

Legislative Assembly of Alberta

Title: **Monday, May 13, 1991** 2:30 p.m.

Date: 91/05/13

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

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

Amen.

head: **Introduction of Visitors**

MR. FJORBOTTEN: Mr. Speaker, I'm pleased today to introduce to you and to members of the Assembly Lebanon's ambassador to Canada, Mr. Jaber. Accompanying him today is his wife, Mrs. Jaber. They met with members of our cabinet this morning, and I had lunch with them and with members of the Lebanese community here in Edmonton. They'll be traveling now to Banff and Lake Louise. Would they rise in your gallery, Mr. Speaker, and receive the cordial welcome of the Assembly.

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

MR. DECORE: Thank you, Mr. Speaker. It's with great enthusiasm that I bring to your attention and to the attention of members of this Assembly a special guest in your gallery, sir, a visitor to our province, the Member of Parliament for Ottawa South, the critic for Finance for the Liberal Party of Canada, John Manley. Would you please welcome him.

head: **Presenting Petitions**

MS M. LAING: Mr. Speaker, I would present to the Assembly today a petition signed by 400 persons urging the government to fund community-based agencies that treat child victims of sexual abuse.

head: **Notices of Motions**

MR. GIBEAULT: Mr. Speaker, pursuant to Standing Order 40 I'd like to give oral notice now of my intention to move after question period today the following resolution:

Be it resolved that the Legislative Assembly extend its congratulations to the Royal Canadian Mounted Police and Cons. Baltej Singh Dhillon as he graduates today from the RCMP Training Academy as the first Sikh officer of the force since the RCMP adopted policies to encourage the greater participation of minority community members, and be it further resolved that the Speaker convey this message to Cons. Dhillon on behalf of the Legislative Assembly.

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

MRS. HEWES: Thank you, Mr. Speaker. I beg leave to give notice that at the end of OQP I will stand under Standing Order 40 to request unanimous consent to propose the following motion:

Be it resolved that the Legislative Assembly recognize and congratulate . . . seven women recently honoured by the YWCA's 1991 Tribute to Women awards for their outstanding contributions to the community of Edmonton.

MR. SPEAKER: Thank you.
Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. It seems to be a busy day for Standing Order 40s. I request leave to give notice that after question period today I wish to sponsor the following resolution under its provisions:

Be it resolved that Standing Order 58(1), which limits the time for consideration of the main departmental estimates to 25 sitting days or parts thereof, be struck from the Alberta Legislature's Standing Orders so that full and comprehensive deliberation can continue in Committee of Supply until it is satisfied with those estimates and the planned spending of the government.

MR. SPEAKER: There are three notices of motion under Standing Order 40. We will take them in the order in which the notice was received in the Speaker's office. Therefore, it will be Edmonton-Gold Bar, Edmonton-Highlands, and then Edmonton-Mill Woods.

head: **Introduction of Bills**

Bill 36 Safety Codes Act

MR. LUND: Mr. Speaker, I beg leave to introduce Bill 36, the Safety Codes Act.

This Bill establishes a framework for the growth of a comprehensive safety system for Alberta. This legislation incorporates the subject matter of seven previous statutes which have become outdated. The Bill establishes a safety codes council representative of the safety technologies administered under this Act.

[Leave granted; Bill 36 read a first time]

MR. STEWART: Mr. Speaker, I move that Bill 36, Safety Codes Act, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

MR. ANDERSON: Mr. Speaker, I table Motion for a Return 208, the volunteer incorporations Act.

MR. STEWART: Mr. Speaker, it's my pleasure to file the National Science and Technology Action Plan Statement as recently released by the federal/provincial/territorial meeting of the council of science and technology ministers.

MR. SPEAKER: The hon. Solicitor General.

MR. FOWLER: Thank you, Mr. Speaker. I'm pleased to table this afternoon the government's response to Question 303 on the Order Paper.

MR. McINNIS: Mr. Speaker, I wish to file a list of 13 projects for which an environmental impact assessment has been requested but not granted by Alberta Environment.

head: **Introduction of Special Guests**

MR. JONSON: Mr. Speaker, the purpose of the Alberta legislative intern program is to provide university graduates with an opportunity to experience firsthand the functioning of

Alberta's parliament and at the same time provide members with exceptionally competent assistance and research and work for constituents. Our legislative interns have just returned from visiting the House of Commons and the Quebec National Assembly. The travel portion of the intern program is made possible through the generous support of Canadian Airlines and Petro-Canada. Seated in your gallery today, Mr. Speaker, is Judy Wish, director of public affairs for Petro-Canada. I would ask that Judy rise and receive the warm welcome and thanks of members of the Assembly.

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

MR. BRUSEKER: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to members of the Legislature a total of 93 students from W.O. Mitchell elementary school in the constituency of Calgary-North West. They're located in both the members' and public galleries. I might note that a number of these students are former students of the Member for Calgary-Bow, who taught at that school for a number of years. Accompanying the students are teachers Mr. Rooke, Mrs. Braun, Ms Burton, and Mr. Allard. As well, we have parents Mrs. Johnson, Mrs. Farough, Mrs. Duncan, Mrs. Dey, Mrs. Montgomery, Mrs. Thomas, Mr. Lackey, and Mrs. Clark. I'd ask all those students in both galleries to please rise and receive the warm welcome of the Legislature.

MR. SPEAKER: Clover Bar, followed by Taber-Warner.

MR. GESELL: Thank you, Mr. Speaker. It's a distinct pleasure today to reintroduce to you and to the members of the Assembly Dr. Walter Buck. He's seated in your gallery. Dr. Buck was elected for Clover Bar in 1967 and re-elected in '71, '75, '79, '82, and '86. Overall he's served Albertans for over 22 years and the Clover Bar residents for the same period of time. He's left some extremely large shoes for me to fill. I would ask Dr. Buck to rise and receive the warm welcome of this Assembly.

MR. BOGLE: Mr. Speaker, I'm pleased to introduce to you and through you to members of the Assembly a group of grade 8 students from the Erle Rivers high school in Milk River. They're near the end of their visit to our provincial capital and are joining us here in the Assembly today. They're accompanied by teachers Mr. John Parker and Mr. Brian Aman and by parents Mrs. Shirley Hansen, Mrs. Cindy Rombough, Mrs. Ann Stelton, and Mrs. Bev Fleming. As well, it hasn't gone unnoticed that one other parent is along, and I'm not sure if that was by accident or design by other parents to ensure that the curfew was strictly maintained: Cpl. Bob Gray from the Milk River RCMP detachment. I'd ask the students, the teachers, and the parent volunteers to rise and receive the traditional warm welcome of the Assembly.

2:40

Ministerial Statements

National Tourism Awareness Week

MR. SPARROW: Mr. Speaker, as Minister of Tourism I'm pleased to advise this House that May 13 to 19 has been designated National Tourism Awareness Week in Canada. Tourism is big business in Alberta and benefits all Albertans. Tourism is now ranked as Alberta's third largest industry, employing over 100,000 Albertans on a full- or part-time basis, and this government recognizes that never before has it been so

important to manage our tourism resources, services, and products.

Alberta Tourism is working closely with our private-sector partners to assist in the diversification of this province. This unique team effort has spawned the development of some highly innovative and effective initiatives which have enhanced Alberta's international reputation as a preferred destination.

The community tourism action plan process is an internationally recognized success story. So far some 328 Alberta communities have either completed or are working on their local tourism action plans. A 1990 Pacific Asia Travel Association Gold Award was presented to Alberta because of the Alberta Tourism Education Council's initiatives. During the last year they led the North American tourism industry by developing certification standards for job classifications in the tourism industry. The Alberta Best program is an attitudinal awareness program which encourages Albertans to make that effort which allows our visitors to feel appreciated. These are but a few of the programs which have enhanced Alberta's reputation as an innovator in tourism development.

I hope that every member in this House will join with us and our private-sector partners as we recognize the contribution that tourism has made on our lives and we acknowledge the accomplishments of the dedicated people of our tourism industry.

Thank you, Mr. Speaker.

MR. SPEAKER: The Leader of the Opposition.

MR. MARTIN: Thank you. Mr. Speaker, I'm pleased to also support National Tourism Awareness Week in Canada and confirm that, yes, there's no doubt that this is a very important industry not only now but potentially in the future. I notice that the minister says that over 100,000 Albertans now work in our third largest industry.

He also goes on to say that "never before has it been so important to manage our tourism resources, services, and products." Well, there's where we might have some disagreement. I think that when you hand out a third of the province in northern Alberta in forest management agreements, it's going to be very difficult if not impossible to develop a tourism industry there.

Tourism is much more than just our national parks and our major cities. It means different things to different people. Tourism means a lot to Albertans too. As fuel taxes and costs go up, hopefully more of our own people will participate and use the tourist facilities in the province. I notice also, though, that with the increases in the last budget from the Treasurer the government has made it a little harder for people with meagre incomes to enjoy their parks. I think we should consider that.

The only other point I would make, though, is that I think tourism, especially among the employees, is often a matter of attitude. I've said before that in traveling around in places, perhaps in the United States, in Washington state, which I know a fair amount about, it seems that they have a better training system. At least the people seem to want to be in that job. They make a good standard of living, and they're quite proud of what they're doing. Hopefully, we're moving in the direction that it is an important job. It is, as the minister says, the third largest industry, so we have to take, I think, the training in tourism much more seriously, if I could put it that way.

So while certainly we agree that it is an important industry, we may disagree with some of the directions that we're going. We look forward to that debate in the future.

Thank you, Mr. Speaker.

head: **Oral Question Period**
Daishowa Pulp Mill Emissions

MR. SPEAKER: Leader of the Opposition.

MR. MARTIN: Yes, Mr. Speaker. To the Minister of the Environment. You're over there? Okay. Thank you. On March 27 the Minister of the Environment filed in this Assembly effluent levels for three different pulp mills, including Daishowa. This information, along with the minister's accompanying words, purported to show that these mills were discharging organochlorines into the Peace River at rates up to "10 times [below] their licensed limit." Well, the Official Opposition has obtained information from Alberta Environment that shows that the minister's Daishowa effluent number is clearly and absolutely wrong. The data that we've obtained – and I would file four copies here in the Legislature – clearly shows that in January of 1991, coming from his own Department of the Environment policies, the actual discharge from the mill is 666 kilograms per day, or double the figure that the minister reported in the chart that he filed in this House. My question to the minister is simply this: will the minister explain why that chart he so proudly showed is wrong? Was he misleading the Assembly, or does he just have simple problems with math?

MR. KLEIN: Well, Mr. Speaker, I'm not misleading the Assembly in any way, shape, or form. The information I filed was information that was compiled by the administration within the Department of the Environment. It's purported to be good, honest information. If there is a particular or specific incident involving one particular day, then I would ask the hon. Leader of the Opposition to provide me with that information. I'll have it thoroughly investigated and provide him with an answer.

MR. MARTIN: Well, Mr. Speaker, I've already filed it. It's not for one day; it's for the whole month of January. That's the reality. The minister can take a look at it.

Mr. Speaker, beyond the fact that the chart was wrong and misleading, there's a second assumption that's wrong. It's based on measurements taken at a time when Daishowa was producing pulp at little more than half its capacity. My question: besides the false information and given that the minister's wrong number is based on a calculation mistake and Daishowa being at roughly 50 percent capacity, will the minister admit now that this mill will be at or exceed its licensed discharge limit when it reaches full capacity?

MR. KLEIN: Yes, I can give that assurance without any hesitation, because very simply that is the policy of this province. Standards are set for pulp mills. The minimum standard for bleached kraft pulp mills is 1.5 kilograms per air dried tonne of chlorinated organics per day. Mr. Speaker, if there is an ongoing violation of these standards, the company will be given the appropriate orders to do what is right and to do what is necessary to protect our environment. This is a policy that is simply reflective of the best achievable environmental standards in the world.

MR. MARTIN: Well, it's probably the best in the world when we hand out misleading information, Mr. Speaker.

Let's talk about "best" in the world, Mr. Speaker. He's admitted now that Daishowa will probably exceed the discharge limit down the way; he's already admitted that. The question is this: given that zero effluent technology is now available – that's

the best in the world, Mr. Minister, and indeed will be used in Saskatchewan and B.C. – what explanation can he give to Albertans for not insisting that it can be used in all pulp mills recently and currently being built in the province?

MR. KLEIN: I'm glad to note that the hon. Leader of the Opposition has become a renowned expert on pulp mills, like he appears to be a renowned expert on just about everything else. The fact is that the closed loop system relative to zero effluent is being experimented with in British Columbia and in Saskatchewan, and it applies . . .

MR. McINNIS: It's built.

MR. KLEIN: Listen to this. [interjections] Listen. It applies to a mill operation called chemithermomechanical pulp, which is a totally, entirely different kind of operation producing a different kind of product than kraft mills. With respect to kraft mills, those mills that are deemed to be responsible for producing chlorinated organics, we have reached the highest environmental levels achievable in the world today.

2:50

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

MR. MARTIN: He can't get it through his thick skull that people don't want kraft bleaching; they want the thermomechanical. That's what this is all about.

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

Environmental Impact Assessments

MR. McINNIS: Mr. Speaker, today in Alberta we're no closer than we were two years ago to knowing when an environmental impact assessment will be called on any given project. The way the minister described the situation last week in the House, a developer can present anything he wants to a public meeting while the Department of the Environment sits back and the minister hides in the weeds sniffing the political winds and then goes back and makes a decision. No environmental impact assessment at that stage. Then ultimately, after he's through hiding in the weeds and sniffing the winds, he will make a decision under the Land Surface Conservation and Reclamation Act. Does the Minister of the Environment fail to appreciate that this process pits neighbour against neighbour and makes friends into foes while he hides in the weeds waiting to make a decision?

MR. KLEIN: No. This minister has never hidden in the weeds from any situation. Basically, we try to do what is right and what is proper. We try to get both sides of the story. We try to obtain as much mediation as we possibly can. We listen, we respond, and then eventually we do the right thing. Before we do the right thing, we make sure that all sides have been brought together and that there is as much consensus as we can possibly obtain before addressing a particular matter.

MR. McINNIS: Well, while he's deciding whether to do the right thing, as he puts it, you have company goons who shout down people who try to ask questions at meetings, Alberta Environment officials who won't answer questions because they're afraid, and developers who threaten to withdraw projects if the right questions are asked. So in view of the fact that this

process has become a bit of a charade, when's he going to put something in place so we know where we stand at the outset as opposed to this sitting back and waiting to see how things develop?

MR. KLEIN: You know, Mr. Speaker, this hon. member is of the notion that the E in environment stands for "everything"; that is, there should be an everything environmental assessment. I mean, if he had his choice, every dog house in the province would be subjected to an environmental impact assessment. There are different degrees of environmental impact assessments, different degrees. Certain projects require a certain kind of treatment. With respect to the Sunpine project, for instance, it requires a different kind of treatment than, say, an Al-Pac or a major water diversion project. You don't apply the same kind of environmental impact assessment, spending literally thousands and in some cases millions of dollars to address some projects that don't have nearly the environmental impact that other projects might have. So what you have to do is a reasonable evaluation, a reasonable screening of these projects, and then decide, based on what is reasonable, what kind of environmental impact assessment should apply.

MR. McINNIS: Well, E doesn't stand for "everything," but it doesn't stand for "evasion" either, and that's what we're getting from this minister. More than a year ago this document was tabled, the report of the Environmental Impact Assessment Task Force, how you arrive at these decisions. I'd like to ask the minister why the government has made absolutely zero progress towards implementing the key recommendation that "there should be a minimum of discretion in the legislation," and that where there is discretion, some type of appeal mechanism should be provided. Why no progress?

MR. KLEIN: Mr. Speaker, I think that we have instituted a good number of the recommendations contained in that report. One of the key ones is the establishment of a formal process to adjudicate the social, economic, and environmental impact of non energy related projects through the Natural Resources Conservation Board. That board is on its way to establishing its administrative procedures and should be ready to operate perhaps by the end of July, certainly no later than the end of August, understanding that it's an entirely new administration within this government and it has to have a reasonable amount of time.

In the meantime, we are assessing a number of projects – and I believe the hon. member alluded to those projects on this piece of paper that he filed with the House – as to whether, first of all, they are mandatory under the NRCB guidelines. Secondly, if they aren't mandatory, should there be ministerial discretion to send some of these projects to the NRCB?

MR. SPEAKER: Edmonton-Glengarry on behalf of the Liberal Party.

Women's Shelters

MR. DECORE: Thank you, Mr. Speaker. Albertans had to be impressed by the fact that some 1,200 or 1,300 Albertans attended a conference on the weekend involving women in a violent society. One of the areas for discussion at that conference was the fact that women and children were in greater numbers being served by shelters throughout Alberta. My questions are to the Minister of Family and Social Services.

Given that 3,000 women and 4,000 children were served last year by these shelters and given that the Alberta government does not provide more than basic services at these shelters – that is, shelter and food – would the minister confirm and commit to a program being put into place that will put in counseling for these children and for these adult women who have to deal with battering that can allow them to go into the work force and into the schools much better prepared?

MR. OLDRING: I would draw to the leader of the Liberal Party's attention the substantial commitment that we make as a government towards, in particular, child welfare services. The member knows that we spend almost \$138 million per year on child welfare services, and we make an exhaustive list of options available to children that require counseling and those kinds of supports. I'd also point out that we spend just in excess of another \$130 million on family support services. Mr. Speaker, that totals nearly \$268 million that we're providing across this province in support of children and in support of families.

MR. DECORE: Mr. Speaker, I think it's a well-known fact that the counseling that is given is given to children that are wards of the province, not the children that are going into these shelters. For every one child that is accepted, there are two that are turned away. Experts say that if counseling is given to these children and women, the problems later on are minimized. Will the minister commit to increasing the funding from the 80 percent level to 100 percent, which would allow for this counseling to take place and allow them to be better people in the schools and the workplace?

MR. OLDRING: Well, again, Mr. Speaker, I would remind the member opposite, first of all, that we have seen our budget for women's shelters in this province almost triple in recent years. I would also point out that I am committed to working with the provincial executive of the Alberta Council of Women's Shelters to make sure that we do have an appropriate formula in place to provide basic services through those shelters, and we hope that through a consultative process, through working together with the executive, we'll come to an appropriate formula.

Mr. Speaker, further to that, again I would remind the member opposite that it isn't up to just this department and just this government to respond to these needs. Without question we have taken a lead position in this, but we're also working with communities and community agencies. We've seen an increase of some 24 percent in community agencies that are there to respond in recent years. We've seen the private sector come into it with groups like Field & Field, a legal colleague, which has just recently announced \$75,000 in funding to help deal with this problem. Much to be done, and I can only continue to say that I'm going to continue to work with communities and with all levels of government to address this very serious problem.

3:00

MR. DECORE: Mr. Speaker, we're talking about violence, violence that continues to grow, violence to which women and children are being subjected, and whatever the minister says, the assistance that's being given to women and children that are having to go through this battery isn't enough. My final question to the minister is this. There is a good model for Alberta to follow, and the minister has had an opportunity to look at that model, the London model, which allows and sets up a team approach to deal with battered women and children. Will the

minister tell this House that he has looked at the model and that it will become the model for Alberta?

MR. OLDRING: Mr. Speaker, I can tell this House that I have looked at that model and others that have been brought forward. As I mentioned to the member earlier, I'm at the point now where we're sitting down and, on a rational basis, discussing the options with the executive of the Alberta Council of Women's Shelters, and we hope to be able to finalize and bring forward a final position at the end of this year. I don't know what more we can do at this time. I appreciate the concerns that the member is bringing forward. I appreciate that from his perspective the only answer is more funding. We're trying to keep abreast of that as quickly as we can. As I've pointed out, we have had substantive increases during a time of restraint to try to address this very serious problem. I'm committed to working as hard as I can, along with my government colleagues, to do what we can to put an end to family violence. We have taken a number of positive steps, we've shown that we are leaders here in the nation, and we're going to continue to do that.

Employment Statistics

MRS. B. LAING: Mr. Speaker, my question is for the Minister of Career Development and Employment. Hon. minister, with all the layoffs taking place in Calgary, such as we saw last Friday with Canada Packers, could you give an update on the employment statistics for Calgary?

MR. WEISS: Mr. Speaker, for the month of April 1991 the unemployment rate for Calgary, seasonally adjusted, was up slightly, by .1 percent, over March of 1991 to 8.3 percent. Now, some may be alarmed, and it's not something we'd minimize as well, but Calgary enjoys the seventh lowest rating of cities across Canada, with Edmonton being eighth. As well, Vancouver, Toronto, Winnipeg, and Montreal are all higher, with Montreal at a rate of some 13.1 percent. Now, while there have been layoffs and more people entering the labour market, the majority have been able to find meaningful jobs and employment. Since 1983 there have been some 70,000-plus new jobs created in Calgary. To reach the all-time high of 1983, Calgary would have to lose 74,000 more jobs, which we do not anticipate or project at all. I might add that we'll continue to assist those in need of counseling as to future career moves and training as required, in particular in view of such layoffs as have just recently occurred in Calgary.

MRS. B. LAING: Mr. Speaker, would the minister advise if there is a trend to higher unemployment rates in Alberta, and could he specifically comment on the unemployment growth as compared to a year ago?

MR. WEISS: Well, Mr. Speaker, contrary to a trend to higher unemployment, all indicators are that Alberta will enjoy the lowest unemployment rate. [interjections] Will the Member for Westlock-Sturgeon remember that? We will enjoy the lowest unemployment rate in Canada, as we are now second only to Saskatchewan at 7.8 percent. Those are the stats, the figures, that we on this side of the government want to get out. There are actually more Albertans working at this time than there were last year – that's a statement of fact – with some 1,249,000 Albertans working. Contrary to what the opposition has said, in April of 1991 there were 14,800 more Albertans working. Now, if we're speaking of comparisons, as the opposition would have

us do, this is the second highest participation rate in Canada, with B.C. enjoying the high at some 23,000-plus jobs. As compared to Ontario, I might add – and please remember, ladies and gentlemen, members of the House, that they're enjoying, if you can call it enjoying, some 213,600 less working than at the same time last year. The record speaks for itself.

MR. SPEAKER: Edmonton-Avonmore.

Violence against Women and Children

MS M. LAING: Thank you, Mr. Speaker. My questions are to the minister responsible for women. This weekend I attended a conference that clearly validated the violence – that is, sexual, physical, economic, and social violence – which in some cases constitutes systemic torture that women and children in our nation and our world experience. We also heard how our society's political, justice, and care systems fail to protect women and children from violence and fail to heal those who have survived the violence. My question to the minister: in view of the widespread pain and suffering of women and children which is an outcome of this most pervasive form of human rights violation, when will this government provide funds and treatment programs for women and children subjected to this violence?

MS McCOY: Mr. Speaker, that question had been asked earlier today. The Minister of Family and Social Services and other ministers who are contributing to the government's role in helping to prevent and eliminate violence against women may all wish to supplement, but let me say that the conference was a very important one. I was pleased to see so many women from all across Canada and from outside of Canada gathered together, because I think that it demonstrates yet once again a growing awareness and a growing commitment on the part of all individuals and all organizations and all governments across Canada to work towards the prevention of violence against women.

MS M. LAING: Mr. Speaker, the previous answers were given in response to the view of violence as being violence which occurs in the home. This conference dealt with violence that is social, economic, and political. It takes many, many forms. The conference said time and time again that remedies and treatment are neither adequate, appropriate, nor effective. We have heard repeatedly from Supreme Court justices of biases in our laws in the administration of justice and from others that treatment for such effects as alcohol and drug abuse fail to address women's experiences. My question to the minister: what is this government going to take from this conference in terms of direction to provide real solutions that meet the real needs of women and children in Alberta who are victims of violence?

MS McCOY: Mr. Speaker, of course, as the hon. member knows, both myself and the Minister of Health were in attendance, at least for some part of the conference. We are looking forward to receiving the official results of that conference, which will be extensive given that there were over 50 workshops. We will be looking forward to working with the Canadian Mental Health Association, which was the sponsor of the conference, to explore ways and means by which all organizations, individuals, and governments, as partners, can address the violence which we are speaking of.

MR. SPEAKER: Westlock-Sturgeon.

Public Utilities Board

MR. TAYLOR: Thank you, Mr. Speaker. The consumers of this province are justifiably concerned that the government has pulled out all the teeth of the Public Utilities Board, chief protector of consumers in this province for over 70 years. To the Minister of Energy: was the chairman of the PUB fired because in this past year he went against the wishes of the Minister of Agriculture by permitting the use of four-litre milk jugs? Also, could it be that he was fired because in the past year he ruled that the giant electrical companies couldn't charge consumers for new facilities before the facilities were put on stream?

MR. ORMAN: No on both counts, Mr. Speaker.

MR. TAYLOR: Mr. Speaker, when somebody has three years to go on a contract and he gets told to stay home when he's obviously in good health, that's firing, no matter what the minister says.

Is one of the fruits of this government's arrogant move against consumers last weekend's announcement by TransAlta Utilities that power rates will be going up 16 percent? Is this one of the results of the arrogant move of firing the one watchdog we had protecting us?

3:10

MR. ORMAN: Well, first, Mr. Speaker, there is more than one board member on the Public Utilities Board. The responsibilities on those boards are shared amongst all board members, and they do a very good job. I believe, in terms of consumer protection, that when it comes to matters of hearings before that board, the interests of all parties have been dispatched in a very competent way. The hon. member suggests that somehow there's only one member of the board who is competent. I reject that. We have made changes due to some restructuring. It was a result of in-depth conversations between myself and the former chairman, and we both came to a common agreement. Frankly, the member is way out to lunch.

Al-Tech Sanitation Services Ltd.

MR. HYLAND: Mr. Speaker, my question is to the Minister of the Environment. A number of months ago in this House there was a series of questions asked related to a company in the Medicine Hat area, Al-Tech Sanitation. I wonder if the minister can inform the House if there have been any recent actions related to the problems created by environmental infractions by that company?

MR. KLEIN: Thank you. Almost a year ago today the pollution control division received information that some 88 barrels of potentially hazardous waste had been disposed of at the east Calgary landfill. Information regarding illegal hazardous waste storage in Medicine Hat was also received at that time. Therefore, an investigation of this allegation was launched, and as a result of a co-ordinated year-long investigation into the activities of Al-Tech Sanitation systems of Medicine Hat, Alberta Environment's pollution control division and the city of Calgary police service laid charges today under provincial environmental legislation and the Criminal Code of Canada. Quite specifically, Mr. Speaker, there have been seven counts laid under the Hazardous Chemicals Act, three counts under the Clean Water Act, five counts of fraud over \$1,000, nine counts of uttering a forged document, and four counts of conspiracy. In this

particular case the offenders were released on their own undertaking in regards to the charges under the provincial environment legislation and were released on bail of \$18,000 each under the Criminal Code charges.

MR. HYLAND: Mr. Speaker, I wonder if the minister can inform the House if criminal charges have ever been laid for any other environmental infraction in Alberta or elsewhere in Canada before?

MR. KLEIN: Well, we're advised – and this is subject, of course, to confirmation – that this is the first time in Canada that criminal charges have been laid in conjunction with and with respect to alleged environmental violations.

MR. SPEAKER: West Yellowhead.

Fuel Contamination Incident

MR. DOYLE: Thank you, Mr. Speaker. The closer one looks into the Hinton fuel poisoning, the more evidence one finds that the incident was grossly mismanaged by this government. In addition to the information previously presented in this Assembly, we have discovered that the Hinton RCMP were not called in to investigate the source of the contamination and, further, that the motor vehicles laws were violated by transporting the contaminated tanks by night. I would like to ask the Attorney General: given all of this and the fact that at least 118 people were injured in the incident, with some of them remaining incapacitated to this day, does the Attorney General share the apparent views of this government that the matter has been adequately investigated and that justice has been done?

MR. ROSTAD: Mr. Speaker, it's unfortunate that people have their health injured when any incident happens, and I'm sure that everyone on this side of the House extends their condolences and sympathies to those types of people.

This issue was brought up twice while I was away, and I believe the Premier advised the hon. member that he would have the matter referred to my office. We are in the process of trying to find out what did happen in this instance. I can assure the member that there would be no public inquiry until every other avenue of investigation has been taken, and then a decision would be made.

MR. DOYLE: I'm sure all Albertans will wonder if this investigation will be as thorough as the original one, Mr. Speaker. Someone put the poison in the fuel, and Albertans were hurt. Evidence mysteriously disappeared, several government departments played hot potato with the incident, and since we know nothing of how it happened, Albertans have no assurance that it won't happen again. I'd like to ask the Attorney General: given that this government acknowledged in the Rolf report that a public inquiry should be undertaken where there are lapses in acceptable standards causing public concern, will the Attorney General recommend to the Lieutenant Governor that a public inquiry be held into this incident?

MR. ROSTAD: Mr. Speaker, a procedural thing: we don't recommend to the Lieutenant Governor that an inquiry be held.

If I could cite from *Hansard*, page 1136, the hon. member quoted from Lord Justice Salmon, saying that an inquiry should only be held in "matters causing public concern which cannot be dealt with by ordinary civil or criminal process." In reference to

my previous remarks, I can assure the member that there will be an investigation to find out what happened, and we will find out what did happen. I don't think at this stage that it necessitates a public inquiry, nor should the member try and incite that type of interest in this.

MR. SPEAKER: Thank you.
Stony Plain.

Health Services to Schoolchildren

MR. WOLOSZYN: Thank you, Mr. Speaker. I'd like to direct my questions today to the Minister of Health. School nurses provide services, such as hearing and vision testing, immunization, home visits, follow-up, and family support relating to health matters, and professional assistance to school staff dealing with health needs. Inner-city schools, like Sacred Heart community school in Edmonton, rely heavily on these services, but they are being cut because of inadequate funding to local health units. Sacred Heart school is losing their health nurse. Given that it is this minister's responsibility to provide basic health care to all Albertans, what action is the minister going to take to ensure that health care will reach needy schoolchildren in this province?

MS BETKOWSKI: Mr. Speaker, our public health units perform very valuable services for Albertans across this province, and that is why, as a priority in our budget this year and part of the overall 10 percent increase in Health, we have given to the area of community health an increase of 20 percent. How those dollars will be distributed in those health units and the individual decisions that they will make in terms of the program mix they have is an important part of that 20 percent increase. I also note that with respect to the inner-city schools and the one the hon. member named, there is, over and above the community health impact, the impact of the high-needs project, which is supported by the Minister of Education.

MR. WOLOSZYN: Mr. Speaker, inner-city children get virtually no health care anywhere else, and they have been greatly helped by school nurses, who provide preventative services which will help save Albertans millions of dollars in the long run. Now, recently there was the Special Education Review. Given that recommendation 8 in the education review states specifically that funding and monitoring services such as speech therapy could be given directly by the Department of Health to school boards, will the minister take this recommendation and ensure that health nurses will be provided directly by her department to needy schools such as Sacred Heart, thereby ensuring that the schools and children do not become victims of health unit cuts?

MS BETKOWSKI: Mr. Speaker, first of all, the hon. member has really asked about three questions in his one, so let's work through them all. Firstly, with respect to the special ed review, in which the Alberta Department of Health was pleased to participate, the recommendations are under advisement. The Minister of Education held a very important conference this past weekend over the use of the funds and how we can get best value from our funds for special ed. Secondly, with respect to speech pathology, as the hon. member would know, speech pathology is a program that has been transferred to the Department of Health and is administered through the health units, in consultation with our school boards, to ensure that we provide access to speech pathology services right across this province,

including the inner city. Given that the Edmonton board of health has brought its speech pathologist component up to a higher level than it had in the past, we are hopeful that the services, not just in Edmonton but certainly across the province, will be complemented as a part of that review.

3:20

MR. SPEAKER: Calgary-North West.

Outfitting and Guiding

MR. BRUSEKER: Thank you, Mr. Speaker. My question today is to the Minister of Forestry, Lands and Wildlife and deals with the outfitting and guide policy recently implemented in this province. Like most of the policies of this government, it seems that it supports the wealthy, the big operator who's got ties to the government. Unfortunately, the effect on the small, individual operator has been rather tragic. I've been approached by a number of those small outfitters who have lost their livelihood as a result of this policy with stories, quite honestly, that are of terrible personal loss and tragedy. They have one question that they're putting to me that I would like to put to the minister today, and that question is simply this: what is the status of the Hardship Review Committee that was supposed to be established as a result of the change in government policy whereby some of these outfitters have lost their jobs? Where is that committee?

MR. FJORBOTTEN: I'm pleased to answer that question. We did make a commitment to establish a Hardship Review Committee. Two things needed to be done before it was put into place. First of all, I had to decide who would be on the committee. That decision has basically been made. The second area was the mandate of the committee, and that's basically now been put into place. So I would expect that within days now the Hardship Review Committee will be prepared to hear cases.

MR. BRUSEKER: Well, my supplementary, then, to the minister: could he consider including in the mandate that the committee be proactive and actually go to all of the outfitters that used to have licences to be outfitters and guides that have lost them, rather than waiting for those people to come to the committee? Will they go out and reach those people that have lost their jobs?

MR. FJORBOTTEN: No, Mr. Speaker, they won't. The committee will communicate that it's there. Individuals, if they feel that they've experienced some hardship, have an opportunity to review the mandate of the committee and certainly can make representations to it.

MR. SPEAKER: Red Deer-North, followed by Edmonton-Calder.

College Degree-granting Status

MR. DAY: Thank you, Mr. Speaker. My question's to the Minister of Advanced Education. On Saturday Red Deer College witnessed another successful convocation ceremony, a very positive time. If there was any slightly dampening note, it was the fact that some students were asking me the question: is there a policy now in place regarding degree-granting status so they won't have to finish their third and fourth years in other cities? Rather than rephrase the question, I'll just ask the minister: can he read my lips?

MR. GOGO: It's somewhat difficult for a minister to read an hon. member's lips through the back of his head.

Mr. Speaker, as members are probably aware, we've been looking at the whole question of degree granting at the postsecondary level. We currently have a review under way of the degree granting of institutions in general. We do have in place, as the hon. Member for Red Deer-North is aware, very successful degree completion at Red Deer College in nursing and at Keyano through Athabasca U. A decision has not been made; the matter is still under review. I look forward to the stakeholders in this province having a view on the whole question of whether or not there should be degree granting at institutions other than universities.

MR. DAY: A supplementary, Mr. Speaker. I appreciate the minister taking time to consider this. I would like to ask, however: given the fact that in a meeting here in the building last year with the president of Red Deer College, the chairman of the board, the MLAs for Red Deer-South and Red Deer-North, and other central Alberta MLAs, there was an indication given that 1991 would be the decision year, can the minister further give us some indication on that time frame?

MR. GOGO: Yes, Mr. Speaker. The government is committed to making a decision on the question of degree granting in fiscal 1991. I would point out that I'm receiving a considerable amount of advice that perhaps the government should be looking at degree completion at several of our colleges, from the southern part of Alberta to the northern part of Alberta. That commitment has been made, and a decision will be made on that question prior to the end of March 1992.

MR. SPEAKER: Edmonton-Calder.

Food Banks

MS MJOLSNESS: Thank you, Mr. Speaker. My questions are to the Minister of Family and Social Services. Despite what the government wants us to believe, statistics make very clear what this government refuses to see: poverty and unemployment in this province are growing. In the last few months approximately 4,500 people have lost their jobs, and today Edmonton's Food Bank released figures that show there is a 14 percent increase over last year in the numbers of people utilizing the Food Bank. Given that the numbers are growing and that feeding yourself and your family through the Food Bank is totally inappropriate and unacceptable, when will this minister take some concrete action, such as adjusting social allowance rates to reflect the true cost of living, and start dealing with this issue?

MR. OLDRING: Well, Mr. Speaker, obviously we're concerned anytime there's an increase in food bank usage. I would point out, though, that we monitor it very closely, and the information that I've been provided with shows that a very modest percentage of our clientele are having to turn to food banks. It's interesting to note that if you compare that to Ontario, we're seeing food banks double and triple in usage there in recent months. I'm not sure what that can be attributed to.

I'd also like to say that I do take exception to the suggestion that unemployment is on the rise here in this province. I think the Minister for Career Development and Employment made it very clear that things have improved comparing this time this year to this time last year. The member did raise our supports for independence program. I'd point out that when I looked at

our year-end figures compared to last year, we're perhaps the only province in Canada that showed a small decrease in our caseload, and again that compares to a 32.8 percent increase in Ontario. So which program would the member have me use?

MS MJOLSNESS: Mr. Speaker, the truth is that this government sees nothing wrong with finding hundreds of millions of dollars to give their corporate buddies but they continue to cut back on seniors, the poor, and the unemployed. That's the truth.

In view of the fact that a large number of persons being fed at the Food Bank are children, when will this minister recognize that children have a right to food and admit that as long as we have children being fed by food banks throughout this province, this province is in violation of the United Nations Declaration on the Rights of the Child?

MR. OLDRING: Again, Mr. Speaker, I would only remind the member of the increases that we just recently announced within our own supports for independence program. The member knows that we've placed an emphasis on food portions for children and that those allocations received up to a 19 percent increase just recently. I want to state the concern this government does have for the unemployed, for the fact that we require food banks in this province. We take no pride in that, but we've been doing something about it. We've heard in recent days in this Assembly about the number of new jobs that are being created in this province, about the decline in unemployment in this province, about the opportunities that are being created in this province that aren't being created in other parts of Canada. I think our answers, our solutions are the right ones. I think we're showing clearly that it's working here in Alberta, and we're not seeing these kinds of benefits accrue in other parts of Canada at this time.

MR. SPEAKER: Edmonton-Gold Bar.

Native Substance Abuse

MRS. HEWES: Thank you, Mr. Speaker. The Cawsey report was a shameful indictment of the failure of our province to address the lack of supports and resources for our native citizens.

AN HON. MEMBER: Betty, did you read it?

MRS. HEWES: I certainly did. [interjections] Mr. Speaker, I was asked if I read it. Yes, I've read it, every word of it, and I hope every member here has. Every page of the report just screams out for immediate action from native associations, from communities, and from government. I don't doubt the political will of native groups and local communities, but the past performance of the government with respect to improving conditions and opportunities for native people is too often reactive, waiting for a tragedy before action. We don't want this report to gather dust the way so many others have. My question is to the Minister of Health. The report states that native youths have a 35 to 40 percent chance of suffering from alcohol abuse and a 25 percent chance of suffering from drug abuse. Will the minister please explain to the House what action the department is now taking to provide assistance to native communities to help deal with this shocking statistic?

3:30

MS BETKOWSKI: Mr. Speaker, I think this is a subject which warrants more than simply a question in question period,

although I welcome the opportunity to speak to the work that our Alberta Alcoholism and Drug Abuse Commission is doing with respect to natives, in particular with respect to substance abuse programs. In addition to the AADAC programs is the broader health status of natives in our province, and frankly, Mr. Speaker, it is a status which is not acceptable. Alberta took the lead with health ministers across Canada as we attempt to identify a mechanism that will preserve constitutional rights of native people yet get into the issue of improving their health status as Albertans. We have launched a consultation process with the native groups across this province to deal with how we might improve native health status versus the rest of the general population's as one of our Health goals, and I'll be pleased to discuss it further with the hon. member. Certainly she raised it in the discussion on the estimates of the Department of Health.

MRS. HEWES: Mr. Speaker, a further question then. Will the minister tell us whether or not there is a clear process in place of providing funds to native communities, working with native communities so that more alcohol treatment centres similar to Poundmaker's Lodge in St. Paul can be established. Is there a process?

MS BETKOWSKI: Well, certainly, Mr. Speaker, AADAC looks at delivering its programs to natives wherever they are, because as we know, the problem isn't just with natives in their own, home communities. It also is a big problem with natives in the inner city, which takes a different approach and a different need to be addressed. Nonetheless, while the chairman of AADAC may well wish to supplement on the specific programs with respect to communities, let me say that the native population, with their substance and drug abuse difficulties, is certainly a target population for the AADAC organization.

MR. SPEAKER: Thank you.

Question period is at an end, but before we deal with Standing Order 40 requests, might we revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

The Associate Minister of Family and Social Services.

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

MR. BRASSARD: Yes, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and to the other members of the Assembly 37 Girl Guides and Pathfinders from the towns of Olds and Didsbury who are visiting us today. They are accompanied by Mrs. Lynn Blair, Mrs. Joyce Quaife, Ruth McCurdy, and Cynthia Driskill. I wonder if they would stand and receive the very warm welcome of this Assembly.

MR. SPEAKER: Attorney General, followed by Calgary-Bow.

MR. ROSTAD: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the Assembly 16 students from the Camrose composite high school. They're escorted by their teacher Charlene Barva, and they're seated in the members' gallery. I'd ask that they rise and receive the usual welcome of the Assembly.

MRS. B. LAING: On behalf of my colleague from Athabasca-Lac La Biche, it gives me a great deal of pleasure to introduce to you and through you to the Assembly 26 students from the Smith elementary school in the constituency of Athabasca-Lac La Biche. They're seated in the public gallery and are accompanied by teachers Miss Leanne Chrunik, Mrs. Lorri Caouette; parents Mrs. Cindy Race, Mrs. Laura Malone, and Mr. Reg Netterville. I'd ask them now to stand and receive the warm welcome of the House.

head: **Motions under Standing Order 40**

MR. SPEAKER: Three Standing Order 40 requests, and I received a note here at the Chair that the House leader for the Liberal Party has agreed to exchange places with the House leader for the New Democrats. That's not physical places in the House or parties, but just strictly with Standing Order 40s. First, Edmonton-Highlands.

head: **Time for Consideration of Main Estimates**

Ms Barrett:

Be it resolved that Standing Order 58(1), which limits the time for consideration of the main departmental estimates to 25 sitting days or parts thereof, be struck from the Alberta Legislature's Standing Orders so that full and comprehensive deliberation can continue in Committee of Supply until it is satisfied with those estimates and the planned spending of the government.

MS BARRETT: Thank you, Mr. Speaker, and thanks to the House leader for the Liberal caucus. I appreciate that accommodation.

Mr. Speaker, this is not the first time I've moved this motion under Standing Order 40. The urgency of this motion is that today at 11:45 p.m. the bell basically rings on estimates and we get shut down. Numbers get rattled out at a speed that one can barely keep up with because there are so many numbers. The fact of the matter is, for example, that three departments – the departments of Health, Education, and social services – the combined estimates of which come to more than \$6 billion, have been in Committee of Supply consideration for less than 12 hours. We find this unacceptable that estimates in effect are being rammed through at a rate of about \$500 million per hour. That's what it comes to, folks; that's what this provision in our Standing Orders causes.

We have time today to correct this problem, Mr. Speaker. This is the last day of estimates. They'll be called at 8 p.m. on the Department of Technology, Research and Telecommunications. At 11:45, even if we're not done that department, let alone all of the other departments which have not reported concurrence of the committee, the bell will ring, and all votes must be held at that point. That is not democracy. These Standing Orders need to be changed. I've begged; I've asked every Government House Leader and their Deputy Government House leaders. I've done everything I can every year. It means that we have to come back to an emergency motion on this subject. A \$12 billion budget should not be rammed through the Assembly in 25 days.

I urge members to say yes to allowing this motion to come up for debate and then yes to its request, Mr. Speaker.

MR. SPEAKER: The request before the House under Standing Order 40 by Edmonton-Highlands: those in favour of giving unanimous consent for the matter to proceed, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The matter fails.
The Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. I rise under Standing Order 40 to request unanimous consent of the Assembly to the motion which has been circulated. Just very briefly, a wonderful event took place last week when 800 women and men paid tribute to these seven women for their incomparable service to our community. I believe every member should want to see them acknowledged and recognized.

MR. SPEAKER: Before putting the request to the House, the Chair would respectfully request a copy of what the motion is.

MRS. HEWES: Oh; they've been circulated.

MR. SPEAKER: Well, I'm sorry, but it hasn't got to the Chair. [interjection] That's good. We'll see if we get the request, and before it goes, I'll have a look at it. Thank you.

Unanimous consent under Standing Order 40 has been requested by the Member for Edmonton-Gold Bar. Those in favour of granting the request for the matter to proceed, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Thank you. The matter carries.
Please proceed.

Tribute to Women Awards

Moved by Mrs. Hewes:

Be it resolved that the Legislative Assembly recognize and congratulate the following seven women recently honoured by the YWCA's 1991 Tribute to Women awards for their outstanding contributions to the community of Edmonton: Dr. Anne Anderson, Mary Cameron, Shirley Graham, Marie Laing, Marggo Pariseau, Antonietta Rouget, and Betty Screpnek.

MRS. HEWES: Thank you, Mr. Speaker. The women of Alberta contribute thousands of hours, remarkable initiatives, courage, and energy towards improving our communities to make them safe, beautiful places of opportunity for all our citizens. Many of these women go unrecognized, unrewarded, and often unheard of. I think we should thank the YWCA in Edmonton, Calgary, and other centres who attempt by holding such events to help us to begin to think about the women in our knowledge, in our work life, in our community life that do such extraordinary service over long periods of time to improve conditions in our communities and to improve the human condition.

Mr. Speaker, the Y also helps us to understand the breadth and depth of the causes that women work on in our communities and to have a greater understanding of the needs that are out there. I believe that it's going to be the women who will save our world. It's the women who have taken the lead in environ-

ment, in movements towards peace, and I think, unfortunately, all too often we do not recognize them.

3:40

Mr. Speaker, just speaking briefly to these seven women to whom I know we want to pay tribute.

Marie Laing, the MLA for Edmonton-Avonmore, a colleague of ours in this Assembly. Ms Laing was the winner in the public affairs category. We do know of her outstanding work in the Rape Crisis Centre. We know of her continuing commitment to working for peace and disarmament, working for human rights, working for family supports, dealing actively with reducing the problems of poverty, particularly poverty of children, speaking in our House and on many other occasions against violence against women and children. We know her deep and long commitment to improving circumstances for women and for family life in our province.

Dr. Anne Anderson, the winner in arts and culture, is a native author. She has written extensively on native heritage and has taught Cree in our community and throughout the province for many years.

Shirley Graham, the winner in athletics, recreation, and fitness, is a YWCA trainer, training fitness workers and fitness trainers, and has done some extraordinary work with mature women in fitness and working in developing classes in fitness for abused women.

Mary Cameron, the winner in business management and professions, well known to many of us for her work on the Winter Cities Conference, has been a tremendous force in attempting to humanize large corporations. Mrs. Cameron more recently was known to us as the president of Alberta Mortgage and Housing Corporation.

Betty Screpnek, for community service, has done extensive work with handicapped children in community schools and in starting Special Olympics.

Dr. Antonietta Rouget, in health, science, and technology: a leader in adolescent medical care and a children's advocate.

Finally, Marggo Pariseau, in social science and social services, has worked in the Women's Emergency Accommodation Centre, providing supports to women who are very often without the most basic needs of food, clothing, and shelter.

Mr. Speaker, these women are but illustrations of the very strong women of Alberta and their contributions. I invite all members to join me in paying tribute to their extensive work and their caring for all of us.

MS McCOY: Mr. Speaker, it is my pleasure to stand and speak on behalf of all those of us who are on this side of the House in supporting this motion. We, too, wish to recognize the YWCA and their program, an annual program of tribute to women. Being an MLA for Calgary-West, I hasten to add, of course, that they also hold one of these dinners in Calgary, which will be some 11 days from now.

I wish to add my congratulations to the hon. member who moved the motion to the seven women, particularly, of course, recognizing the hon. Member for Edmonton-Avonmore, a great honour to have received this tribute and also for us to be able to give our congratulations to her directly.

I think, all in all, these tributes to women demonstrate in Alberta and in Edmonton the sort of partnership that we are all working towards. It is in a way a revolution of the human spirit. As I have said before, we are looking for a revolution that frees us from the concepts of superior or inferior. It is a revolution that frees us to enjoy the rewards of mutual respect, mutual

gain, and mutual strength. That is what these women have all demonstrated in their own individual ways as they've reached out and touched others so that we can all have a partnership of hearts, a joining of minds, and a communion of spirits. It is for that that we give them tribute.

MR. FOX: Mr. Speaker, I'm pleased to rise and express support for this motion on behalf of the Official Opposition caucus and thank the Member for Edmonton-Gold Bar for bringing it forward and both her and the minister responsible for their eloquent comments in tribute to the seven women honoured by the YWCA. The fine work of the YWCA in the communities has been well noted by both members and certainly acknowledged by all members of the House. We'd just like to commend seven fine Albertans for their commitment to the community and to their cause and the effects that we all hope it will have in the years to come.

It may strike members of the Assembly a little strange that the Member for Vegreville is speaking on this motion, but I want to indicate to members of the Assembly that the Member for Edmonton-Avonmore, in addition to being a tireless and courageous voice for women in our society, is also a very humble person, and it would be most unlike her to seek recognition and bring attention to it when it's given her. I want to assure members in the House and indeed all Albertans that we in the New Democrat Official Opposition are very proud of our colleague from Edmonton-Avonmore. She's just a really persistent advocate, and teacher for those of us who work with her, and we really appreciate her efforts and look forward to her long and productive involvement in public life. With that, Mr. Speaker, we support this fine motion.

MR. SPEAKER: Call for the question?

HON. MEMBERS: Question.

MR. SPEAKER: The Chair would point out that this would not put the Member for Edmonton-Avonmore in a conflict of interest position if she were to vote in favour of this motion.

All those in favour of the motion as proposed by the Member for Edmonton-Gold Bar, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries, let the record show unanimously. The Chair will be in contact with all the individuals named.

Edmonton-Mill Woods, a request under Standing Order 40.

RCMP Training Academy Graduation

Mr. Gibeault:

Be it resolved that the Legislative Assembly extend its congratulations to the Royal Canadian Mounted Police and Cons. Baltej Singh Dhillon as he graduates today from the RCMP Training Academy as the first Sikh officer of the force since the RCMP adopted policies to encourage the greater participation of minority community members, and be it further resolved that the Speaker convey this message to Cons. Dhillon on behalf of the Legislative Assembly.

MR. GIBEAULT: Yes, Mr. Speaker. Speaking to the urgency of the motion, it is a historical day today. He is the first Canadian of Sikh heritage to graduate from the RCMP Training

Academy and have his religious faith fully respected in our national police force. It is a proud day indeed for Mr. Dhillon, his family, and indeed all Canadians. I would therefore ask the support of all members of the Assembly in supporting this special message of congratulations to Mr. Dhillon today.

MR. SPEAKER: A request under Standing Order 40 for unanimous consent for the matter to proceed. Those willing to give unanimous consent, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The matter fails.

MR. GIBEAULT: Shame.

Speaker's Ruling Cries of "Shame"

MR. SPEAKER: There's no need for that, hon. member.

MR. TAYLOR: There is a need, an urgent need.

MR. SPEAKER: Order. Order.

MR. TAYLOR: I say shame.

MR. SPEAKER: Order.

MR. TAYLOR: Shame.

MR. SPEAKER: Hon. member, say it once more and you'll be named to the House.

MR. GIBEAULT: Shame.

MR. TAYLOR: Shame.

Speaker's Ruling Naming a Member

MR. SPEAKER: You are named to the House. Hon. Member for Westlock-Sturgeon, please take your place outside. Thank you.

Sergeant-at-Arms . . .

MR. TAYLOR: You, sir, are . . .

MR. SPEAKER: Thank you, hon. member.

MR. TAYLOR: . . . one of the crappiest Speakers I've ever seen.

MR. SPEAKER: Hon. member, thank you very much.

MR. TAYLOR: Go ahead and arrest me.

MR. SPEAKER: Thank you, hon. member.

The Member for West Yellowhead, would you care to apologize for your behaviour?

MR. DOYLE: For what, Mr. Speaker?

MR. SPEAKER: The way you behaved just now.

MR. DOYLE: Yes, I do, Mr. Speaker.

MR. SPEAKER: Let it be noted to the House that the Member for Edmonton-Mill Woods was not named to the House, just the Member for Westlock-Sturgeon.

3:50 Orders of the Day

head: **Government Bills and Orders**

head: **Second Reading**

Bill 25

Pacific Western Airlines Amendment Act, 1991

MR. KOWALSKI: In rising to move and participate in the debate with respect to Bill 25, the Pacific Western Airlines Amendment Act, 1991, might I point out that it was a few days ago, Mr. Speaker, that that Bill was introduced. By way of just a brief bit of background with respect to this particular amendment Act, in first reading I indicated that in essence there were several amendments with respect to this Bill, and I'd like to just clarify what those amendments are today.

Mr. Speaker, a bit of the background with respect to Pacific Western Airlines and this Bill itself. All members will know that PWA itself started around 1946 as a floatplane operation, essentially in the Fort St. James region of British Columbia under the name of Central B.C. Airways. By 1960 it had developed as a regional carrier, principally in Alberta, British Columbia, and the north. All members will recall as well that the Chieftain airbus between Calgary and Edmonton was started in 1963, and I recall in those days that the fare one way was \$9. That was some time ago.

In 1974 the province of Alberta, the government of Alberta, Mr. Speaker, bought approximately 99 percent of Pacific Western shares for approximately \$38 million. The stated policy at the time was to continue to improve transportation to British Columbia, Alberta, and the north. It was also stated government policy that government ownership would not be permanent and that this acquisition of shares would be privatized sometime in the future.

[Mr. Payne in the Chair]

Members will recall as well that the federal government through the Canadian Transport Commission opposed the purchase by Alberta, and the province ultimately succeeded in the Supreme Court of Canada in 1978, long after the purchase. The federal government, as a result of the insistence of the then Minister of Transport, the hon. Mr. Lang, provided amendments to the national Transport Act that made it impossible for a province to own an airline in the future without the federal government's approval.

In 1979 PWA purchased and merged Transair of Winnipeg, resulting in Pacific Western Airlines linking Manitoba, Saskatchewan, Alberta, British Columbia, the Northwest Territories, and Yukon for the first time. PWA was then the largest regional carrier in Canada.

In 1983 the province of Alberta sold its shares in PWA to the public. The province had not put any capital in the company nor had they had taken anything out of it by way of dividends. In any event, the province received nearly \$96 million in 1983, double its money, in the sale. Without any doubt, Mr. Speaker, this was the most successful case of temporary – and I underline

the word "temporary" – government intervention and ownership that I am certainly aware of. When I look at *Hansard* in 1984, I remember making comments with respect to this particular matter.

Mr. Speaker, now in the amendment Act of 1991, the key purpose is to increase the limit on voting shares which may be held by any shareholder from 4 percent to 10 percent, and with the Bill's passage, PWA Corp., the holding company for Canadian Airlines International, Canadian regional airlines – namely, Time Air, Air Atlantic, PWA Leasing – and the other interests in leasing firms and the computer reservation system will remain widely held and headquartered in the province of Alberta.

Essentially there are five amendments. The first one is to increase the limit on voting shares from 4 to 10 percent. In essence you'll see the amendments, all members would, with respect to section 4(1) and 7(1). This is a request made to the province and to the Legislature by Pacific Western Airlines, necessary to facilitate the raising of capital funds in capital markets and to put PWA on a basis comparable to its other major competitor in the country of Canada, Air Canada. Financial institutions, Mr. Speaker, pension funds and the like, require access to large share blocks to attract them to any stock. In Air Canada's recent privatization the federal Act set 10 percent as the limit, and PWA, under the amendment that was made when the province liquidated its involvement with respect to PWA, had a limit of 4 percent. This amendment would allow a group, a pension fund and/or the like, to acquire upwards of 10 percent. This would be the same as the Act governing Air Canada in the country of Canada.

The second amendment with respect to Bill 25, Mr. Speaker, would make the government of Alberta and its associates and agents subject to the same limit. In the existing Act the 4 percent limit does not apply, and under this amendment, should the province choose to purchase shares in PWA – currently, as I've already pointed out, it does not in a direct way – then it would be limited in much the same way as others.

The third amendment is to remove the restrictions on the sale, lease, or exchange of property. In essence it's the repealing of section 13(c). This is being done upon the request, once again, of PWA in order to allow it to compete in a highly competitive airline industry. PWA requires the flexibility to take advantage of market conditions in, for example, upgrading its fleet. Legislative restrictions in the current Bill on the management of this property are not appropriate as the government once again is no longer a major shareholder.

The fourth amendment: the Act would allow PWA Corp. to change its name, should it wish. That would be an addition under section 13(c). There are corporate reasons why businesses choose to change the names at any given time, and the new amendment would permit them to do it.

The fifth item, Mr. Speaker, with respect to the PWA Amendment Act would require the registered head office to be in the city of Calgary. This is an addition under section 13(1). This would help ensure PWA's continued presence in Alberta. Members would have to go back in history to 1974 to really understand the importance of this particular change in this amendment, when the then government of the day was very concerned that PWA would move from the province of Alberta and locate elsewhere. One would have to go back to the *Hansard* of the day – it's freely available on the debate that occurred in the province of Alberta – when the government of the day basically said no, that there would have to be a continued presence in the province of Alberta. This amendment

in Bill 25 would require that the registered head office be held in the city of Calgary. It would be an addition to ensure PWA's continued presence in the province of Alberta.

These amendments essentially are requested by Pacific Western Airlines simply because the province of Alberta has the governance in terms of this legislation. It could have been asked: well, why wouldn't the province of Alberta simply repeal this Act completely? But we're responding in essence to a request from PWA.

Bill 25, then, Mr. Speaker, is as it is, and I would certainly look forward to the debate on this Bill by hon. members.

MR. McEACHERN: Mr. Speaker, I rise to speak on Bill 25 mainly to raise a few questions. Just a couple of comments about some of the early history. I enjoyed the minister's review for us, and I thank him for that, but I wanted to put a couple of different slants on a couple of things. It seems to me that when the Tory government bought PWA – it wasn't called PWA at the time. It may have been actually. Never mind. Anyway, they bought this company back in 1974. The rumour was that they did so at the time because they were afraid that the New Democrat government of Dave Barrett in B.C. might purchase the company. But that's sort of water under the bridge and doesn't matter too much. They also moved the company's headquarters to Calgary, and rightly so, since the government of Alberta was owning and operating it at that time.

It was perhaps a successful temporary ownership, as the minister says, but I would like to recall that one year the company had to sell an airplane so that its books would appear to be in the black rather than in the red, and then they turned around and leased the airplane back. As luck would have it, they made out all right in the next year or two and didn't have to go further in the red, but certainly they were selling assets to make sure they didn't have to show being in the red that one particular year.

The minister has outlined the specific intent of the Bill to increase the number of shares that any one person or corporation can own from 4 percent to 10 percent. My reading of the detail of the Bill indicates that the application to government is perhaps a little more subtle than the minister indicated. In the explanatory notes on page 1, 4(2) says that "subsection (1) does not apply to Her Majesty in right of Alberta in respect of any voting shares held by Her," which means, then, that the government of Alberta could buy more than 4 percent of the shares section 1 restricts everybody else to. However, it does go on to say, "but applies to agents of Her Majesty in right of Alberta in respect of voting shares respectively held by them."

4:00

For instance, if some agent of the government – and I would like the minister to explain a little more fully what agents of the government might be applicable here. I could think in terms of Vencap maybe wanting to put some money into PWA. Alberta Opportunity Company probably doesn't have enough to put in very much money, but perhaps one of the funds held by the Treasurer under whatever title might want to put some funds in, acting as an agent for the government. Under the old Act they would have been restricted to 4 percent, the same as everybody else, but now under these amendments they will be restricted to 10 percent, because on page 1 of the Bill itself where it says, "Section 4 is amended," in (b) it says, "by repealing subsection (2)." Therefore, I guess what the minister has said is that by repealing that whole section, even the Crown and its agents would be restricted to 10 percent. Okay? He nods his head and

agrees. But if the government wished to buy 10 percent, say, directly and several of its agents bought 10 percent directly, they could quite easily control this company.

I guess I can't help asking the question that given that PWA is heading into a very rocky period with the deregulation of the airline industry and it looks like they'll be left to sink or swim going head to head with big American airlines – you can't help wondering how Air Canada and PWA or Canadian Airlines International, which is the main carrier for PWA, will make out in that international competition. I can't help wondering if the government has any idea that they are going to need some pretty deep pockets and some pretty strong backing on the part of the province of Alberta, or is it strictly that the company wants to go to the market and borrow money from other lenders? Certainly it is true that pension funds often don't want to bother with small amounts of money, not that 4 percent of PWA would be exactly a little bit of money. Nonetheless, 10 percent would be considerably more, and pension funds often like to do things in somewhat larger chunks. So I have some questions and concerns about this.

I can't help wondering to some extent whether or not it might just be the general erosion of the kinds of controls the government has tended to set on companies it has sold in the past, like Alberta Energy Company, for example. For a number of years everybody was restricted to 1 percent except the government, and then a few years ago we passed an amendment allowing companies and people to purchase up to 5 percent of Alberta Energy Company. When the government sold AGT last summer, for example, it said that no one could hold more than 5 percent of the shares, and made a big deal out of this, saying it's going to mean that as Albertans will get first crack at it, we'll be able to keep this company widely controlled by Canadians and Albertans.

That actually brings me to another question. The minister didn't mention it, and I can't remember; I must admit I did not look up the previous Bill. Is there any restriction on foreign ownership of PWA, and will this in any way erode that? Perhaps the minister could answer that question. Although I see it's not mentioned directly in here, nonetheless, if several companies get together, by buying 10 percent each, they should be able to control this company fairly easily.

I have some concerns about whether it's just the government deciding they want to have less and less say about this company servicing Canadians and Albertans and just allow it to do whatever it wishes and go wherever it will in terms of the corporate world and the airlines industry, as they to some extent did with Alberta Energy Company and as they probably will do with AGT when it needs some new capital after the government makes the sale of its other 44 percent of shares and AGT decides it wants some actual capital to expand its economic base. The only people left to invest in it will be other big telecommunication companies and foreigners that want to get in, and they won't want to be restricted to 5 percent, because Canadians and Albertans will have taken up all of the shares they wished to by the time we have another offering, no matter how lucrative the government makes those shares.

So I wonder if it's the same part of the erosion of the government restrictions on that company, or is it that the company really needs these things, and if it does, does the government have any intention of buying in in any way, shape, or form? As I just pointed out a minute ago, by the government buying 10 percent, by several agents of the government buying 10 percent, the government could quite easily become the majority shareholder in that corporation. In fact, looking at the

rather rocky road this company is going to face in the deregulation, those become important questions, I think.

I would like the minister to answer some of those questions and talk a little bit more about what he sees happening in the airlines industry, with PWA in particular, and the government's intended role in those directions before we decide whether or not we'll support this Bill.

MR. ACTING DEPUTY SPEAKER: If there are no other members wishing to participate this afternoon, I wonder if I can ask the minister of public works to conclude debate on second reading of Bill 25.

MR. KOWALSKI: Thank you very much, Mr. Speaker. Essentially, the interest that the Member for Edmonton-Kingsway has shown in this Bill is appreciated, and we'll attempt to deal with the questions the hon. member has raised this afternoon in second reading or perhaps in committee as well, if one fails at this point to deal with the questions.

First of all, Mr. Speaker, the original question asked by the Member for Edmonton-Kingsway had to do with, I guess, the motive in terms of what the government's intent is with respect to changing the share level from 4 percent to 10 percent. It's not a result of the government having agents placed here or there attempting to gain back control of Pacific Western Airlines. There was a point in time from 1974 through to 1983 in which the people of Alberta through the government of Alberta did own 99-plus percent of Pacific Western Airlines. Then that was privatized. The response in this Bill is the response to a question made by the company itself wishing to go to the market and wishing to be in a competitive position with Air Canada, of which, under the legislation governing Air Canada, the maximum percentage of shares an individual shareholder could own would be 10 percent. The Pacific Western Airlines Act, 1983, prohibits that level to 4 percent. So that basically is the motive.

In terms of foreign ownership, once again there's no motive intended whatsoever with respect to this Act. In dealing with that matter, foreign ownership of any company in Canada is governed by federal regulation, not provincial regulation. That law that would govern any intervention in the Canadian economy by any investor from outside of Canada would be applicable to the amendments here that we have under Bill 25 as well.

Mr. Speaker, the third major question the Member for Edmonton-Kingsway asked was very similar to the first one in terms of is it the intent of the province to move into a major acquisition? To my knowledge that is not the case. There is certainly no position taken by the government per se. As the hon. member does know, there are some agencies of an indirect relationship associated with the government that would invest in the market through the best management decisions that would be made. Those managers of our various pension plans would consistently be looking at the market to see what they would feel would be a good investment at a given time. Those managers certainly do not get direction from the government per se in the normal definition of the word "government." In the same way, those managers who deal with the share portfolio of the Alberta Heritage Savings Trust Fund may look at an investment, but once again, that would not be as a direction of the government. That would be under normal day-to-day management, and there's no known intention of the government in dealing with this.

4:10

These requests were made to the province from Pacific Western Airlines in terms of looking at their market conditions in the spring of 1991 and asking for these amendments. In fact, the last year has been a rather busy year.

The member also raised a question in terms of the state of the airline industry. Well, the member is probably more knowledgeable than I am with respect to the current state of the North American worldwide aviation industry. The member in his official capacity as the finance critic for the New Democratic Party undoubtedly has done more reading in this particular area than I have, but one could make a few comments, certainly, that there seem to be cycles with respect to the airline industry. Earlier in 1991, no doubt at all, the events in the Middle East at least certainly precluded a lot of people from traveling. There certainly have been some rocky roads in the aviation industry in the recent number of years, and there certainly has been a fair degree of amalgamations.

[Mr. Speaker in the Chair]

With respect to Pacific Western Airlines, they have been rather aggressive as a marketer and player in this particular market. It was, of course, two years and a few days ago that they acquired 100 percent of Wardair. That made them a much larger player. They've also been aggressive in the world in terms of expanding their markets and recently have introduced new services to Nagoya, Copenhagen, and Chicago, as well as nonstop services between Toronto and Tokyo, which is a major route for them. Recently they've introduced Boeing 767-300 ER operations to Europe from North America. They've signed commercial agreements with Lufthansa, Air France, Japan Air Lines, SAS, Alitalia, and Midway. They've done reorganizing of their own corporate structure and established a separate customer service division. They have in fact been very competitive in improving their own performance. [interjection] The member requested the information. They've improved on-time performance over the last year by 10 percent and basically have been rather expansionary and have been aggressive with respect to the airline industry.

Pacific Western Airlines, to my knowledge, believes it is a major player worldwide in the airline aviation industry, and it has been positioning itself for the last number of years. It is, I think, good news for the province of Alberta if its head office will remain in the province of Alberta. With approval of this Bill, that would be mandated and become very important. I think all Albertans would want to compliment a corporate structure for being aggressive, particularly in an area and an industry that's been hard hit in recent years worldwide.

MR. SPEAKER: Thank you.

A call for the question?

HON. MEMBERS: Question.

[Motion carried; Bill 25 read a second time]

Bill 29 Loan and Trust Corporations Act

MR. JOHNSTON: Mr. Speaker, I am moving second reading of Bill 29, the Loan and Trust Corporations Act.

Mr. Speaker, this Bill has been before the Assembly now since sometime in June of 1990. I think members and certainly my colleagues who are more particularly focused on this Bill have now had an opportunity to discuss the legislation, to work through the series of sections that are before us, and I'm sure that much of what I said on the introduction of this Bill previously need not be repeated.

I can say, though, Mr. Speaker, that Bill 29 is the result of an extensive amount of work. If you look at this piece of legislation, it encompasses 205 pages of very detailed analysis, legislation, law. It reflects the decisions of the government in 350 different sections within the Bill, and it is set out in about 17 different parts. So you can see that legislation affecting loan and trust companies and for that matter financial institutions as a whole, has in fact become fairly complex both in its intention and in its application. It is complex because at the heart of this legislation there is one fundamental objective, and that is to protect the depositor in these financial systems.

As I said last year when I first introduced this legislation, I refer to this Act as part of the trilogy, a three-part change in the legislation which impacts directly on Albertans, which protects their investment in a series of financial institutions. This piece of legislation is one of the last steps in that process. The first, of course, was the significant and substantive changes to the credit union legislation passed by this Assembly, now in place, now working effectively. The effectiveness of the legislation, of course, is best measured in the way in which the financial systems themselves are operating, and I can report today that the credit union system is effectively corrected; it's generating profits, and in fact one of the credit union systems is about to declare and has paid a dividend. Secondly, we had the legislation from my colleague the Minister of Consumer and Corporate Affairs, again driven by the objective of protecting the consumer. That legislation has worked its way through the Assembly, and still further debate is before us today in some parts of the Consumer and Corporate Affairs legislation impacting on financial systems. Now today, Mr. Speaker, I'm moving second reading of Bill 29, the Loan and Trust Corporations Act.

This sector in Alberta has had a tremendous amount of review, of analysis. We've had, I guess, royal commissions headed by Estey looking at the failure of the two Alberta-based, federally chartered banks. I've referred already to our restructuring of the credit union system. We've had the Principal Group failure here in this province of Alberta. I guess we've had other smaller trust companies suffering the same kind of financial uncertainty, and we have had to adjust.

Also on the contemporary scale, Mr. Speaker, we see that Standard Trust, an Ontario-based company which did have a small operation, although no offices, here in Alberta, has just now gone through the same process. It's going to be put into receivership; it's going to be wound down. That's essentially a result of reduced or deteriorating real estate prices in Ontario and other parts of eastern Canada. Certainly in the case of the United States we see the difficulties in the savings and loan institutions there, where such things as investment in junk bonds has caused that system a tremendous amount of difficulty. The losses now in U.S. dollars are expected to be somewhere between \$400 billion and \$500 billion, an awful lot of money to fix that system. There have been criminal charges laid against some and even a suggestion of political involvement. So the backdrop and history of loan or trust company legislation is quite prevalent in our minds; we've had a lot of experience. This Bill, therefore, is the government's position on how to deal with loan and trust companies in this province.

In terms of experience we draw on the wealth of information and experience in other provinces. The province of Alberta and certainly the four western provinces were instrumental in forming both a harmonization and information-sharing agreement to share information on loan and trust companies – trust companies in particular – to ensure that information was shared regularly and quickly. That four-province agreement has now grown into a national agreement that has been signed already, and the harmonization is now completed. The next step in this process is to bring the federal government into the harmonization agreement, and that would allow a full warning between provinces and the federal government on any reviews of trust companies, any concerns which may be raised by the regulators in each province or jurisdiction, and a quick and full accounting to other provinces where that company may operate. On that basis the provinces have drawn together to ensure that regulatory powers, regulatory understanding, regulatory work are well shared across Canada. Certainly Alberta subscribes to that objective, and I think the western provinces certainly have been leaders in ensuring that both the harmonization process and the information-sharing agreement are in place as between the provinces, a very major step and certainly supportive of what we're doing here in the case of Bill 29.

Now, as I said in my introductory comments, Bill 29 is quite a sweeping change in the way in which trust companies will operate in the province of Alberta. There are, by the way, about five trust companies now operating here with fairly significant assets: about 4 and a half or so billion dollars' worth of assets. Again our clear objective is to ensure the depositor's security of his asset. We do not want to see depositors losing money. We want depositors to have confidence in financial institutions, and at the same time we want to be able to generate pools of capital so that you and I can build houses and buy houses and, in particular, so that mortgages are available. This legislation works on that clear objective.

4:20

The title of the Bill includes loan corporations, Mr. Speaker. Loan corporations are special companies which are usually operated by larger financial institutions, banks certainly. This Bill will allow for the incorporation of loan corporations and require registration of extraprovincial loan corporations. They'll be able to engage in deposit-taking and lending and investment but will not be permitted into the core trust business. We've segregated the business here so that trust companies alone have the responsibility for the so-called fiduciary or trust company operations. Loan companies, however, will be able to operate similar to trust companies but will not have the full opportunity to be involved in the trust company operation.

At the same time, Mr. Speaker, as I've pointed out before, this Bill increases the capital requirements of companies operating in the province. We think that there are several ways of evaluating a company, but certainly we want to see a company that has strong capital and good profits. Perhaps foremost in the minds of most regulators is the fact that a company should be profitable. Profits, if they accrue over time, form part of the capital, and that is an extra degree of comfort should something unforeseen happen in both the economy or in the loan portfolio. Accordingly, with an increase in requirement of a company to have a larger capital base, we are protecting the depositor against these unforeseen changes which could encroach upon the capital and then ultimately upon the deposit. We've enhanced the requirements for capital invested in the companies.

Mr. Speaker, the corporate powers are important. This has been a fairly wide-reaching debate among provinces to describe the changes in financial information systems, remembering that these institutions are in the information age. Money changes hands rapidly, transactions occur overnight, and no longer can you send a cheque to the tax department and expect it to be four or five weeks in the processing. It happens overnight. It's the information age. It's quick and rapid. As I've said in other speeches here before, the amount of money that transfers worldwide is about 10 or 12 times the actual real trade numbers around the world. The so-called symbol economy is quite significant, and there have been dramatic changes in the way in which financial institutions respond to the needs of consumers and the way in which dollars are intermediated, all to say that with this changing horizon, we have to make some changes in the way in which these financial institutions can operate in this province, and under the corporate powers section a corporation will be permitted to acquire downstream equity positions in other types of financial institutions such as security dealers, insurance companies, and ancillary companies, including information processing, data base companies, et cetera. These obviously require more regulatory care, and we want to be able to control the way in which the trust company, the sole company, has its investment limited and controlled and reported.

In terms of ownership, Mr. Speaker, this Bill provides for nonresident ownership. Limiting foreign ownership to 10 percent and aggregate foreign ownership to 25 percent will be removed. Ownership changes will require regulatory approval of acquisitions of 10 percent or greater, with reference to stipulated conditions such as financial resources of applicants. This is in the best interests of the financial system in Alberta. Certainly we would like to see, obviously, more pools of capital made available to expand these financial systems in our province, and one way, of course, is to encourage others to invest in these kinds of entities.

Where you find the difficulty in any of these regulations, Mr. Speaker, is dealing with the corporate operation itself. Historically there has been a propensity for the directors and the senior officials in an entity to deal effectively with themselves in some cases; that is to say, they may arrange loans for their family, they may provide loans to themselves or to corporations they're associated with. There has been some suggestion in the case of the S and L collapse that that was probably at the heart of the problem. I won't go so far as to say there's been outright fraud in Alberta, but there have been suggestions and certainly an inquiry which moved in that direction.

Nonetheless, we have to be very careful in this so-called self-dealing area. We want to be clear that a corporate board is made up of outside directors – not just the directors of the company who are from within, who have direct association with the company, but outside directors who have clear responsibility to the shareholders and to the public – and secondly, to limit the self-dealing rule so that there is either disclosure or prohibition or both with respect to some of these transactions between the directors, the senior officials, and the company itself. That is to say, these non arm's-length transactions have to be carefully regulated, and this legislation does just that, we think effectively. We believe it's as contemporary and as rigorous as any legislation now in Canada in this area.

Mr. Speaker, as well, we have set up a very rigorous corporate governance. I referred already to the requirement for outside directors. This is clearly a fundamental, but as well we're going to require more formalization of the various committees of the board, including the audit committee and the investment

committee. These will be made up of external review people, external members, and will have a very rigorous role in terms of decision-making within the entity. The audit committee in particular is a key part of the structure, the corporate governance, and will have rigorous responsibilities in terms of the way in which reporting and decisions are made.

Mr. Speaker, I don't know that I need to go on much further. Let me say that I have had an opportunity over the past few days to review some of the comments made by my colleagues over the past few months. In it they talked about some of the items that we will, I'm sure, see again.

The one change that I simply wanted to draw to the attention of members that is not so much a matter for second reading but did tend to attract a lot of attention, dealt with section 309, limitation on prosecution. My colleague the Member for Calgary-Mountain View did in fact mention this in his speeches, and we have simply deleted that section from the legislation. It doesn't really make any difference because of course, as I said in the House before, on principle the Attorney General has this right in any event. The only thing we did in the previous draft was to put it into this legislation, but to the suggestion from my hon. colleague, in listening carefully to his words of advice, we have of course responded. That's the way in which we operate, obviously, in this government.

I will look forward, Mr. Speaker, to the comments of my colleagues. Again let me say that we have not yet fully completed the regulations of this Bill. We would expect, if it's passed by the Assembly through the period May, June sometime, that we would proclaim it, I'm not too sure but I would expect effective January 1, '92. In the meantime we are completing the work on the regulations. We have had three or four months to do some detailed work. We have consulted with other provinces, we have consulted with the users of the legislation, and now that we have completed the drafting of the Bill, we'll be in the process of consulting more fully with those people who will use the Act, obviously keeping our eye on the harmonization as well. For that reason we would probably provide fairly wide circulation of the regulations sometime this fall and would have them put into law, I guess, by order in council sometime in November or December for an effective date in January of '92.

Mr. Speaker, this is an important Bill, as I've indicated. It is far-reaching in its application. It results from an exhaustive amount of work: work here in Alberta, consultation with other provinces, review with those people who use the legislation, and drawing upon a variety of other sources, including experience in other jurisdictions, the results of inquiry, review by the Institute of Chartered Accountants and other accounting groups, review by legal authorities as well, and I can say that we have reflected essentially the best and most of what they recommended to us.

Therefore, Mr. Speaker, I have no doubt at all that the government is fully behind this piece of legislation. I have no hesitancy to recommend it to the Legislative Assembly, and I do so in moving second reading of Bill 29.

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

MR. HAWKESWORTH: Thank you, Mr. Speaker, and I thank the Provincial Treasurer for his opening remarks. As he quite correctly pointed out, this legislative initiative was begun about a year ago, and we got through second reading and into committee stage before the Bill died on the Order Paper last December. I think it was appropriate that this Bill did not proceed last December, and I think that, hopefully, the Provincial Treasurer has taken the time to carefully consider not only

the suggestions made in this Assembly but by other ministers across the country.

I would like to note at the outset that I do appreciate the Provincial Treasurer making note of the fact that one of the criticisms I made of the legislation last year was accepted by the government. I'm pleased for that. One doesn't always get one's ideas adopted when you're on the opposition side of the Legislature. I think, quite appropriately and properly, a particularly difficult provision has been removed, and I appreciate the Provincial Treasurer acknowledging that. If I review my amendments of last fall, I think they total somewhere in the order of 20. I suppose one out of 20 is not the greatest of batting averages, Mr. Speaker, but in this place it's better than the usual track record one gets on this side of the House.

4:30

I think it's important at the outset to also make some comments that from my point of view, Mr. Speaker, I still have grave concerns about the overall direction that legislative regulatory frameworks of the financial institutions appear to be going. It's the blurring of responsibilities, blurring of divisions of powers that have existed in this country for the better part of the last 50 years. I have not been convinced that the leadership being given to this change from the federal and provincial governments is necessarily in the best public interest. We've had in the past legislation that has tended to provide a relatively good framework for us, and until someone convinces me that changes are required, I'm not prepared to simply go along with giving a seal of approval to it.

Now, there's no doubt that we do have problems in our financial institutions. In fact, I think it would be fair to say that there's been a collapse of the regulatory regime throughout North America. The United States is currently struggling with the costs of fixing the problem created by the collapse of the savings and loans associations and those institutions in the United States. The last estimate was that it's going cost hundreds of billions of dollars of taxpayers' support in order to fix the problem that was created in that nation. To a certain extent we take our leadership from the United States, and I haven't been convinced that this government's holus-bolus drive to imitate what's going on in the United States is necessarily the way to go given their recent track record, particularly with the savings and loans institutions. But, apparently, that's the direction that's been given and the direction that's been taken, and it's in that context that we have to come to grips with the Bill in front of us.

As the Provincial Treasurer has quite properly pointed out, once you've accepted the blurring of these traditional divisions between insurance companies, banks, trust companies, securities corporations, and so on, it then becomes a challenge to ensure that the same protection can be afforded to the public by removing the barriers that have traditionally been in place regarding their different activities in the marketplace. We've had the experience in Alberta of the collapse of Heritage trust, the collapse of North West Trust, the collapse of Principal Savings & Trust, the credit unions, and other institutions such as mortgage institutions; Dial is one that comes to mind. We've had two banks fail in this province in the mid-1980s, the Canadian Commercial Bank and Northland Bank. They turned out to be the first collapse in our Canadian banking system since - I stand to be corrected, but it's my understanding since the 1920s. We'll never know the full costs of what those collapses have meant to the taxpayers of this province and certainly not to the private individuals who invested money or left money on

deposit with those companies. Now the recent experience with Standard Trust and some of the concerns that are coming to light about the practices that appeared or are alleged to have gone on in that company raises a lot of concerns about how effective our provincial regulators have been across Canada: here in Alberta, in Ontario, and in other provinces as well.

Given this history of collapses, particularly focused in western Canada and particularly centred in Alberta in the mid-1980s, it's no wonder that the provincial ministers felt compelled to begin putting in place harmonized regulations and legislation to govern these institutions in their various jurisdictions. As we all well know, there are two levels of jurisdiction and regulation in this country, between the federal and the provincial governments. Some fall entirely under the purview of the federal government, and some fall by nature of provincial powers under provincial jurisdiction. In the case of trust companies, they can decide whether to incorporate at the federal level or can choose to incorporate under provincial incorporation in the individual provinces. So we have, in fact, two different standards, two different levels of government looking after the financial marketplace, and within the provincial level we have potentially 10 or more different approaches that could be adopted. Given that most experiences of collapse and difficulty have occurred at the provincial level, no wonder the provincial ministers felt compelled to act in order to bring some order out of chaos.

I do want to say at this point, Mr. Speaker, that I very much hope the work that's gone on in the Bill that's in front of us does the job that the Provincial Treasurer intends it to do, because if we fail to properly act now at the provincial level, I believe there will be very strong political pressure to force or to encourage the federal government to intervene and to impose proper standards in support of the public interest if provincial governments don't do it. That's what I understand is the motivation behind this particular Bill and behind the provincial government's working to harmonize their approach across the country. So it's a good objective to work towards. It's an objective and a principle that we on this side of the House support.

Now, in keeping with that, Mr. Speaker, the Provincial Treasurer made note of the work that has been undertaken between the different provincial governments. I note that the most recent report issued by the provincial ministers responsible is dated March 28, 1991, and sets out a number of areas that they hope to bring some consensus around, whether it be minimum capital requirements, as the Provincial Treasurer mentioned in his opening remarks, a capital base, ownership, investment rules, financial reporting, and so on. These are important questions and important issues. I am concerned that in a number of places throughout the report, there seems to be reference that harmonization does not necessarily require uniformity, and that's fair enough. That's fair enough, and I don't argue with that. On the other side of the coin, I want us to ensure that we don't allow a situation to arise where companies will gravitate towards either a province or a level of government that is the least restrictive in its regulation and governance of financial institutions, thereby using that as a loophole or circumventing the good intentions of all the other governments. For example, if a federally incorporated trust company thinks that the regulatory environment in Alberta is far looser and less restrictive than it might be under the federal Act, then they might incorporate in Alberta in order to get around legislation. So while I understand the point that harmonization does not necessarily require uniform legislation, I am concerned

if it leads to broad and wide open holes in legislation which companies might slip through.

4:40

Now, what I also find interesting about the report, Mr. Speaker, is that first of all, it is dated March 28, 1991, which was several months after this legislation died on our Order Paper back in December of 1990. I would hope that we're not sort of jumping the gun in trying to bring in a piece of legislation, be the first through the gate, if it means leaving the work of harmonization in the dust. Now, I feel fairly confident that that's not the intent of the Provincial Treasurer, but I do find it interesting that we were about to adopt legislation when the committee of Provincial Treasurers didn't seem to have completed their work back in December of 1990. In this report, which has been provided by the provincial ministers, it indicates that they plan or anticipate on doing further work. That has to do with areas such as

corporate governance rules may be required in the harmonization process, ministers agree to continue to work towards a consistent approach to provinces' treatment of extraprovincial companies. Other outstanding issues for harmonization include corporate powers, non-arm's length transactions, and networking.

It seems to me, Mr. Speaker, that potentially those are very key and significant areas. I would hope we're not being premature in adopting Bill 29 before the ministers have completed their agreement and discussion on those other areas. I'd like the Provincial Treasurer at some point in the debate, either in second reading or at committee, to highlight this particular aspect of the ministers' report to reassure us that we aren't sort of jumping the gun or moving ahead before all the work has been completed and thereby, I guess, driving the consensus or driving the decision-making in these other areas. I hope I've made my point clear enough, and I would welcome the Provincial Treasurer's comments, because it seems to me that some of these areas that the ministers highlighted were also areas of concern that I raised back in December when we were debating this particular legislation.

I'd just like to take a couple of moments, Mr. Speaker, to review some of those areas of concern, among them that the minister within the legislation has considerable discretion afforded to him to exempt companies from meeting various requirements or practices. Our concern at that time was expressed in the lack of objective standards to apply to the minister's powers in those sections. A number of the amendments that I made last December made reference to that. I'm afraid to say, or I regret to say, that they weren't adopted by the Provincial Treasurer in the interim, and I cannot as of yet determine whether they were dealt with in any other aspect or any other portion of the legislation. I certainly went to the sections that I proposed amendments to and saw that the amendments weren't adopted. They may have been incorporated in some other way in the legislation, and as we have further chance to review the Bill, I'll be looking for those. But that is still a concern, that there's this lack of objective standards for the minister when he exercises discretion in exempting corporations from certain practices or powers.

There also seems to me, Mr. Speaker, to be an excessive reliance on regulations. Now, I understand the importance of regulations, the requirement for regulations. With legislation of this complexity, regulations are absolutely unavoidable. I understand the necessity for them, but I also as a rule think government tends to go to regulation when they could just as easily and more properly go to legislation. After all, regulation can be much more easily amended or changed – that can be

done by cabinet – whereas legislative change requires the entire legislation to be brought before the Legislature, so it requires the entire Legislature to make the change. Of course, cabinet can make regulations behind the scenes without public debate. That can't happen if legislation is amended. Just as a general concern about the way this government operates, I have always felt that they tend to rely too much and too excessively on regulations, when they should more properly be using legislation, spelling out powers in legislation. Just for example, again to highlight some amendments that were proposed and without getting into the specifics of the sections, sections 167 and 170 appear to me to be putting major powers into the regulations which I feel could more properly be dealt with within the sections themselves. We can get to that at committee stage of the reading of the Bill.

As well, I'm concerned about what appears to be a whole section regarding indemnification agreements and the whole principle that applies or that that opens up. I guess it might stem from the experience that all these provincial governments had back in the 1980s with the collapse of the Principal-affiliated companies, FIC and AIC as examples, where in other provinces deposits were accepted of a company that was registered and regulated out of Alberta. The whole question arose: who is liable? Alberta, as the primary regulator of those affiliated companies, or the other provinces that allowed them to operate, notably British Columbia, Saskatchewan, and New Brunswick, if memory serves me correctly? The question arose of who is liable for those depositors in those other provinces.

So what we have here is an entire section outlining the ability of provincial governments now to enter into indemnification agreements, and that may not necessarily be a bad thing. In fact, that might be a good thing, Mr. Speaker, but what it means is that we now open up and accept liability – this government does – for depositors in other provinces. Now, I don't know how this government could accept liability for depositors in other provinces and deny that right to Albertans. In essence, it implies a liability for losses on Alberta deposits as well. Now, this may be that bucket of cold water that is necessary for governments to do the job that they ought to do. Knowing that this provision is here might make sure that this government does the job it is supposed to do in regulating these institutions. If the purpose of the Act was not to provide backstop financing, I don't know whether this is going to end up opening up that provision through the back door.

4:50

Inherent in this as well is the question about policing and enforcing the regulations and the governance of the law in respect to these financial institutions. That is, if you're going to assume liability for what a company does in other provinces and the practices in other provinces, how are you going to enforce what it is they're doing? For example, in the experience of FIC and AIC there was assumption made by other provinces that Alberta was taking the lead and doing the job of regulating those companies, when in fact others were assuming that those other provincial governments were doing it. What if we find, for example . . . I'm not alleging that there was anything wrong done in the operations of Standard Trust, but given some of the concerns that have been publicly raised so far, if it were ever demonstrated that some practices were being followed in Alberta that ought not to have been followed which led to the financial difficulty of that trust company, who would be the responsible body in that instance? Would it be the government of Ontario, if the company was registered and incorporated in Ontario, or

would it be Alberta, because they were carrying on the practice here in our province? So the whole question of policing and enforcing this legislation is an important question. I take it that the ministers decided that in fact the impetus for the work towards the interprovincial harmonization had to do with the question of sharing information between governments, and I would wonder if that's simply enough or if that provides sufficient protection for the public interest.

I have other concerns as well, Mr. Speaker, regarding ownership. In the legislation that we dealt with last year, I raised some questions about the percentage of ownership. If memory serves me correctly, the federal legislation dealing with trust companies includes a provision restricting ownership by any one entity to no more than 65 percent of the voting shares. I couldn't find a similar provision in the legislation introduced last fall, and I must say, with the cursory review that I've provided to the Bill this time around, the question still arises, and I don't see any similar provision. This comes back to the point I made earlier about a company gravitating to the level in the jurisdiction with the least restriction and what kinds of loopholes we might be opening up.

The loss of control over foreign ownership, also mentioned by the Provincial Treasurer: clearly, it's Alberta amending its legislation to implement the free trade agreement. One of the last areas of our economy that Canadians have maintained control over is the financial and banking sector. With us giving up our control as Canadians over this key sector of our economy, potentially we can lose and lose big, and I'm very concerned about that as well.

There are other loopholes in the legislation, some that I pointed out, on which I don't seem to see amendments made by the Provincial Treasurer. Loans to restricted parties under section 170: there's parallel legislation in the Business Corporations Act which prohibits such transactions if there are grounds to believe a company would be insolvent after a loan, yet there doesn't seem to be the same provision in this particular legislation. I've already mentioned substantive areas where regulations are going to be in force as opposed to putting them in the legislation itself. Another provision where - I think it's in the section dealing with amalgamations. The amalgamating company is to assume substantially all liabilities: section 216, Purchase or Sale of Assets. Again it appears that it's leaving the minority creditors without protection.

So there are a number of sections which we can get into at committee reading, Mr. Speaker, where I believe some key areas have been omitted or have been ignored or where loopholes may be created in legislation. I'm sorry that more of the amendments proposed last fall were not accepted by the Provincial Treasurer. I am pleased that he did recognize that the responsibility for prosecutions under this or any other legislation ought to remain in the hands of the Attorney General. Had he not made that particular change, I could have reminded him of a public inquiry that occurred in this province many years ago that made that particular recommendation, that the Attorney General maintain control. Well, he's accepted that one amendment, and I'm pleased to see it. I'm hoping that as we get a chance to debate specific amendments this time around, which we didn't do last fall, we will hopefully see some more positive changes to ensure that this is effective legislation for the long run.

So at this stage of debate, Mr. Speaker, it's in principle. The question of harmonization and regulation of loans and trust corporations in accordance with generally accepted standards across the country: that is a principle which I believe is one that ought to be supported.

MR. SPEAKER: Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Speaker. Like a boomerang the Bill is back again, and as usual the information provided is sketchy and inadequate. I've commented about this before. Certainly during the reading of Bill 38 I commented about the paucity of information. By way of contrast, perhaps I might bring to the attention of the House a document issued in the fall of 1990 by the Minister of State for Finance of the federal government, headed the Reform of Federal Financial Institutions Legislation, in which they provided an overview of the legislative proposals with respect to the proposals that they were bringing forward, the evils to be remedied, the alternatives that were rejected, a general civilized and intelligent discussion of what things were about, which can only be contrasted to the total absence - total absence - of any information being provided to third parties and particularly to members of this Legislature. I think it's one of the scandals of the way in which the legislative program of this government is being brought forward, and all I can say is "shame."

[Mr. Jonson in the Chair]

Now, I'm not going to speak for any great length of time. [some applause] Imagine if I had said I'm not going to speak at all. It's not that this isn't important legislation, because it is. However, it's basically the legislation which was brought forward to this House in the guise of Bill 38 last year. I spoke on that Bill in second reading on December 10 of last year. I said what I thought was relevant in principle then, and I still subscribe to those same comments. There is no need to repeat them globally, although I do wish to emphasize a few points of continuing concern.

5:00

Now, the Alberta Liberal Party caucus voted for the legislation on second reading. Regardless of our reservations we thought that on balance the legislation was positive, but it was certainly not without some serious reservations about the legislation, particularly the degree of discretion in the Act and the degree to which responsibility is being put on regulators, who did so poorly in looking after the interests of Albertans in respect of the Principal affair.

I'd like to repeat a few of the concerns that I have. Firstly, I think all of those who are watching reform of financial legislation in this country have concern about the move towards allowing concentration of ownership in the financial industry. We have gone in that direction, Mr. Speaker. We could have one sole owner of a significant loan or trust company in this province. Whether or not this takes place under our legislation is at the whim of the minister. It depends upon the minister's conscience, or as they used to say in the Court of Equity, the length of the minister's foot. Sometimes his conscience is no longer than his foot. We as a matter of philosophy would prefer to see broader ownership of our financial institutions. It may be, in fact, that that would be the predilection of the minister as well, although I somehow doubt it.

However, we do recognize that there is a serious structural problem in the way the financial industry and regulation thereof is developing throughout the country, and that is that other provinces, starting with Quebec several years ago, have decided to allow concentration. Once one province moves in that direction, then other provinces are at a tremendous disadvantage in attracting institutions in competition with those provinces.

It's an example of movement to the lowest common denominator, that the Member for Calgary-Mountain View has been so sensibly commenting on, but it is a practical reality. I think we have to go with it because of what other provinces are doing, and we have to look, then, a fortiori, at other means of protecting the consumer interest and depositor interest.

AN HON. MEMBER: The what?

MR. CHUMIR: We have to throw in a bit of our law school education here every so often.

Of course, amongst those initiatives, a fortiori, are to put more emphasis on those portions of the legislation which prohibit self-dealing and provide for disclosure in that regard.

I'm not going to dwell on that because I want to move on to an area that I consider to be very central, and that is the role of auditors. Now, prudent investment decisions at the management level are the key to the safety of depositors' money. There is absolutely no substitute in that regard. Of course, we see some limitations in that regard in the legislation. Some are there. Very few are set out in the legislation itself; for example, a limitation of 5 percent on a consumer loan. Other limitations are to be set out in regulations. I earlier expressed my concern with respect to the failure of a regulatory scheme to work under the Principal scenario.

Beyond the good investment decisions of the corporation, the second level of protection of depositors is at the auditing level. Early warning from my auditor is absolutely crucial so that changes can be made in the event that things are going wrong and so that management, which may have been making mistakes, doesn't get even more reckless in an out-and-out attempt to salvage problems.

Unhappily, anybody who has been watching the financial industry over the last five or six years can't help but note that the major failures in this past period have seen some serious questions raised about the way in which auditors have done their job: the Canadian Commercial Bank, the Northland Bank, the Principal affair. We even move, of course, beyond that, because there is a natural tendency of management to want to get auditors to approve rather rosy-coloured statements such as those which the Provincial Treasurer likes to issue. For example, we've seen problems with auditing publicly admitted in respect of the NovAtel affair. We now see the Standard Trust collapse. We've seen in the Auditor General's report concern and criticisms being raised with respect to the failure of our Treasury Branch in many instances to recognize loan losses. The Auditor General is talking about the failure of the Treasury Branches to use conservative accounting methodology in respect of losses. He's talked about the consideration of interest and nonaccrual loans. There's a whole section in the Auditor General's report in which he expresses concern about that. The Provincial Treasurer there, who obviously never reads or at least certainly doesn't pay any attention to the Auditor General's report, is also the subject of some direct concern in respect of the way in which the losses on loan guarantees are reported, how the government manipulates. These are endemic. They are a problem because that's the very nature of management: to want to defer the bad news.

These are problems which have been recognized by the auditing profession. They commissioned a report several years ago by well-known Toronto attorney W.A. Macdonald, who issued his report. I've been talking to members of the accounting profession, and they quite readily admit that they and the government have been very, very slow in moving towards

acceptance of some of the recommendations of the Macdonald report.

Now, there are improvements coming. There are improvements in this legislation, but I think we need more, Mr. Speaker. I think what we need to do is to give to our auditors some more specific direction in our legislation to insulate them, to give them assistance from the pressures of management, which are ubiquitous. They have been there and they always will be there. The accountants themselves are concerned, as I have noted, and they need help from the legislation and from our regulations in order to insulate them from the pressures.

So we need to be more specific, Mr. Speaker, in respect of the rules that we have in our legislation relating to recognition of losses. I might note one element of the legislation. There's section 157(2), which provides for special directions to be given which would require standards to be applied beyond standard accounting principles. I'm hoping that when we see the regulations, we will see that this minister has learned the very nature of the kinds of tricks which repeat themselves time and time again. Those are tricks which are ones which enable companies to defer recognition of losses for such a long period that by the time it is discovered, the company is a basket case and it's too late for remedial action to take place. That's got to be the centre of our second line of defence in terms of dealing with the protection of the interest of depositors.

I'm quite concerned to detect what appears to be a forgetting of the lessons that we've learned and a lack of emphasis on this very, very important area of auditing. It's a difficult area; the auditors have got some serious problems. They're human, and they often have other nonauditing work which they do for these companies. They need some help in the legislation with respect to rules so that each auditing firm, each auditor, has to comply with those strict rules and they can't be put under pressure by management if they do get tough, with all the implicit threats that are there in respect of transfers of work and changing of auditors.

5:10

Now, the final area I wanted to deal with is one I mentioned last December, and that is that if we're into a regime in which a great deal of the protection of the depositors' interest is dependent on the sensible exercise of discretion by the minister and by the minister's regulators, then that minister and those regulators have to be responsible to the depositors. We can't and shouldn't have to go through a situation, as we did during the Principal affair, in which depositors went to lawyers and lawyers told them about how complex and how horrible the rules were in relation to bringing actions against regulators and that they had very little chance of succeeding. On top of that there were the difficulties of inability to bring class actions and so on. It's time for a change of law in this area to make it very clear that regulators are responsible for negligence, that they are not a law unto themselves, and that the government is going to be required to stand by if they are negligent and to stand behind their decisions.

This doesn't mean that they are insurers of the depositors' money. They're not insurers; they're to be responsible only in the event there is negligence. But if there is negligence, the regulators and legislators who set up schemes whereby they are exercising the discretion, usually behind closed doors, to make decisions with respect to the assets of individuals - why shouldn't they be responsible? So we need some rules which clarify that responsibility to overcome some of the difficulties of

the very abstruse case law and to make very strong provision for class actions to be taken in these instances.

Those are my comments with respect to second reading on that matter, Mr. Speaker. Thank you.

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

MR. McEACHERN: Thank you, Mr. Speaker. Just a few comments about this Bill. It is, as the Treasurer said, major legislation, and it is about time. The problems of trust companies in this province go back a long way. The government has been promising, promising. Finally, last year they laid an egg, but they didn't let it hatch, so maybe this year we can hatch it. There were some problems with the legislation, and there are still some problems with this legislation, but most of that will wait for Committee of the Whole.

The Treasurer said that this is part of a trilogy, and I want to say that actually the credit union legislation is something that we supported and do find acceptable as one part of that trilogy of restoring our faith in our financial institutions in this province. However, I've got to say that the consumer protection Act was pretty weak; in fact, I can't help thinking that the minister's recent Bill on plain language does just about as much. It still amounts to a buyer beware sort of attitude to the whole business of financial institutions, deposit taking, who looks after the money, and that sort of thing: the different areas that the consumer protection Bill tries to cover.

As to Bill 29, it's long and complicated. I haven't checked it all through yet, but it probably has most of the same problems that the Bill had last year when it was brought in, so we'll have to go through all those details. My colleague from Calgary-Mountain View has already mentioned some of them.

The Treasurer took some time to go over the backdrop and the background to this whole business of the failure of regulatory institutions in this province, and I want to do that myself for a few minutes. I guess the really big bang that woke everybody up about the danger that some of our financial institutions were causing for depositors was probably the CCB and Northland, which are not strictly under the Treasurer's domain but under the federal government. CDIC took a bath there, of course, and that's where Estey brought in his report. The trust companies are acting more and more like banks lately, so looking at financial institutions and the overall problems, one shouldn't just dismiss what's happening with banks and how the trust companies and the loan companies, I guess, will be acting somewhat similarly. For example, loan companies are into mortgages, as are banks. In fact, I was quite startled to get a notice from the TD Bank saying that my money was in a mortgage subsidiary of the bank, and I had not instructed them to put my money into any mortgage company. At this stage mortgage companies were very scary, just at the height of the Principal fiasco. They were claiming that it was the real estate part that had caused the problems, so who wanted to be in mortgages? Yet the banks were doing that.

So when the Treasurer is talking about co-ordinating legislation with the federal government as well as the other provinces, since the deregulation of these four pillars of the financial world has already taken place and we're now trying to re-regulate them, I hope that when he talks with the federal government, he also looks at what kind of rules they have for banks, because there are some things to learn and some things that they might be doing that could be helpful. On the other hand, in the instance I just mentioned, I don't appreciate what the banks

were doing in terms of getting into mortgages, and then I had no choice or say in whether my money would go into that.

[Mr. Speaker in the Chair]

In any case, as the Treasurer rightly pointed out, we've been through a number of problems. The government had to put up over \$300 million to cover some of the losses of credit unions in the Edmonton area and similar amounts, I think, in southern Alberta. The Principal fiasco, of course, has cost us all a lot of money. North West Trust has probably been the bigger problem. The Treasurer at least for the moment seems to have been able to get that one back on track and kind of, if you like, cover up the mess that was North West Trust and Heritage Savings & Trust Company. Those companies seem to be stabilizing. However, I would point out that the latest annual report of North West Trust shows that their \$7 million in profit was not exactly a scintillating sort of performance considering that they got \$10 million from – I'm not quite sure of the number of shares, but I think it's something in the neighbourhood of \$80 million that they were paying to North West Trust from Softco. Since the government guarantees that and there's some \$80 million loan to Softco and the \$10 million would represent something in the neighbourhood of 13 or 14 percent payments, I don't know what the rest of the portfolio is doing if there is more money taken out of the Softco investment back into North West Trust – you know, \$10 million – plus there are some management fees of over \$200,000, plus there was some \$660,000 taken out of the reserve fund that was set up by North West Trust at the time of the takeover.

Mr. Speaker, the Treasurer has a lot to be accountable for and a lot to cover up for, as does this government. There's Tower. There's Dial Mortgage. There's Battleford. There's a whole mess of companies that this government failed to regulate and failed to keep an eye on. It's a boondoggle proportionately I think as big as the rather buccaneer savings and loan scandal in the United States. Now, the timing was a little different, and there was perhaps more justification in Alberta in that we had a major real estate bust that helped to cause a lot of the problems here, but it seems like in any of the instances where there has been any investigation done – and there hasn't been on all the companies – there also seems to have been a lot of mismanagement and rather strange things happening in this province. I don't know that they quite rank with some of the incredible scams that were perpetrated in the United States under some of the trust companies, savings and loans companies that were allowed total freedom under the Ronald Reagan administration, but certainly proportionately it's been as serious for the people of Alberta and has taken a lot of time to get on top of.

5:20

The savings and loan fiasco in the States they estimate will cost \$500 billion to the taxpayers of the States, these junk bonds and leveraged buy outs. As my colleague from Calgary-Mountain View said, it doesn't make much sense to look south of the border for how it should be done when they've got that kind of a record and those kinds of problems. Perhaps we have to look to other provinces and work together and work with the federal government to try to make some sense out of this. The Treasurer has done some work in that area, and for that I commend him.

I guess one of the points that I think is really important is that if you're going to let trust companies act like banks, then you

need to take a really hard look at whether you let trust companies be owned by one person or company or not or even the majority of the shares to be held by one company. Banks are restricted to 10 percent for any one company or person or corporation in terms of ownership. If trust companies are going to act more and more like banks these days, then why should they not have to look at a similar kind of restriction? Now, obviously, you'd have to do it over time. You're not going to do that overnight because many of the trust companies are held by a small number of shareholders or maybe even single shareholders.

The Treasurer mentioned that in this new legislation loan corporations will not be allowed to get into the trust company business. That's all very well, but I'm wondering if trust companies can get into the same business as the loan companies; in other words, mortgages and taking deposits. If they can, then why the distinction? Well, what I'm asking here, and the Treasurer might like to explain this a little more fully: he's got a Bill that says it's for savings and trust corporations, and then he distinguishes one from the other by saying that the loan corporations cannot get into the fiduciary responsibilities similar to what trust corporations can and do. All right? That's fine. But if the trust companies can also do the same business as the loan corporations, then what have you gained?

The Treasurer is shaking his head as if he doesn't understand what I'm saying. I'll put it in theoretical terms and see if it works. Well, suppose you have two companies, A and B, and A can do things 1, 2, and 3, but B can only do 1 and 2. Well, the question is: what have you gained by restricting the B company to just 1 and 2? [interjection] Well, it doesn't matter the number. It's just as long as one can do more things than the other. The point I'm trying to make is that if there is to be a difference between A and B, then B company must have some other responsibility, like it can be 1 and 2 and 4 but not 3, or else the distinction is rather artificial and doesn't make any sense because trust companies . . . Well, there is no point in restricting some companies when trust companies can act like banks and do the fiduciary responsibilities and do anything that the loan companies can do. So I would like the Treasurer to elaborate a little bit on what makes the difference between his loan companies and his trust companies. He did explain to some extent, but I don't think that it was clear.

The Treasurer also went on to talk a little bit about self-dealing. The government has some strict rules on that, and I think that it's certainly about time. A strong set of rules on related parties and their interactions with one another and people with vested interests and self-dealing: certainly that section has been a long time coming and is sorely needed.

MR. SPEAKER: Hon. member, I hesitate to interrupt, but the Chair does have some business to report to the House.

You beg leave to adjourn the debate on that issue, I trust. Those in favour of that motion, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Thank you.

Speaker's Ruling Naming a Member

MR. SPEAKER: Hon. members, earlier today at the conclusion

of question period, while dealing with a Standing Order 40 request by the Member for Edmonton-Mill Woods and after the House denied unanimous consent for the matter to proceed, there was an unfortunate incident in the House. The Member for Westlock-Sturgeon made at least eight interruptions of the House and was heard to comment on the way out of the House. On a personal basis he's entitled to his opinion, but in terms of the House he is not.

The comment was made that I, being the Speaker, am "one of the crappiest Speakers I've ever seen." This is a rather gross breach of the parliamentary tradition. The Chair mentions it because immediately following the member being named and after the Speaker conversed with the House leader for the Liberal Party, the Member for Edmonton-Gold Bar, the matter was communicated to that particular member in her capacity as House leader that the member had been named for the balance of this day and, therefore, cannot be in the Chamber or its immediate environs and that an apology is due the Chair and this House not only for unparliamentary language but also for making the comments. Hopefully, that might transpire tomorrow.

The Chair feels constrained that *Beauchesne* 167 must be quoted, which reads:

The essential ingredient of the speakership is found in the status of the Speaker as a servant of the House. The Presiding Officer, while but a servant of the House, is entitled on all occasions to be treated with the greatest attention and respect by the individual Members because the office embodies the power, dignity, and honour of the House itself.

Also, in *Beauchesne* 168 we have this:

When rising to preserve order or to give a ruling the Speaker must always be heard in silence. 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.

In *Beauchesne* 171:

Foremost among many responsibilities, the Speaker has the duty to maintain an orderly conduct of debate by repressing disorder when it arises.

The last quote is from *Beauchesne* 192.

On several occasions Speakers have refused to hear Members who have, in the opinion of the Chair, exceeded the bounds of orderly conduct.

So the Chair informs the House that until such time as an apology is given back to this House, an apology to the Chair, the hon. Member for Westlock-Sturgeon will not be recognized in question period.

Deputy Government House Leader.

MR. STEWART: Mr. Speaker, I move that when the members assemble this evening, they do so in Committee of Supply.

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

HON. MEMBERS: Aye.

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

[The Assembly adjourned at 5:29 p.m.]