understand this.

MR. STEWART: I don't have any.

MR. DECORE: You don't have any. The minister says he doesn't have any information, doesn't have any studies. I can't believe that. This is truly unbelievable to me. I hope he clarifies that position.

MR. STEWART: I will.

MR. DECORE: Okay.

Again, I request the minister to . . . It was he who said in this Assembly: use the ordinary process, set out a motion for a return or motions for returns asking what you want and need, and we'll consider it. Mr. Minister, it's all there. All of the requests have been put to you in the most formal way. We now ask that that information be provided. I think that will allay the fears even of the NDP on this particular issue.

[Mr. Jonson in the Chair]

Now, Mr. Speaker, the last comment that I think needs to be made is this. In the past there wasn't the sophisticated infrastructure that deals with rates and cross-subsidization and so on that exists now. We know that the Public Utilities Board

has no right to govern in this area. We know that by this move the CRTC now gains control. There is a very sophisticated structure that measures fairness all across Canada insofar as the CRTC is concerned and insofar as the issue of subsidization is concerned. But I repeat: the person I spoke to in Ottawa said, "Just try to make sure that additional care is taken in dealing with rural Albertans, because the CRTC will be cognizant of whatever attempt is made to show that concern for rural Alberta, and it will be respected."

Thank you, Mr. Speaker.

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

REV. ROBERTS: Thank you, Mr. Speaker. I would like to speak to this amendment. I think a number of very useful, very interesting, very significant points have been brought out already by members on this side of the House with respect to this major sellout by this very Conservative government. We're accused of having ideological blinkers on. As more and more detailed information, discussion, and debate ensue on this Bill, it seems to me there is an ideological blinker very much at work on the other side of the House which is prohibiting a clearer thinking-through of this whole issue. I remember the Member for Lethbridge-East once said how the government has for a long period of time wanted to get the G out of AGT and they were just looking for the opportunity and the time and the way to get the G out of AGT. I can't believe by virtue of this Bill that they're going to try to keep, at least by name, G in the Bill. I thought it was going to be "advanced global telecommunications" or something akin to that, which would truly reflect what is going on with respect to this Bill.

Speaking to the amendment, Mr. Speaker, this very reasoned amendment, I cannot understand how members of this Assembly do not want to assert the role of the government, of the Crown, of the whole of the people of Alberta working together, working co-operatively together, as we have from the days of the United Farmers through the days of the Wheat Pool, and in a number of ways in a co-operative economy, a co-operative approach to ownership and control and regulation of a utility, which is in the public good. As the amendment says, we want to reassert the primary mandate of this public utility, "serving the interests of the public in a fair, equitable, and affordable fashion." Isn't that why we're here, Mr. Speaker? Isn't it the genius that is called forth from all of us to know how it is that we as members of this Legislature, the Crown, government in Her Majesty's name in this province, can bring together the resources in a co-operative spirit that is going to benefit all the people, particularly when it comes to telecommunications?

So, Mr. Speaker, I just can't believe how this government has itself . . . I mean, many argue that the Tories across the way are failed businessmen anyway. They couldn't make it in the private sector. They'd lost big, so they decided to get elected and come here and sell off the province's assets. If they truly believed in the private sector, they'd be back there doing what they really want to do. Instead they come here and the Premier, who's left his days in the private sector, tries to come back here and do what he couldn't do there. The Minister of Economic Development and Trade and the Minister of Technology, Research and Telecommunications all say that the primary argument we have for selling all this off is, "You know, people of Alberta, the technology is just moving so quickly." I mean, arguments have been advanced about regulation, about how strong that will be, or about service in rural Alberta and whether or not that will be

protected and the rest, or the rates and all of that. What I hear underpinning a lot of the argument over here is, "Come on, you guys, get on board, because the technology of telecommunications is moving so rapidly, so quickly, in such a sophisticated manner," that the clients who are, of course, more and more businessmen, the captains of capitalism and the corporate sector in this province and throughout the world, are the clients of the telecommunications industry. If they're going to want to benefit from the advances in telecommunications, then they should be the ones who put up the dollars to help to bankroll the enormous capital costs that are going to be accrued by having to update the whole telecommunications industry.

I'm not a student of the fine elements of the telecommunications industry, but I can read through it, and I understand through the annual report and other things I'm familiar with that, in fact, it is a fascinating and sophisticated world represented by the telecommunications industry and that AGT is really moving into some incredible advances in not just communications technology but information processing, information technology, artificial intelligence, fibre optics – as we've seen, doing enormous things to advance this field – satellite linkups and networks and computer-generated messages, which are fascinating. To think that in the old days you had to sort of take an X ray of a patient in this hospital or in this radiological clinic and take it over to this hospital before surgery. Now you can do some magnetic resonance imaging and have that computer-generated diagnosis put on a line and sent to some hospital in another part of the province. I mean, it's amazing advances in technology which can so help Albertans. I know it's not the health care system, not the education system, not pensions, not other things that we like to strongly think should work for the benefit of all Albertans, but clearly the telecommunications industry being so advanced these days is something that not only has benefit for the captains of capitalism and the corporate sector in this province and the world but has enormous benefits for average Albertans, for people throughout the province in their daily lives.

Yet we continue to get this argument: well, the government and the public purse just can't keep up with the capital costs, the investment costs. We need to sell it off, sell some shares, even use some public money to have some preferred shares to make it easy for all these rich people to buy into this stock option and get some high-rolling investors to bankroll this key industry of the future. Well, Mr. Speaker, members of the Assembly, I just can't believe we would have such an abdication of our role in this very critical, vital industry. Why should we see where this is all going to be going 10, 15 years from now when our children are going to be in this Assembly and not us? Why should we at this point in 1990 say that we're going to sell it off and let the corporate world have its way with this very key industry and not retain our share of it on behalf of Her Majesty in the right of the Crown in this province, to be singly involved in this public utility not just as a public utility but as a fascinating industry of the future? It's where we should get in and stay in to be on the cutting edge so that we can ensure its benefits not only for the private sector, for the commercial sector, for all the people in big business but also for average Albertans, the families and those in schools and hospitals and other places throughout the province where there's not a profit to be made, who might not have the money to buy some shares, to buy into this thing, but nonetheless want to be part of a province and a society where others through the public purse do have ownership and control and do use it wisely for their benefit, as we do in public participation in other parts of our economy.

We New Democrats firmly believe . . . We're not wavering like the Liberals over there. We're not selling off like members over there. We firmly believe local ownership and control of our resources is really where it's at and where it needs to stay. Once ownership goes, then regulation slips and the interests of the private take precedence over the interests of the public. I cannot understand why there aren't endless examples rooted in the minds and consciences and memories of members across the way, knowing that this is precisely the case. Why can't we instead, as we New Democrats want, in conscience and with commitment and compassion and understanding and our creativity and public will, work together creatively in a co-ordinated way to use the strong resources of the Crown to invest and to use and direct this industry for future generations and for all Albertans? Why is there such a lack of political will on this key point? Why is there a lack of confidence in the role of the Crown to finance, own, and control its own telephone and telecommunications system?

Now, we've seen how Margaret Thatcher, the Iron Lady, who is a hero to many in this Assembly on the government side, has had her way selling off the assets of the people of Britain. We saw examples, as the Member for Edmonton-Highlands pointed out last night. Now she wants to sell the public resource of water to the British themselves. I mean, where will it stop except by Margaret Thatcher's inevitable demise soon in that part of the world? Then we saw how they came over to Saskatchewan. Didn't they come and bring all of Thatcher's advisers over to Saskatchewan? They even had a privatization minister in the province of Saskatchewan. Let's sell off this, sell off that. You know, they were going to sell off Tommy Douglas's grave, I'm sure, if they could. But they've stopped with SaskTel. Now, maybe members across the way can explain why, with this ideological fix, with this wholesale sell-off of that province, they've stopped with SaskTel. If they've reached the point where enough common sense has overcome their ideology in that example, why can't we in this province see that common sense, as we're arguing, can overcome the ideology that has so blinded members in this government.

I hear even the Premier, the Treasurer, the minister across the way, and others say, "Well, you know, it's just been a bad year for socialists." They try to paint anyone who talks about public participation in the economy as having had a bad year, and they insinuate that this has been a bad year for those who with any reasonable conscience want to maintain public participation in certain sectors of the economy. Isn't that the cry from across the way, that anybody who holds fast to this reasonable approach to the affairs of the economy is having a bad year?

Well, let me tell the Premier, the Treasurer, and members on the government side what someone else said in response to that argument. This someone else happens to be His Holiness, Pope John Paul II, the Pope of Rome, who recently on a trip to Mexico made these comments about that spurious argument, Mr. Speaker. I'd just like to read it into the record. The Pope says:

Only a "superficial" interpretation would consider communism's fall in Eastern Europe "as the triumph or failure of one system over another, especially the triumph of the liberal capitalist system."

Then he goes on to say to these Mexican businessmen on May 9:

"Special interests would like to take the analysis to the extreme, to present the system that they believe the victor as the only road for our world . . ."

Then, in conclusion, the Pope says:

Capitalism contains "the temptation to convert the national community into something at the service of the special interests of the company."

End of quote from the speech of the Pope on May 9.

Well, Mr. Speaker and members of the Assembly, this is a serious matter, and we in the New Democrat caucus want to argue strenuously, as the Pope said in his address to Mexican businessmen just last month, that we do not want "to convert the national community into something at the service of the special interests" of the private company. That is our point. That is our bottom line. We can only say that this key industry of the future is part of our provincial community. We do not want it to become a whim of the special interests of the private company.

Mr. Speaker, speaking to this amendment, then, we can clearly see how in all good conscience we can stand up with fair-minded, reasonable people around the world and agree with this amendment, to say this Bill 37 shall not now be read a second time but the principle of a public utility with a primary mandate of serving the interests of the common good is really why we're called upon to be here in this Assembly this day in 1990.

Thank you very much.

MR. GIBEAULT: Mr. Speaker, I rise to support the amendment of my colleague for Edmonton-Highlands. This is a very important amendment because we're talking about the principles of a public utility. Now, I know that people here across the way don't believe in public enterprises. We know that. It's regrettable, because this government has created more public enterprises than any other government in the history of this country. Yet now, all of a sudden, we've got one that has been providing good service to the people of this province for many years, almost as long as Alberta's been a province, and they want to sell it off to friends of theirs who can afford to buy shares in the company. Of course, once you accept that principle, then who will make the decisions about the kinds of directions and services AGT will provide? Is it going to be the customers? Will it be people in the rural districts; for example, like Smoky Lake? Or are we going to now say . . . [interjections]

I'd like to hear my friend from Redwater-Andrew make some comments about this amendment and this Bill, because Albertans like those in his riding and other rural ridings of the province are going to be hurt the most if this Bill is passed. I'm going to tell you, Mr. Speaker, if private enterprise gets hold of AGT, there's no interest in their putting individual line service all across the country. There's no interest in their providing reasonable rates for the smaller communities around the province. It's not cost-effective. So I'm surprised that we have not yet heard today one of the back-bench Tories here standing up and defending this Bill in the interest of their constituents. They ought to be ashamed of themselves. I would think especially my colleague for Redwater-Andrew would like to get on the front page of the *Smoky Lake Signal* for some reason other than his sleazy land dealings, that he stand up on behalf of his constituents to talk about how he's in favour of. . . [interjections]

MR. ZARUSKY: Point of order.

MR. ACTING DEPUTY SPEAKER: Point of order, the Member for Redwater-Andrew.

MR. SIGURDSON: Citation?

MR. ZARUSKY: Twenty-three (i). I take offence to that, Mr. Speaker. I think the people of Redwater-Andrew and mainly Smoky Lake are very pleased that this government is finally going in the right direction. I think the Member for Edmonton-Mill Woods is misleading the public and should withdraw that statement. He is disgracing the fine free-enterprising people of the area.

MR. ACTING DEPUTY SPEAKER: Hon. member, I think you've made your point.

MR. SIGURDSON: Mr. Speaker, on that point of order. You'll have to excuse me and indulge me on this.

MR. ACTING DEPUTY SPEAKER: Order please. I believe the Chair did not quite catch the words of the hon. Member for Edmonton-Mill Woods. I possibly heard the word "sleazy," but I would like to review the Blues. The hon. Member for Redwater-Andrew has taken issue with motives ascribed to him, and I think at this moment there is a disagreement among members. I would like to therefore ask the Member for Edmonton-Mill Woods to proceed.

MR. SIGURDSON: Well, Mr. Speaker, on the point of order, I will cite section 489 of *Beauchesne*, which is what the Member for Redwater-Andrew used as his citation when he stood on his point of order. Now, clearly I heard – and I checked with 489 – he said that the Member for Edmonton-Mill Woods was "misleading the public." Now, in that section of 489 it's clearly unparliamentary to be using that expression. It's right in there. So I would ask that the member withdraw. It's very clear in this section of *Beauchesne*, Mr. Speaker, and I would ask for your ruling on that.

MR. ACTING DEPUTY SPEAKER: Are there any further comments on this second point of order?

MR. GESELL: Mr. Speaker, I think this matter has been discussed previously. If the Chair would look at 489 that has been cited and also 490, you would find there is a discrepancy here in *Beauchesne*: 490 indicates, in fact, "Since 1958, it has been ruled parliamentary to use the following expressions," and "misleading" is listed there. Although the same term appears in 489, the later reference 490 contradicts that, so I have no problem there.

However, Mr. Speaker, on the terms that were used by the Member for Edmonton-Mill Woods . . .

MR. ACTING DEPUTY SPEAKER: Order please. We have two separate points of order dealing with two separate remarks, and I was dealing with the second one. The first one, I believe, the Chair has dealt with in that the Blues or *Hansard* will be reviewed and a ruling made later.

MR. McINNIS: A point of order on the second point of order.

MR. ACTING DEPUTY SPEAKER: No, hon. member. I believe it is the custom of the House to allow a spokesman from each caucus to speak on a particular point of order.

The Chair does not, because of the context in which it was used, view the remarks of the Member for Redwater-Andrew as being out of order, only with respect to the context in which it was used in that certain motives or conclusions of the Member for Redwater-Andrew had been referred to by the previous

speaker. In terms of refuting that, I think there was fault on both sides. There was a disagreement over the facts in terms of the members, and I would rule that in that context there is no point of order on the second point of order.

I would ask the hon. Member for Edmonton-Mill Woods to please proceed.

MR. HYLAND: Point of order, Mr. Speaker. I had sent you a note wondering if I could get unanimous consent of the House to revert to Introduction of Special Guests.

MR. ACTING DEPUTY SPEAKER: The Member for Cypress-Redcliff has requested the unanimous consent of the Assembly to revert to Introduction of Special Guests. Are you agreed?

HON. MEMBERS: Agreed.

MR. ACTING DEPUTY SPEAKER: Opposed? Please proceed.

head: Introduction of Special Guests
(*reversion*)

MR. HYLAND: Thank you, Mr. Speaker, and I thank all members. Mr. Speaker, I'd like to introduce in the gallery the Lieutenant-Governor of the state of Montana, Hon. Allen Kolstad, and former state Senator Pat Goodover. The one gentleman I met a number of years ago when we started the border commission. He was just a state Senator; now he's the Lieutenant-Governor and, I understand, is also the Republican candidate for the U.S. Senate in the state of Montana. If both gentlemen would rise and receive the warm welcome of the Assembly.

head: Government Bills and Orders
Second Reading

Bill 37
Alberta Government Telephones
Reorganization Act
(*continued*)

MR. GIBEAULT: Mr. Speaker, I do believe I used a word that had been previously ruled unparliamentary, that being "sleazy," and so I would like to withdraw and apologize for that.

In the heat of the moment I was just trying to think of my friends across the way, including the Member for Redwater-Andrew, and encouraging them and trying to give them an opportunity to stand up, to get on the record, and to get on the front page of their local community paper for an honourable purpose, which would be keeping Alberta Government Telephones in the public sector so that it's owned by us and not concentrated ownership by a few wealthy friends of this government, like the Cormies and the Pocklingtons and all those people who don't care whether or not Mrs. Kochansky of Redwater has an individual line or whether she gets a reasonable rate or whether or not her pension is going to cover her to get a reasonable rate. They don't care about things like that, Mr. Speaker.

I'm sure that the members across the way do have the best interests of their constituents at heart. Sometimes I wonder, but I suspect they do; I hope so. I want them to stand in the Legislature today and explain for the record, for their con-

stituents and all Albertans, why they do not want to keep AGT as a public utility. And that's exactly what this amendment is: having the principle of a public utility under public ownership so that it serves the interests of the public, not the private interests of the wealthiest people in this province but the public, in a fair, equitable, and affordable fashion. Mr. Speaker, if we don't accept this amendment, then we are basically abandoning the long-standing commitment of Albertans to a publicly operated telephone utility that serves us.

Now, we've often had disagreements with this government about what constitutes an essential service. This government seems to believe that everybody that works for the government is an essential service, but surely we might have some agreement that telephone service is an essential service. People around the world need that in terms of having access quickly to emergency services when there is an emergency, to educational and health services, to all manner of government services, and government provides so many important services to people at all levels: municipal, provincial, federal, and so on. So clearly that is a service that is of critical importance to all Albertans. I am not sure what the exact number is, but I'm sure close to 99.9 percent of households in the province of Alberta have a telephone, and 100 percent of businesses do. Certainly there's no self-respecting business that could function in this society without telephone service. So I put it to the members across the way: we really would like to hear them stand up and defend the interests of a public utility that serves the public – that is, their constituents – in a fair, equitable, and affordable fashion.

Mr. Speaker, if we don't accept this amendment and we go back and adopt Bill 37, I fear that this will be the thin edge of the wedge. First, we privatize the sale of shares of AGT, and the decisions are made by a concentrated elite group in the province. Now, we're starting with 10 percent foreign ownership, but who knows where that will go? It could be 20, 25, 30 percent. In fact, once we start this process, the 10 percent restriction, I can just see that the American AT&T or Sprint or some of those people across the border will say: "Hey, that's an unfair restriction. Why are you limiting to 10 percent trading shares of AGT?" I can just see that coming. That's going to be a result of the free trade deal, sure as I'm standing here. Then, of course, we will have to say, "Well, son of gun, we're into this free trade agreement; we have to open it wide up." Now, once all the shares of Alberta Government Telephones are on the market, who do you think is going to buy them? You can just be sure as shootin' that the utility and telephone companies south of the border would just love to have Alberta Government Telephones as one of their regional enterprises. But because it's going to be one of their regional enterprises, a small one, perhaps, in the overall scheme of things with Sprint and AT & T and all the rest of them, do you think they're really going to be concerned about the local service that's provided in small communities like Athabasca and Lac La Biche and Redwater and Dunvegan and all of these smaller centres in the province of Alberta? No, they won't care about that. They only want to see the biggest possible profits.

I put it to the members of the Assembly that if this amendment is not accepted, if we don't back off from Bill 37, if we don't have public hearings and full discussion about the impact of such a Bill before it's rammed through by this government, we are just opening a Pandora's box that we will live to regret, that our children will condemn us for. Mr. Speaker, we cannot allow that. We must maintain that the decisions, the management, the direction, and the control of Alberta Government Telephones remain in Alberta with Albertans to serve Albertans

for Albertans and not for people outside of Alberta, certainly not for people in New York or Los Angeles, who would be hard-pressed to find Alberta on a map, to be frank about it, Mr. Speaker. Some people might have seen some of the recent – there was a recent program on PBS where there was survey if people in the United States could identify even a couple of provinces of Canada. They couldn't even identify them, Mr. Speaker.

I'm trying to warn the Treasurer and all his front-benchers and backbenchers that we are making a grave, grave mistake if we do not accept the amendment here by my colleague the Member for Edmonton-Highlands to endorse the principle of a public utility and make sure that AGT remains in the public sector to be controlled by all of us in the interests of providing the best service for us.

Now, I don't understand. There may be some members on the Conservative side who seem to be of the opinion that AGT is not doing a good job for Albertans, and if they believe that, they ought to stand up and say so, because we don't believe that. We believe that . . .

AN HON. MEMBER: We just want them to continue to do a good job.

MR. GIBEAULT: We want to continue: that's it exactly. So why members like the Member for Clover Bar are suggesting that we sell it off and give it over to the wealthiest people of the province is really quite beyond understanding, Mr. Speaker. We want to keep that telephone company in the public sector to serve us.

As I said before when we were talking about the question of individual line service, we know that AGT is one of the leaders in this regard, with assistance from the provincial government, to provide individual line service to the entire province. The plan is to have that in place in the next few years. I commend the government for that, and I commend AGT for that. I can't understand why, after we've built up such a jewel, such a precious and valuable public enterprise that will be the envy of people around the world – certainly in rural communities across North America we will have the best service, bar none – we would all of sudden now want to turn that over to the private sector. For them to milk profit out of that after Albertans collectively, as customers and as taxpayers, have created such a fine enterprise is really shocking. It's a betrayal, Mr. Speaker. That's really what it is. Let's call a spade a spade.

Now, one of the things that's going to come out of this if this goes ahead, we know, is local measured service. Mr. Speaker, local measured service is going to come here sure as heck if this Bill goes ahead. Local measured service is a lousy service, but it's the kind of service that you've seen in other jurisdictions like Britain, New York, and other privately operated utilities around the world. The principle of it is that you have to pay for using your phone every single time you use it. The longer you're on the phone – it doesn't matter if it's an emergency or if you're calling your mother or any community purpose, any purpose whatsoever, you're charged for as long as you're on the phone and for the distance that it costs to call you. So we get rid of extended flat rate calling, and now we're going to have the situation, like they do in these other privately operated jurisdictions where maximum profit is the overriding objective, of local measured service. We're going to have a situation that is going to, I put forward, destroy the voluntary sector in this province.

Now, the government on many occasions has gone on at length about how we are great volunteers in this province, how

more people perform volunteer community service than many other jurisdictions in the world. That is true, and one of the reasons for that, Mr. Speaker, is that the telephone service that provides for free local use within the local jurisdiction allows all manner of community groups to organize and contact people, to organize fund-raising events for their church, for their school, for their community groups, for service clubs, for festivals, for seniors organizations, and for all manner of voluntary-sector groups. Now, can you imagine the impact once we get to local measured service under a privatized AGT every time you pick up the phone? How many members of church congregations are going to be involved in doing organizing for fund-raising and charitable work if every time they get a list of members to call, it costs them 25 cents? The same thing with seniors. You have a seniors organization, and they're trying to organize some special community event. Do you think a person is going to be able to indirectly afford that kind of a subsidy where they have to pay a quarter every time they call people to organize a particular event? If you want to see community and volunteer activity and voluntary service in the province of Alberta go right down the tubes, then that's what this is going to have, a very detrimental impact on that very valuable voluntary service that we have.

Now, I know that the members across the way would not want to even consider the impact of this on themselves, probably from their own self-interest, but I'm sure they've got to give this some consideration. Because even at the political level, Mr. Speaker, most political activity is done by volunteers: canvassing, telephone organizing, and so on. I just have to wonder if the reason that the government's supporting this and what's going to lead inevitably to local measured service is because they can afford those extra costs. We all know that their campaigns are financed by the oil companies and the banks and all those big businesses who seem to have endless buckets of money to put into PC election campaigns. But I want to tell you that not all people are in that situation, and certainly for parties like ours, the New Democratic Party, which is organized and supported at the grass roots, that's going to be a liability. But I would suggest that even in the Conservative Party at local grass-roots campaigns that would have a negative impact. But the more important impacts, of course, are on all those community activities that I've identified: Boys and Girls clubs, the community leagues.

I know this is going to have a terrible impact on my constituents if, as I'm sure is going to come down the road eventually if this goes through, ET is going to be gobbled up by AGT. So then all of the problems with Bill 37 here reflecting AGT are going to be affecting Edmonton Telephones at some point down the road, and that is not acceptable. So on behalf of my constituents in Edmonton-Mill Woods, today I am trying to encourage my colleagues from the Conservative benches here to think carefully about what is involved in Bill 37 and to support this amendment of my colleague the Member for Edmonton-Highlands to keep this public utility, this jewel that we have created collectively, that we have built, that has provided such an important and valuable service to all Albertans, and to make sure that that stays as a public enterprise to serve the public of Alberta.

Now, Mr. Speaker, one of the expressions that the government likes to talk about – it's really a euphemism – is something called rate rebalancing. What they're talking about is the difference between long-distance revenue and local revenue. The government would have Albertans believe that there is something wrong with the current practice of having long-

distance revenue support local service. Well, of course, those who don't believe in universal access to any kind of service, and now we're talking about telephone service, feel that there's something wrong there. They know that most of the long-distance revenues are generated by their pals in the corporate sector who run up long-distance bills. They seem to feel that now we're going to have to change this so that the local individual – the retired senior citizen, the single mother on a very marginal income, people who have to go to the food bank, those who are unemployed – all kinds of people, all kinds of individual Albertans who can't afford it are now going to have to pay higher so that we can give the corporations a better break on their long-distance bill.

Now, we reject that, Mr. Speaker, as a matter of principle. We accept and agree that it is equitable, as it says in the amendment that's before us, equitable to have those who can afford to pay for services that are essential pay more so that everyone can have access to those services. We believe it is appropriate that the corporate sector, which is the biggest user of long-distance services, should pay a little more so that we can make sure that all Albertans, in urban areas or in rural areas, from the north to the south and from the east to the west of this province, have access to basic telephone service so they can call the school if their child might be sick, so they can get in touch with medical services when they need them, so they can be active members of their community. That is absolutely essential, Mr. Speaker.

What we're talking about is that if we don't accept this amendment and therefore go to accepting Bill 37, we're going to be involved in this rate rebalancing. As I said, that's a euphemism for saying that the corporate long-distance users should shirk their corporate responsibility to provide and to ensure that local service is available to all citizens of our province. Another example of the people who use rate rebalancing, of course, would be people like the Prime Minister and the Premier. Now, I know they've been on the phone recently and had jaw-flapping sessions about Meech Lake and so on. But, really, Mr. Speaker, I don't accept that we have to have a change in the rate structures that have existed for telephone service in this province so that we increase the hardship on the people who can least afford it, at the bottom end of our social and economic scale, in order to make it easier for the Premier and the Prime Minister and the likes of them to flap their jaws at a reduced rate.

Now, I would just go on to say that one of the other components of Bill 37 that is really quite important and that we have to address here is the idea that it is proposed to sell shares in Alberta Government Telephones. It's clear, Mr. Speaker, that this government, and particularly some of the right-wingers in the back benches here, start frothing at the mouth every time we consider the possibility of selling off a public asset and giving it over to someone who's going to use it only for their private profitable purpose, and it's strange to me that we're now picking on AGT. Now, if we accept that we should sell off AGT, what's next, Mr. Speaker? Are we going to have share sales in the schools of this province, and then only those families who have got shares in the school will be allowed to send their children to the school? Is that next? Or maybe the government thinks that we should privatize and sell shares in community facilities, all those facilities that the government has supported around the province which are supposed to provide service to all members of the communities, community facilities that are very nice in many cases. We have some in my own riding. I can just see that that'll be next.

We'll be looking at measures to form private corporations for community facilities all around the province. That'll just make sure that more of the wealth of the community is channeled into private hands and that the majority of people who cannot afford to buy those kinds of shares are marginalized. No one who believes in any degree of fairness or equitable access to various facilities in our province could possibly support that, but that's only the logical outcome. Now, maybe the next thing after that, we'll sell shares in the Legislature Building. Maybe that would be a big seller; I don't know. Maybe we'll just let people come in here who can afford to buy a share in the Chamber. Maybe we'll have a marketing scheme where people will have a chance to sit in the chairs here once in a while, depending on how many shares they own. You can see, Mr. Speaker, the ludicrousness of the whole proposal. Maybe we'll sell shares in the reflecting pool out here, and on a hot summer day only those people who have got shares in the pool will be allowed to dip their feet in there or have their kids take a little walk through the pool. I mean, we're just showing, Mr. Speaker, how ludicrous the whole idea is entirely.

I mean, we've got public facilities. Anyone who's got anything between the ears knows that we've got to have a public sector. We've got roads, all kinds of community facilities, schools, community league halls, government buildings, and so on. Why the government has chosen to single out AGT, an entity which is profitable, providing good service, and now simply sell it off to private interests who have no regard whatsoever for the public interest is confusing. We in the New Democratic Party have great difficulty understanding the ideological blinkers that the members across the way here put on when they look at questions like public enterprises.

As I said before, if the government is not going to support this amendment, then these members are insulting the former Premier of this province. You never heard the former Premier of this province talking about selling off such an important and valuable enterprise, did you? I don't recall him saying that, and I don't believe we should be insulting the good Premier, Mr. Speaker. If these people are going to insist on insulting the former Premier of the province, it's disgusting. There's nothing sacred in this Chamber.

So, Mr. Speaker, I've covered many of the points here. We've got a problem with the whole idea of foreign ownership of a provincial utility that's so important. We simply cannot allow that as a matter of principle. We cannot allow private interest to lead us backwards to more party line operations in rural areas, lead us down the paths which have been a failure in other jurisdictions for local measured service, and put the cost of telecommunications service on the backs of our poor seniors, single parents, all kinds of individuals and families who are already having a difficult time of it, so that we can give a better break to the corporations of this province and the corporations of other jurisdictions, so they can have fun trading shares on the stock exchange with our telephone company.

We are not prepared to accept that, and if the members across the way are prepared to sell out their constituents, Mr. Speaker, history will show them and their children will condemn them for that.

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

MR. McINNIS: Thank you, Mr. Speaker. I would like to address a few remarks to the well-reasoned amendment put

forward by my House leader, the hon. Member for Edmonton-Highlands. The reasoned amendment suggests that

this House believes in the principle of a public utility being operated with a primary mandate of serving the interests of the public in a fair, equitable, and affordable fashion, which could be superseded by the Bill.

Now, I think that's a sound principle and is one that this Assembly needs not only to debate but I think to approve, and I would like to explain why.

We almost had history made in the course of this brief debate this afternoon. I sat with breathless anticipation for a brief moment when it appeared as if the leader of the Liberal Party was going to take a position on this issue. He seemed to be inching ever so close to declaring whether he was in favour of the Bill as it is or, failing that, perhaps even the amendment. He began by saying that he has no problems with it; he has no problems with the privatization. Then he went on to think of a problem instantly. He said that there is one problem: there's the problem of cross-subsidization, the problem of the fact that hitherto in Alberta profits made from long-distance revenue have been used to reduce the rates charged for basic telephone services and installations and the like. So he did manage to think of problems. He then went the next logical step. I believe this is Liberal Party logic: well, okay, if there were no problems, then he'd be in favour of it. So he asked the government for an assurance that there will be no problems if he supports this Bill. If he gets the assurance from the government that there'll be no problems with this Bill, then he'll continue to have no problems with it, and therefore he'll support it. So at that point I realized we were into the same old Liberal mush, and my breathless anticipation, my hopes were dashed. We're sort of back to the same old stuff all over again, waiting to determine which way the parade is going so that the leader of the Liberal Party can rush out in front of it and say, "Here I am, leading the parade." And we'll anticipate . . .

MR. BRUSEKER: Let's get to second reading, and we'll tell you.

MR. McINNIS: Pardon me?

MR. BRUSEKER: Let's get to second reading, and we'll tell you.

MR. McINNIS: The member promises that the Liberal leader will tell us his position on second reading. I'm back to breathless anticipation, Mr. Speaker, and I'll just have to wait until that point comes.

Meanwhile, I think we should debate the amendment, which establishes a very important principle: that we should have a public utility operated with a primary mandate of serving the public interest. You know, it's more than probable . . . In fact, it's more than likely; I would say it's a virtual certainty that if this Bill were to pass, phone bills will increase both for basic telephone service and for installation charges. That will be especially difficult on rural users. It has been mentioned by others in the course of this debate that there is no comparison between installation charges in Alberta and the charges that are made by other privately owned telephone companies throughout the rest of this country and, I think, elsewhere around the world. We have a \$35 flat installation rate. Others are usually done on a mileage basis, usually in the thousands of dollars per mile. There's very little doubt that we'll move in that direction.

But I think there's equally less doubt that the principle of cross-subsidization, which the Liberal Party would like to assume away or would like somebody to assume away on their behalf, is the very real problem that underlies this issue, and it's the one that especially people in rural Alberta are particularly concerned about. But I suspect that as people in Calgary and other areas where the basic telephone delivery service is provided by AGT learn about the economics of this industry and the economics of privatization, they too will begin to have a concern that their telephone rates, the basic service rates, will increase.

Now, it does seem very likely that some of the potential entrants into the market, whether it's for the acquisition of shares of AGT or some of the services that they feel they would be able to offer under a privatized AGT, stand to benefit. It's pretty clear that people who would rely on corporations like that for support of one kind or another would be motivated to support the Bill. But I think that motivation is not reason enough to support the Bill, because they aren't the ones who put us here in the Legislative Assembly. I know they pay for some of the campaigns of some of the people in the Legislative Assembly, and they pay for some of the \$150, \$200, and \$250 a plate dinners that helped some of these campaigns get on television partway through the last provincial election campaign. But I don't think that's reason enough to support this particular legislation.

I think we have to be concerned about the fact that a public utility can be made by this Legislative Assembly, is made by this Legislative Assembly, is given a mandate by this Legislative Assembly to serve "the interests of the public in a fair, equitable, and affordable fashion," whereas no private owner can be given that mandate. This Assembly can't give a mandate to a private owner. As many of these free-enterprisers will tell us from time to time, that's the business world. We can't tell them what to do; they make their own decisions. Well, of course they do. What this amendment says is that we should preserve and protect the situation in which decisions can be made in this Assembly in the very narrow area of providing phone service to Albertans in a "fair, equitable, and affordable fashion."

I think perhaps this might be an appropriate time to look at the record in terms of privatization: what it means; what it has meant. Telephone services have been privatized in various measure in the United States and in Great Britain recently. Some of the evidence is in, and I think some of it should be canvassed during this debate on the amendment to Bill 37. *The Economist* magazine, a respected international financial journal, observed as recently as 1987:

Despite the assumptions of the divestiture, long-distance telecoms cries out to be a monopoly. The price a long-distance carrier can afford to charge declines continually as the volume of usage increases, simply because its fixed costs – building and maintaining the network – are so high and the variable costs so low. Millions of dollars' worth of extra calls can be handled at zero extra cost.

That's the position that AGT is in today, and it's one that I think we should look at trying to preserve and protect rather than simply caving in to some of the forces that come by and taking the easy way out and saying, "Well, let's get rid of it." That's basically what this government is doing, taking the easy way out, and the Liberal Party is looking for assurances and excuses that they can take the easy way out as well, and we'll see which way they take eventually. For example, the Consumer Federation of America says that people have greatly underestimated how much the long-distance networks are barriers to entering into the market. The MCI and U.S. Sprint systems bought AT&T's excess capacity at a discount – that's how they

got into the market – and retailed them at a profit. So they bought excess capacity wholesale, and they sold it resale to various clients.

In this respect the reduction in U.S. long-distance rates was manufactured by the regulator. The excess capacity was there, and it was available at a discount, so the opportunity was taken. When the regulator dropped the discount, the companies had no choice but to construct their own fibre-optics network, and that's what's happening now in the United States. You have parallel networks being built to try to attract enough traffic to match the economies of scale that their competitor AT&T enjoys. So when Unitel claims \$500 million of investment and jobs for Albertans, we have to ask ourselves whether we're going to end up in the situation where we have two completely separate telecommunications networks and what the costs of that would be to the consumer when it all comes out in the wash. That's, I think, another reason why this House should support the principle of a public utility operated with the mandate of serving the public in a fair, equitable, and affordable fashion.

So in order to hook up the national network of local phone companies, AT&T pays what's called the Baby Bell regional companies and any other companies with local phone systems an access charge. In 1987 AT&T announced it would cut long-distance rates by 3.6 percent in return for a reduced access charge. The regional carriers then applied to the Federal Communications Commission in the United States to raise their local rates to replace the lost revenues that came from those access charges. So the consumer got it again: got an increase in local service charges as a result of the loss of these access charges which were forced under the privatization, the deregulation system, in the United States.

Now, where have those increases been? Well, the results have been increases in the range of 40 to 60 percent for local services in the United States, and of course those have been especially tough on low-income families, as you would expect. Lifeline rates have been reduced to low-income families. You know, that's something that should be thought about by this Assembly. We're making it possible for seniors to have these life-call systems at a subsidy, but they're eventually going to have to be paying telephone rates to support those things. Those telephone lines and the basic services provided there are something that we in this Assembly will have a responsibility for in the future if this Bill passes the Assembly. Undoubtedly, governments will try to shake that off and say: "Well, you've got to talk to the private owners. You've got to talk to the CRTC. You've got to talk to anybody but me." You know, what we're saying with this amendment is that the buck stops here in this Assembly and now is the time for us to take the responsibility for our actions.

It's interesting to note that two Canadian economists who've done a great deal of work for the federal government, William Stanbury and Steven Globerman, have advocated local measured service, a concept that was discussed in some detail by my colleague for Edmonton-Mill Woods. They argue that fairness and efficiency would increase with local measured service, but they admit that equity is lessened. I quote:

The higher average price of local service embodied in LMS will endanger the social objective of "universal, affordable telephone service."

Well, that's true, but it's also one of the things that could easily come out of a private market, deregulated, telephone system, and I think that's a point we should keep in mind.

Now let's look at what happened in Britain. British Telecom in 1984 was sold off by Margaret Thatcher, whose name was applauded by members of the government bench earlier this

afternoon. On the surface it appeared to be a very successful share issue. The share issue was oversubscribed. The earnings did quite well for a period of time. However, the one area that suffered was service. British telephone service was and is regarded as being the worst in Europe. Privatization certainly didn't solve the problems of poor telephone service in the United Kingdom. Complaints to the watchdog agency increased by an astounding 56 percent to over 15,000 in a single six-month period. The chairman of British Telecom had this to say. Quote:

Dramatic improvements were never going to result from privatization, or any structural change in an industry where radical improvement is dependent on the fruits of huge investment in modernization.

There you have it, Mr. Speaker. The top official who presided over privatization said that it didn't solve a thing, that we should have concentrated on solving the problems rather than this other gimmick which in the end didn't solve anything. It moved some paper around, it transferred ownership, it perhaps made some money for some people who bought shares, but it didn't solve the problems of telephone service, and it didn't solve the problems of investment.

Again, as has been talked about in this Assembly, British Telecom also faced competition in the long-distance area from a new competitor, the Mercury system, licensed in 1982. Mercury is, again, as has happened in the United States, no longer using spare capacity in the British Telecom system, but they are constructing their own network, and they're trying to peel away the most lucrative elements of the market, the business market. They're attempting through that to maintain some type of a discount over what British Telecom has to offer. Well, since Mercury entered the market, local residential rates have increased 40 percent, greatly above the inflation rate over the same period of time. Business-based calls on routes facing competition fell over 30 percent over the same period. So what's happening here, Mr. Speaker? It's very clear. The lucrative business market enjoyed a 30 percent discount. I think before you make up your minds, members of the Liberal Party, you should listen to this. The business market enjoyed a 30 percent cut in rates; the residential market suffered a 40 percent increase. That's what happens under privatization.

How long can we put our heads in the sand and say, "Well, we have faith in the CRTC; they're going to resolve these problems"? My God, where is Peter Lougheed when you need him? He was always pushing the feds off the front porch. You guys are inviting the feds into the bedroom and you're saying, "Come on; take advantage of us." That's the position that's being put forward. "We don't have to worry about the United States, we don't have to worry about the reality of Britain, we don't have to worry about what's happening everywhere around the world because the CRTC is going to protect us." What a bunch of nonsense. When was the last time we had an Alberta government saying that a federal agency is going to look after the interests of Albertans? When did we have a provincial government in Alberta that said they were quite content and quite convinced that the record of reliability of a federal agency to regulate what has been up to now a provincially-owned public utility was going to solve all of the problems? You know, the people who were shoving the feds off the front porch, their heads must be spinning over the attitude of this government today on this very important question of who is going to protect the public interest.

The amendment suggests that "the principle of a public utility operated with a primary mandate [to provide these services] in

a fair, equitable, and affordable fashion" will achieve that goal. I don't believe anybody in this debate has put forward another model that will achieve that. The minister, in kicking off the debate, thought that he would be capable of handling both sides of the debate. He presented his argument, and then he presented what he thought might be our argument. He figured he had the whole thing wrapped up in his one speech, that we should then just go ahead and pass the Bill and leave it up to him.

Well, I do believe that reference should be made to the Olley report – Prairie Provincial Study on Telecommunications: An Examination of the Potential Impacts of Competition in Long-Distance Service on Rural and Urban Subscribers – because there's a very clear finding in this report. I'll read just a brief quote:

Under the most likely competitive scenario, where SaskTel would have to cut its own rates by 20% to hold 80% of the [long-distance] market, while the competitor offers a 25% rate reduction to its 20% of the market, basic service rates would have to rise by 98% (assuming an even percentage increase for all basic service rates) to meet the shortfall in revenues.

That's the conclusion of the study that was prepared on SaskTel looking at the effect of this development, carried out under the direction of Dr. R.E. Olley, an economist from the University of Saskatchewan.

Does it sound familiar? I think if you're listening to my arguments, Mr. Speaker, you will see and you will hear a parallel between what has happened in the United States, what has happened in the United Kingdom, and what Dr. Olley says is likely to happen in Saskatchewan. In fact, Dr. Olley's analysis is grounded in reality rather than fantasy, and I believe we should listen to reality over fantasy when we're dealing with a Bill of this importance to people in the province of Alberta.

The Minister of Technology, Research and Telecommunications says that we don't have to worry about it because the CRTC will look after us. Well, I suggest that that is fantasy and that's not reality. It's certainly not proven; it's a bald-faced assurance. If the members of the Liberal Party are prepared to believe that kind of assurance, then I'm sure they'll come out here and support the Bill. But I'm not prepared to believe it. I don't believe my constituents are prepared to believe it, and I think it's . . .

MR. STEWART: Why don't you ask them?

MR. McINNIS: The minister says, "Why don't you ask them?" Well, I did. You will recall that the former Minister of Technology, Research and Telecommunications was my honourable opponent in the last provincial election campaign, and as a matter of fact we did talk about AGT in the election campaign. I suggested one day during the campaign – I believe it was March 6 – that perhaps the provincial government was thinking of privatizing AGT. I brought that up, and I said that Mr. Young in his capacity as the minister had put everything in readiness for the sale of AGT. I said that the only thing that's holding them back is that they want to get this provincial election out of the way first. What had Mr. Young said? He said: I'm the minister and I'd be the first to know. All right? He said that he had no confidence in what McInnis says as being factual. Hmm. Well, does that sound like a denial to you, Mr. Speaker?

Now, it does seem that the electors of Edmonton-Jasper Place did have to try to make some type of judgment as to who was telling the truth about this operation. Darned if I wasn't

elected, and I guess he wasn't. So it does seem, you know, that people in my constituency have had some occasion to ponder this matter and perhaps considered that, among other things of course, in deciding how they were going to vote. I'm quite prepared to ask them what they think about it, and I don't sense that most of them are inclined to believe very many of the assurances that come from the government these days.

I don't want to bore the House or stray outside the bounds of relevance by talking about all the occasions upon which the government has said one thing and perhaps done another, but I was amused in preparing my remarks to unearth another newspaper clipping from June 14, 1988, in the *Edmonton Journal*, where reports of the sale of AGT surprised technology minister Les Young. He says, quote, "I absolutely know nothing about the (reports) and so far as I know they are way off base." Way off base. Well, what base are we on now? Earth calling PC government.

I think we've reached a base in which people have a little bit of difficulty believing some of the assurances that come from this government. I think the assurance that the CRTC is somehow going to look after these problems, as the minister and the government washed their hands of it completely, is not going down very well with Albertans, and I caution the Liberal Party that they should be careful before they believe too much of that themselves. It seems as if the provincial government has been working for a very long period of time to put this package together. They just didn't feel it was appropriate for them to bring Albertans in on it. They didn't feel it was appropriate to share the Keith Alexander report, to bring the people into their confidence, to have a kind of open discussion about this prospect prior to an election rather than sort of dumping it on us midterm and expecting somehow that the Assembly would comply and pass this legislation within a matter of a few days. Well, it ain't going to happen, PC government. We're not going to roll over; we're not going to play dead. We're going to fight this thing; we're going to take it to the wall.

Now, there are a great many Albertans who have concerns about this move, and I believe that their concerns should be expressed. I think there are many Albertans who feel that the principle of

a public utility being operated with the primary mandate of serving the interests of the public in a fair, equitable, and affordable fashion . . .

Their voices should be heard. I mean, the government has yet to reveal all of the details of this share offering, and I think it's passing strange that we should be asked to approve a share issue without seeing a prospectus. You don't ask the Securities Commission to do something like that. Why should the Legislative Assembly be asked to approve a share issuing without seeing a prospectus? I suggest that it is incumbent on the government to reveal more of its plans before it can expect the Assembly to grant the sweeping authority which is provided for under Bill 37.

What is the purpose of selling the shares? What is to be done with the proceeds? The suggestion was made, by the minister I believe, that the money would be used to pay down the debt. Now, he wasn't clear; it wasn't clear to me from hearing his comments whether he was talking about the debt of AGT or the debt of the provincial government that would be paid down. I suggest to you, Mr. Speaker, that, in any case, they will end up blowing this money on some harebrained scheme like they've blown most of our heritage in the past, that there will be another GSR come along or another Vencap or another North West Trust or another Pocklington Financial Corporation. Another harebrained scheme will come along, and any of the

proceeds from this sale will be blown on another money-wasting scheme in any case. So I'm not sure that there is an upside to go with the downside that I've been talking about in my remarks.

We're being told that quite aside from the proceeds and the debt question, the primary reason for doing this is to allow for a greater ability to compete in an ever changing telecommunications industry. But what guarantees are there, for example, that a privatized AGT would not be an even more ruthless competitor in the marketplace than they are right now? Already we're getting complaints from businesspeople who feel that AGT is unfairly competing in computing software and some of the ancillary regions of the telecommunications industry. That's certainly something that some elements of the business community should think about before we turn this operation over to the private sector. I agree with Bob Bragg, an editorial writer in the *Calgary Herald*, who says:

The main problem with the sale is that the government gives up a safe, revenue-generating property which employs 12,000 Albertans and provides a basic service to 1.5 million citizens.

I mean, apart from that it's a great idea, but that is a rather substantial criticism, and I don't believe it's been fully answered by the government to date.

Mr. Bragg raises some interesting questions, and I wonder if the minister wouldn't consider addressing these. For example:

What evidence is there to suggest that private owners of AGT would be any more diligent in serving their customers than the government-owned company?

No evidence presented to date.

In fact, wouldn't privatizing AGT automatically make it put profits before people?

Well, I think that's an excellent question, and I think it's a question that bears very much on whether the amendment that's before us right now shall pass.

Would a privately owned AGT have bothered to put in private lines in rural Alberta?

Well, that's a pretty good question. I submit that they wouldn't. Now the assurance comes to us from the government: well, that program's safe. If you're looking for excuses to vote for this Bill, there's another excuse there. But you know, if all the earlier answers on the question of privatization are any guide, how safe is the rural individual line service program in reality, and what guarantees are there? We have the golden share. The golden share appears, in my reading, to be fool's gold in reality. It certainly has a sunset clause, and the ability of the golden share to influence that program is certainly not proven at this point in time.

If AGT happened to come under the control of a foreign-based corporation, would it not be possible for the new owners to remove assets, capital and jobs from Alberta to more profitable locations?

Pretty good question, I think. You know, I spent some time in the province of British Columbia, where it seemed clear to a lot of people that B.C. Tel assets and profits were making their way via parent companies in the United States' eastern seaboard into other business operations, and there was a lot of unhappiness, a lot of dispute over the financing of that operation, continual demands for rate increases, continual increases in service charges for installation and the like. We're in a much happier situation than they've ever been, and I think there are some who feel that perhaps we should stay that way.

Would the 1,000 jobs involved in cellular phone production remain here?

What about those jobs? That hasn't been spoken about by the minister at all.

[Mr. Deputy Speaker in the Chair]

What guarantees would private owners make to keep research and development into new telecommunications systems in Alberta? A very good question, an excellent question.

AGT projects R and D [expenditure] worth about \$15 million by 1993 or about one percent of [their] projected gross revenues.

That's a fairly substantial investment in high technology through a profitable system. It's not like GSR, where the government pays all the losses forever until it can't bear them anymore and then leaves a bunch of private businesspeople and financial institutions holding the bag. This is something that Albertans up to now could rely on. What's going to happen to that R and D expenditure?

Would any of this money be spent in Alberta if AT&T or Bell Canada bought the company

or eventually wound up with even the minority that you would need to control a very widely held, widely distributed . . . Excellent questions.

[The hon. member's speaking time expired]

MR. DEPUTY SPEAKER: Order please.

Earlier today the hon. Member for Calgary-Mountain View directed a question to the hon. Member for Calgary-Forest Lawn in his capacity as chairman of the select Standing Committee on Public Accounts. A point of order was raised by the Government House Leader and put forth by the Deputy Government House Leader objecting to the question on various points. After reserving its ruling, the Chair was made aware of a keen interest in an earlier ruling on the matter, so the Chair will deal with the point of order now.

It should be pointed out that it is extremely difficult during question period for the Chair to call any member to order should a breach of the rules occur when others in the House are attempting to shout the member down, making it impossible for the Chair to hear what is being said. In any event, the Chair has had a chance to carefully examine the Blues and would rule that the main question directed to the chairman of the Public Accounts Committee was indeed in order. The supplemental question, however, was not.

To clarify, the Chair would refer hon. members to *Beauchesne* citation 405, which provides that private members may be asked questions relevant to the committees which they chair. *Erskine May* at page 286 supports this view and states quite clearly that questions may be directed to the chairman of select committees and "committees directly concerned with the working of the House." The hon. Opposition House Leader made reference to a sentence stating that questions were permissible to the chairman of the Public Accounts Commission. The Chair is well aware that the Public Accounts Commission is not a committee of the House in Westminster. It is, in fact, the statutory body created by the United Kingdom national audit Act of 1983. That does not, however, invalidate the reference, because *Erskine May* provides the example of the Public Accounts Commission as yet another body to which its chairman can be asked questions in the House. The Public Accounts Committee, being a committee of the House, is ranked with other select standing House committees in that the chairman may be asked a question. In other words, the reference to the Public Accounts Commission does not exclude the applicability of the Public Accounts Committee as a body whose chairman may be asked questions in the House.

It is also necessary to consider the application of *Beauchesne* citations 409(6) and 410(10). These citations state that matters raised "must be within the collective responsibility of the Government or [within] the individual responsibilities of Ministers." The Chair would observe that these citations are completely applicable in the vast majority of cases where questions are in fact directed to ministers. However, some flexibility must be applied when dealing with chairmen of House committees, because any committee of this House, even if it has a majority of government members, must necessarily be independent of government; that is to say, cabinet. If questions are to be allowed to chairmen of House committees at all, then the reference as cited by the hon. Deputy Government House Leader can have limited applicability in cases of this type.

Lastly, it is important to note that in practice in this House the Public Accounts Committee is not expected to report to the House and, as such, never does. So any reference about a

report of the committee being delivered first before questions can be asked has a limited meaning.

The Chair finds the main question asked by the hon. Member for Calgary-Mountain View to be in order because it merely sought clarification about something that was presented to the committee for consideration. It did not ask for the committee's deliberations, which are public in any event, nor for any information beyond the scope of fact. The second question, however, exceeded the scope of the first in that it asked a question of the chairman related to his opinion on cost savings had certain policy guidelines been adopted. Such a question goes well beyond the scope of the administration of a committee and, in any event, seeks an opinion on a matter outside the jurisdiction of the chairman of the Public Accounts Committee, contrary to *Beauchesne* citations 409(3) and 409(11).

[At 5:27 p.m. the House adjourned to Thursday at 2:30 p.m.]

