

Legislative Assembly of AlbertaTitle: **Friday, June 22, 1990 10:00 a.m.**

Date: 90/06/22

[The House met at 10 a.m.]

[Mr. Speaker in the Chair]

Prayers

MR. SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.

Amen.

head: **Introduction of Bills****Bill 232****An Act to Amend****Certain Statutes on Maintenance**

MS M. LAING: Mr. Speaker, I beg leave to introduce Bill 232, An Act to Amend Certain Statutes on Maintenance.

This would strengthen the Maintenance Enforcement Act and remove the discretionary powers of the director of maintenance enforcement and deal with the problem of arrears being forgiven, among other things.

[Leave granted; Bill 232 read a first time]

head: **Tabling Returns and Reports**

MR. ISLEY: Mr. Speaker, I am tabling this morning the required numbers of the 1988-89 annual report of the Alberta Agricultural Products Marketing Council.

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

MR. BRUSEKER: Thank you, Mr. Speaker. I wish to table with the House four copies of a letter and a survey that was conducted by the class T Alberta outfitters as well as the results of the survey that were received by this mailout.

CLERK: Introduction of Special Guests.

MR. SPEAKER: That's a first.

head: **Oral Question Period****Environmental Assessments of Pulp Mills**

MR. MARTIN: Mr. Speaker, it is moving along quickly.

I'd like to direct my questions to the Minister of the Environment. The document issued yesterday by the Environment minister, frankly, represents a long awaited admission by this government that full public consultation is not a pain in the neck; it's absolutely necessary when we're discussing the future of our environment. However, it must be said that this document is just words at this point, Mr. Speaker, and actions speak louder than words. I would point out again to this minister, as I did with the ministerial statement, that it's convenient that

nothing will happen with any new legislation until 1991, and I expect that all those major pulp mills will have gone through. My question to the minister: if he really believes in this draft legislation that he put down, will the minister then reconsider his operating licences to Daishowa, Weldwood, and Procter & Gamble until they go through a proper EIA process that he's talking about here, and will he recommend this? I'm asking: will he do the things that he's recommending in his draft legislation with these projects?

MR. KLEIN: Well, Mr. Speaker, I find it amazing that the hon. Leader of the Opposition would single out one or two projects. I mean, throughout this province there has been industrial development over the past 100 years. Where do you draw the line? How far back do you go? I don't think the hon. member knows that the Procter & Gamble mill has been on stream since 1972. Weldwood has been on stream since 1967. Where were you then in terms of saying that that project should undergo a review at that particular time in 1967 or 1972? How far back do you go? Those companies have played by all the rules. Procter & Gamble will refit to become one of the cleanest mills in the world. [interjections]

MR. SPEAKER: Order.

MR. KLEIN: Weldwood is already a state-of-the-art mill meeting the highest standards in the world. Daishowa exceeds all the standards, the highest achievable standards in the world. What more do they want? And they went through an environmental impact assessment process. Don't be misled, Mr. Speaker or anyone else. They went through an environmental impact assessment process, and they played by all the rules that were in place at that particular time.

MR. MARTIN: Mr. Speaker, talk, talk, talk. No action. I'm talking about recent operating licences that were issued by this minister in this session. Don't hand us: going back to 1972. This minister is more worried about hurting Daishowa's feelings than doing the job for the environment and what Albertans want.

But, Mr. Speaker, even giving him that argument that they played by this government's lax rules in the past, let's turn to Al-Pac. I'm going to ask the minister this: would the minister then commit himself here and now and indicate that any new proposal from Al-Pac will have to go through full public hearings as advocated in this document?

MR. KLEIN: Well, you know, they keep asking the same questions day after day after day. They can't understand the answers. They won't listen to the answers. The simple fact is that this particular revised proposal is under consideration by this government, a government elected to make decisions, and we will be making an announcement in due course.

MR. MARTIN: Well, Mr. Speaker, this minister tries to be the champion of the environment. That's a bunch of hogwash. He can't even use the same arguments.

Now, Mr. Speaker, this is a new project. Four thousand Albertans told him they didn't like these pulp mills. Is he saying that those 4,000 Albertans can go do what they want, that he's going to move ahead anyhow? That's really what he's saying to the people of Alberta, and this is just a bunch of hogwash, isn't it?

MR. KLEIN: I don't know what the question was, but it's not a lot of hogwash. I think this is sort of a gorgeous document, as a matter of fact. I think it's a very, very nice document. It's a very, very nice document and, Mr. Speaker . . .

AN HON. MEMBER: That's all it is.

MR. SPEAKER: Order. [interjections] Order. Thank you.

AN HON. MEMBER: It's Friday morning.

MR. SPEAKER: It's Friday morning towards the end of session. If some members are really keen to go out and wash their hogs, go do it, but . . .

Minister, please.

MR. KLEIN: Mr. Speaker, I am so very, very happy that the hon. leader of the NDP has raised this issue, because it gives us an opportunity as the government once again to say to the folks in this province: this is your Bill; this is your legislation. I welcome the hon. member's comments. For anyone else who wants to comment, Mr. Speaker, the number is 1-800-661-5586. Thank you.

MR. SPEAKER: The Leader of the Opposition.

MR. MARTIN: Well, he's more worried about his pretty document than he is about the environment. You can see that, Mr. Speaker.

I'd like to designate my second question to the Member for Edmonton-Jasper Place.

Livestock Industry Diversification Act

MR. McINNIS: Thank you, Mr. Speaker. A government which moves closure on a Bill to legalize the commercial slaughter of native elk species after only three sessions of debate involving a little bit more than four hours has lost its stomach for democratic debate. I say that a government who has no stomach for parliament has no right to govern this province. You see, there's more to government than expense accounts travel. I wonder if the Government House Leader, after only three days and little more than four hours of second reading debate, would indicate what the government thinks it can hide from the public with the draconian step of invoking closure on second reading of Bill 31.

MR. HORSMAN: The opposition party, the NDP, have indicated they have no intention whatsoever of letting the Bill go through, and they've made it very clear. They've said so. They've signaled their intention to obstruct in every way. We're using the parliamentary procedure, which is permitted, and there will be plenty of time for debate in the three remaining stages.

MR. McINNIS: Four hours of debate is not obstruction. It's absolutely misleading to say that.

A great many Albertans have expressed concerns to MLAs all around this Chamber. The commercial slaughter of elk may result in possible contamination of wildlife by disease, parasites, and crossbreeding. There have been concerns expressed about poaching and wildlife that are penned and slaughtered; support for habitat and wilderness protection decline. And that's a fact, Mr. Speaker. The chief warden of Jasper National Park has indicated that this Bill will cause poaching problems that they can't enforce and is asking for the use of sidearms – sidearms

– to protect themselves. I'm wondering if the Deputy Premier would indicate that these are the concerns that the government hopes to hide through the use of closure in this House.

MR. HORSMAN: The government has nothing to hide. [interjections]

MR. SPEAKER: Final, Edmonton-Jasper Place.

MR. McINNIS: Well, they're certainly hiding from debate.

Under Alberta law, game ranching is defined as the raising of elk for the purpose of human consumption. The Premier's assurances, of course, that game ranching would never be allowed are a matter of public record. I've tabled letters by other members of the government. Today I'd like to table a letter signed on May 23 by the Minister of Forestry, Lands and Wildlife promising that

no changes respecting the matter of sharing the administration of big game farming with Alberta Agriculture will occur without full debate in the legislature.

This is their idea of full debate. I'd like to table that. I wonder if the Minister of Forestry, Lands and Wildlife would indicate: did he realize when he signed the letter that they were going to invoke closure, or is it possible that even he failed to realize how low this government has sunk?

MR. FJORDBOTTEN: Mr. Speaker, the NDP, the socialist party, the Vote No Society, is always looking for worms under rocks and things like that to try and find something to work with. It's absolute nonsense, half the things or all of the things that they're bringing up. I'm proud to have written a letter saying that there would be full debate in the Legislature. But, I mean, the debate that I've heard so far has been rambling on and on. There is going to be debate yet in the Legislature. The Bill is now at second reading; it has committee stage and third reading. All members are going to have the opportunity to voice their concerns, and many concerns are legitimate, Mr. Speaker, in that people are concerned about wildlife. When they see this Bill and have a good look at it, they'll see that wildlife is protected, that poaching and all those other concerns aren't really a legitimate problem. Invoking closure on this Bill . . . [interjections]

MR. SPEAKER: Order, hon. minister. Some members are having great difficulty disassociating themselves with the fact that they were here just a few hours ago and they were busy rambling on at that stage. So let's just keep it down a little bit.

AN HON. MEMBER: Like the minister here.

MR. SPEAKER: It's on both sides of the House.

Perhaps we could see and recognize the Member for Edmonton-Meadowlark on behalf of the Liberals.

Environmental Protection Legislation

MR. MITCHELL: Thank you, Mr. Speaker. With the introduction of the environmental protection enhancement Bill yesterday, we have seen yet another batch of environmental promises from this Minister of the Environment. Of course, the question remains to be debated as to whether or not he can deliver on this. To the Minister of the Environment: would the minister please tell us why anyone would believe that he can deliver on this particular piece of legislation after seeing him overruled on

the Al-Pac recommendations, overruled on his decision to subject Daishowa to public hearings, and summarily pushed out of the way on the NRCB legislation?

MR. KLEIN: Well, it's absolute baloney, Mr. Speaker. This member has no idea how government works. He will never have an understanding or an opportunity to know how government works. Unfortunate. But fortunate for us, because we're in the position to make sane, responsible, well-thought-out decisions.

Mr. Speaker, if the hon. member wants to know about this government's record in terms of environmental protection, perhaps we should go right back to 1971 when this was the first government in this country to have a stand-alone Ministry of the Environment, the first government to institute something as simple as deposit for return on beverage containers, the first government to put in place a world-class Environmental Research Centre at Vegreville, the first government and the only government to date that is capable of handling hazardous waste. When you want to look at what has happened currently, Mr. Speaker, all we have to do is look at the fulfillment of our commitment to the round table on the environment; to the Environment Council of Alberta to restructure and strengthen that particular agency; to bringing in new, comprehensive, exciting legislation that's going to strengthen and bring together all the environmental laws and take us through this decade and into the next century in an environmentally sound manner; to preparing in conjunction with my colleague the hon. Minister of Energy a clean air strategy for this province; to bringing in under the leadership of the hon. Premier a centre of expertise for special waste management. I could go on and on, Mr. Speaker. That is this government's record in environmental protection, and one of the leading environmentalists in this province, Mr. Staszewski, said yesterday that this is probably the strongest proposed environmental Bill in the country.

MR. MITCHELL: If this minister understood how government worked, perhaps he could get his cabinet colleagues to agree to some of his ideas.

This minister asks for public hearings on this Bill, and yet we don't get public hearings into the NRCB despite the fact that the EIA Task Force called for that. Is there a consistent policy on whether or not we have public input into this kind of decision-making process, or is it a decision that is simply based upon the whim of some capricious minister at whatever given time on whatever particular political instinct strikes him at that moment?

MR. KLEIN: Well, Mr. Speaker, where is this man? Does he just sit there and sleep or dream? Doesn't he understand what's going on? The NRCB is one component of the environmental impact assessment process: one component. Yes, we're establishing that Bill at this particular time through this Legislature, but as we evolve into public discussion on the environmental protection and enhancement Act, there will be full debate on the NRCB and all other issues relative to environmental impact assessments. Nothing is cast in stone. That's why we have in the Legislature, Mr. Speaker, the ability to amend and to correct and to improve. That's what it's all about. That's what the exercise is all about. The hon. Member for Edmonton-Meadowlark will have an opportunity to participate along with other Albertans, and I invite Albertans to participate in this process. The number is 1-800-661-5586.

MR. MITCHELL: Mr. Speaker, we were led to believe that procurement policy to promote recycling was to be part of this new initiative. Of course, it's going to take as much as a year to get this Bill passed. Are we going to have to wait one year for this legislation to pass before we see any concrete policy? For example, a government procurement policy to buy only recycled paper and to insist that government-funded institutions and municipalities buy only recycled paper.

MR. KLEIN: Well, I think the hon. member is going to be pleasantly pleased when my friend and colleague the hon. Minister of Economic Development and Trade and myself bring through a program. And stay tuned. It's going to be exciting. It really is going to be fun. You will like it, because it's going to have within it all the things that you want: enhanced collection and separation of recyclables, encouragement for industries to come here and offer a new kind of diversification by taking those recyclables and adding value to them. And yes, it's going to have within it a policy whereby we will be able to buy back recycled Alberta materials produced right here in Alberta on a priority basis.

AN HON. MEMBER: You were going to announce this one in January, weren't you?

MR. KLEIN: We've already started. The hon. Minister of Public Works, Supply and Services already sent out directives that where it's economically feasible to buy recycled products and to use recycled paper – if you look through the government offices, you will find Paper Chase, you will find separation bins. I think we've done a very . . . [interjections]

MR. SPEAKER: Thank you.

Order. [interjections] Order please.

Grande Prairie.

Constitutional Reform

DR. ELLIOTT: Thank you, Mr. Speaker. My question this morning is to the Premier. Mr. Premier, the topic of Meech Lake, as we understand it or as we're confused by it, has been dominating the news and all our minds recently. It's been moving quickly in all its various ramifications, and we're wondering if you could please bring us up to date on where Canada and Alberta are today on the whole topic of Meech Lake.

MR. GETTY: Mr. Speaker, I guess today the number one expression I have watching the progress of constitutional reform in this country is one of sadness, sadness because I believe we are seeing a very progressive package of constitutional reform which is positive for Alberta and positive for Canada being blocked. I guess it should bother every member of this Assembly, because it is a package that this Assembly, the members elected by the people of Alberta, endorsed unanimously, and it is now being blocked. I find it sad because I've expressed in this Legislature the consequences of failure. The consequences of failure, I think, are still the same, and that is that we have now a risk for our country: a risk of lack of confidence in Canada's stability, a concentration on those things that pull us apart rather than those things that unite us, and on specific issues like aboriginal rights and Senate reform a complete stop to the progress and momentum we've been able to build on those

issues. I think the concentration on destroying rather than building is a sad commentary for Canada right now.

MR. SPEAKER: Grande Prairie.

DR. ELLIOTT: Thank you, Mr. Speaker. Mr. Premier, what are the options for Alberta now? Do we have a backup plan? What scenarios are available to us?

MR. GETTY: Mr. Speaker, I've discussed available options with various first ministers this week and the Prime Minister. They seem to be very few. If you consider how ironic it is that if the Newfoundland Legislature approves this, you will have all the Legislatures in agreement with it, because we already know that the three leaders of the Manitoba Legislature are committed to it and their parties are. So you would have, then, all the Legislatures now behind it and supporting it, and yet have it unable to proceed. I think that's ironic. I think it's sad, and I think it calls into question the commitment of elected people in this country towards building a united Canada, a stronger Canada. I come back to my original comment: a feeling of great sadness.

MR. SPEAKER: Calgary-Forest Lawn.

Agricultural Development Assistance

MR. PASHAK: Thank you, Mr. Speaker. This government's inability to learn from its past mistakes is truly astonishing. This government is making loans and taking an equity position in Westcan Malting, a company without a proven track record in the industry. At the same time, this is putting the development plans of a well-established company in jeopardy. My question, is to the Minister of Agriculture. Why is his government putting taxpayer dollars at risk in an unproven venture when an established company is prepared to put its own money into upgrading its Calgary plant and may now have to cancel these plans?

MR. ISLEY: Mr. Speaker, as I've stated before in the Assembly, the involvement of the Agricultural Development Corporation, our agribusiness lending arm in the Westcan project, is purely commercial. I've had recent meetings with Canada Malting. I knew their concerns before we proceeded with the venture. They certainly reiterated them at the last meeting. We're convinced that to bring vitality to rural Alberta means value adding to agricultural products. There are two strong proponents in the Westcan project, and we're confident it will proceed and be successful.

MR. PASHAK: Well, Mr. Speaker, this government thoroughly fouled up the red meat industry by giving money to Cargill, thereby creating a substantial overkill capacity in the industry. This led to ultimate plant closures, loss of jobs, near bankruptcies. The situation is a mess. So my question is to the Minister of Economic Development and Trade. By putting taxpayers' dollars in Westcan Malting, what assurance can he give us that this will not lead to the same kind of havoc that exists in the red meat industry?

MR. ISLEY: Mr. Speaker, I think it should be clear that the participation of this government with the Cargill plant at High River was under a normal agricultural processing marketing agreement that many other firms have accessed. [interjections]

MR. SPEAKER: Order.

MR. ISLEY: I think if the hon. member would get up to date with the industry, he would realize that what is going on right now is a rationalization of that industry which is necessary if it's going to remain competitive in the North American and world marketplace.

MR. FOX: We're going to rationalize you in the next election.

MR. ISLEY: You may try, Mr. Member.

Outfitting and Guiding

MR. BRUSEKER: Mr. Speaker, the outfitter and guide policy that was announced by this government last year has very little support amongst the industry. It has eliminated several smaller players from the field, and some may be eliminated for a total of three years. The outfitters and guides conducted an independent survey. I tabled four copies for the House today, and I have copies for all members as well. The survey shows that only 7 percent – 7 percent – of the guides support the policy as it is currently written and the vast majority feel they have no input into the policy as it was developed. Obviously, there are some very severe problems with this particular policy. My question to the minister is: given that only 7 percent of the outfitters and guides actually support this and 86 percent wanted to see a return to some kind of a trophy fee allocation system, will the minister please explain why this policy is continuing to be the policy of this government? Why is he pushing it the way he is?

MR. FJORBOTTEN: Mr. Speaker, this has been a very difficult issue to deal with and a very sensitive one to try and come to some resolution on. The industry themselves were not able to come to a resolution on that, and so back in August of 1988 I established an MLA task force that traveled to other provinces and states to see what they were doing, to find out if there was some common thread that we could use to bring some stability to the industry here. Then in December of '88 the industry themselves elected an executive and established an organization in this province to work with all outfitter/guides.

I appreciate a copy of the survey from the hon. member because I had not seen it before, but the survey he's speaking of here is not all outfitters and guides in the province. It's the ones that were in that particular survey. The executive and the outfitters and guides association of Alberta held a meeting at which they agreed that this policy is the one they supported. The difficulty they had, Mr. Speaker, was whether it should be a tender process and how you would pick the winners and losers. They agreed on a tender process, so I agreed to go along with them on that. Then they changed their minds and decided on an auction process, so I changed the system and agreed to an auction process.

There are smaller operators that may be negatively impacted. So to make sure that that's protected, we're in the process right now of establishing what's called a hardship review committee that will be made up of members of the association themselves and the outfitter/guides in this province to review specific areas of concern. But I must say that there is not unanimity among all guides and outfitters. They're great individuals, and they see things in a different light, but generally they're extremely happy with having an umbrella association. We all know it's going to take a year or two for everything to settle, and they'll have to work their way through it. But I've told them that they must

work it out together as an industry and we as a government are prepared to help them in any way we can.

MR. SPEAKER: Supplementary.

MR. BRUSEKER: Thank you, Mr. Speaker. My information is that not all of the outfitters and guides really believe that the association truly represents them. So my supplementary question to the minister is this: considering the level of discontent which the survey exhibits, will the minister agree to have an open meeting with all – and I underscore and emphasize the word all – outfitters and guides to discuss a new policy that might be more agreeable to all of the outfitters and guides that are involved here?

MR. FJORDBOTTEN: Mr. Speaker, this minister is always happy to meet with a wide variety of groups, and a number of those who are discontent with that have been in my office and met with either me or my staff. But to go back now after we've come to a policy and an agreement – I think it's up to those individuals now to work with their association, which is a good, strong association. It's going through its growing pains; you know, I recognize that fact. But they should work together and speak with one unified voice. They can't run off and have two or three associations. They had seven before, and they couldn't come to any agreement on anything. Now they have one. They have an opportunity to work together. It's flexible enough to work with all of them. There are going to be growing pains for the first couple of years, but as always I'm happy to meet with anyone.

MR. SPEAKER: Innisfail.

Constitutional Reform (continued)

MR. SEVERTSON: Thank you, Mr. Speaker. It's less than two days until the Meech Lake accord deadline for ratification, and every member of this Assembly realizes the importance of this agreement for Alberta as well as Canada. It's my understanding that Quebec will not extend the June 23 deadline. My question to the Premier: could the Premier give the reasons this cannot be extended?

MR. GETTY: Mr. Speaker, I think the hon. member raises a good point. The June 23 deadline is not a part of the Meech Lake package or the recent discussions in Ottawa. The deadline is a result of a constitutional amending formula that was provided to us or left to us, if you like, from the 1982 constitutional amendment, when our Constitution was patriated. In that Constitution – nothing to do with Meech Lake – there was put in place the three-year process, and the three-year process does run out on June 23.

The province of Quebec is not able to extend it. It's something that is in our Constitution. It's not their desire to have it run out on June 23, but rather it's the constitutional process that previous first ministers provided for Canada and that we now must, until we're able to change and amend the process . . . As I pointed out in this Assembly last week as part of the discussions last week, we have in fact put in place or were prepared to put in place a total review of that process, including the three-year rule, because it does provide, with elections and changes of Premiers and so on, some real problems to future constitutional reform. But I should make it clear that the date has nothing to

do with the Meech Lake package itself but rather something that we have within our Constitution now.

MR. SEVERTSON: My supplementary is: is there a process in place that will bring Quebec and the rest of the provinces back to the table for bargaining, and what are the chances of that happening?

MR. GETTY: Mr. Speaker, as members know, I've expressed here how strongly I feel about the need for our country to be united. I would assure all members and all Albertans that in the future I and my government will want to be able to say – and therefore we would look at everything – that we did everything we could for our country. I will want my sons and my family to think that. I have now been in these constitutional discussions, and while other members haven't been in them as I have, I can give my view. It is the view of a person who's been in many of these long meetings, and that is this: that Quebec came to the discussions in 1980 and '81 and were rejected and, some felt, humiliated. They then came in '87 and obtained an agreement, which as members know now seems to be blocked in 1990. Having made those two efforts, it's my view – I do not believe that there will be a third attempt, not within the lifetime of the first ministers that I've had the honour to deal with.

MR. SPEAKER: Edmonton-Avonmore.

Maintenance Orders Enforcement

MS M. LAING: Thank you, Mr. Speaker. My questions are to the minister responsible for the maintenance enforcement program. Only 32.5 percent of orders registered with the maintenance enforcement program as of June 30, 1989, were current and fully paid up. The program has the greatest difficulty enforcing orders where the debtor is self-employed or has disappeared, and my office continues to receive complaints from mothers who have themselves taken on the task of locating the debtor and his assets due to the inaction and/or the powerlessness of the program in these instances. My question to the Attorney General: will he agree to use private investigators to trace errant debtors and their assets in extreme cases and on a random basis, keeping in mind that the cost of such a measure would be more than offset by the collected funds?

MR. ROSTAD: Mr. Speaker, I know and recognize the frustration that some of the spouses under the maintenance enforcement program experience. The phrase that you can't get blood out of a stone prevails in many instances. There just aren't assets to obtain. There's also the situation where people are very crafty and know how to use the system and avoid pursuit. We enhanced the manpower in the maintenance enforcement program substantially to try and overcome this, and I do hear the representations that the hon. Member for Edmonton-Avonmore is making and will certainly undertake to work in any way that we can to pursue people who are trying to avoid their commitments and the system.

MS M. LAING: Well, Mr. Speaker, the statement that you can't get blood from a stone is a rationalization for the failure of this program, because research indicates very clearly that debtors that do not pay do so because they will not, not because they cannot. Women who register with the maintenance enforcement program are required by the Act to forgo any other enforcement remedies that they may have in law in other legislation. Will the

Attorney General now remove the director's discretion to not enforce a maintenance order registered with the program and require him to automatically take all necessary steps to enforce the order when the debtor defaults?

MR. ROSTAD: Mr. Speaker, that's a bit of a frivolous argument. There is not a situation – and I would like to have evidence of any situation – where there is not active pursuit in any instance. The hon. member has raised before that there's discretion. That discretion has never been used to avoid pursuing someone. I would, again, be willing to take any evidence that that's the case and correct it, but I'm certain it's not that way.

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

Lottery Funds

MR. WICKMAN: Thank you, Mr. Speaker. Over the last few weeks I have questioned the lack of accountability of lottery funds and rightfully so. It was only thorough research and reliable information that led to the disclosure of the infamous briefcase affair and the MLA trip to Japan. It's my information that on Saturday, June 16, the minister responsible for lotteries held his annual constituency golf tournament and Progressive Conservative fund-raiser at the Barrhead Golf Club. The 110 participants were awarded various prizes, including approximately \$5,000 worth of gifts from Alberta Lotteries, all with lottery logos and emblems and other gifts donated by local businesses but solicited by government employees during normal government work hours. My question to the minister responsible for lotteries: how can the minister day after day rise in this House and state that lottery funds are properly allocated when even after the notorious briefcase affair this minister continues to abuse his trust and use his lottery revenues for questionable purposes?

MR. KOWALSKI: Mr. Speaker, first of all, the question of the briefcases was announced in October 1988, when the community facility enhancement program was announced. The second point, dealing with the trip taken by the Member for Red Deer-North: he was asked to go on behalf of the government to represent me at a supervisory conference.

On the third point, Mr. Speaker, the statement and the allegation made by the member: the member has lied to the Assembly. I know that when I stand in this place and make that charge, that's the most important charge that can be made in an Assembly. [interjections]

MR. SPEAKER: Order. Order.

MR. KOWALSKI: I know as well, Mr. Speaker, that there's a question of privilege involved.

Not one item – not one item – not one cent of anything related to Alberta Lotteries was used in the golf tournament in Barrhead on June 16. Now, Mr. Speaker, I know what the rules of this Assembly are. I'm accusing this member of lying, lying in this Assembly now, and I will insist on my right as a member of this Assembly to pursue that matter. This member will either retract that statement now or I will take every step available to me as a member of this Assembly to make sure that he's

eliminated from this Assembly, under the basis of the law that we have within the rules. Not one, not one item, not one penny of lottery funds were used in any activity with respect to a golf tournament in Barrhead on June 16 . . . [interjections]

MR. SPEAKER: Order please. Order in the whole House. [interjections] Order in the House.

MR. WICKMAN: Mr. Speaker.

MR. SPEAKER: Order.

The whole House knows the seriousness of the matter of privilege, and the Chair was greatly concerned with the comments made by the member asking the question. [interjections] Order. No. Order. Order please. Perhaps the House would be gracious enough to allow the Chair to finish his comments.

Indeed, the matter is very much underlined in terms of the matter of privilege by the comments made by the Minister of Public Works, Supply and Services. The matter is duly noted. The question goes to the Member for Edmonton-Whitemud: first, before he goes on to any supplementary, is the member prepared to withdraw any statement?

MR. WICKMAN: Mr. Speaker, I'm not at this time.

MR. SPEAKER: Thank you.

A supplementary but keeping the other things in mind, please.

MR. WICKMAN: Supplementary, Mr. Speaker. Because of previous disclosures of what I feel is the improper use of lottery funds, information is given to us, and we have an obligation to pursue that information because of the lack of accountability of lottery funds, and I'll continue to do it. Will the minister tell this House if any employees of his department or of lottery funds or if there was any involvement of any sort from Alberta Lotteries or from government employees in that fund-raising golf tournament: any?

MR. KOWALSKI: Mr. Speaker, I repeat what I said in the first statement. I'm demanding that this member retract his wild allegation. He has no right to lie in this Assembly, and he has done that. [interjections]

MR. SPEAKER: Order, hon. minister. [interjection] Order, Westlock-Sturgeon. Order.

The minister has made his point. The minister has made certain comments. That will also be dealt with when the matter of privilege comes before the House.

Please, with regard to the question that has been asked, the answer only.

SOME HON. MEMBERS: That was it.

MR. SPEAKER: Thank you.

Economic Development

MRS. MIROSH: Mr. Speaker, there seems to be doom and gloom predicted in our country by economists . . .

MR. SPEAKER: Order, please, in the whole House.

MRS. MIROSH: . . . and a recession is predicted as early as this fall. Most Albertans are enjoying prosperity and are unaware that economic changes could erode our ability to enjoy this high standard of living that we're used to. I've recently met with the Canadian Manufacturers Association at their annual meeting, and they're saying that Canada's competitive position is slipping in the areas to create wealth and generate economic growth that pays for the needs of society. In short, we are becoming poor by comparison to other countries. Given the importance of this change, I wonder if the Minister of Economic Development and Trade could outline our government's strategy in developing new markets and new opportunities with the private sector. [interjection]

MR. SPEAKER: Order please, Edmonton-Kingsway. Could we let the minister please start?

MR. ELZINGA: Mr. Speaker, I believe it's widely recognized, and I refer to a number of financial institutions throughout Canada that have indicated that Alberta is going to continue to lead economic growth within Canada on a provincial basis. That's partly due to our activity as it relates to the exportation of goods produced within our province. As the hon. member and all Members of the Legislative Assembly are probably aware, we are active with private-sector companies in some 140 countries throughout the world. We ourselves have five international offices and access the federal international offices so that we can continue with our strong thrust as it relates to the exportation of goods produced within the province of Alberta, realizing the wealth and the jobs it does create within our province.

MRS. MIROSH: Mr. Speaker, governments must be competitive in creating an environment that encourages the higher levels of performance. What is our government doing in this area, especially with regard to exports?

MR. ELZINGA: Mr. Speaker, we're involved in trade missions, trade shows, and trade seminars. We do so in conjunction with the federal government as it relates to the exportation of the goods that are produced, and we've met with a considerable amount of *success*. If one examines the dollar amounts that have been exported from our province over the last number of years: in 1987, we exported some \$13 billion worth of goods; in '88, \$14 billion; and in '89, \$15 billion worth of goods. In addition to that, Mr. Speaker, the number of companies within our province that do export goods has increased dramatically whereby we had some 900 exporting companies in 1987, and that has increased to some 2,000 companies presently. Mr. Speaker, our efforts are paying off, thanks also to individual members such as the member who asked the question, as she is going to participate in a trade mission that is presently going to Russia.

MR. SPEAKER: Edmonton-Highlands.

Treasury Branches

MS BARRETT: Thank you, Mr. Speaker. Mr. Speaker, as most people know, at least those who live in Edmonton, the core of the inner city is characterized by poverty and often by desperate alienation, some of which is because many of the residents there are people who were victims of the government's

deinstitutionalization program. That was the program that took people out of mental health institutions and basically dumped them in the Boyle Street area. Some of these people go to near-banks because there is no real bank in the area. As a result – you know, they're on fixed incomes – they lose a high percentage of their cheque to the commission. Often they get ripped off right on the street, Mr. Speaker, sometimes even by their landlords. My question is to the Provincial Treasurer, and it is this. I know that he will say he doesn't exercise any power over the Treasury Branches, but under the circumstances of no – no – financial institution being located in the inner city despite pleas to the private institutions, would he use his weight and ask the Treasury Branches to establish a branch in the inner city so that these people aren't getting rolled and ripped off?

MR. JOHNSTON: Mr. Speaker, I'll undertake not to commit to a branch but to commit to have a look at it for the hon. member.

MS BARRETT: Thank you, Mr. Speaker. I look forward to his response and the opening of a branch.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

First, the Minister of Tourism, followed by the Member for Calgary-McCall.

head: Introduction of Special Guests

MR. SPARROW: Mr. Speaker, it's a pleasure to introduce to you and through you to the Members of the Legislative Assembly a school group from the constituency of Wetaskiwin-Leduc. A class of grade 5 students from the St. Benedict school in Leduc are here for a visit. There are 26 students in attendance along with five adults. They are seated in the members' gallery, and I wish that they would rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Calgary-McCall.

MR. NELSON: Thank you, Mr. Speaker. It is indeed a great pleasure today to be able to introduce 70-plus students, teachers, and parents from one of the finest educational facilities and the finest staff of educators in the province from a very excellent part of the city of Calgary, of course. The students are here with their teacher Deborah Tingley, Dennis Gorman, Angelo Rizzuti, and parents Tony Martins, Bob Amantea, Sue Bartolillo, Sheila Barton, and Bob Field. I would like to ask that they rise and receive the cordial welcome of this Assembly.

head: Privilege

MR. SPEAKER: With regard to the exchange that took place earlier in question period, the Chair notes that under Standing Order 15(1) and subsequent sections that the matter of privilege has indeed been raised at the earliest possible moment. The Chair will await subsection (2) being conformed with by the Minister of Public Works, Supply and Services, and perforce the matter will be at least initially dealt with on Monday.

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.

Moved by Mr. Ewasiuk:

The amendment be amended by adding after "corporations": , and because this House believes that any foreign ownership or partial ownership of a public utility in Alberta is wholly inappropriate.

[Adjourned debate June 20: Ms M. Laing]

MR. STEWART: Mr. Speaker, pursuant to Standing Order 21 I move that debate on the motion for second reading of Bill 37, Alberta Government Telephones Reorganization Act, be not further adjourned.

MR. SPEAKER: Those in favour of the motion, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Adair	Fjordbotten	McCoy
Anderson	Fowler	Mirosh
Black	Gesell	Moore
Bogle	Getty	Musgrove
Bradley	Horsman	Nelson
Brassard	Hyland	Oldring
Calahasen	Isley	Payne
Cardinal	Johnston	Rostad
Cherry	Jonson	Severtson
Clegg	Klein	Sparrow
Day	Laing, B.	Stewart
Drobot	Main	Tannas
Elzinga	McClellan	Thurber
Fischer		

Against the motion:

Barrett	Hewes	Pashak
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Bruseker	Laing, M.	Roberts
Doyle	Martin	Sigurdson
Ewasiuk	McEachern	Taylor
Fox	McInnis	Wickman
Gibeault	Mjolsness	Woloshyn
Hawkesworth		

Totals:	Ayes	—	40	Noes	—	19
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[Motion carried]

MS M. LAING: Mr. Speaker, when I concluded on the last day of debate, I was talking about this government's commitment to competition and its failure to recognize the value of co-operative ventures. I would reflect back to Tuesday last, when we were applauded for having co-operated in this Assembly to bring forward a motion that, in fact, received unanimous consent of the Assembly. We also know that communities, that civilizations, are built because people co-operate, and certainly that is what Alberta society is all about: co-operation to build health systems, school systems, public utility systems so that everyone can enjoy a level of quality of life that makes them full participants in society.

So we have in this Bill, which we oppose through this amendment, a commitment to competition, which flies in the face of what many human beings want and require in order to live fulfilling lives. I would suggest, Mr. Speaker, that much of the malaise and alienation we see in the present society in North America, particularly south of the border but increasingly in Canada, is a failure to recognize the human need for co-operative endeavours, that the profit motive, me-first individualism, strikes at the very heart of our humanity and destroys it and denies a basic need.

So I would say that we must be against this Bill and best be against foreign ownership because it exemplifies a commitment to the competitive mode which puts profits before service and before people. We must oppose this because, in fact, it is against what we know from experience works best. We know that the competitive mode casts out those who are not winners, even though they have a great deal to contribute. It casts out people; it casts out ideas; it casts out enterprises. They are lost to the rest of us, and we must be against that. We must oppose that. We have seen that our strength comes from working together. That is how we build our societies.

When we look at foreign ownership, which again is a strong commitment to competition, we see the lack of commitment to Albertans, to Alberta workers who are not necessarily employed by these companies. Foreign-owned companies do not create jobs in the host country; in fact, they may move things to their own countries. There is no commitment to the pay levels. That's how foreign ownership shapes the society and puts in jeopardy the very values of the society. We see that through foreign ownership there is no commitment to the host economy; in this case, to Alberta's economy. The profits are taken out and spent in the country of origin of that money, of the investors. There isn't a reinvesting of profits either in the company itself through expansion, through research and development, or in the community or the Alberta economy in general through investment in other companies.

But more importantly, foreign owners don't have a commitment to the society of the host country or province. There isn't a commitment to building the quality of life in the community in which the company exists, and I think particularly in regard to a commitment to support the volunteer sector through grants,

through donations. In fact, when a company is owned and controlled by the community in which it exists, there is commitment to building the quality of life in that community, but that doesn't happen with foreign ownership because the quality of life that is being protected is in the country of origin. There is a lack of commitment to the companies of the host community to purchase, for instance, equipment. There is no commitment to research and development, and again it has been shown very clearly that foreign-owned companies do their research and development in their countries of origin. They do not put the money back into the community. They do not give the contracts for research to local universities, something really important in this time when universities are so strapped for funds. Our research council, again, I think could benefit from funding.

[Mr. Jonson in the Chair]

There is instead a notion of loyalty, a commitment, to the country of origin. The profits are taken to enhance the foreign economy. But another thing that is of grave concern is that the provision for foreign ownership shows a cynical disregard for the willingness of Albertans to invest in their own province. It shows a lack of faith in Albertans and in Canadians, and we see this over and over again. We see that Canada has an incredible level of foreign ownership. Again, we often hear how Canadians have no faith in Canadians, but in reality it is governments who have had no faith in Canadians, because they have made the provisions for foreign ownership.

Mr. Speaker, we have in this province built our telephone system with tax dollars. This telephone system is a company of the people of this province. It was a costly system to build, given our geography, the isolation of our rural areas. Now that we have put money into building this system and it starts to show a profit, what does this government do? It sells it off so that the profits go to other people. Surely that is unacceptable. So not only will Albertans not benefit from the ownership of this public utility, this public service; they lose the profit from it. Therefore, I must speak in favour of this amendment and reject this Bill, that it not be read a second time.

MR. ACTING DEPUTY SPEAKER: Are you ready for the question on the subamendment proposed by the Member for Edmonton-Beverly? All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. ACTING DEPUTY SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. ACTING DEPUTY SPEAKER: The subamendment is lost.

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

[Eight minutes having elapsed, the House divided]

[Mr. Speaker in the Chair]

For the motion:

Barrett	Hawkesworth	Mjolsness
Ewasiuk	Laing, M.	Roberts

Fox	Martin	Sigurdson
Gibeault	McEachern	Woloshyn
Against the motion:		
Anderson	Elzinga	Mirosh
Black	Fischer	Moore
Bogle	Fjordbotten	Musgrove
Bradley	Gesell	Oldring
Brassard	Isley	Payne
Bruseker	Johnston	Rostad
Calahasen	Jonson	Severtson
Cherry	Klein	Sparrow
Clegg	Kowalski	Stewart
Day	Laing, B.	Tannas
Drobot	Main	Taylor
Elliott	McClellan	Thurber

Totals: Ayes – 12 Noes – 36

[Motion on subamendment lost]

MR. SPEAKER: Before we proceed, does an hon. member have a group to be introduced to the House? I guess not. Thank you.

The Member for Edmonton-Norwood, the Leader of the Opposition.

MR. MARTIN: Mr. Speaker, I'd like to make a few gentle comments on the amendment to the motion for second reading, 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.

Now, Mr. Speaker, there are many things that are wrong with this Bill, but I suggest to you the reason that we're into it – there are a couple of reasons, but the first one, frankly, is the triumph of ideology over common sense. This government seems blind and wants to go back. It's interesting, because when Thatcherites and Thatcherism are going out of style in Britain, now we're moving ahead, 10 years later, to do the same mistakes that they were doing in Britain, where they're picking up the pieces now. Republicanism and Thatcherism are going out. This government should recognize that. It didn't work, and it's not working.

Now what we're doing is coming in with privatization of a public utility that's served Albertans well over a number of years, Mr. Speaker. I know that when you say words like "privatization," like "deregulation," they just sit and quake over there with excitement, because the ideological binge just takes over. But the point I want to make is that they keep talking about ideology. Does your ideology overcome your common sense? In this case I believe it has, and I say to the government: you're not here to become a bunch of Thatcherites; you're here to do the best that you can for the people of Alberta. AGT has served the people of Alberta well, and they won't be as well served in the future: I'll make that prediction, Mr. Speaker.

Now, there's a second reason, and I'm glad the hon. Treasurer, Magic Johnston, is across the way, Mr. Speaker. The other has to do with the mismanagement of the government. They need some cash. You know, we just went back and raised the limit that we can borrow up to 11 and a half billion dollars.

This is the government that knows how to manage money. You know, the corporations bought this government; therefore, somehow they're good business managers. Well, Mr. Speaker, there's absolutely no doubt about that. I can imagine, if I was sitting over there and the Treasurer was here and we were asking for 11 and a half billion dollars to raise our borrowing by \$2 billion – I can just see the rhetoric that would be coming across the way if he was here. But the reality is that the government needs some quick cash. So what do you sell? You sell off AGT. It's the only Crown corporation that they haven't mismanaged, that they can get something out of. That's the reality of it. So there we go: sell it off. I've said before that it's like selling off your house to pay your credit cards. That's the same logic of what we're doing here, because we won't get the money that it's worth over the long haul. We'll come back to that, Mr. Speaker.

[Mr. Jonson in the Chair]

But I want to remind this government – we just talked about foreign ownership, Mr. Speaker – why AGT was formed to begin with in 1906. You had Bell Canada here in the province, and Bell Canada wasn't responding to the needs of Albertans, especially rural Albertans: that is why Alberta Government Telephones was formed. It was not for an ideological reason. It was not for the sake of the government owning the telephones. It was for the very pragmatic reason that they could develop Alberta, especially rural Alberta, because they couldn't count on this foreign corporation, Bell telephones. Now, I say that nothing will have changed. You will not be able to count on them in the future. You will not be able to count on a private company to necessarily worry about rural Alberta. I want to point out that this telephone system has been well run, and I'll come back to that, and one of their mandates was to try . . . There were a couple of bad years in the recession when all corporations in Alberta were facing problems, but generally they have made a small profit for the people of Alberta; they've done that most of the time.

But what they have done better, certainly, than B.C. Tel, if you want to compare the service there, especially in rural Alberta, is that they have provided a good service for the people of Alberta. This was especially important for rural Albertans. Now, I would point out that they had a policy of cross-subsidization so that they could take the more profitable parts of the telephone system and provide it to service in rural areas. It wasn't just to make the biggest buck; it was to do what was right for the people, especially in rural Alberta. Now, Mr. Speaker, you cannot tell me and rural members cannot tell me that when you have a private corporation, they're going to continue to do that, because that makes no sense from the company's perspective. I don't blame them if they're a private company, because then their goal is to make profits for the shareholders. And I say to people in rural Alberta: you're going to regret the day that this government has done this. I will predict it, and you'll see it in the next three to four to five to 10 years: services deteriorating and costs going up. It is inevitable, Mr. Speaker. It is absolutely inevitable.

Now, it's not just me saying this. Any studies that have been done have been fairly clear about this. For example, we look at the Olley study, which admittedly was dealing with Saskatchewan more than Alberta, but I think similar comparisons can be made, and they looked at it. Now, I would point out that the biggest money-maker in terms of AGT, if you look at the annual report from 1989, was long-distance revenues. Only 30 percent of the

revenues came from local rates. I want members to think about that, because if long-distance rates are going to go down – they are, by CRTC – and especially if you want to put a profit motive in it, and I'll come to that, it is absolutely as clear as clear can be: the local rates have to go up. I point out, and I think it would be somewhat similar in Alberta, from the Olley report – just take a look at these figures, Mr. Speaker. In terms of the Olley report, what is subsidized is this, and I'm quoting from the study: "Urban access received an average subsidy of \$19.58 per line per month." This is from SaskTel, but I again would make the case that it would be relatively similar here in Alberta in 1988 from all revenue sources. Now, the rural people received a subsidy of \$43.30 per line, more than twice that of the average urban line.

Mr. Speaker, to the rural members: with that sort of subsidy in SaskTel and a similar one with the cross-subsidy here, do you really believe that a private telephone company is going to keep doing that? I say to this government: if they believe that, they're frankly dreaming again in technicolour. And I say to rural Albertans: this is just going to be another tax on you, another tax, because you're going to pay a lot more for a lot less.

Now, Mr. Speaker, I want to go from there into some other aspects of it. This is, I suppose, somewhat ideological, but I have the ministerial statement from Premier Don Getty on Thursday, May 31, where he says:

I want every man, woman, and child in this province to have the opportunity to participate in the profits and growth of this great company, and the government will help with this opportunity. . . . Albertans will have a period of time when only they can buy these shares, and I hope that they buy the entire offering. Also, Albertans will be able to purchase the shares from every possible financial institution in the province. For additional help, Albertans and only Albertans will be able to buy their shares on an installment basis over 12 months at no interest cost.

Well, may I remind the Premier, may I remind the government that every man, woman, and child already owns AGT, and their dividends are lower rates. It's true: lower rates for everybody. Now, there may be some wealthy Albertans. I don't see many people in Edmonton-Norwood that are going to rush out and buy these shares. You know, every man, woman, and child – what a dream that they could even afford to do this. He must be living in a different world than I am.

The reality is that some wealthy Albertans are going to own shares, but more than that, eventually it will be foreign ownership. We've already had that debate. A lot of foreigners will own most of it, I predict, and a lot of wealthy people will end up owning more and more of it. Major corporations like Bell and AT&T will be in here. The reality is this: all the taxpayers are going to pay for this dearly, because the prices are going to go up. The government hasn't denied that. They say we're exaggerating the costs, but they never give their own about how much it will come up. We'll come back to that, Mr. Speaker.

The other reality from this is that the government – you know, all the time they say: "No, no, no. We don't have money. We don't have money for rental assistance; we don't have money for farm programs; we don't have money for this." Yet they are going to ask wealthier Albertans, give them a break so that they can buy their shares on an installment basis over 12 months at no interest cost. I asked the Premier how much that would cost. "I have no idea." "No idea," he said. Well, Mr. Speaker, this is government money, this is taxpayers' money, and it's going to cost us. So not only are people going to have to pay higher rates, but it's going to affect the Treasurer's budget. He knows full well that it will.

If you're going to hand out money, then you could charge an interest rate. That would certainly make some money, Mr. Speaker. The Treasurer says no. I mean, there isn't a business around . . . I'm going to go to the bank and say, "I want to be like the government; I want to buy some shares, but don't charge me any interest." I'd be laughed out of the bank. Why is it good for the government of Alberta to do it? They keep talking about intervention in the economy, Mr. Speaker. They keep talking about intervention. This is intervention in the economy. And again, it will probably be the people that don't need the money. That's the reality of it all.

The other part I want to just bring to people is this. I want to go through the Premier's statement a little more. First one: he says, Mr. Speaker, and this is the crux of it,

More importantly, Mr. Speaker . . . I [also] expect that Albertans will have questions about our proposal . . . Well, we certainly do, but we don't get much time to debate in the Legislature.

. . . because AGT has been a well-managed Crown corporation and AGT has deservedly earned the respect of hundreds of thousands of Albertans.

If that's the case, if it's well managed and has the respect of hundreds of thousands of Albertans, the logical question is: then why are we selling it? Why are we selling it? What's the need? Other than, as I said, for an ideological reason and to help the Treasurer out over mismanagement of this government, as they've run up debt after debt after debt. Mr. Speaker, you can't have it both ways. You can't say it's a well-managed Crown corporation and it's got the respect of hundreds of thousands of Albertans and say, "But, you know, let's give it away; let's sell it anyhow."

Then we go through the ministerial statement. Albertans will raise some questions.

They will ask, "How will this share offering affect our phone bills and services?"

We will answer, Mr. Speaker:

There are many protections built into our proposals. There are assurances for Albertans [which] are in the legislation. Didn't answer the question though. Didn't answer the question. The point is that there are absolutely no guarantees. And it is clear that those costs have to go up. When you make it a private corporation, you have to then begin to pay taxes on it. It's vulnerable to taxation then. We don't know how much that will be. It could be eighty million, a hundred million. Somebody's got to pick up those rates, Mr. Speaker. It's going to cost \$10 million to go all the time to the CRTC, because we're going to do that. That's another \$10 million. And shareholders aren't going to come in if they're not going to make a profit. The idea of buying shares would be that you want to make a profit. So you put the profit motive in. Somebody has to pay for that. So by evading the issue in this great question and answer, clearly they know rates are going to go up. It's just a matter of how much.

Now, Mr. Speaker, secondly, we know that many rural Albertans will ask how this legislation might affect their services. The Premier says:

I'm pleased to confirm to the Assembly that there will be no impact on the finalization of individual line service for rural Albertans.

Well, thank God you got it through while it was a government corporation, because it wouldn't have happened under a private corporation. There's no doubt about that. If I might point out, that was one of the things the government stole from us when we advocated it. It was a good program, Mr. Speaker. But, as I say, it won't go through. But to say that there will be no

negative impact – I've already explained: cross-subsidization is in serious difficulty and rates will go up higher in rural Alberta than they will in urban Alberta because that's the most costly part of the program, and that's the reason AGT was set up in the first place.

Question three: Albertans will ask,

"Is there any danger that AGT will become a foreign-owned company or eventually move out of Alberta?" The answer to . . . those questions is an absolute no. Legislation will be explicit about keeping AGT's headquarters in Alberta and restricting foreign ownership to 10 percent.

Well, Mr. Speaker, we've seen that this government can bring in this piece of legislation this year, and they can bring in another piece of legislation next year. By a stroke of the pen these Thatcherites can change the laws all the way along. This is a public relations exercise to convince people about privatization and that they're not going to be hurt. But every member in this Assembly knows that legislation can be changed.

I would point out that Alberta Energy Company when they brought it in – section 25 says:

No person shall purchase or hold voting shares of the Company in the right of or for the use or benefit of a non-resident, unless such non-resident is a Canadian citizen.

But, Mr. Speaker, guess what? With a stroke of the pen last year they changed it. Now it can be 10 percent. They can change this Bill to bring it to 20, 30, 40, 50, whatever they want in the future, once it's a private company. So that's no assurance. It's certainly not assurance from this government when we've seen them change their mind on so many things.

Then we go along, Mr. Speaker:

Two-thirds of the board of AGT will be required to be Albertans.

Big deal. That can be changed too, Mr. Speaker. But this was one we liked. We will be asked

the actual percentage of shares to be offered . . . Our response . . . will be dictated by conditions when we go to the market, but we will say with certainty that the first offering will not [cover] 100 percent.

When I asked the question, he wasn't sure – 40, 50, 60. It's somewhere between zero and 100, but he said probably around 50. What a way to bring in a Bill. But it's been clear from the government, if not this year – and they've admitted it – that their goal is to get rid of 100 percent of it, and a lot of that will be foreign owned. I'll come back to it again.

Now, Mr. Speaker, the other one that I liked, when the government trumpeted, "Don't worry; be happy; we're looking after you":

The Crown will supplement its legislation through a special share, sometimes called a golden share . . .

It's like a golden handshake, I think.

. . . which enables the government to approve any fundamental changes in the corporation.

So they said, "Don't worry about this." Well, there are two problems with this. They didn't think anybody would read the Bill. In fact, when I talked to some of the government members, they weren't aware of this, that there's a five-year termination period. So at the very most, that protection is for five years. People make decisions long beyond five years. They didn't talk about that. But secondly, Mr. Speaker, as I already pointed out, with a stroke of the pen they can change that in two years or three. There are no guarantees on this, and for the government to say there are is misleading the public, if I may say so.

Now, Mr. Speaker, if I may go back on a couple of other areas. I want to look at the future if I can. I want to say first of all that I am extremely upset with this government in the way they handle business and treat democracy in this province.

During the election that we held less than 15 months ago, at least a major initiative like this – and they knew about it. They had Keith Alexander and the group looking into it. They've known for a long time that this was on the drawing board, and nobody can convince me differently. When you set up that firm, the whole goal was to set it up, and when Webber came in, that was the other part of it. But did they talk about it in the election? They were loving rural Alberta all over the province. Did they talk about dismantling and privatizing AGT? Not a word. In fact, all the words I heard were that AGT was playing a very valuable service; it was a valued company and would continue in the future. Okay. Let's say that somehow the caucus switched, the Thatcherites came in and overruled the people. Then surely on something as major as this they would at least bring in a draft Bill – as the member is talking about, the Minister of the Environment – or hold public hearings or something. No. We expected to see it in the Treasurer's report, the finances, which would have at least given some time for Albertans to know what was going on. No. This is why people are mad at the process and mad at government, and we should have learned this from Meech Lake.

What this government does is bring it in two or three days before the Meech Lake conference, a couple of days coverage on it. They know that all eyes in Canada are preoccupied with the Meech Lake debate. So we bring it in and hope the people don't discuss this issue very much because they might look into the details of it. Then the only option we have as Official Opposition – because this is an absolutely major Bill. I can't think of a more major Bill that we're going to be debating in this Legislature in this term. Then they say, "Oh, the opposition has talked about it too long." There were 18 speeches from the opposition, five from the Conservatives, four to adjourn debate. The Liberals were really involved; they got in twice.

Then they say, "Well, this is enough debate." The point is that Albertans now – I'm getting phone calls. People are wondering what's going on. They want time to assess this, to look at whether privatization is good or bad and look at what it means in terms of local rates and all the rest of it. What do they do here? Closure of debate. There's a guy that when he was in the Reform party was talking about having referendums. Oh, yeah, how quickly they change, Mr. Speaker. How quickly they change once they get here.

AN HON. MEMBER: How about recall?

MR. MARTIN: Yeah, recall. Maybe we should recall the Member for Edmonton-Parkland going against this thing.

Now, Mr. Speaker, the reality is that this process doesn't hurt the Official Opposition. We're doing our job. This process is showing contempt, absolute contempt for the people of Alberta. We were elected to do a job here, not to worry about rushing off because we've got vacation plans or something else. We are prepared to do the job, and I would point out to other people here that closure has hardly ever been used in other Legislatures. Now when the natives get restless, closure, closure, closure. I mean, it's total and absolute contempt for democracy. Nothing surprises me anymore about this government. It's not surprising. It's disappointing, but not surprising, and I expect more and more Albertans are aware of this. I say, to put this in perspective, that what we will get from this Bill for Albertans both urban and rural, but especially rural, is less service in the future and you're going to pay more for it. I'd make a wager to anybody about that. [interjection]

Yeah, you should worry about the order, because you won't be around after the next election on a Bill like this.

Now, this is the point. It is inevitable because of three reasons: paying taxes, as it now is a private corporation and somebody has to pick that up; we have to pay \$10 million a year to the CRTC to be involved in it – somebody has to pay for that, and it won't be the profit makers; and the minute you put the profit motive into a public utility where there's no competition, inevitably they have to come back on those rates if they want to make a profit. That's the reality, Mr. Speaker.

I say to this government that maybe they think they've got this through – and they probably have with their majority, the tyranny of the majority – but when people in Alberta start to look at those rates going up, when people in rural Alberta find that their services aren't up to snuff as they used to be – and this will take a period of time – they're going to look back and become absolutely angry at this government. I predict that that's not going to take that long. We will be able to say: "Yes, in the Official Opposition we were standing up for you. We were standing up here fighting for a needed public service that, as the Premier said, has brought valued service and had the respect of Albertans for many, many years. We were standing up for you." But where was the government that brought in closure on this debate? It didn't even want to debate it. Where was the Liberal Party on this issue?

MR. FOX: In bed with the government.

MR. MARTIN: Yeah. Not sure where they were because they had to run a poll first to see if it was popular or not.

AN HON. MEMBER: A telephone pole.

MR. MARTIN: Yeah, a telephone pole, Mr. Speaker.

But, Mr. Speaker, the reality is that this is a bad day for the Alberta Legislature. It's a bad day for the people of Alberta. I know that this government . . . [interjection] Well, you laugh, rural backbencher. Your people will be at you when the rates go up. I hope they are. I hope they come after you in every possible way, because those rates are going up.

Mr. Speaker, I say in conclusion that we've made our case in this Legislature. We should have had the time to make it for two or three months if we had to, so people know what's going on with this Bill, but we don't have the numbers here. I understand that, and this government can do what they want with their majority. It's not democratic. Make no mistake about that: it is not democratic to bring in closure of debate. In other provinces there'd be people in the streets over this. Make no mistake about that. When you bring in closure of debate, you'd better recognize what you are doing, because you're fundamentally dismantling parliament and showing total disrespect for this process. I say you'll pay the price for it later, because we're going to be out on the hustings telling people what this government is like.

Thank you.

MR. ACTING DEPUTY SPEAKER: Member for Red Deer-North.

MR. DAY: Thank you, Mr. Speaker. As we look at the amendment and see the word "principle" and hear a lot about ideology, I'd like to make some comments on that, because really I don't think we should shy away from the fact that in some ways this is a discussion of ideology. The members

opposite have droned on at length about this fact. I think it does need to be addressed, and I'm glad they've addressed it. I'm glad we have an opportunity even as we look at the amendment and hear them talking about principle here. As the Member for Edmonton-Norwood has moaned on about ideology, it does need to be addressed. He makes a point that it is a matter of ideology when we look at what we're doing here with AGT, and it's simply this: there are two ideologies at work.

There is the ideology of socialism. That's the one being presented. You go back to your grade 10 definition, socialism being state control of the means of production and distribution. That's an ideology. I accept that. All of us accept that. Then there's another ideology which we personally believe in, a Conservative ideology which allows for freedom of initiative and belief in people and believing that if a government creates an atmosphere of opportunity, then you're going to see some exciting things happen. What we're talking about and what this Bill represents is a belief in people, not a belief in state control of the means of production and distribution. [interjections]

You know, it's amazing, Mr. Speaker, truly amazing. [interjections]

MR. ACTING DEPUTY SPEAKER: Order please.

MR. DAY: The members opposite have risen time after time and cried and cried and said: we don't stand up and debate; we're not talking about this. We've tried to allow them all the time possible. Now we get up to talk about it and what do they do? They scream; they shout; they show rudeness to a level that shouldn't even be considered in this House when we try to debate. I find that amazing. I find it rude and I find it undemocratic.

MR. SIGURDSON: I was yawning, Stock.

MR. DAY: You're not yawning now, member. You're opening your big yap, so why don't you keep it closed. [interjections]

MR. ACTING DEPUTY SPEAKER: Order, hon. member. Order please.

Please proceed.

MR. DAY: Thank you, Mr. Speaker. Now, as the members opposite have raised the question of ideology as related to this Bill, I don't think there's a person in this government who would support being enslaved to an ideology without some factual basis that that type of ideology yields results and yields some positive indicators. Even as applied to this particular Bill and even as we look at this amendment, are we and our people enslaved to an ideology that has no basis in fact? I think one of the simplest measures of the two ideologies represented here in this debate on this Bill that we can use as an analogy is a wall that is rapidly coming down in Berlin. We have on one side of the wall an ideology which we embrace, which talks about freedom of initiative, creating an atmosphere for opportunity. The other side of that wall is the ideology embraced by the members opposite: state control of the means of production and distribution. We've seen the results of the two ideologies at work. When the one side, the statist, socialist, control side had the slightest opportunity, they were risking even their lives to get to the side that embraced an atmosphere of opportunity. The one side offers opportunity, standard of living, dividends that go on and on, and the other side offers starvation, deprivation, no social programs, and lack on every side.

Now, I could go on and on talking about the results of the two ideologies, but I think the results are plain. It shows why we as a government support this Bill and don't support this particular amendment. We have seen the results of allowing people the opportunity to create wealth. Now, the members opposite would say that that's a greedy, selfish, self-centred type of thing, but allowing people opportunity is not greedy, not selfish; it's allowing them to develop to their full potential and to their full esteem. Also, when you look at the results of the two ideologies, Mr. Speaker, and as you'll see in the wealth-creating results of this Bill, in the provinces and the societies that embrace this ideology, their social programs far excel those states, provinces, countries, societies that run on the principle of state control of production and distribution. Our social programs far excel those of the cousins of the members opposite: the Soviet Union, East Germany, Romania. Wherever you want to look at state control of production and distribution, you see there is no wealth available to allow for generous social programs to take care of people in need.

So I hope we've been able to deal with this matter of ideology. They'll continue to raise it, as they have in the debate, but that's why we support freedom of initiative and the ability to create wealth.

Now, when we look here, they talk in the amendment about a "principle of a public utility," and they keep talking about principle. They point here in the amendment to all the negative effects, "handsome profit opportunities," intimating there's going to be a few people running around filling their pockets on this. Mr. Speaker, the debate I'm hearing from the other side has a familiar ring; if we think back several years ago to Alberta Energy and shares being made available to the people of this province, a familiar ring of opposition, cries that people were going to be ripped off and common, everyday, good Albertans wouldn't have an opportunity. You only have to look at the record. The thousands of Albertans like you and me, everyday Albertans that bought into Alberta Energy – what happened? Was it the doom and gloom scenario that was presented? [interjections] Oh, no. The shares doubled, split, and split again, and wealth was created for everyday Albertans. Has Alberta Energy disappeared? Has it been absorbed and is it no longer effective? No. It's a world leader. The company is a world leader, and the everyday Albertans who invested in that company are also leaders, and they're enjoying the dividends. So those rings of opposition are familiar. We've heard them before, Mr. Speaker, and we know where they lead. They lead nowhere.

They talk about leaving Alberta Government Telephones as it is: leave Alberta Government Telephones as a Crown agency, restrict it in terms of how it can compete, restrict it in competition, and allow other similar companies, both national and international, to move in. Here's an Alberta company, one of the finest in the world. If we leave them the way the opposition says, we leave them handcuffed, we leave them shackled. We leave them tied down where other companies can come in and compete in areas in which Alberta Government Telephones cannot compete right now because they're a Crown agency. They would get beaten up; they would lose the leading edge they now have and which we want to make available to them. That is the solution of the members opposite, to shackle them, because their ideology represents shackles, chains, and oppression. I'm glad for the foresight of this government in going ahead and allowing this company to do the things it's so well known for and to be able to continue to expand in areas which frankly I don't think the members opposite even understand,

because they involve high technology, enterprise, using your brains, and that is not in the league in which they're accustomed.

Now, I'd like to go on and talk about, as the member opposite has, principles, the principles here in this amendment and also in what we're doing. You know, they talk about the democratic process of debate as a principle. The member opposite waxed – not even eloquent; he just waxed and built up the wax in our ears. The Member for Edmonton-Norwood talked about the process we are now in, in terms of wanting to move this debate through and bring this to a conclusion. The members opposite have clearly told us they will debate this and debate it forever. If they have their way, they will never allow this to happen.

MR. McEACHERN: We want some public debate too.

MR. DAY: Well, that's common sense, Mr. Speaker. That's really productive, isn't it? They have said they're just going to blab on and blab on and not let this become a reality. The majority of the taxpayers, the majority of Albertans have indicated to us they want this opportunity, and that opportunity is being stymied by a minority group. We have a responsibility in a democratic society to see that the wishes of the majority of Albertans are satisfied.

Mr. Speaker, it was very interesting, as I was talking to people in Red Deer last weekend, literally running into people on the streets saying, "When can I buy the shares in AGT?" I said, "Well, it isn't actually legislation yet; it hasn't gone through yet." They said, "What's taking so long?" "Well, we're trying to give the opposition opportunity; they say they have some things to say about this to oppose it." People not just last weekend, Mr. Speaker – this morning, as I walked out of the parking lot at the place where I stay, even talking to people last night, and as I moved through the community of Red Deer and here, people were saying: "You're the majority. We want this. Why are you not moving ahead and making this opportunity available to Albertans?" I sense I have a sense of responsibility to make this available to Albertans, Mr. Speaker, and not to allow the type of things to happen that we're talking about.

We've sat nights here – 11:30, 12, and last night till 1:30 – trying to give the opposition time to move through elements of the legislation so we can get to this, and it's just a constant changing of speeches, blabbing on and on and on. We've got to make the opportunity available to Albertans that Albertans want made available to them. We have done this. It's been a long process, a carefully researched process. We've given all kinds of lead time to the people of Alberta. We've given information out extensively through the media, through a number of means, every means possible, over the last number of months. We have made information available about this, and what are we getting back? [interjections] I'm getting . . .

MR. ACTING DEPUTY SPEAKER: Order.

MR. McEACHERN: What nonsense. Not one study . . .

MR. ACTING DEPUTY SPEAKER: Order please, Edmonton-Kingsway. Occasional interjections are part of the parliamentary process but not steady ones, please.

Please proceed.

MR. DAY: You're right: they're not steady; they're very unsteady and quite shaky. Thank you, Mr. Speaker.

Again, we've made it very plain in terms of doing this in a careful way. The employees have been contacted. Employees

have been informed at great length about the extent of this program, what it's going to mean to them. Employees of AGT in Red Deer are saying to me, "When can we buy the shares?" They talk about the rates. The Member for Edmonton-Norwood talked about the rates, that doom and gloom scenario, trying to scare people, trying to frighten people and talking about rates. You know what's going to happen? About 30 years from now – of course, he'll be long gone from this Assembly – when we go and visit him wherever he is, we're going to see that in fact over a period of 30 years, you know what? The rates went up. So did the price of bread and the price of milk and the price of shoes and the price of everything. The members opposite are trying to get us to say that nowhere into eternity are we ever going to – we want to guarantee that rates will never go up. This minister has made it very clear in this Assembly that rates will not go up as a result of this initiative.

We're putting Albertans first in terms of making the shares available. We've taken care of the concern about foreign ownership. Do you know that as we one by one have taken care of every one of the concerns raised and even the irrational fears raised by the irrational members opposite, I just heard the member before he sat down. Mr. Speaker, as he looked at how we have carefully addressed every single facet of the shares being made available, do you know the only argument he could have? Did you hear him when he talked, for instance, about two-thirds of the board having to be Albertans to protect it for Alberta? You know, he couldn't admit that that was a protective factor. He couldn't admit it was a good idea. Do you know the only argument he could say: the same little whine we just heard from the fellow opposite there. He said, "Well, some day you might change the law." Mr. Speaker, spare us is what I say to the member opposite. Instead of him admitting that we've taken care of these items, instead of him coming forward and saying that, he whines out, "Some day you might change the law."

Well, some day a lot of things could happen, but we have a record of standing for Albertans. We have a record of creating an opportunity for Albertans. We have a record of caring for Albertans. That's what this legislation is all about. It's exciting. Albertans are asking for it. We're doing the democratic thing by taking care of it, and as far as this particular amendment, I don't think I'll be in support of it.

Thank you, Mr. Speaker.

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

MR. GESELL: Thank you very much, Mr. Speaker. It's a pleasure to take part in this debate on this particular amendment. I find that some of the remarks by the members to my left here, the opposition and even some of the Liberals, have been completely outrageous and farfetched.

MR. SIGURDSON: Which Liberal?

MR. GESELL: Yes, good question: which Liberal? Well, there have only been two speakers.

MR. ACTING DEPUTY SPEAKER: Order please. Hon. member, please direct your remarks through the Chair, and also a request for order in the whole House.

MR. GESELL: Thank you, Mr. Speaker. Well, I believe there have only been two speakers from the Liberal Party on this

amendment.

Getting back to the remarks that were made with respect to the amendment by the hon. members in opposition particularly, I find that some of their remarks numb the mind completely, and I notice that their minds are somewhat numb. Those remarks were so outrageous and so farfetched that I believe my ears are bleeding somewhat. I do recall, however, in the debates, particularly in *Hansard*, 1853 and 1868, that there was some grudging admission that this government and AGT have done an excellent job.

MR. McEACHERN: Oh, it wasn't grudging. We're quite proud of what AGT did. Why change it?

MR. GESELL: Mr. Speaker, on 1853, when the Member for Edmonton-Kingsway, who is so vocal when he doesn't have the floor, mentioned "He talks in here about how well AGT has served the people of Alberta and what a great job it has done," he's referring to the minister. He goes on: "And that's exactly what they've done." "They've done," referring to the government.

MR. McEACHERN: No, AGT.

MR. GESELL: And AGT, certainly. "They've done a good job of it, as the minister himself says." So I appreciate those comments, that the members at least give that grudging admission that AGT has done an excellent job. [interjection] Mr. Speaker, I would appeal to you for some order.

[Mr. Speaker in the Chair]

Mr. Speaker, this grudging admission was not only made by a single member of the opposition party; it was also made by the hon. Member for Edmonton-Strathcona. I refer you to 1868 in *Hansard*. It is exactly in doing this good job that we have an obligation, an opportunity, to restructure. That restructuring is essential if we want to do and continue to do a good job, and they in fact do an excellent job in providing this particular service to the people of Alberta.

There have been comments in this House to the effect that if something is not broken – and I refer you to the remarks by the hon. Member for Edmonton-Strathcona, *Hansard* 1868: "If it ain't broke, why fix it?" Well, Mr. Speaker, that is a defeatist attitude, and it is in line with the mind-set and the general direction that is proposed by the opposition: a doom and gloom projection. They cannot look ahead. They cannot plan for the future. Their minds are somewhat stuck in reverse, and perhaps that's a reflection of their general philosophy and attitude about doom and gloom and general negativity. That comment about not encouraging change in order to improve a service or a good that you're providing to the people of Alberta is very destructive. It does not improve that service. The Member for Edmonton-Kingsway mentioned that in his speech, and I want to refer to it specifically. On page 1853 of *Hansard*, and I'm quoting here:

I mean, nobody is going to run a second line into every home in Edmonton or every home in Calgary or every home in the province of Alberta.

Well, Mr. Speaker, that type of attitude is exactly what I'm talking about, the mind stuck in reverse, because the mind of that hon. member is still with those times when you used to have two tin cans and a string in order to communicate, and that is not where we're going. We have now a cellular system, and perhaps the member has forgotten that. We have laser technol-

ogy that may be applied in this area. We have artificial intelligence that is utilized in conjunction with communication systems, particularly computers, and computers that may be effectively used and are effectively used in telecommunications. There's a brand-new field out there. There's a brand-new future that we need to strive toward, and it can't be done if we have the attitude "if it ain't broken, don't fix it" or if our mind is stuck in reverse and we can't see those opportunities, those potentials.

I find that very discouraging, Mr. Speaker, that members in this House, who are supposed to provide and have ideology and philosophy for the betterment of all Albertans, have that type of mind-set where they want to keep us enclosed, where they want to keep us in blinders, as they have suggested, but more than that they want to keep us blindfolded. I think these members cannot contemplate some of these futuristic advances that are possible. They cannot make those decisions within their mind's blind eye. That's unfortunate, Mr. Speaker, because in order to strive ahead, to improve whatever service we provide to all Albertans, we need to have that ideology, we need to dream, and we need to realize those dreams.

Now, further, Mr. Speaker, the members have admitted that AGT has been providing a good service; we're on the right road. That may be appropriate, and it is, but when you're on the right road and technology is moving as rapidly as it is in today's world, you have to move along that road, even while you're on the right road. If you're standing still, sooner or later somebody is going to run over you. That's exactly the situation we're in here, and I'm referring to competition. I want to provide a few quotes that have been provided in the newspaper, that the members from the opposition are fond to quote, apparently get their best research from. This is from the *Edmonton Journal*, June 8: "There is no particular reason to object to the . . . government's plan to sell Alberta Government Telephones." That's because ownership is not as important as the regulation of this particular service. The regulation is in fact controlled by the federal government. So the change in ownership should not mean a big change for the consumers. Where privatization will make a difference will be in the company's ability to compete, and that is really what I'm stressing, Mr. Speaker.

MR. McEACHERN: A monopoly?

MR. GESELL: Mr. Speaker, the question of a monopoly has been raised. Well, let me deal with that monopoly, not just now as an interjection but also in the debate, particularly by the Member for Edmonton-Kingsway and also by the Member for Edmonton-Strathcona.

MR. FOX: How about Vegreville? I spoke too.

MR. GESELL: And Vegreville.

Mr. Speaker, basically what the Member for Edmonton-Kingsway indicated was, and I quote from page 1854 of *Hansard*: "Because of course monopolies are bad. A monopoly is not bad if it's a natural monopoly, and utilities are natural monopolies."

AN HON. MEMBER: It makes sense.

MR. GESELL: Well, I'm not so sure, Mr. Speaker. I'm not so sure that that makes too much sense, because in my mind a monopoly is a monopoly. If there are those fine distinctions about natural or normal monopolies, I would wonder if the Member for Edmonton-Kingsway might ask his comrade from Edmonton-Avonmore whether rape is bad but natural rape

might be all right. By way of analogy, if it applies to one situation, that question is appropriate also in another. I doubt whether the comrade from Edmonton-Avonmore might in fact want to respond to that. We do need competition in order to strive ahead, in order to provide the best possible service, in order to diversify the markets and their services, and to raise the necessary capital in order to provide those services.

Mr. Speaker, I want to draw another analogy here with respect to AGT. We've taken on as a government the initiative to provide essential and basic services to all Albertans. The extended flat rate calling serves my constituency as it serves all of the constituencies in Alberta: effectively, efficiently. It is an excellent service valued extremely by all residents. Communication is essential in our day and age.

Secondly, Mr. Speaker, the individual line service. There has been a commitment by this government and AGT to provide the necessary services and complete that particular project, and I know the constituents in my area are looking forward to that completion. They're looking forward because it provides not only the essential service of communication amongst their friends, their neighbours, but it also provides for a better quality of life. It also ties in to some degree with the environment, and I will present those arguments shortly. Now, those basic services have been provided and will be completed, but there comes a point in time – and there's where I want to draw the analogy with the family – when you have to let go, when you have to allow an individual within a family or a company that is being controlled to realize its own potential, to realize the opportunities that exist in the free world, in the marketplace. In the family case, if you restrict that individual, you inhibit that potential. Similarly, in the business sector, if you control excessively a company, you also inhibit their desire, their potential to expand, to move into new areas, to provide better service and improved services.

Mr. Speaker, I mentioned that I wanted to talk a little bit about the quality of life related to these services and the individual line service that I've referenced, and I note that there has been some discussion in the media about this. With that individual line service – and I'm using this as an example of where we might be moving in the future, and we are there to some degree with the individual line service – there is the opportunity to improve the quality of life, the service that Albertans have. For instance, the matter of obscene phone calls can be resolved. The technology is there in those systems to allow what they call a tattletale telephone, which actually lists the number of the caller that is contacting you. In my mind, that provides a quality of life that is desirable because it eliminates to some degree that obscene phone call because a tracing is possible.

Mr. Speaker, further, I think we can move into areas here that also will have additional impact on our environment, and I've mentioned that when we were discussing estimates, I believe, to some degree. That is, because of that new technology and the new advances, it is possible to suggest – and even with the individual line service I think it's possible right now to have a central directory system rather than the white pages that are provided to all subscribers. Now, to me that's a saving in cost, number one. There's some economics involved here, but it also affects our environment. Paper is a considerable percentage of waste that we have to deal with. If we can reduce that flow through some of the technology in communications that I see us developing and having in place already, we are in fact promoting, enhancing, protecting our environment. I see there may be other opportunities through technology to do that. I'm amazed

that the hon. members in opposition cannot see these potentials, these advantages that could accrue to all Albertans in the future through the restructuring of AGT.

So, Mr. Speaker, I am disappointed, to say the least, that the hon. members in the opposition do not view the future for Albertans in communications, in other technological fields, as brightly as I see them and as our members on this side of the House, on the government side, have a responsibility and a duty of care to see them.

Well, Mr. Speaker, the amendment that we are debating here is one that I find completely inappropriate, and I would encourage all members to vote against it.

MR. SPEAKER: The Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Speaker.

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

MR. SPEAKER: What is the point of order, hon. member?

MR. FOX: [Inaudible] recognized in a row, Mr. Speaker. We have speakers available for the amendment.

MR. SPEAKER: Please, hon. member.

The normal course of events is pro and con, the speakers being selected by the Chair. But the Chair has heard many times challenges by members of the opposition parties to have government members stand up. As I look through the lists, it's quite obvious that there's indeed considerable input from various political parties, and the Chair still recognizes Calgary-Foothills. [interjections] Take the place, hon. member.

MR. FOX: They refused to get into the debate; they had every opportunity.

MR. SPEAKER: Order please, hon. member. [interjection] Order please. [interjection] Hon. member.

The Chair was about to comment before being rudely interrupted.

MR. HAWKESWORTH: I apologize, Mr. Speaker.

MR. SPEAKER: Thank you, hon. member. The Chair was absent from the House for a few moments and therefore did not see that indeed the speaking order was listed that way. As a matter of fact, I don't have it listed in that order. What I have in my notes here, which have not been corroborated by the Table, was Leader of the Opposition, then Clover Bar. If there's been another government member in there, it was not to my knowledge. The Chair still recognizes Calgary-Foothills but would be willing to recognize someone from the opposition after that.

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

MR. SPEAKER: What point of order is that?

MR. GESELL: Mr. Speaker, in *Beauchesne* – and this is prior to you rising – I would draw a reference to 168(1), about the middle of that section.

No Member may rise when the Speaker is standing. Reflections upon the character or actions of the Speaker may be punished as breaches of privilege.

I find the challenging by the members in opposition of the rulings of the Chair offensive, Mr. Speaker.

MR. SPEAKER: Thank you.

Point of order? [interjection] Order. Is this another point of order, hon. member?

MR. DAY: On the citation 168(1), Mr. Speaker, out of *Beauchesne*.

MR. SPEAKER: What's the quick comment?

MR. DAY: Well, on the issue it's very important in a democratic process and the proper running of the House, Mr. Speaker, that all parties recognize the decision of the Chair in situations, and we can look at times in question period, for instance, where often there are three opposition members in a row. We never question that; we leave that to your judgment. In fact, over the long run a balance ensues, so we just want to reflect that confidence, and we don't question it when it happens to us.

Thank you for your good judgment.

MR. SPEAKER: Thank you. The Chair appreciates the point of order being raised and the various comments.

The Chair still recognizes Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Speaker. We've heard the opposition saying that government members have not been in the debate. Quite frankly, I have . . . [interjections] Mr. Speaker, it's very difficult in this House to try and talk with members that are relatively rude, and I would ask that they try to keep quiet while members try to discuss a Bill and with reason. If they want to get in, maybe they can wait for another time.

However, I've listened this last week and heard absolute nonsense, quite frankly, come out of the NDP. We've been down through memory lane several times. This week we've talked about fruit flies in California, elephant tusks, refrigerators, light bulbs, and everything else you can think of but the business at hand within this Legislature. I'm sure it will make interesting reading in *Hansard*; however, I don't know that anyone will waste the time reading it. Anyway, I think that my colleague from Clover Bar spoke very . . .

MR. McEACHERN: Why don't you just speak to the subject?

MR. SPEAKER: Hon. member, that's really uncalled for. [interjection] Order please. Perhaps the hon. member would care to refer to some comments of his in the various debates that have taken place. You know, please, just allow someone to go ahead and talk.

MRS. BLACK: Thank you, Mr. Speaker. I suppose he doesn't refer to comments because they're not worth mentioning.

However, we've been down through the history of AGT, and I think there isn't anyone within the House that couldn't say that AGT has been a marvelous company and has served this province well. But as the Member for Clover Bar intimated, there comes a time for a company to expand, and now we're at that stage. The marketplace out there *is* phenomenal. It's brilliant. It's moving. It's rapid. It's exciting. Now is the time for AGT to have that opportunity, as we saw with Alberta Energy.

I want to digress for a moment with regard to some of the comments that were made with Alberta Energy and what happened with them when we changed some ownership regulations. When I was first out of university without very much money, in fact very little money, I had the opportunity, when the Alberta Energy issue came out, to buy as an Albertan some Alberta Energy shares. We held onto those shares for a few years. It gave us the opportunity as young Albertans to sell those shares and use those funds for the down payment of a home. We've always felt that if it hadn't been for Alberta Energy stock and our funds being secured in that company, we may never have been able to buy our first home. I can remember the day that we got those shares, the absolute pride that my husband and I had when we were able to scrape together for not very many but for a few shares and to say that we held Alberta Energy Company shares. I know that the Member for Edmonton-Kingsway must feel the same way, because he was also a shareholder or is of Alberta Energy. I think that all people in Alberta had the opportunity to buy those shares.

As is the case with the AGT shares, Albertans will have the opportunity. We've seen that opportunity come forward for all Albertans with the additional financing plans that have been made available. I think you'll see a number of young people take advantage of that so they can have a share within Alberta's history in AGT. You know, we've heard comments about the poor not being able to be involved. We heard the same comments with Alberta Energy. I don't know whether it's because the NDP have no concept of the investment community at all or whether it's a game they play. I sometimes think it's strictly a game.

Surely even the NDP realize that if you have a 5 percent ownership allowance within a company when you go to public issue, that basically allows the institutions to invest within that company. When I talk about institutions, Mr. Speaker, I talk about pension funds from the labour groups, pension funds from the different associations that are taking funds for their members, for the labour groups, for their worker groups, and investing in a solid security. Now, they are long-term investments, and those are called institutional clients. They cannot invest on anything under 5 percent – sometimes 4 percent – because that's the block they require. It's a long-term investment; it's a solid investment for workers in this country and in this province. I think there's a total distortion when somebody says the workers, the individuals, do not have the opportunity to invest. Their pension funds are invested for them through institutionalized investment, and I think it's a disservice for the NDP to continually carry on and say that the workers, the people of Alberta, cannot invest. There is ample opportunity for people to invest either through a direct purchase or through their pension funds.

Now, we've heard rumblings and nattering back and forth and an incessant whining this week about foreign ownership. You know, I can't believe it. Now, I gather, Mr. Speaker, that the NDP haven't read the Bill, because if they'd read section 11(1), they would realize that

the number of voting shares that may be held by non-residents . . . shall not exceed in the aggregate 10% of the total number of issued and outstanding voting shares.

You know, it's amazing how they come up with their little numbers and their little games. They think that Albertans won't pick up the issue at first offer. I know that in Calgary and in my riding people are already asking, "When and where can I buy my shares?" In fact, Mr. Speaker, the other morning, as I'd brought a cab to the Legislature, the cab driver here in Edmonton said,

"When can I buy my shares in AGT, and how much will they be?" Of course, I had to say to him that I don't know; we have to pass the legislation, and then the underwriting will take place, and the market will determine the price of the share, not the MLAs, the marketplace. I think that's been a deception. People asking, "What will the price of the share be?" – well, surely you don't think the Legislature sets the price of the share. I mean, good heavens. You know, I sometimes wonder if some of these members from the NDP have ever been out of this place, onto the street and into reality. They certainly don't know anything about underwriting a share or a business.

MR. PAYNE: For the last NDP convention.

MRS. BLACK: Oh, maybe for the NDP convention, as the Member for Calgary-Fish Creek has just said.

Surely to goodness you don't think people believe that the government is going to set the price of the share. The market prevails, you know. I just have found that so unreal that they could even have questions like that put in *Hansard*.

You know, the Leader of the Opposition today stood up and whined and whined for 20 minutes, as is usual, and we heard nothing new from him; he talked about letting go. People don't want state control. They're fed up with government controlling their lives. People have the ability to make choices. People have the ability, and they want that choice. They want the opportunity to make that choice. They don't want government saying, "We're going to state-control everything." You know, I was out talking to a classroom, and they said to me, "What's the difference between a Progressive Conservative and an NDP?" I told them what the difference was, and they were absolutely shocked. I said to keep in mind that the NDP is modified socialism; that's all it is.

I look today at the world, and the Leader of the Official Opposition said that it was a bad day for Albertans. Well, it's a bad for socialist NDPs, because all over the world the socialist barriers are coming down, and this group is trying to hold on to their little bitty strings and trying to say: "State control will work here. We're going to control everybody's life. We're not going to let anybody have freedom of choice and freedom of opportunity," that we as Conservatives believe in. The Conservative philosophy is freedom of choice and freedom of opportunity, and we believe in that. The NDP do not. They want to control everything from the kids all the way up to the companies. It's absolutely unreal. They disallow everything from creative thought to creative initiative. They don't want to see this company succeed because they couldn't stand the fact that people could invest in a success case in Alberta and they might even make a profit as an individual. They couldn't stand the big P word. It would be sinful.

I think, Mr. Speaker, that when I looked at this Bill – and I'm a proud Albertan; I was born and raised here, and I have invested here, and I have worked here – I thought, how could anybody object to this Bill? This Bill is fashioned so that it serves all Albertans. It helps all Albertans. It helps the corporation expand and excel. How could anybody in their right mind object to this kind of a Bill? Well, you know, sometimes we do people a favour. Sometimes we take people off the street, and we elect them to this Assembly so they can't do any further damage on the street. Sometimes they're even in the school system, so it saves the children for the future; that's all I can say. Honestly, Mr. Speaker, when I went through this Bill and I read it, I felt proud. You know, I listened to the drivel next door, and it took me back to when I was growing up. My

mother is a very sharp lady who has been around and in business for 40 years, seen successes and seen some failures, has worked in the community, and she said to me one day before I entered politics: "The NDP in this country automatically take 20 percent of the vote. Don't be alarmed by that, because that's exactly the illiteracy rate in the country." And that's what I feel about their involvement in this Bill.

Thank you.

MR. SPEAKER: Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. Well, we've heard the dinosaurs speaking.

A couple of things I wanted to be able to comment on this afternoon before the vote is called on this particular amendment and on the second reading of Bill 37. When I first wanted to intervene and was making my notes, it goes back a couple of days to the intervention made by the Liberal leader. I'd just like to share with the House some of my thoughts as I listened to the Liberal leader, and in fact it was with some rapt fascination that I listened to him speak to this Bill. To listen to the Liberal schizophrenia working its way through in the various comments they made in the Legislature as they've tried to grapple with what is probably the most significant public policy issue that the Legislature has faced in this session . . .

MR. TANNAS: I'm of two minds about that.

MR. HAWKESWORTH: Yeah.

Now, their leader was in favour of the government getting out of the economy, especially when it came to public policy regarding telecommunications, but then at the same time, he wanted to preserve all of the good that government involvement brings with it. He pleaded with the minister to please give us some assurance that all the benefits that flow with government ownership of this company will stay in place. "Assure the Legislature, please, Mr. Minister, that rural telephone rates aren't going to go up. Please reassure us that local service charges aren't going to go up as a result of privatization, and if, Mr. Minister, you could give us your word, by golly, then the Liberals will get behind this Bill." Although he hasn't accepted the word of the minister as assurance enough on any other piece of legislation or any other policy, on this one that would be sufficient for the Liberals to get behind it. In fact, if he believes that the word of a minister in the House is all it will take, then he was more naive than I thought.

Let's make it clear, Mr. Speaker. If it's a private company or a publicly owned company in the sense of publicly traded shares privately held, you have to take the baggage and all the luggage that comes with it. That means a different mandate for Alberta Government Telephones. I hear all these people in the Legislature from both the Liberals and the Conservatives talking about competition now going to be a great thing for AGT; it's going to bring all kinds of untold benefits to Albertans. First of all, what it indicates to me is that none of those who have made those comments understand competition theory at all. If they would stand up and believe that by privatizing and making the moves the federal government is making in the form of deregulation, that's going to lead to competition, they are woefully ignorant of what competition theory is all about. It just is not going to happen, Mr. Speaker.

Anybody who understands what kind of business telecommunications is understands that competition is not what it's about. What it's about is allowing a different market share to

be opened up to another company, but it's not competition. It's going to create a different kind of a regulated market. If you want to think of it as competition where a number of firms have access to a market and they can come into the market and leave with the market and provide competition in that sense, this is never going to occur in the telecommunications system. It will never work in the form of a market where you require a large monopoly to provide the service on an efficient basis. I mean, it just doesn't work that way. What you're going to do, in fact, in a natural monopoly market is have different companies carving up that market, and each one of them is going to have to duplicate the infrastructure. There's going to be a duplication of administration; there's going to be a duplication of organization; there's going to be a duplication of billing systems; there's going to be waste of money in network rearrangements. All of that is going to end up being reflected in the costs charged to the people making use of that service.

Now, the reason there's a mirage that competition might exist is in a segment of the service offered, and that has to do with long-distance service, Mr. Speaker. The fact is that over the years what has happened in the monopoly situation we have in telecommunications systems is that for the cost of providing long-distance service, companies have charged a rate far in excess of their cost of service. They've taken that money and they've used it to subsidize the service that they provide to the local consumer. It's a cross-subsidization. So now what we have are some companies with the infrastructure in some ways come into the market at a certain level, and that is in the provision of long-distance services, the one area in which a profit is made. What they're going to do by entering into that portion of the market is drive down the rates for long-distance.

All of that revenue, Mr. Speaker, is going to have to be made up in some other way. The companies are simply going to increase the rates they charge at the local level to local consumers, local customers, and they're going to raise the long-distance rates for those charges within their jurisdiction. So all that this is going to result in is a rate restructuring. That's all we're talking about by this kind of so-called competition. It's only going to result in a change of the rates – the rate structure, the rate balancing. It's not going to actually result in anything that you could call competition in the true meaning of what that term means in competition theory. It's simply going to result in rate rebalancing, which is something that could have been easily mandated by the regulator. If that's the desirable goal as a result of all of this, if what this government wants is to see rates rebalanced, they could easily do that in another form through regulation without having to move into a situation where you have two companies carving up a market share with all of the inefficiencies that go along with that.

On top of rate rebalancing or restructuring, which is going to result from this change in regulation, we're also going to add to it now the costs of the demands of the private shareholders of Alberta Government Telephones. That's going to be added on top of it, and it's not going to be money that AGT is going to be able to generate through its long-distance revenues, because those are no longer going to be enjoyed; those are going to be cut as a result of the federal changes. Those now are going to have to be made up through local rates. There's no other place for AGT to go than that or through the rates they charge for long-distance calls made within the province. On top of that, we've got the goods and services tax, which doesn't, as I understand, apply to Crown corporations. By privatizing now, they're going to expose all Albertans to the GST. Now they're removing that protection as a result of this privatization.

They're not telling people about that. That's all going to be added on top of these increased rates at the local level for basic services.

The most highly subsidized in the cross-subsidization of rates within the province are the rural areas, so they're going to be particularly hard hit by the change in policies which a privatized AGT is going to have to pursue. Not only are they going to have to bear the higher costs as a result of the rate restructuring, but they're also, on top of it, going to have to absorb the GST. And here we have the Liberal leader begging the minister to give him reassurances that our local customers are not going to be hard hit. Well, if the minister gives that reassurance, he's foolish, and if the Liberal leader accepts it, he's going to be even more foolish.

The truth of the matter, Mr. Speaker, is that this change in policy, whether it be their change of regulation at the federal level or the privatization that's going along with it, has only one source to go to to make up the inefficiencies that are being created and the additional costs that are going to result, and that is at the local level for basic services. It's going to hurt Alberta, it's going to hurt them hard, and once those bills start to come in, Albertans are going to have a much different attitude than perhaps they have at the present time. The government says that Albertans are all in favour, that they think competition's great, that privatization is great. Just wait till it starts to hit them in the pocketbook; wait till the bills start coming due in rural Alberta. People are going to start opening those bills, and they're going to be saying to themselves, "What the heck is this government doing if this has been the result?"

If this government thinks that everything I've said is just idle speculation, I would ask every member of this House to consider very seriously what's happened in the United States as a result of the move that is presently being undertaken federally with the so-called deregulation in the telecommunications system. This is drawn from experience elsewhere, Mr. Speaker, and I can assure all hon. members that when the bills start coming into the mailboxes of rural Alberta and urban Alberta on the increased cost to them for this privatization, for this change in regulation, they are going to be very unhappy with the fact that this government has simply caved in to the federal government and, not only that, has exacerbated and made worse these changes by pursuing a mindless ideological drive for privatization. The bills will come in, and even if Albertans think it's great at the moment in theory – they may well think it is super – when the bills come in, they'll realize what privatization and deregulation has meant for them. What it means is a lot of money out of their pockets for each and every month that they have telephone service, and at that point they're not going to thank the government for this Bill or for their decisions in privatizing Alberta Government Telephones.

MR. SPEAKER: Taber-Warner.

MR. BOGLE: Thank you, Mr. Speaker. I did want to address a couple of areas of concern in rural Alberta: the individual line service and extended flat rate calling. Then I wanted to conclude with some remarks on the services provided in the rural areas.

As a number of members in the Assembly have indicated, the individual line service is a very important program. It ensures that rural Albertans will have the same access to private lines as has been enjoyed by urban Albertans for many, many years, and that's something we all feel very proud of. It does put Alberta at the forefront in terms of services in Canada. I know that in

communities like Taber and Coaldale in my own constituency, once that service was made available, it was welcomed very, very warmly. Residents in the Warner-Coutts-Milk River area continue to look forward to that service, which is coming within the next year or so.

With regard to extended flat rate calling, again the ability to call either a business or friends or relatives in a neighbouring community is something that has been very much appreciated. I look at lines such as the Taber to Lethbridge line, or Wrentham to Lethbridge, or Taber or Coaldale to Lethbridge, or Milk River to Coutts, or Milk River to Warner as examples of a service, again, which Albertans have come to expect. I'm pleased that the minister has given assurances in this Assembly, assurances which have been echoed by many others on the government side, relative to these two programs continuing to be protected.

The area that I did want to raise is that we want to ensure that the level of service provided in the rural areas remains. I'm now looking at the employees who are currently located in the rural areas. We have, as an example, in my own constituency AGT personnel in Taber, in Coaldale, and in Milk River. This is important because when you do have a service break or a problem, you've got personnel very close at hand who can go out and respond adequately. Now, other utility companies that are in the investor-owned category – and I'm thinking of companies like Canadian Western Natural Gas – do have service personnel located in the same communities I've mentioned. I'm assuming that AGT will want to continue to do that in terms of the service it provides. That's an important element, Mr. Speaker, in terms of that service and ensuring that those customers in rural Alberta who have come to expect that level of customer service will continue to receive it.

Thank you.

MR. SPEAKER: With respect to the amendment, those in favour of the amendment, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The amendment fails.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Barrett	Hawkesworth	McEachern
Ewasiuk	Laing, M.	Sigurdson
Fox	Martin	Woloshyn
Gibeault		

Against the motion:

Anderson	Drobot	McCoy
Black	Elliott	Mirosh
Bogle	Fischer	Moore
Bradley	Gesell	Musgrove
Brassard	Isley	Payne
Bruseker	Johnston	Rostad
Calahasen	Kowalski	Severtson

Cardinal	Laing, B.	Stewart
Cherry	Main	Tannas
Clegg	McClellan	Thurber
Day		

Totals:	Ayes – 10	Noes – 31
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[Motion on amendment lost]

MR. SPEAKER: Those in favour of second reading of Bill 37, please rise. [interjections] What did I say?

SOME HON. MEMBERS: Anticipation.

MR. SPEAKER: All right, yeah. The Chair is guilty of the rule of anticipation. I can't understand why.

All those in favour of Bill 37, Alberta Government Telephones Reorganization Act, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Anderson	Day	McClellan
Black	Drobot	McCoy
Bogle	Elliott	Mirosh
Bradley	Fischer	Moore
Brassard	Gesell	Musgrove
Bruseker	Isley	Rostad
Calahasen	Johnston	Severtson
Cardinal	Kowalski	Stewart
Cherry	Laing, B.	Tannas
Clegg	Main	Thurber

Against the motion:

Barrett	Hawkesworth	McEachern
Ewasiuk	Laing, M.	Sigurdson
Fox	Martin	Woloshyn
Gibeault		

Totals:	Ayes – 30	Noes – 10
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[Motion carried; Bill 37 read a second time]

MR. SPEAKER: The Chair would like to make one brief comment with regard to *Beauchesne*. There are some sections there, 329 through to 332, dealing with decorum in the House. The Chair first assures everyone that the Chair is not feeling grumpy about this, but there are certain things that should be brought to the attention of the House. Now, hon. members have desks, and they do have the opportunity to kick off their shoes, which is an opportunity not afforded to the Speaker, to be able to relax. In the last week the Chair has noticed at least three members going in and out of the Chamber in their stockinged feet and one member in bare feet.

MR. FOX: The Speaker noticed with his eyes; I noticed with my nose.

MR. SPEAKER: Yes, that raises certain difficulties for one's seatmates, I'm certain.

The Chair is also understanding of the fact that two of the members who are going back and forth without shoes were

ladies. I'm certain that high heels create a real problem; nevertheless, I still think we should insist that in exiting and entering this Chamber, one should be wearing their shoes.

I'm certain all members will enjoy a good weekend.

[At 1:19 p.m. the House adjourned to Monday at 2:30 p.m.]

