

## Legislative Assembly of Alberta

Title: **Tuesday, November 9, 1993**

**8:00 p.m.**

Date: 93/11/09

[Mr. Speaker in the Chair]

MR. SPEAKER: Please be seated.

head: **Government Motions**

### Auditor General Search Committee

22. Moved by Mr. Kowalski:

Be it resolved that

- (1) A select special Auditor General search committee of the Legislative Assembly of Alberta be appointed consisting of the following members, namely Mr. Ron Hierath, chairman, Mr. Frank Bruseker, Mr. Victor Doerksen, Mrs. Yvonne Fritz, Mr. Gary Friedel, and Dr. Don Massey for the purpose of inviting applications for the position of Auditor General and to recommend to the Assembly the applicant it considers most suitable for appointment to that position.
- (2) The chairman and members of the committee shall be paid in accordance with the schedule of category A committees provided in Members' Services Committee Order 10/89.
- (3) Reasonable disbursements by the committee for advertising, staff assistance, equipment and supplies, rent, travel, and other expenditures necessary for the effective conduct of its responsibilities shall be paid subject to the approval of the chairman.
- (4) In carrying out its responsibilities, the committee may with the concurrence of the head of the department utilize the services of members of the public service employed in that department or of the staff employed by the Assembly.
- (5) The committee may without leave of the Assembly sit during a period when the Assembly is adjourned.
- (6) When its work has been completed, the committee shall report to the Assembly if it is then sitting. During a period when the Assembly is adjourned, the committee may release its report by depositing a copy with the Clerk and forwarding a copy to each member of the Assembly.

MR. KOWALSKI: Mr. Speaker, on the Order Paper on page 2 is Motion 22. Oral notice was given yesterday, and when it was introduced by way of oral notice, I did read into *Hansard* the complete motion. Essentially what it does is set up a select special Auditor General search committee of the Legislative Assembly. It's a multiparty bipartisan committee who has the instruction now to begin the search for a new Auditor General. The motion itself is all inclusive and covers all the details. So I would ask for support of the Assembly so that we might be able to proceed with this biparty approach.

MR. SPEAKER: Is the Assembly ready for the question?

The hon. Member for Edmonton-Whitemud.

DR. PERCY: Certainly, Mr. Speaker, it is a step forward that the government has brought forward this motion, has set up an all-party committee to select a new Auditor General. One would hope in the context of those discussions that the issue of value-for-

service audits, efficiency audits would also come to the fore and that one of the issues addressed to any of the potential candidates would be their willingness to consider those audits, as we certainly view them as being a way of effectively saving taxpayer dollars without the necessity of some of the across-the-board cuts that we have witnessed.

We view value-for-service audits as having had a very illustrious background. If we look at the state of Texas, for example, and its performance reviews, we see there that it has saved literally billions of dollars, dollars that can then go to provide essential services without the necessity of cuts. As I say, we view this as a very positive step, that the government has moved forward with this motion and has made it an all-party procedure. But we hope, then, that the members of this committee will look with favour on the issue of value-for-service audits or efficiency audits and would use this as part of the criteria for choosing an Auditor General.

We would hope as well that the candidate that would emerge for Auditor General would have a feel that management letters, for example, should be available to the Public Accounts Committee, because these management letters provide a pretty good overview of the problems that the Auditor perceives in various entities and within departments. These certainly, then, would provide the Public Accounts Committee with the background with which to address better perceived problems within departments or various entities.

We also would hope that the Auditor General would be very proactive in terms of assessing and measuring the performance indicators that will emerge with the business plans that have been proposed by this government. The ability of the government, then, to deliver with these business programs depends very much on the ability of the Auditor General to assess the efficacy of those performance indicators. Are they high enough? Has the department in question set goals that are really almost out of their grasp so they have to force themselves to reach it? Are they using their resources efficiently? Mr. Speaker, we would hope that he would look at both the context of the departments, the performance indicators, and not only rely on the systems in place for assessing the performance of those departments, but it would also then assess the system itself; that is, value-for-money audits.

So I certainly speak in favour of this motion, as I'm sure many of my colleagues will as well. Thank you, Mr. Speaker.

MR. BRUSEKER: Just speaking briefly to the motion, Mr. Speaker, I too will be voting in support of the motion. I'm not sure whether this is a question for now or for later, but I wanted to flag the issue. The issue that I think is of concern is that when we go to review individuals for this position, accept résumés and so forth, I hope that the committee will be able to work advertising on a Canada-wide basis. I think that in order to get the best individual for this position, to be able to address the concerns that have been raised I think by a variety of Members in the Legislative Assembly, particularly those that have been on the Public Accounts Committee in the past, we want to make sure that we have the best individual in the position. So from that standpoint I'm hoping that under section 3, I guess, of the motion, we be allowed the opportunity to advertise not only in this province but right across the country so that we get the best individual.

The issues of the past that have given rise to some of the difficulties that we've had I believe in part have been due to the fact that the Auditor General perhaps has not been as forthright – not as forthright perhaps but as aggressive – as necessary in the past by working through efficiency audits, as the hon. Member for Edmonton-Whitemud has referred to, by acting in a preventative fashion rather than in a reactive fashion.

So, Mr. Speaker, I do support the motion. In fact, I must confess that I rather look forward to the situation. It'll be an interesting experience, I think, for those of us who are named as the six Members of the Legislative Assembly to be involved with this committee. I think it will be somewhat interesting. I've never had the opportunity to do this before and look forward to it along with my colleague from Edmonton-Mill Woods. So I look forward to this subcommittee, I guess, moving into action.

MR. N. TAYLOR: This may be more of a question to the hon. member than anything else. The motion says that the select Auditor General committee be resolved, and

- (6) When its work has been completed, the Committee shall report to the Assembly if it is then sitting. During a period when the Assembly is adjourned

which will be a good likelihood

the committee may release its report by depositing a copy with the Clerk and forwarding a copy to each Member of the Assembly.

I was just wondering in closing the debate or maybe down the road whether the hon. Deputy Premier interprets that clause as saying that the Auditor General can be hired before the Assembly meets and a motion hiring the Auditor General is passed. Will this government go ahead and hire the Auditor General and then ask the Assembly to bless it later, as we saw in agriculture with Bill 21, which already merged ADC and the hail and insurance board and then came along six months later and asked us to bless it? Does the Auditor General hiring have to wait until the Assembly is put together? It says here just to deposit a report, which to me means no hiring, but will it be assumed by this government that it's the same as hiring?

MR. SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Yes, Mr. Speaker. This is probably one of the most important positions in the province of Alberta, because indeed it's through the Auditor General that we should be seeing full accountability of government. The question I'd like to ask is: is there going to be a new job description developed prior to this selection committee being put in place, and if so, has it been developed, or is it going to be a responsibility of the selection committee to clearly reflect what should be a job description that reflects the next decade, indeed the next century and in keeping with the throne speech of open, accessible, and accountable government?

Addressing once again that accountability through the job description, will indeed the recommendations of public accounts for Canada be part of the responsibility of the Auditor General in the accountability process? Also, indeed will there be reporting by the Auditor General that will allow for, as my colleague has stated, efficiency audits to be part of the responsibility of the Auditor General and also the full disclosure of management letters? I'd certainly welcome hearing some comment back, Mr. Speaker.

Thank you.

8:10

MR. SPEAKER: The hon. Member for Edmonton-Roper.

MR. CHADI: Thank you, Mr. Speaker. In speaking to this tonight, I can't help but recall the fact that each and every one of us campaigned vigorously prior to the June 15 election. We all campaigned on fiscal responsibility and accountability. We went to our constituents, and our constituents told us at their doors time and time again that what we need to do is be far more account-

able. We have to be the best stewards that we possibly can be with the taxpayers' dollars. They are, after all, the lifeblood of the programs that we administer on behalf of Albertans.

In identifying who would be a suitable Auditor General, an all-party committee I think is certainly the best way to go, and I applaud the member for bringing this forward. This certainly is a step in the right direction. When I start to review in my own businesses what I can do better to be more efficient, I always look at my financial statements. When I look at my financial statements, I scrutinize: where are we spending more money, where did we make money, where have we gone wrong? In this business of government, when we look at the public accounts – and I happen to sit on the Public Accounts Committee, Mr. Speaker – I find it a very useful exercise and quite an interesting experience. It's one that the Auditor General plays an important part in, and I think that an all-party committee to choose that Auditor General is certainly one that I could support.

The Auditor General that we are going to choose is going to be fresh and have new ideas, one that is energetic and one that almost makes me think of when I first got elected. Of course, I was so full of energy and enthusiasm and wanted to get at the job. I wanted to do right by my constituents. I sincerely think that the new Auditor General will perhaps have that same enthusiasm, that same energy and will do a good job for Albertans in producing and scrutinizing the financial statements of the province.

I would hope that one could also include efficiency audits. We keep talking about it, and we say it in so many different ways. We've heard value-for-money audits and assessments of all kinds. These are things that happen daily regardless of wherever we are. In our own homes, in our businesses, in government, in everywhere and every walk of life we have efficiency audits whether we use those terms or we don't. I would hope that the Auditor General we choose would implement such audits.

We've looked at other jurisdictions around the world from New Zealand to the state of Texas, and we've seen what they've done. I was truly intrigued by meeting a fellow by the name of Gil Cox, who spoke at length as to what New Zealand is today and where it was 10 years ago and the progress that they've achieved. I would hope that each and every one of us, if given the opportunity, could review what New Zealand has done and implement perhaps some of the ideas that they've taken and they've implemented. I would hope that the Auditor General we choose would be looking in terms of other jurisdictions to see what they've done.

Speaking in favour, Mr. Speaker, of that, I would now rest and allow any of my other colleagues to perhaps comment on this. Thank you.

MR. SPEAKER: The hon. Member for Fort McMurray.

MR. KOWALSKI: We only have one side participating.

MR. SPEAKER: Well, of course the hon. Government House Leader, if he speaks, will close debate.

The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Speaker. I'm not going to get into a philosophical debate about efficiency audits at this time, but I do want to talk about the fabric of this motion in its entirety.

Now, I'm sitting here, Mr. Speaker, and I see a committee of six people established, an interparty committee, four from one side, two from the other, and I have to ask myself: is that an efficient way of handling this particular committee structure? Would an odd number, a five or a three, be a more practical balance?

Then I look down and the next concern that I see is a public concern, not my concern but the public's. The public will sometimes comment: "What is the best way elected officials can get extra dough in their pockets? What's the very best way they do that? Get on a committee and get yourself some fees approved under schedule A." So in the interests of efficiency, it would seem to me that we could lead a good challenge right here by cutting down the size of this committee somewhat and giving some serious thought to perhaps asking the committee members selected for this most important committee, to choose our next Auditor General, if in the spirit of that thriftiness they would be inclined to not claim fees in this particular session. [interjections]

MR. SPEAKER: Order please. [interjections] Order.  
The hon. Member for Fort McMurray.

MR. GERMAIN: Now referred to as dangerous – I mean, I've been called lots of things in my life.

AN HON. MEMBER: Tell us about the car.

MR. GERMAIN: I think that's a compliment. I'll ask my wife. But if I ask my wife about that, she will want me to tell her again about the new car we bought a couple of years ago, so I won't do that.

I've made my points, Mr. Speaker. Thank you.

MR. SPEAKER: The hon. Member for Edmonton-Rutherford.

AN HON. MEMBER: No, the minister.

MR. SPEAKER: Order please. If other hon. members from the government side wish to speak, they will be recognized, but the Chair is not prepared to recognize the closing off of the debate on the basis of going back and forth.

The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Very briefly, Mr. Speaker. I'll sum it up in about 45 seconds. I would just hope that when this committee is in place and it does appoint the very best person for the job, that person then be given instructions to look at the city of Edmonton when it appointed an audit. That got into efficiency audits, and look at the millions and millions and millions of dollars that were saved.

MR. KOWALSKI: Mr. Speaker, this motion was discussed with the opposition. There was even agreement on the membership of this committee. Now, I've listened here for the last 20 minutes, and I've heard statements like the following being made with respect to Alberta's current Auditor General: quote, hasn't always been forthwith, end quote. The current Auditor General in the province of Alberta is a fellow of the Canadian Institute of Chartered Accountants, and that's the highest order in accounting designation that can be provided. Secondly, I've heard comments from across the way, Mr. Speaker, about the government employing the Auditor General. It is not the government. It is the Legislative Assembly of Alberta that hires the Auditor General. There seems to be a great amount of misunderstanding with respect to this position, and I now ask for adjournment of the debate on this motion.

MR. SPEAKER: The hon. Government House Leader has moved that debate be . . .

SOME HON. MEMBERS: Adjourned.

MR. SPEAKER: No. When the hon. Government House Leader speaks on this motion, he closes the debate on it. Debate is closed on this matter. Therefore, the Chair has no alternative but to ask for the question on Motion 22.

[Motion carried]

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

**8:20** **Bill 21**  
**Agriculture Financial Services Act**

Moved by Mr. N. Taylor that the motion for third reading be amended to read that Bill 21, Agriculture Financial Services Act, be not now read a third time but that it be read a third time this day six months hence.

MR. SPEAKER: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Speaker. Of all of the places I could have been this evening, after the good fun and comradeship that was had here last night, I'm anxious and happy to be back again. [some applause] Thank you, thank you.

As I recall, Mr. Speaker, when we adjourned at 5:30, I was about to talk about Bill 21. I'm going to leave the agricultural issues to those who are more skilled and more knowledgeable in those areas, but I do want to talk about division 3 in connection with the motion and the amendment that has been put forward by the Member for Redwater. I want to focus my attention in tonight's debate, if I might, to division 3, the local opportunity bonds.

Now, we are definitely getting mixed signals in this Legislative Assembly, Mr. Speaker, and I am not sure all members of the House understand completely what this division purports to do in this Bill. Therefore, the amendment put forward by the Member for Redwater makes eminently good sense to me notwithstanding my inexperience here in this House, notwithstanding my inexperience in debate, and notwithstanding that sometimes I trip up on words and that causes the hon. members opposite to encourage me with loud words of encouragement.

I want to say to you tonight that what we have here is a 100 percent guarantee. I want to point out that one of the long-standing safety valves we've had in the province of Alberta is the Securities Commission and the Securities Act, which allows people to vet before that august body their proposals for development and their proposals for extracting money and their proposals for investing. What we've done in this particular situation is we don't need all of that, and of course that legislative protection is wiped out, because it's replaced with something else: a 100 percent government guarantee as to principal – 100 percent, Mr. Speaker. Again we see a piece of legislation that starts out very innocuously, starts out like that thoroughbred dog. It starts out that it's going to simply deal with cleaning up of housekeeping items, and then we are into this most serious 100 percent government guarantee again.

I know that earlier today in the private members opposite there was some commentary and some concern that they had farming community members there and they didn't want loan guarantees. They didn't want any of these guarantees, and now the first piece of legislation that . . .

**Speaker's Ruling****Relevance**

MR. SPEAKER: The Chair regrets to interrupt the hon. Member for Fort McMurray but must remind the hon. member that we are debating an amendment proposed by the hon. Member for Redwater and that comments hon. members make here this evening should be on that amendment, which is that the Bill "be not now read a third time but that it be read a third time this day six months hence." The comments should be addressed to that amendment.

**Debate Continued**

MR. GERMAIN: I'm very grateful for that instruction, because it is important for the members – remember a while back we had slogans of listening and caring? It is very important that members get an opportunity to go back to their individual constituencies and ask: "Do you want 100 percent guarantees? Do you want the government guaranteeing an investment in this province to 100 percent?" I want to line up to make some of those investments myself, Mr. Speaker. How can you lose on that? We can have chicken farms everywhere, and that's important. Agriculture is important. Small business is important. Plant creation, job creation are all important. But when you have a hundred percent guarantee, you will sometimes be motivated by the fact that you might make a large investment coup in a high-risk operation where your downstream losses are protected.

Now, you wanted me to focus my attention on the issue of the Member for Redwater. There is no urgency. There is absolutely no urgency to this legislation, because as I understand it, the effective mechanical amalgamation can be handled with the status quo exactly as it exists today – government consolidation, government efficiencies, cleaning up intergovernmental departments – with the many tools the minister of agriculture already has in his arsenal. So I urge all members of this House to vote in favour of this amendment now. What is so urgent and so compelling about this piece of legislation that we have to get into 100 percent guarantees, that we can't wait for six months to have some sober second thought?

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Edmonton-Roper.

MR. CHADI: Thank you, Mr. Speaker. I, too, rise to speak in support of this amendment. This amendment brought forward by the hon. Member for Redwater certainly makes an awful lot of sense to me. Whenever we look at what we have today in terms of lending institutions, in terms of opportunities for small business to be created, it just doesn't make sense right now to be looking at something like this, local opportunity bonds. We already have things like the Alberta Agricultural Development Corporation investing in commercial ventures. They're doing it in Edmonton. They're doing it in Calgary. They're doing it in all the small communities. We have all sorts of money out. Alberta Opportunity Company – and the key word here is "opportunity" – serves a tremendously useful purpose provided it's functioning the way it was intended to function. If it was functioning the way it was intended to function, there would be no reason for the local opportunity bonds whatsoever.

So when we speak about this amendment, let me suggest to you that we do have to go back to our constituencies. We do have to go back into rural Alberta. That's where I'm from. I'm from a rural background. I remember that for an awful long time so many of these small financing arrangements that used to come

forth – I haven't seen very many of them work to start with. I think we have to go back. This is a lack of vision and very, very narrow and simplistic thinking. I think we have to go back into our rural communities. We've got to ensure that they understand first of all that there is an avenue of financing other than local opportunity bonds. That's something they probably don't understand: that AOC is out there, that AADC is out there. Why on Earth aren't we using them? Because we don't want to approve the loans that small businesspeople in rural Alberta are desperately trying to suggest to us they want approved.

Mr. Speaker, the system is flawed. We don't need something like this right now without first going into our constituencies. The hon. Member for Fort McMurray's absolutely correct. Absolutely correct. If we care and if we listen, then we should not – and I repeat, we should not – be looking at any more loan guarantees. Albertans have told us time and time again. What do they have to do to make us understand?

MR. WICKMAN: Draw pictures.

MR. CHADI: Mr. Speaker, perhaps we may have to resort to that.

I think there's no reason for this at this point in time. We have to go back to our constituencies. We cannot in all good conscience right now support this Bill. I think the amendment is the right way to go, and I shall support it wholeheartedly.

Thank you.

MR. SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Speaker. I, too, rise to speak in favour of this amendment. I, too, believe that this is a recipe for disaster, what's before us, so it's important that this amendment be supported. I would have thought this government would have learned something. I've sat here for the past number of weeks and listened to: we won; you lost. Well, let's put it this way. There was a trust put in this government by Albertans, and one of the trusts Albertans put in this government was indeed that we would get out of loan guarantees, that we would stop risking public funds. This very Bill once again puts us back in the position of being bankers, which we should never have been in the first place. I well remember the debates when Premier Lougheed brought this before his caucus, and I would suggest that if you look over the past decade, it was indeed a recipe for disaster. We have been told that that was then and this is now. Well, I would ask: where is the conscience of this government when they truly are supposed to be doing what they say Albertans voted them as government to do? I would suggest that they're still speaking out of both sides of their mouth, that they're still buying votes through this type of proposition. When you have such an open end where anyone, in essence, can go and access funds that have no limit on them: once again, a recipe for disaster.

**8:30**

Why indeed have we not learned from past mistakes, and why are we not listening to New Zealand where government has got out of the agricultural marketplace? For the first time in their history they've started to see farmers actually making a profit without subsidies. If we are serious as a government, I would suggest to you that the longer we continue on this road, we certainly are not going to be able to compete in global marketplaces.

I would like to hear from members across the way who indeed support government being in the loan business. Stand up and tell

us in this House that you want the government of Alberta to still be bankers. I would like to hear you say tonight that you're against the government of Alberta being bankers and making open-ended loans to people who, if they're going to be successful and we're going to move this province into the next century and meet global marketplaces, will have the ability to borrow from the financial institutions who will evaluate them on their merit, not because a government wants to keep the votes they perceive they're going to have four years from now by this type of legislation.

I would suggest to you, Mr. Speaker, that Albertans aren't going to be fooled by this, that Albertans are expecting more. They're expecting integrity. They're expecting an open and accessible and accountable government. This Bill doesn't do it. The amendment goes a short way to achieve that.

Mr. Speaker, let's hear the conscience of this government speak, and let's put our money where our mouth is and get out of the business of loans.

MR. SPEAKER: The hon. Member for Edmonton-Norwood.

MR. BENIUK: Thank you, Mr. Speaker. I am sort of taken back by this Bill, and I support the amendment. I thought when the New Democrats were defeated, much would change. The members opposite talk about getting out of the business of being in business. However, as we from this side glance across the aisle, we notice that certain things have not changed. Perhaps this Bill may have been a joke inserted by a certain member opposite from his former leanings on this side of the House when a certain party sat here. Perhaps the influence of that member is starting to saturate the rest of the caucus opposite.

Mr. Speaker, this amendment was brought forth for a number of reasons. One of them was the concern of hundred percent financing. We in this province and in this House know the track record of this government over the past decade when billions of dollars were lost with government guarantees. I believe it's something like \$2.6 billion and rising. Here we have a Bill that doesn't guarantee 10 percent or 20 percent. It guarantees 100 percent. The member opposite from the former party that was on this side and no longer exists must be smiling. He is smiling. I notice that, Mr. Speaker. The Premier said on another occasion that he would not blink. Do we have here now a blinking by the entire caucus under the influence of that member? Here is the first Bill to start pouring funds forth with 100 percent guarantees, and other Bills will follow like a flood.

Mr. Speaker, when the former leader of the New Democratic Party went down to defeat, he was resurrected opposite and he sits there. The Bills now coming forth like this one I'm sure will do . . . [interjections]

#### Point of Order Relevance

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

MR. DAY: Well, first, I'm surprised at the comments of members opposite about concern about a point of order being raised. They crybaby every question period with points of order, so they should get used to this. You know, it's fascinating, Mr. Speaker. They can sure dish it out, but they sure can't take it, can they?

Mr. Speaker, referring to *Beauchesne* 731 . . . [interjections]

MR. SPEAKER: Order. [interjections] Order. The Chair would like to hear what the hon. Deputy Government House Leader has to say.

MR. DAY: Thank you, Mr. Speaker. Someone should throw the seals over there some raw fish and quieten them down.

Citation 731 of *Beauchesne* says very clearly that at third reading stage there's a restriction: nothing can be dealt with, no "matter which is not contained in the bill."

The member opposite seems infatuated with the previous leader of the ND Party. I do congratulate him. He defeated him. He never even went to a public forum, and he still beat him. I congratulate him for that. Their strategy was keep this member off the doorstep and we might sneak him in there.

However, Mr. Speaker, the question is that he's dealing with matters not contained in the Bill. I know you'll want to bring him to order on that. [interjections]

MR. SPEAKER: Order please. The point of order was really as to relevance of debate. The hon. Deputy Government House Leader sort of meandered off that point, but he did have a point about debate at third reading. The debate isn't as wide-ranging at third reading. We've been hearing a lot of second reading speeches. Even further, the hon. Member for Redwater has further constrained the limits of debate because he has moved an amendment proposing a six-month hoist. Therefore, comments should be directed strictly to the amendment proposed by the hon. Member for Redwater. The Chair has been rather lenient, although the Chair has interjected two or three times. It will have to become more active to keep hon. members on the point.

The hon. Member for Edmonton-Norwood.

#### Debate Continued

MR. BENIUK: I thank you, Mr. Speaker, for your advice. I was trying to set the stage, pointing out the importance of voting in favour of this motion.

SOME HON. MEMBERS: Amendment.

MR. BENIUK: I'm sorry. In favour of this amendment. My apologies. I will try to be more focused, but I think it was important, Mr. Speaker, to point out the philosophy, et cetera, behind the Bill that we're going to be voting on shortly.

This amendment will give everybody across the aisle an opportunity not to be influenced by a certain member and possibly have second thoughts about the 100 percent guarantee the Bill proposes, a six-month period to give some more thought to this, to think if they want to re-enter the marketplace with vast guarantees, including 100 percent guarantees, or if they really want to sit back and say: no, we will continue with what we have been trying to convey, whether it's a myth or reality, that they're trying to get out of the business of being in business. This motion, Mr. Speaker, gives every member in this House a six-month period to think, to reflect, to take another look at this motion. Does each member opposite really want to vote in favour of guaranteeing one hundred percent? This motion presented by the Member for Redwater provides a period for people to reflect, and I stress that: clear, sober second thought. [interjection] Sober.

8:40

SOME HON. MEMBERS: Sober?

MR. BENIUK: Well, if you don't like the word "sober," insert whatever word you like.

The point is that the motion provides a six-month period to re-evaluate the impact. If I could, Mr. Speaker, I would just like to add to this by asking the members opposite: considering the track record of the loss of billions of dollars, have the members opposite had an opportunity to see an analysis of what the projected potential losses might be? If they haven't, the six-month period will give them an opportunity to evaluate it. Do they really want to be tarnished again after – what was it? – \$2.6 billion losses with another \$10 million, \$50 million, \$100 million, whatever the figure will be? Only some projections on this will be able to evaluate the losses.

I notice my friend opposite is still smiling. I'm glad he appreciates the situation.

Now, Mr. Speaker, what is required at this stage? This is the final, final moment. If the members opposite are so sure there will be no losses if the hundred percent guarantee takes place, if they are so sure that if there are losses, they will not feel awkward and defensive, then by all means reject this motion. But if you have any second thoughts of the impact it will have on the people in your riding, on the general population, on the economy, can this government that is cutting back in education, on social services, on health care reject this motion and say, "We are going to go forth with a hundred percent guarantee and agree to accept the losses that the taxpayers will have to bear"? This amendment gives an opportunity for everyone in this House – everyone in this House – to sit back, observe, and think about it. In six months come back and you can still have your Bill. I mean, you have the majority. But the price of now rejecting this motion, voting for this Bill could be very great not only in losses to the taxpayers but also in embarrassment to a government that claims it's trying to go out of the business of being in business.

The other point, Mr. Speaker, on this motion: if the hon. members opposite reject it, they are in fact sending a signal that their statement that they are interested in going out of the business of being in business is a myth, because what they're doing is re-entering the marketplace with a hundred percent in guarantees. The losses that took place before: were they a hundred percent guaranteed? Is this now a higher level? This motion gives them an opportunity to re-evaluate. That's all we're asking. A second, sober – sorry; they don't like the word "sober." A second thought reflecting on the implications of going ahead and agreeing by law to provide one hundred percent guarantees without knowing the potential losses and what the track record has been in the past when the government has provided guarantees. Members opposite are still trying to figure out how to recover from losses on the Pocklington deals. Those were also guarantees. Here will be some other problems, unless second sober thought re-evaluates. I'm sure the minister will be only too happy to provide members of his caucus with assurance that there will be no losses – or massive losses.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Speaker. I just wanted to make a few comments on the amendment introduced, proposed by the most hon. Member for Redwater. I think it's important, first of all, that we stop and look at what an amendment of this nature does, what's commonly referred to as an amendment to hoist a Bill. Some would call it maybe "heist" a Bill because of the nature of the particular Bill that we're dealing with. It does give us the opportunity – because obviously there are members of this House that don't recall, prior to June 15, some of the statements that were made not only by people seeking elected office but by

Albertans throughout the province that I heard over and over and over. This gives them the opportunity to go back and to revisit with their constituents, revisit with Albertans, and ask them their feelings on this particular Bill as it relates to loan guarantees. Ask them as to their feelings as to how this Bill would relate, from Albertans' perceptions, in terms of NovAtel. Ask them how much they feel that NovAtel cost the taxpayers of this province.

Mr. Speaker, we go back to our constituents and we ask them about loan guarantees and we remind them about Gainers, the ongoing saga of Gainers and the tens of millions of dollars that have been lost. We could go back to our constituents, we could go back and talk to Albertans, and we could ask them, since that election of June 15, what they think. What do they think of this \$2 million loan guarantee for a cookie factory where the president of that cookie factory states publicly that they would have relocated in this particular province even without that loan guarantee? That gives us the opportunity to go back, to seek the wisdom of our constituents, to get their advice, because obviously the message did not sink through fully. Obviously, this government is still on a course of loan guarantees despite the fact that we have a bill tallying up to – what? – \$2.1 billion? Possibly a government member could break it down for me.

Included in the NovAtels, the Gainers, the cookie factories, we could look at the riverboat situation. The riverboat situation as it relates to a loan guarantee of close to \$1 million is very, very symbolic in that it's something that most Albertans, most taxpayers, can identify with. It's easy to identify with. It's something that was pictured on TV night after night and in the papers night after night. Many Albertans, Edmontonians in particular, looked forward to the enjoyment of going on that riverboat. They thought it must be a good venture if the private sector was involved, but they became very, very skeptical once they learned that the government was going to be involved. They said, "If the government is involved, obviously the private sector doesn't feel it's viable enough to go on their own." And lo and behold, Albertans were right. Lo and behold, the taxpayers called that one.

Mr. Speaker, to stay to the amendment, the intent of the amendment, what I'm trying to do is illustrate the importance of getting that sober second thought as reflected by the Member for Edmonton-Norwood, as he relates from his perception the opportunity to have a second look. I could go through a list. I could go through NovAtel. I could tally it. I could look at Gainers, the cookie factory, the riverboat. In the Speaker's own riding very recently – I believe it was in the Speaker's riding – some other company went down fairly recently. What was it to do with? Hot air balloons? Could somebody refresh my memory on that?

AN HON. MEMBER: Hovercrafts.

MR. WICKMAN: Yeah, hovercrafts. How many millions of dollars did that one cost? How many tens of thousands did the famous bungee jump cost? Again there's a loan guarantee plus a loan grant, lo and behold.

I would say, Mr. Speaker, to all government members in particular, who are so anxious to have this Bill approved, to go back to their constituencies. Go into Red Deer and talk to those people in Red Deer and say: "What do you think? Should we support more loan guarantees after NovAtel, after Gainers?" What will they say? Will they say yes, or will they say no? I would think they would say no, and they would say: "Listen to the wisdom of that Liberal caucus, that opposition that is telling you to hold off for six months. Give it a second thought, and support

that most decent amendment brought forward.” [interjection] Your constituency, too, madam. Support that most honourable amendment of wisdom brought forward by the Member for Redwater.

Thank you.

8:50

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

MR. DICKSON: Thank you, Mr. Speaker. I'm delighted to speak in support of the amendment by my colleague from Redwater. I think that what's significant about the hoist amendment is, firstly, the source of the mover of this amendment. I've found that the Member for Redwater, as a veteran member of this Assembly, has often a unique perspective, and I find that he's a keen listener to what Albertans are telling him, sometimes expressly and sometimes intuitively.

AN HON. MEMBER: He listens. He cares.

MR. DICKSON: He does listen and he does care, Mr. Speaker. That's always been my experience with the mover of this amendment.

There are three reasons I speak in support of the amendment. The first one is simply because it's the Member for Redwater who advances it. I've found that when he counsels slowing down a too hasty legislative process, when he counsels further consultation, nine times out of 10 he's right. Certainly this is one of those nine times, Mr. Speaker, so I'm pleased to support the Member for Redwater in that respect.

The second reason I think there must be more time before this particular matter is advanced to the next stage is that we had an opportunity on November 8 when we saw the minister here attempting to defend this Bill. I think one of the most interesting things is when a minister comes forward and says to the Members of the Legislative Assembly, “This is a housekeeping matter; this is just a question of tying up some loose ends.” Well, what's always so interesting to me is that almost invariably in one of those housekeeping Bills you find some substantive wrinkles. You find some changes that are tucked away. Sometimes it's in the back part of the statute, sometimes it's in the midpart of the statute, but often it's in there.

I can think of the one experience that always makes me wary when I see legislation like this that is pushed through with all the speed that a majority government can muster. I can remember it was the spring of 1992, and there was an amendment to the Election Act of the province. What was interesting there was that there was an attempt, and it was made covertly. Nobody acknowledged it or expressed it at the time, but there was a substantive change to allow the government to virtually double the period of time to call a by-election after a seat had been declared vacant. That taught me a valuable lesson, Mr. Speaker. It encouraged me to be much more wary and much more careful when the government comes forward with a Bill like Bill 21, to turn the thing upside down, to read it over again, and to listen to the sage advice of a senior member like my colleague from Redwater.

In fact, when we saw the minister attempt to defend Bill 21, we saw him saying, on the one hand, that this is simply a housekeeping matter; this is just trying to bring the statute into line with other changes that have already been made. But, you know, when he was asked, notwithstanding the fact that he claimed it was an inconsequential amendment, he was talking about a statute, an indexed deferral Act. Well, it turned out, in answer to further

questioning, that there was no such statute. He was talking about a plan. His reaction then was to say: Well, members should be familiar with this.

Well, I acknowledge that I represent an urban constituency and there are not very many farmers in downtown Calgary, but it seems to me that Bills and legislation have to be presented in such a format, with supporting information and explanations, that every member in this Assembly, whether you represent a downtown urban constituency or a rural constituency, has the answers you need to be able to vote for or against a Bill, but in a knowledgeable, intelligent way. I regret that the minister in this case didn't give us that opportunity. In fact, by being unable to respond in a confident and forthright fashion to many of the legitimate questions that were posed to him when that matter came up in committee, it simply, I think, undermined the confidence that we wanted to have in this minister. I think we all started off wanting to support this housekeeping matter and allow the government of the day to get on with other business, but our confidence was badly undermined, Mr. Speaker. That's the second reason that I think we have to take this back to the draftsman. The minister has got to sit down with his senior administrators and review in fact whether this is what the province of Alberta needs now, in the autumn of 1993.

Now, the third reason why I'm pleased to speak on behalf of this amendment by the Member for Redwater is section 56. I think I'm alarmed, as most members on this side are alarmed, with the local opportunity bonds. Let's be absolutely clear about it, Mr. Speaker. In pith and substance this is a loan guarantee. There's no other way of hiding it or concealing it or mislabeling it. It's a loan guarantee. I think it's important that all Albertans understand that that's what this government is advancing, that's what's included in Bill 21. That's the reason why we need a further period of time to have more public input, and not just to allow members in this House to reflect and not to allow Albertans to weigh in with their views but also to allow the minister responsible, charged with the responsibility for carrying this Bill through, to rethink what he's doing and reconsider how on the one hand his government, the government that he's part of now, made certain representations to Albertans on June 15. We now see an approach and a piece of legislation being championed by this minister which contains a loan guarantee.

So much for all of the rhetoric about government getting out of the business of being in business. It turns out to be nothing other than a hollow representation. I think it's clear that what we see with respect to the local opportunity bond is a betrayal of the promise that was made to the people of Alberta on June 15. I think that's a strong and compelling reason why all members should support this thoughtful and helpful amendment sponsored by the Member for Redwater.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Edmonton-Centre.

MR. HENRY: Thank you, Mr. Speaker. I rise, too, to speak to the amendment. Specifically, just to recap, the amendment is that Bill 21, Agricultural Financial Services Act, be not now read a third time but that it be read . . . this day six months hence.

MR. DAY: Very good, Michael.

MR. HENRY: Great. Just trying to remind you.

Mr. Speaker, I'd like to recall some of the debate from yesterday, I believe, in second reading and committee with regard to Bill 21. Specifically, I'm doing that not to rehash that debate but

to try to explain why it is that I enthusiastically support this amendment.

MR. MITCHELL: How enthusiastically?

MR. HENRY: I very enthusiastically support this amendment, Mr. Speaker.

This amendment has been proposed by the hon. Member for Redwater. As very eloquently said by the Member for Calgary-Buffalo, the hon. Member for Redwater has been around in political and legislative circles forever, for a long, long time. My history is involved with public affairs in terms of organizationally as chief of staff for four years with the Liberal caucus, since June 15 as a member of this Legislature, also as president of the Alberta Liberal Party when the hon. member was our leader, prior to that on the executive of the Liberal Party and also prior to that when I first got involved in public policy issues in founding the Alberta Friends of Medicare and several other organizations such as that that pushed for social change and pushed for public policy.

9:00

I remember first meeting the hon. Member for Redwater in Red Deer, and I'm not sure if he recalls that, but he provided me with some very sage advice that particular day. I continue to follow it, and from time to time he's provided more advice. There are times I have to admit that I wonder, what is the hon. Member for Redwater up to? I wonder what's behind what he's telling me today. What is it that he is trying to push, and why doesn't it make any sense to me? Usually, most often, I take some time and I think about it. Mr. Speaker, you know, age and experience do speak well, and I've found from time to time to time that it has been wise advice, and I've usually most often benefited when I've followed that advice.

#### Point of Order Relevance

MRS. BURGNER: A point of order.

MR. SPEAKER: The hon. Member for Calgary-Currie is rising on a point of order.

MRS. BURGNER: Mr. Speaker, I'm rising on a point of order, citing *Beauchesne* 731, the issue being relevance. I thought we were discussing the amendment and not the hon. Member for Redwater.

MR. SPEAKER: The Chair was believing the hon. member was having a rather expansive lead-in, but he thought that the hon. member was getting pretty close to speaking to the amendment.

MR. HENRY: I thank the hon. member for her help, and I thank you, sir, for your direction. I was very, very, very quickly getting to my point. My point is that when I follow the advice of the hon. Member for Redwater, it's usually been very good advice.

#### Debate Continued

MR. HENRY: Mr. Speaker, one of the frustrations, speaking in a more serious tone, on this side of the House is that we're asked to engage in debate and to actually vote on particular measures that the government brings forward. Sometimes we have information available to us and other times we don't.

Mr. Speaker, first, to contextualize this, one of the things this Bill does is provide for the amalgamation of the Alberta Agricul-

tural Development Corporation and the Alberta Hail and Crop Insurance Corporation. Yesterday I very specifically asked the minister of agriculture for copies of management audits that I know have been done and do exist. I asked him for copies of external audits and reviews and other information that would have led him to the decision to amalgamate these two agencies. If I had received that information and if the minister, when he responded, chose not to respond to my request, I'd be in a much better position today to talk in a very informed way about why it is these two agriculture-related agencies should be amalgamated. But I have not seen the audits.

I think it needs to be put on record that there is information, and I frankly think the government is hiding something here, because there is information floating around, and has been for about a year now, that suggests in fact that the reason for this merger was not to provide one-stop shopping, was not to provide more efficient services, but was to in fact hide the observations that were made in the management audit that was done of the Alberta Agricultural Development Corporation. It's my understanding, Mr. Speaker, that there were some management problems identified there, and the decision was made last October. If there's nothing to hide – and I see several hon. members laughing about this – why don't we have the audits?

MR. MAGNUS: It's a secret.

MR. HENRY: It's a secret, exactly. The hon. chairman of the financial planning committee says, "It's a secret." Well, I take him at his words. It's a secret.

All we had to do was table the management audits, and if I saw what I had very specifically requested, then it would allow me to make an informed judgment at third reading as to whether I could support this Bill or not.

The other thing: it's a freedom of information issue. The other piece of information I asked the minister for was to give me the two organizational structures – i.e., org charts that exist – and how in fact the plan was for them to be merged so that I could indeed find out if there were some positive or negative implications on communities. I have some ties in Camrose, and I have some very strong ties in Lacombe, and I wouldn't want to see my former home adversely affected by a government decision. I wanted to see which positions were going to be abolished, because that will happen in a merger, and where in fact the employment is, relating it to the government's at least former desire to try to help keep rural Alberta alive by decentralizing government. I very specifically asked for that information, Mr. Speaker, and in fact I got some sort of mug-wash about there'll be a couple of secretaries let go maybe.

Well, my information is that long before this reached legislative debate, there were in fact some very substantial moves made that removed some employees from their positions and in fact cost the Alberta taxpayers a significant amount of money. That decision was made last fall. I'm aware of some of the details of that, and Mr. Speaker, I want it to be put at rest. I didn't want to be uneasy about knowing how to vote in terms of this Bill. I asked for very specific information. If the minister had provided that information to me, frankly I'd be in a much better position to make a decision in the context of free votes as to how I would vote today, and I find that really difficult.

Speaking specifically again to the amendment about why I don't believe we should be dealing with this now and why we should wait six months to deal with it. I have a lot of questions about the local opportunity bond, section 3. I see the hon. Deputy Government House Leader yawning. If we're going to make some very

significant pieces of legislation in this Assembly, we should act in a responsible way and not simply pass anything. It's fine for the members on the government benches because the government members will have an opportunity to review regulations and to review policies prior to them being released to the public. I think the members in the back bench have to recognize that they're in a much privileged position compared to those of us on the opposite side.

Frankly, Mr. Speaker, I'm being asked to vote for a Bill that leaves a lot to regulation, that leaves a lot to the discretion of the Lieutenant Governor in Council; i.e., the provincial cabinet. Again, for the government members it may not be the same issue, because the government members will get to review regulations and suggest improvements. I would be much more comfortable if the government had done what they have done in some other instances, and I know the Premier did with the Environmental Protection and Enhancement Act – I think I have the title accurate – where there was not only draft legislation but a draft set of regulations that were circulated around this province, and we had some time for input. It was a very wise move.

The Premier repeatedly stands in this House and says what an excellent consultation process that was. In fact, I remember being at a function with the Premier, actually just after he had announced that he was running to be Premier of our province, a year ago. He told me – and I hope I'm not disclosing private conversation, but I don't think he would mind – that he was very proud of the consultation process that he had gone through with that Bill and the fact that he was able to have draft regulations. In fact, what eventually happened is that it was passed unanimously by this House. It was a very good process, Mr. Speaker. It allowed people like me on the opposition benches, who are not going to have the opportunity to sit and discuss regulations, to confidently pass a Bill, knowing what the government's plans were with regard to regulations.

I look at the kinds of things that are going to be in regulations, Mr. Speaker: “prescribing the types or classes of business,” “governing the criteria or conditions,” “prescribing the information,” “prescribing the persons,” “prescribing the form and content of documents.” I look at that. I'm looking at the Budget '93 Update that was published this September 8, and I look at several of the loans and loan guarantees that are outstanding. I look at it, and my goodness, it's Gainers once again. We have \$53 million outstanding in Gainers Properties and another \$10 million in Gainers. Well, I'd like somebody on the opposite side to show me where in this Bill you wouldn't be able, without seeing the regulations, to have another \$60 million-odd to go to a failed venture such as Gainers.

#### 9:10

Magnesium Company of Canada Ltd.: \$103,845,000 for a plant that's sitting idle and isn't worth more than \$2 million. Mr. Speaker, I look at what I have in terms of the Bill for the local opportunities Act, and there is nothing in here that precludes that kind of venture from happening again. We all know that was made as an election promise. It lasted for about two years, and somebody ended up running off out of this country with a pile of our taxpayers' money. In fact, if I'm not mistaken, the Provincial Treasurer hasn't seen fit to actually acknowledge that there really is a loss there and start recording it as a loss. That money's gone down the tubes, and we're never going to see it again.

I don't want to vote for a piece of legislation that's going to allow that kind of thing. If there was something in this legislation that said, “Let's have a cap” – as I understand the intent of section 3, local opportunity bonds, it's to provide funds for local

small business initiative, if I'm not mistaken. Well, surely if it's not in the Bill, there should be some sort of draft regulations that say that we're going to limit it to \$500,000 or a million dollars or \$5 million, whatever is reasonable so that we can gear it towards small business. The government's asking me to vote for this Bill not knowing that we may not end up with another Northern Steel. Northern Steel doesn't even exist anymore, and we've got \$3,771,000 gone down the tubes. Outrageous.

I mean, I cannot understand what can be going through the hon. member's mind, the Minister of Agriculture, Food and Rural Development, when he stands up and proposes a Bill that has such a wide opportunity for interpretation, depending on the regulations, and expects me to sit in my seat and go, okay; I trust you, no problem. If the government would have tabled draft regulations, we may have been able to get up at second reading and perhaps at third reading and say, “Here are some suggested changes,” or, “Here are some suggested improvements.” Would you go back like we did with the Environmental Protection and Enhancement Act and several other Acts; if I recall, the Municipal Government Act, the School Act back in 1988, where we were able to have drafts of the regulation so that the public and members on this side – and I have to point out that we often hear, as the Member for Clover Bar-Fort Saskatchewan indicated, that one side was elected the government and this side was not elected the government. Well, I choose to contest that. Frankly, Mr. Speaker, in four years we will contest it again.

Frankly, I was elected with a large majority in my riding to represent the constituents of Edmonton-Centre, and I don't want to walk down the promenade, 100th Avenue, in Edmonton-Centre and have people – there are a lot of retired people who have worked very, very hard all their lives and who have put their money in the bank and invested wisely and have bought condominiums or are renting apartments and are looking after themselves. I know dozens in each building. I walk down that street several times a week. I don't want to name names, but I don't want particular people who I hold in incredibly high esteem to stop me and say: “Michael, how could you let them do another Gainers without rising? How could you let another Northern Steel? How could you let another MagCan?” What am I going to say? They haven't changed? My voters are going to turn to me and say: “Michael, we elected you because we know that you have a strong social conscience and a strong principle in fiscal responsibility. You should have stood up and said that this was wrong for Alberta.”

Mr. Speaker, that's why we need more time, so I can go to my constituents – and maybe I'm wrong. Maybe I've missed the boat completely. Maybe I'm wrong. I want it to be clear that if I'm wrong and if I'm totally misinterpreting this and if I'm totally out to lunch on this, it's not up to the government members – although a few of them do live in my constituency, I'll have you know. It's up to the people who voted for me to tell me: “Michael, you're wrong on this one. Go back and say you're wrong, and let the government have carte blanche to have more loan guarantees.”

Mr. Speaker, this one affects my constituency very directly. The North Saskatchewan River Boat company: we've got \$569,000 in that. Anybody in their right mind in Edmonton-Centre could have told you that that boat would never float down the river, and it hasn't floated down the river. [interjections] I did not vote for it.

Mr. Speaker, there were a lot of young people in my constituency living in the Oliver area, who live north along the Avenue of Nations, who were looking for summer jobs and thought that maybe the government was right and that maybe by putting up a

\$949,000 loan guarantee and a \$500,000 tourism grant, and, and, and, we would end up with more jobs for our students. Well, one of the things that I found out in May, June, July, and August is that in my constituency, which has a lot of students attending Grant MacEwan College in the new City Centre campus, the Alberta Vocational Centre, which is in my riding . . .

**Point of Order  
Relevance**

MR. WOLOSHTYN: Point of order, please.

MR. SPEAKER: The hon. Member for Stony Plain is rising on a point of order.

MR. WOLOSHTYN: Yes. Relevancy under 23(i). We've heard all this before. It's nowhere near the Bill. If the member wants to subdue us with the same pile of rhetoric – if he would be so kind as to table it – we'll sit quietly for the duration of the time. Then the next one can get up. But please, Mr. Speaker, if they're going to have something to say, have it on the amendment.

MR. HENRY: With respect, Mr. Speaker, I'm trying to explain exactly why it is. Citation 23(i) "imputes false or unavowed motives." I don't know what this man is talking about. He's got the wrong citation.

MR. SPEAKER: The hon. Member for Stony Plain may have cited the wrong Standing Order, but the fact remains that the Chair feels that the hon. Member for Edmonton-Centre has been straying in the last four or five minutes.

MR. HENRY: I accept your ruling, Mr. Speaker, certainly. I always have and always will.

**Debate Continued**

MR. HENRY: I'm trying to explain exactly why it is that I think we need to take some time to review this Bill.

Mr. Speaker, six months from now, by rough calculations, we will be in the springtime in Edmonton, which is a beautiful time. I won't tell you about my walks in the river valley during the springtime.

AN HON. MEMBER: Walk?

MR. HENRY: Believe it or not, I walk. Some people look at me and . . . Mr. Speaker, I must respond to the heckles.

In the springtime, with the rules that the hon. House leader and Opposition House Leader have worked out, we will in fact be back here, prior to February 15, after this session adjourns. That's not a long time from now.

Mr. Speaker, if we were to pass this amendment and not deal with this Bill at third reading but deal with it six months from now, we would have an opportunity then to be able to let the government table some regulations or release publicly some regulations. As a member who tries very hard to represent his constituents, I would be able to take those regulations or an improved version of the Bill that outlined very specifically what the government was up to with the local bonds to members of my constituency and ask for input. Then I would be able to come back here and stand in my place, and assuming that the hon. Minister of Agriculture, Food and Rural Development was in the House at that time, I would be able to suggest to him some improvements or some changes that he might want to make or indeed some additions he might want to make.

I want to be very, very clear that by voting for this amendment, I am not voting to kill this Bill. This Bill, Mr. Speaker, and the notion of local opportunity bonds, the notion of encouraging Albertans to reinvest in their communities so that local entrepreneurs have an opportunity to create jobs in Alberta, is a very, very positive objective, and I wholeheartedly support that. But I'm being asked on trust to just buy into too much.

The hon. minister said yesterday that this Bill was only three pilot projects. Mr. Speaker, I have read this three times, and I have not seen "pilot" in here anywhere. I've not seen it, not once. To the amendment that we delay voting on this Bill or dealing with this Bill at this point, again I'm not voting to kill the Bill. I am voting to ask members, especially the members from rural Alberta on both sides of the House to take some time and go back to your constituents and to ask them, give them a copy of the Bill.

9:20

MR. DAY: Mr. Speaker, speaking very briefly to the amendment, which will be the first time tonight that the amendment has been addressed, I'd like to suggest to the thousands that are tuned in and the tens of thousands who will be poring over *Hansard* – because they hang on every word that dribbles across the way. I'd like to suggest in addressing the amendment what is actually taking place here.

**Point of Order  
Parliamentary Language**

MR. GERMAIN: Point of order.

MR. DAY: Oh, this should be really interesting.

MR. SPEAKER: The hon. Member for Fort McMurray is rising on a point of order.

SOME HON. MEMBERS: Citation.

MR. GERMAIN: Standing Order 23. Mr. Speaker, there are some commentaries that snap out at you without even a citation. Referring to the members of this House as gerbils I suggest crosses the line. [interjections]

MR. SPEAKER: Order. Maybe we can make a fresh start.  
The hon. Deputy Government House Leader.

**Debate Continued**

MR. DAY: Thank you, Mr. Speaker. I've been trying to talk in calm, even tones. We've been listening to the drivel and the 'dravel' and the oozing out from members opposite, and now a member from the government side gets up and they go berserk. I think it's quite interesting that they can't listen to something intelligent, given what they've been listening to for the last hour and 25 minutes.

Speaking to the amendment, Mr. Speaker, it will be abundantly clear to those people who do pore over *Hansard* nightly and daily and to the amassed crowds here in the gallery it will be immediately and abundantly clear that members opposite are opposed to . . .

SOME HON. MEMBERS: The loan guarantees.

MR. DAY: Call it whatever you want. They are voicing their opposition. As a matter of fact, that can be achieved by one member stating it and the others getting up on a standing vote or whatever.

What is happening here, Mr. Speaker, is that the people opposite, who propose and who dare to try and have the people of Alberta think that they're concerned about efficiency in government, that they're concerned about a new way of doing business in government, that they're concerned about the time in the Legislature . . .

SOME HON. MEMBERS: To the amendment.

MR. DAY: This is directly on the amendment, so I wish they would quit their crying.

These people now as members get up to speak, they giggle among themselves, they look at the clock, and they are just delighted about the fact that they are wasting taxpayers' time. Here is what the amendment is doing. I want to ask this question. I wonder how Karen Mavis Poor Eagle feels, because she has an adoption Act brought forward by a member opposite. She's waiting . . .

MRS. SOETAERT: To the amendment.

MR. DAY: This is directly to the amendment. This amendment is a stall tactic. That's all it is now. I wonder how Karen feels waiting for this adoption Act to go through. I wonder how the folks at the Youth Emergency Services Foundation feel as they wait.

#### **Point of Order Imputing Motives**

MR. SPEAKER: Order please. The hon. Member for Edmonton-Norwood is rising on a point of order.

MR. BENIUK: Point of order. I believe it's Standing Order 23(h), (i), (j). Mr. Speaker, they have delayed presenting the private Bills until after this is over. For the member opposite to rise and imply that we are responsible for preventing certain things from happening is an insult to every member in this House.

MR. SPEAKER: The hon. Deputy Government House Leader.

MR. DAY: Thank you, Mr. Speaker, for not even deigning to reflect on that.

#### **Point of Order Order of Business**

MR. WICKMAN: Mr. Speaker, on a point of order.

MR. DAY: Oh my, my; aren't they a thin-skinned little bunch over here.

MR. WICKMAN: *Beauchesne* 459 states very, very clearly as to the importance of the debate to what's being presented. The hon. member has made an attempt to use a private Bill as rationale as to why debate should be stifled on this particular Bill. Now, the government member knows very well, because it's a member of his caucus that chairs the Private Bills Committee, that that work has been concluded, that that Bill is here, that simply they could have had that as number one on the Order Paper today. It would have had third reading. Bring the Lieutenant Governor in to give it Royal Assent, and it would . . .

MR. SPEAKER: Order please. The Chair finds that the hon. member for Edmonton-Rutherford has not raised a valid point of order. The hon. Deputy Government House Leader is entitled to

debate the amendment and the effects that the amendment is having on other business.

MR. DAY: Thank you again for the esteemed wisdom in your ruling, Mr. Speaker.

#### **Debate Continued**

MR. DAY: It is a fact that Michael Caleborn Rothery is wondering about his adoption.

MR. SPEAKER: Order please. The Chair is not prepared to listen to the entire list of private Bills in order to demonstrate the point.

MR. DAY: Thank you, Mr. Speaker. I will not go through that. I just wonder how the Member for Edmonton-Meadowlark is going to address Benaning Osi, who is also wondering.

#### **Point of Order Anticipation**

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

MR. DAY: Oh, they really can't take it, can they? They really can't take it.

MR. HENRY: Standing Order 23(e) very clearly states: any debate that

anticipates, contrary to good parliamentary practice, any matter already on the Order Paper or on notice for consideration on that day.

The hon. Deputy Government House Leader is talking about something that we're going to be debating later on this evening, and I think that would be totally out of order, Mr. Speaker.

#### **Debate Continued**

MR. DAY: So it is, Mr. Speaker, that good people, good citizens of this province who have concerns riding on the legitimate Bills and motions that are still before this Assembly would be wondering tonight, would be saying to themselves: on this amendment have not the members opposite expressed themselves? Are they so in doubt about their own delusions of adequacy that they think they have not been able to communicate? I'm sure everyday Albertans must wonder that they would continue in this vein after it's been abundantly clear that they're opposed. I want to underline on the amendment and to the amendment that that is the purpose of what they're doing. They are wasting time. They are being redundant. They are participating in a one-sided show of the theatre of the absurd . . .

MR. SPEAKER: Order please.

#### **Point of Order Intimidation**

MR. N. TAYLOR: Mr. Speaker, on a point of order. The hon. deputy threatened us. He said: because there was no chance it would get through. The least this government can do is pretend that it's a democracy, pretend that there's going to be a vote. To get up and tell us to shut up because it's going to go through regardless is a threat. He could have been hauled away and put away in irons back in the days.

**9:30**

MR. SPEAKER: Order. No, not a valid point of order. The hon. Deputy Government House Leader.

MR. DAY: Thank you. I think I've got about 17 minutes left, given all the interjections. The latest interjection by the Member for Redwater: I think that logic is the same logic going into the amendment. I think that speaks for itself, Mr. Speaker, and I would hope that the words of the members opposite echo in their ears when they talk about reforming this process. What we're seeing here is the old way, the old style, the ridiculous process of filibustering and just wasting time when there are legitimate needs of Albertans before this Legislature. I'd like them to give that thought and consideration as they continue to rise, to look at the clock, to giggle among themselves, and think about the waste they are bearing on the shoulders of Albertans.

MR. SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you, Mr. Speaker. I'm very pleased to rise and speak to this amendment to Bill 21. You know, when my constituents read *Hansard*, they like to read what I've had to say, and I don't want to leave my colleagues alone. I believe in this amendment. I think we've jumped at it too quickly, and we need to address this. The fact that it may be rhetoric or redundant may be a point, but, you know, in teaching, I've found that sometimes if you repeat things a few times, they catch on.

#### Speaker's Ruling Repetition

MR. SPEAKER: Order please. The Chair would remind all members that there are rules against repetition, not just repetition within a speech but speakers repeating what others have said over and over again. There are rules against both forms of repetition.

MRS. SOETAERT: Okay; thank you, Mr. Speaker, for correcting me on that. I'll bring a new angle to this, I'm sure.

#### Debate Continued

MRS. SOETAERT: Number one, I would like to support this amendment because of the hon. Member for Redwater; I respect his opinion on these things. In fact, when he first convinced me to get involved in politics, I was told by members opposite that if you followed his lead, you'd have nothing to fear. So when I looked this over closely, I realized that it's a smart amendment. We have to wait six months for this. We have to go back to our constituents, whether it be rural or city. I don't think anyone agrees with loan guarantees, and we all ran on that. No one agrees with loan guarantees. I think we'd rather see small business opportunities on an equal playing field, rather than these in - what is it? - section 56. It clearly states that it is a loan guarantee. Although I'm not as eloquent as all my fellow colleagues in here, I'll get better, I know.

I hate to repeat myself, but I'll just say this: we don't want loan guarantees. That's why we are standing on this. We all feel it is very important that this does not go through, and if we can wait six months to debate this again . . .

MR. DAY: It will.

MRS. SOETAERT: To say, "It will," well, that's a typical arrogant statement that we often hear from the deputy House leader, but we're getting used to it.

What we'd like to say: if this is a democratic process, we would like people to consider this for six more months.

Thank you, Mr. Speaker.

MR. SPEAKER: Before recognizing the hon. Member for Calgary-North West, might there be consent to revert to Introduction of Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?  
The hon. Member for Dunvegan.

head: **Introduction of Guests**

MR. CLEGG: Well, thank you, Mr. Speaker. There are three ladies up in the gallery tonight that the hon. deputy House leader recognized this evening. They are from the greatest part of the province. It's unfortunate that there's only one from the constituency of Dunvegan, and that's Chris Jones. Chris, if you would stand up. There are two other ladies, Sherry Wilcox and Alice MacKay from Grande Prairie-Wapiti. They are in the city doing business, helping the government, and I ask them to rise and receive the warm welcome of the Assembly.

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

#### Bill 21 Agriculture Financial Services Act (continued)

Moved by Mr. N. Taylor that the motion for third reading be amended to read that Bill 21, Agriculture Financial Services Act, be not now read a third time but that it be read a third time this day six months hence.

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

MR. BRUSEKER: Thank you, Mr. Speaker. I was afraid when the member rose that he was going to offer them a loan guarantee.

MR. DINNING: They already have one.

MR. BRUSEKER: They already have one? That's nice to know. It's in *Hansard*. Thank you, Mr. Treasurer.

The Member for Red Deer-North says that this is the old way and that this is the way things have happened. One of the things that was really nice at the beginning of this session was that the House leader from the government side and the House leader from the opposition side met and came up with a bunch of new rules. One of them is free votes. So I looked at this amendment. The Member for Red Deer-North suggests that I am going to support the Member for Redwater on this amendment simply because he's a Liberal. Now, Mr. Speaker, I want to tell you that I'm not going to support this member just because he's a Liberal. I'm going to support him because he's right.

MR. DINNING: Mr. Speaker, he's reading a newspaper.

MR. SPEAKER: Order please. Newspapers are not allowed in the Chamber. [interjections] Order.

The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. When I considered should I or should I not support this motion, I thought, I want to put myself on the government side and imagine how the Treasurer would feel if this Bill were passed, the Treasurer I have known for a number of years now in this House. I thought, how would

the Treasurer feel if he had to go out and promote this Bill after the speech he's given us earlier about the budget, about the government that's getting out of the business of being in business? I thought, you know, that the Treasurer is a man who wants to have a good image in the public of Alberta, who would like to be well respected and so on in the province of Alberta, yet he's going to be looking at this Bill, and he says on one hand that the government wants to get out of the business of being in business. So when I said, well, should I support this – because that's what the amendment says. I want to make sure I'm clear that I'm on the amendment. The amendment says, really, to the Treasurer and to the Cabinet: please wait six months; think about it again over the six-month period and maybe bring it back in six months' time. If you still think it's a good Bill, bring it back in six months' time, and we'll have a look at it at that time. I thought, you know, that if I were to go out and make a speech and say that the government is getting out of the business of being in business, then in this Bill there should be no reference to government being in business.

When I looked through the Bill, I got to section 28, and it talks about in that particular section:

The Corporation must not, except with the approval of the Lieutenant Governor in Council,

(a) make a loan in excess of \$1,000,000.

Again the government is directly, under that section, proposing to be in the business of being in business. Now, I know that's been in there before. It's in the Alberta Opportunity Fund Act, Alberta opportunity corporation Act. I thought to myself, you know, if I were the Treasurer, I'd say to myself, gee, this guy down the row from me, this Minister of Agriculture, Food and Rural Development, is trying to pull a fast one on us because he's saying that we should get back into the business of being in business. And I thought, now, if I were the Treasurer, would I support this motion?

MR. DINNING: God forbid you should be the Treasurer.

MR. BRUSEKER: Well, you never know, hon. minister. [interjection] Well you know, things are only temporary. [interjection]

MR. SPEAKER: Through the Chair, please. Order.

MR. BRUSEKER: You're correct, Mr. Speaker. I'm sorry. I was just trying to offer some good, sage advice to the Treasurer, trying to suggest to him that not only should he listen carefully, but he should even agree with me and other hon. members who have spoken in favour of this amendment to delay for six months the reading of this particular Bill.

Mr. Speaker, that was only one section. I thought, well, you know, if I were the Treasurer, maybe I could gloss over one little section. It's only a million dollar loan here or there. We've heard previous Treasurers say: what's a million? So I thought, well, the Treasurer could say: what's a million? But then the very next section says that once they get past that million dollar mark, then they don't need any approval from the cabinet. They could just go ahead and option it up to \$2 million, \$3 million, \$5 million. How much was Gainers again, \$102 million, \$105 million, \$115 million? A frightening amount. Who knows where it's going to go? I thought to myself if I were the Treasurer and I saw that happening in here, I'd be really concerned, and I'd want to support this amendment. I'd want to delay this for six months, because . . . [interjection] Well, I would like to be the Treasurer. I think that'd be great, because we've got to have somebody who's in control of that department, and we sure don't seem to have anyone over there right now.

MR. DINNING: Tsk, tsk, tsk.

MR. BRUSEKER: Tsk, tsk, tsk.

MR. SPEAKER: Order.

MR. BRUSEKER: Sorry. Yes, Mr. Speaker, you're correct. I thought, you know, that's only two situations, only two, and I thought, well, there's a whole lot of sections in this Bill. If I were the Treasurer and operating the way these guys have in the past, I could overlook a couple of things. After all, as the previous Treasurer said, what's a million?

9:40

MR. DINNING: Not this one.

MR. BRUSEKER: Not this one; that's true. That's why I did say "previous Treasurer," Mr. Speaker. I want to make sure that's clear in *Hansard*: previous Treasurer.

I thought, now, okay; there are two issues that I have concern with. Is that worth holding it up for another six months' time? Then we get a little bit further on, and it talks about another section which I think again talks about the idea of government being involved in business. In section 33 it says:

The Corporation may make grants or provide other incentives as prescribed by the Lieutenant Governor in Council.

Again, a direct intervention by the cabinet in the marketplace, despite having said on one hand that the government wants to get out of the business of being in business. Yet this particular Bill says it. That's three times, Mr. Speaker. Now, if this were baseball, you'd strike out. You'd say, "I can't possibly support the Bill going through, so I'd support the amendment." You know, I'm trying to think this through as if I were the Treasurer, which of course, as we know, at the moment I'm not. I thought, well, if I were the Treasurer, I'd want to support this amendment, because in baseball if you have three strikes against you, you're out, and I'd want to vote against that and say that we should delay it and support the amendment, because there are clearly at least three indications, three different places that talk about where the government would be involved in business. I thought, well, that's certainly not particularly supportive of the concept. You know, you want to have a clear message. You don't want to make people uncertain about what it is you're saying. We on this side have said no to loan guarantees, and I think the government has said that.

You go on a little bit further and there's a section in here, section 37, that talks about regulations. I'm not going to read it to you, Mr. Speaker, because of course there's not the time. I'm sure you've read it thoroughly and you understand what it says in there. It talks about a variety of things, that the government may make regulations respecting the corporate activities of the corporation and outlines again directly why it is and how it is the government would be involved directly in business. Again, I asked myself the question: does that send the right kind of message? Or would it be better if we supported the amendment and said, well, gee, maybe we should really wait six months' time, as the amendment suggests. So there's a fourth thing in there. I'm just going through the Bill and trying to highlight in brief form – because I don't want to read every section; that would not be appropriate at this time – why it is that I think finally we really have to support this amendment. I'm sure that the Treasurer, after he listens cogently, as I hear him hanging on my every word, is going to agree with me in the long run.

Mr. Speaker, I went on a little bit further, and I looked at other parts of the Bill, and I said, you know, what other kinds of things are in here? Are there any other concerns that I would have that would cause me to want to either vote against the Bill at third reading, when we get to that stage or, alternately, which of course is where we are right now, support the amendment that says we should hold off for six months' time? I got a little further in the Bill, and I came to another section, that being 53, that talks about regulations, and again the creation and outlining of how the government would be involved in business, what it is they would do, and prescribing a whole variety of things, "settlement of disputes," "information . . . to be required in respect of an application for insurance." That even talks about freedom of information, but that's another Bill I won't get into this evening because I wouldn't want to be ruled out of order for not being relevant and on the issue. But of course we know that freedom of information is a big issue as well. So, again, there's another section.

Now, we're up to five issues that I am concerned about in this particular piece of legislation. That says to me, gee, now this Bill is starting to look pretty shaky; maybe we really should give this the thought and the consideration that is required, wait for six months, reading it over a second, a third, a fourth, a fifth time, however many times it takes.

Mr. Speaker, we've seen pieces of legislation, we've seen activity by this government before that had been hasty. We witnessed NovAtel, witnessed the ALCB privatization, that is now getting people up in arms. On one hand, we've got private liquor stores operating, and we've the legislation before us in the House. So we've seen that sometimes this government does operate in a hasty manner. The record on that I think is abundantly clear, and what this amendment simply says, from the sage guidance of the Member for Redwater, is let's think about it; let's just think about it for six months. It doesn't say let's kill the Bill. It says let's maybe put it in a deep coma for six months, sleep on it, think on it, and so on.

Well, you know, they did have one thing that sounded pretty good to me, and I thought maybe this will save it. We talked about it, the Liberals. I recall being down in the Little Bow constituency, and we talked about something like local opportunity bonds. I thought, there's a good section in the Bill, perhaps, on local opportunity bonds. [interjection] A fine little constituency down in Little Bow there, just a real jewel in the province, I think. Wouldn't you agree, hon. member? Thank you. Yes.

We got to the section on the local opportunity bonds. I wanted to read that really carefully because I thought maybe this part is going to be the area that would save the Bill, that would persuade me to want to support it, that would persuade me to want to vote for it, that in fact might persuade me to vote against this amendment. I thought, well, maybe there's something in here that'll save it. I asked myself the question when I looked through the local opportunity bond section: is that an area that would balance it off enough that would cause me to want to support it? So I said, I'd better read this carefully, read about local opportunity bonds. It talked again about - there it is again - loan guarantees.

Then they get in a whole section of regulations, section 59(a) through (q), however many sections it is. I didn't count them, Mr. Speaker. It talks about who will resell and transfer the bonds, governing advertising, form and content, prescribing the persons who are eligible - a whole long list of things, again, where government is saying, "Here's why we want to be in business again." Yet the Treasurer on one hand says that we want to be out of business. I thought, you know, if I were the Treasurer, I'd start to get really nervous about this Bill. I'm sure that he is getting

really nervous. I can see him really sitting up and paying attention. Look at that look on his face. I can see it; I can see the concern. I can see him saying, "I'm going to vote with the Liberals on this because they are right." He's coming over. He's coming over. [interjections]

MR. SPEAKER: Order, order.

MR. BRUSEKER: You see, Mr. Speaker, they're starting to see the concern. They're starting to register the concern. [interjections] Take the vote while he's with us, eh? You know, I can see the Treasurer's coming with us. I think the minister of transportation is starting to think on it too. I can see him getting excited there. They've listened to what we've had to say. The Minister of Energy I think has been reading the sign being held up by the Member for Little Bow, because it said, "Snarl."

I said to myself, I'm sure that the people on the front benches, that the private members opposite, would be more than willing to look at this and say that there are six major issues. I see they've deep-sixed the Deep Six.

MRS. ABDURAHMAN: The shallow.

MR. BRUSEKER: The shallow six?

There are six major issues, Mr. Speaker, that would be of concern, and these are deep issues, so I'm surprised that the Deep Six aren't registering their concern. I'm sure they'll be leaping to their feet early on in this debate to support the amendment to Bill 21 that we delay this vote by six months' time.

The Member for Edmonton-Centre clearly pointed out that we will be back in this Legislative Assembly in six months' time. Quite frankly, there is no urgency to do this today or tomorrow or the next day. It could be handled in very short order, perhaps, in the springtime when we have the opportunity to deal with this after more thought. I would support that amendment by the Member for Redwater.

I think what I'm going to have to do tomorrow, as a responsible Albertan, as a responsible member of this Legislature, is write a letter to my MLA, the Member for Edmonton-Centre, and say, "Boy, you were sure right in the Legislature, and I sure support your position." I'm going to have to be sure to communicate that position to him so that he clearly knows that at least some of the members that are in his constituency support his view on the motion to amend and delay for six months' time, which is of course supporting the Member for Redwater.

Mr. Speaker, I support this amendment, and I'm sure that the hon. Treasurer will leap to his feet now and agree with me a hundred percent.

MR. SPEAKER: The hon. Opposition House Leader.

9:50

MR. MITCHELL: Thank you, Mr. Speaker. I, too, support this amendment, and I'm going to take a slightly different tack. I am going to focus my reasoning for having this Bill delayed for six months upon the unfortunate absence of the Premier from this province. Clearly, this is an important Bill. If we examine this Bill, we see a number of places where there are profound inconsistencies both internally, within the Bill, and between the Bill and other statements, other positions, other policies that the government has appeared on various occasions to be committed to in varying degrees.

Now, I'm surprised, in fact, that the Premier hasn't phoned somebody in his caucus, hasn't phoned some cabinet minister,

hasn't phoned the *Edmonton Sun* to clarify his position. At other times over the last several weeks when we have seen inconsistencies between what a member of the Premier's cabinet is saying and what the Premier himself has said or between what one member of the Premier's cabinet is saying what another member of the Premier's cabinet is saying, we have seen the Premier on the phone, no less, to a reporter at the *Edmonton Sun*, explaining and clarifying the apparent inconsistencies. For example, it was very clear for most of this session that the government was bound and determined to cut 20 percent from education and health care. That was reaffirmed by the Treasurer.

MR. WOLOSHYN: Mr. Speaker, a point of order, please. My patience is going. *Beauchesne* 459. I'll leave it at that and your good judgment.

MR. MITCHELL: I understand, yeah.

My point is, Mr. Speaker, that I am surprised that when confronted by yet another series of inconsistencies, the Premier hasn't made known his concern and hasn't had the opportunity, on the other hand, to participate in this debate on this particular Bill.

#### Point of Order Relevance

MRS. BLACK: Point of order. *Beauchesne* 459, Mr. Speaker. The hon. member started off going to give us a list of the problems, and so far he hasn't given us any of those. Could you please list them, on the amendment?

#### Debate Continued

MR. MITCHELL: Thank you. Mr. Speaker, that brings me to my list of inconsistencies, which I believe the Premier would want to have the opportunity to clarify. The first inconsistency, in response to the Minister of Energy – it's nice to see that she has some energy this late – is that his government was going to get out of the business of being in business. Now, how many times have we seen the Premier take that position explicitly? How many times in the past have we seen that when there's been an inconsistency, he has wanted to stand in this Legislature or phone from abroad and confirm that and clarify that inconsistency? Well, here is a classic inconsistency between the statement “get out of the business of being in business” and section 56, which is local opportunity bonds, where this corporation is going to guarantee private-sector investments absolutely 100 percent. That's one inconsistency, then, between I should say the “get out of the business of being in business” and guaranteeing loans.

The second inconsistency, which is very profound, is that the government has said that they're going to take 20 percent across the board from all departments. Yesterday the minister of agriculture stood in the House and said: well, look, this section 56 is really okay. Why is it okay? It's okay because we've got a limit, he's told us – it's not in the legislation – on how much money we would actually allow the corporation to guarantee under this local opportunity bond program. I think he said \$3 million. Well, \$3 million on a \$185 million budget for this corporation is over 1 and a half percent increase in the budget, Mr. Speaker. So there's another inconsistency between the 20 percent across-the-board, we're going to find it no matter what, tough-talking cuts and an increase in the budget of this particular corporation.

The third inconsistency is glaring because it's even internal, Mr. Speaker. Under section 28 it says:

The Corporation must not,  
and this is what's critical,

except with the approval of the Lieutenant Governor in Council,

(a) make a loan in excess of \$1,000,000.

Now, while that isn't good enough, because we want to have a better authorization process, it's interesting that when it comes to local opportunity bonds . . .

#### Point of Order Relevance

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

MR. SPEAKER: Order please. The hon. Member for Stony Plain is rising on a point of order.

MR. WOLOSHYN: Mr. Speaker, I do respect the hon. member from across the way's debate of the Bill in third reading, but this dissertation that wanders hither and yon has nothing to do with the amendment, absolutely nothing to do with the amendment. If this is his participation in the debate on the Bill itself for third reading, then I am prepared to continue listening diligently. However, if he is purporting to speak on the amendment, I would certainly like him to get back to the amendment.

MR. SPEAKER: Yes. The Chair would like to point out to the hon. member that what he is now saying is practically word for word what has already been said in this debate, citing the same sections. I know the hon. member has had official duties this evening and has had to be in and out of the Chamber, but the Chair has been in consistently since 8 o'clock, and there was some repetition there.

#### Debate Continued

MR. MITCHELL: Mr. Speaker, I would certainly not want to be repetitive, but I'll tell you that the over 1 and a half percent increase in the budget has never been mentioned in this Legislature before. That is definitely original. I should say that my fundamental reasoning for this hoist – that is, to give the Premier time enough to get back to this province so he can clarify these inconsistencies – has never been broached in this Legislature before. I listened intently to the Member for Stony Plain. I was struck that here I am asking that he give his own Premier a chance to be heard on this issue, and he's disregarding that. I'm not surprised, because I know just six months ago this member would have categorically disregarded everything the Premier ever said.

#### Point of Order Questioning a Member

MR. SPEAKER: The hon. Member for Little Bow is rising on a point of order.

MR. McFARLAND: Mr. Speaker, under *Beauchesne* 482, would the Member for Edmonton-McClung please entertain a question?

MR. MITCHELL: No, I wouldn't.

#### Debate Continued

MR. MITCHELL: My third point of inconsistency, which is seminal to my argument and a critical feature of why I believe the Premier deserves the chance to get back into this Legislature and clarify, is that fundamental inconsistency internal in this Bill. I mean, I have to ask myself, did a lawyer write this? The fact is, Mr. Speaker, that in section 28,

The Corporation must not, except with the approval of the Lieutenant Governor in Council,

(a) make a loan in excess of \$1,000,000.

MR. SPEAKER: Order. That was the point that the Chair was attempting to make, that it had been well canvassed already.

MR. MITCHELL: If I was able to finish, Mr. Speaker, I'm getting to why it's different than other points that have been made. My point is that that is fundamentally inconsistent with section 56: "Where the Corporation issues a local opportunity bond, the Corporation shall not assure . . ." Blah, blah, blah. [interjections] Well, let me finish it. I didn't want to take up extra time.

In section 56 we note:

Where the Corporation issues a local opportunity bond, the Corporation shall not assure or undertake to assure that there will be return on the principal amount of the bond but may assure the repayment to the holder of the bond of an amount that is not more than 100% of the principal amount of the bond.

My point is that there are two inconsistencies. There is no limit to the amount of local opportunity bond that the corporation may approve, where there is a limit to the amount that they may approve with respect to a loan guarantee. There is no secondary approval structure, as in the case of local opportunity bonds, to correspond with section 28. What we have, Mr. Speaker, is a fundamental internal inconsistency for which there has literally been no explanation. One of the really frightening observations in reviewing this particular loan, we believe, was that the minister of agriculture was unable to explain adequately the nature of this Bill. I appreciated his frustration. I could see his frustration. I could see it in his eyes. I could see the frustration with him, in turn, of many of his backbenchers, especially those tough, hard-line management kind of guys back there in the Deep Six, but it was disconcerting. It was very disconcerting, because in fact what we saw was a minister who had inconsistencies in this Bill, inconsistencies between this Bill and policies that have been specified elsewhere, a minister who couldn't explain them adequately to the Legislative Assembly, to his own private members, and a minister who wants to get this Bill through before the Premier can return and settle these inconsistencies. I think it's merely decency. I think it's good second thought. I think it behooves us to respect the Premier's role in this particular issue and allow him to return and have a say in this Bill.

10:00

I will say, Mr. Speaker, that one of the things the Premier said was that he wasn't going to blink. Well, you know what he hasn't blinked on? He hasn't blinked on the issue of intervening in the private sector. In fact, if he blinked long enough to open both eyes, he might see just how inconsistent this Bill is with the oft-stated notion by this government, by these backbenchers, some of them who are very rampant about that, that government must get out of the business of being in business.

So there they are. There are three inconsistencies, and in fact there is a subinconsistency which is internal to this document. If the Minister of Energy isn't happy with that, I don't know what she's happy with, Mr. Speaker.

I think that in fact we are doing the Premier a favour. I think it isn't too much to ask to wait for six months, to wait till the session sits again, and in fact what's very reassuring is the new rule. We know the session must sit before February 15 because we've agreed to that rule, so it doesn't necessarily even have to take as long as we might otherwise think, Mr. Speaker. We can get this back. We can listen to the Premier clarify, whip that front bench into line, whip that back bench into line, get them all singing from the same song sheet, get them all shooting straight. Wouldn't that be nice, Mr. Speaker? Here we are. It's this

caucus who is actually defending the interests of that Premier. These people should be ashamed of themselves.

MR. SPEAKER: The hon. the Minister of Health. [interjections] Order please.

The Chair's memory is not as good as it should be, but the records will show that the hon. Minister of Health has already participated.

AN HON. MEMBER: Not on the amendment.

MR. SPEAKER: Oh, that's correct. On introducing the Bill.

MRS. McCLELLAN: Mr. Speaker, I would like to just make a few comments in opposition to the amendment. The purpose of this Bill, for one thing, is to amalgamate formally the Alberta Hail and Crop Insurance Corporation and the Alberta Agricultural Development Corporation. This was a commitment made by the government to, wherever possible, introduce cost-saving measures and efficiency. This process was begun some months ago, and this Bill formalizes that process. I find it hard to believe that the opposition would want to put off that process for another six months or several months at least, and the hon. Member for Redwater was certainly a participant in the discussion when this was initiated.

I think the combination of these two corporations is very sound. It will offer efficiencies and cost savings and will make a one-stop shopping opportunity for our agricultural community, which is very important. It also has the opportunity to enhance service to the agricultural community, and I am very surprised that the hon. member would be against that. I also would remind all hon. members that we have federal/provincial agreements that particularly the Alberta Hail and Crop Insurance Corporation operates under, and this Bill will expedite the carrying out of those agreements.

The other issue I'd like to speak to just briefly is on the community bonds. I think a lot of the members in the opposition should be aware of the local development initiative that was carried out in this province where a very extensive consultation with people from across this province, every region, talked about how we could enhance communities, how we could perhaps support them in opportunities to strengthen their communities. One of the recommendations that came through loud and clear in that initiative was that communities were very willing to invest in their own communities and the desire for a vehicle to do that. Community bonds were very clearly a recommendation of that committee. Community bonds have been introduced in other provinces. The decision was made to monitor how those community bonds had worked in those other provinces and learn some from the experience before we initiated this in Alberta.

The last thing I would want to say on that is that the minister of agriculture in his discussion last night I think clarified the very questions that have been brought up tonight. I'm sure that if all hon. members would read pages 1333 and 1334, they would understand the guarantee on the bond part of the project alone. It's very clearly laid out, and I'm not going to repeat the principles that lie in that.

It is also clearly laid out in the minister's comments that there were to be pilot projects, an opportunity for communities to see if this indeed was the vehicle that could assist communities across this province to invest in their own communities with some support from this government. I am very disappointed as a rural member that this group across the way would consider a hoist on

something that is that important and was raised by every community that talked about ways to finance in their own areas.

We have heard a lot of discussion in this debate about the Agricultural Development Corporation and whether it's needed or not. I would remind the hon. members that when the Agricultural Development Corporation was lending dollars when interest rates were 20 percent, I did not hear that same comment. I think the agricultural community has been well served by the Agricultural Development Corporation. I think the Alberta Hail and Crop Insurance Corporation has served the rural communities very well. I would like to support the amalgamation of these two corporations in a formal way to see that the efficiencies that can be effected are. The hoist of this Bill will just delay that. It will also delay the opportunity for those communities who would like to pilot community bonds to see if indeed they are the correct vehicle for financing in their communities to further the opportunities for communities in this province.

I speak very strongly against this hoist. I do not think it is going to serve the rural communities of Alberta in any way.

MR. SPEAKER: The hon. Member for Edmonton-Meadowlark.

MS LEBOVICI: Thank you, Mr. Speaker. There's been some discussion in the Assembly tonight with regards to whether or not we should even be addressing this particular issue and also in terms of some of the comments that our members on this side of the Legislative Assembly have made. I'd like to just read something that was in *Hansard* yesterday that I think is cogent in terms of the arguments that are made by the opposite side with regards to our abilities to address the issue, and that is this:

That only is achieved [in terms of working together] as we move beyond a we/they type of approach to labour/management issues and realize that we're all in this together. The more we can work together in a co-operative, consultative way, the better that's going to be. Obviously, we're not always going to agree on everything. The goal, I would think, is to clearly identify the areas where there isn't agreement and agree to disagree and then look at where there can be agreement and move to work together.

Those, I think, are wonderful words that our Minister of Labour spoke to us in the Assembly yesterday, so I was surprised when he mentioned about 45 minutes ago that the process we were involved in is a "ridiculous process." That seems to be the Minister of Labour's word of the week: ridiculous. I think perhaps he's tired, and I will allow that for the Minister of Labour.

However, this is a democracy, and we have an amendment in front of us that talks about the fact that there needs to be a relook at the Agriculture Financial Services Act and that this relook occur within six months hence. I think that's a logical and a rational approach to a form of passing of legislation that this government has seen to be involved in in the past two months. There seems to be a rush to pass legislation. There seems to be a rush to put forward an agenda that is not completely thought out, and the only rationale that seems to be behind that rush and behind that pushing of an agenda is that they won and we lost. Well, let's get it right for the record once and for all: 44 percent for your side, 40 percent for our side. I won my riding with a 2 to 1 margin, so let's get some of these facts correct. I am obviously not a rural member.

10:10

MR. SPEAKER: Order. To the amendment please.

MS LEBOVICI: Yes. I am obviously not a rural member. Thank you, Mr. Speaker. It's true.

I think you are right to ask why I am up on this particular amendment. I think the reason is quite clear. It's that you the private members on the opposite side are having fun tonight and are not up to looking at what exactly is in this particular Bill.

In terms again of this amendment to which I am speaking, it was the keen eye of the Member for Redwater who picked up the problems inherent with this Bill. I will start with the area that the Minister of Health just addressed, and that is not a question to address within this particular Assembly. It is in part 3, where it talks about the Alberta Agricultural Development Corporation and the Alberta Hail and Crop Insurance Corporation being transferred to the agriculture financial services corporation. For those rural members who are sitting on the opposite side, perhaps you're not aware that that has already happened, much like the privatization of ALCB has already happened. In fact, we are talking about something after the fact. So what else is new?

Let's put that aside. Let's say that it's not at issue. Let's say that it has occurred, and let's say that this particular amendment will not reflect or affect the incorporation of this particular body, which then leads to the reasons that this amendment should be voted on in favour by the private members on the opposite side. I know that when I finish my arguments, you will all stand up and be in agreement, much like the Treasurer was just itching to come across and agree with us, as was the minister of transportation. Right? [interjections]

Let's just take a look at some of these Bills.

MR. SPEAKER: Order. [interjections] Order in the Assembly on both sides. Order.

MS LEBOVICI: If we just take a quick look, a cursory look through this particular Bill, there are some things that just jump up as not being right. The minister . . . The Member for Edmonton-Centre – sorry for the promotion, Mike; next time – talked about the fact that there has been a request to have the results of the management audit and that in fact regulations in secrecy were a problem. Now, if you look at section 6(3) of this particular Act, it states that "the Regulations Act does not apply to a by-law or resolution of the Board." If that alone is not enough to make the members on the opposite side sit back and reflect – they, as we did, I'm sure, ran on a campaign of openness and honesty. They did not run on a campaign of secret government, nor did they run on a campaign that would allow a corporation that is being set up by this government to be able to bypass as they are in terms of the Regulations Act. This is something that I think really has to be looked at carefully, and again, speaking to the amendment, this is one of the reasons we need to look at not passing this particular Bill tonight.

There's another area that needs to be looked at, and that's in terms of the delegation of authority. We've seen wording similar to this when we look at the Alberta liquor control Bill and also the Registries Act, where once again there's a board that's authorized to do various things, and the board has a lot of authority that has no tie-back into any kind of accountability. So you look at section 9(1), that says that "the Board may authorize" a committee to do various things, in conjunction with section 12, that talks about "the members of the Board and the employees of the Corporation and persons," et cetera – I'm not going to read it all out for you – being able to have protection from liability in terms of items that they are doing in good faith.

[Mr. Deputy Speaker in the Chair]

Now, you take all of those in conjunction with article 18, that says that "the Corporation may . . . borrow or otherwise raise money," and 19 . . .

**Point of Order  
Decorum**

MRS. ABDURAHMAN: A point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: A point of order has been called.

MRS. ABDURAHMAN: The newspaper.

MR. DEPUTY SPEAKER: I don't know. I do not see the newspaper, but I certainly can hear a lot of people talking. This is not committee, hon. members. In view of the earliness of the evening, we would appreciate it if we would be able to hear this stimulating debate.

**Debate Continued**

MS LEIBOVICI: Thank you, Mr. Speaker. Just to restate, you look at section 9(1), that talks about the board authorizing committees "to do any act or thing required." You then look at section 12, that talks about members of the board and the corporation being able to be exempt from any liabilities; in other words, they have protection from liability. Then you look at what the board in actual fact can do – and that is that it can "borrow or . . . raise money to achieve the purposes of this Act" – and at 19(d), that it can continue that "to meet its obligations with respect to the issuing of local opportunity bonds," which in essence is borrowed money. I'm not sure if the members on the opposite side realize that this board can in effect borrow money up to that famous hundred percent. Just to read it out to you, because I don't know that anyone has here tonight, what it says is that

where the Corporation issues a local opportunity bond, the Corporation shall not assure or undertake to assure that there will be return on the principal amount of the bond but may assure the repayment to the holder . . .

I'm going to do this slowly so it sinks in.

. . . of the bond of an amount that is not more than 100% of the principal amount of the bond.

A loan guarantee.

Now, not only is it a guarantee that's not more than 100 percent – at least here's a cap of 100 percent – but it also means that the corporation is liable in terms of the interest that accrues.

AN HON. MEMBER: That's more than 100 percent.

MS LEIBOVICI: It's borrowed money. So though it says 100 percent – you're right. You see, the members on this side have been listening. It is more than 100 percent.

Now, this government's track record – not this particular group, but the one prior to June 15 – has been anything but commendable in terms of loan guarantees. If we want to look at some recent situations that the Member for Edmonton-Rutherford has talked about in terms of the riverboat, we know there's a definite problem when government tries to get into the business of doing business.

**10:20**

It amazes me that this government has had Gil Cox out from New Zealand – and I'm sure you must have all read this document in terms of what happens when governments can't borrow any more money. You've got the book. Well, then you know when the book talks about agriculture, it says certain things that I think might be worth while for those members who have the book

and those who have the paper to look at in terms of where this government should be heading with agriculture. So I think it's fine to pick and choose what you would like to learn from this particular document, but it's also important to recognize that this is in fact very cogent with regard to the argument we are putting forward.

There are other areas that need to be looked at with regard to this particular legislation, but what I would like to just re-emphasize is that you need the time to look at what this Act is saying, to look at the implications in terms of 100 percent plus for loan guarantees, to look at the fact that you are giving a corporation, a board, broad-based powers that in effect can loan moneys up to a million dollars, that you may well be creating a monster. There is no rush to do this at this particular point in time, because in fact there already has been the amalgamation of the two particular bodies the Minister of Health referred to. I'm glad she brought up that point, because I would not want it stated anywhere that we are against rural Alberta or that we do not believe these corporations have a role to play and we are debating just for the sake of debating. We are here talking to this particular issue because there are areas within this Bill that require time to be looked at. There is sufficient time between now and mid-February of next year for us to go back to our constituents and for you to go back to your constituents to really decide whether this is the route to go.

I would urge that all members really read through this document, and I would challenge the members if they have in fact looked at this particular document, especially those members who are from rural Alberta. I think if you were to look at this document, at this Bill, you would find that your constituents would not be supporting this Bill in its current format.

Thank you.

MR. DEPUTY SPEAKER: Hon. members, may we have unanimous consent for Introduction of Guests?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Medicine Hat.

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

MR. RENNER: Thank you, Mr. Speaker. I would like to take this opportunity to introduce to you and to the members of the Assembly a very close associate of mine from the constituency of Medicine Hat, an alderman from the city of Medicine Hat, Mr. George Renner.

head: **Government Bills and Orders**  
head: **Third Reading**  
**Bill 21**  
**Agriculture Financial Services Act**  
(*continued*)

Moved by Mr. N. Taylor that the motion for third reading be amended to read that Bill 21, Agriculture Financial Services Act, be not now read a third time but that it be read a third time this day six months hence.

MR. DEPUTY SPEAKER: Little Bow.

MR. McFARLAND: Thank you, Mr. Speaker. I'd like to take a few short moments to speak against the amendment on Bill 21.

The previous speaker alluded to members from rural Alberta taking exception to the Bill. I take exception to the amendment for the following reason: if we delayed third reading of this most important Bill, then under section 24 I would gather the corporation wouldn't be in a position to make any loans to agricultural producers for "purchasing land, consolidating outstanding liabilities," or for "constructing, altering, repairing," as it lays out in 24(c), any of the work that's done in the ordinary course of business in the agricultural community.

Mr. Speaker, this is nothing more than playing games on the part of the opposition to try to postpone something for six months and prohibit the work of a corporation that they know has a great deal to contribute to rural Alberta. I think if the facts were known, many of the constituents in ridings outside the cities would be very much opposed if they knew their applications for consolidation of outstanding debts and purchase of land were being withheld by an amendment, which is nothing more than trivial and at best an attempt to stall a very important piece of legislation which is meant to efficiently and co-operatively function two different business organizations together.

Mr. Speaker, I believe there is one other part they failed to realize. When they're talking about community bonds and a hundred percent guarantee, perhaps it's in the reading of the material. I understand that a hundred percent guarantee applies to the amount that has been lent to the pilot community project, not necessarily a hundred percent of the amount applied for. In other words, if there was a pilot project of some hundred thousand dollars and the applicant or applicants put down 25 percent, then there may well be a hundred percent guarantee of the remaining \$75,000. I at no time understood that to be a hundred percent financing with no downpayment. I know that my constituents are totally opposed to that, and in my interpretation it's not the intent of this Bill at all.

So, Mr. Speaker, if I can say one more time: section 24 alone, by this amendment, would be jeopardized, and so would the function of the Alberta Development Corporation and the function of Alberta Hail and Crop Insurance.

Thank you.

MR. DEPUTY SPEAKER: Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Deputy Speaker. I know that previously the Speaker said there had been some repetition about some of the points made, and it seems like some of the repetition still needs to be made. One of the things I'd like to make clear is that we are not opposed to the merger or amalgamation of Alberta Hail and Crop Insurance, the merger of the two corporations.

Anyway, I guess the other thing I'd like to make a comment about is the Member for Little Bow's comments. He takes exception to the fact that we're holding up legislation that's going to help the farmers, all that sort of talk. Well, I can remember hearing the same kinds of arguments back when loan guarantees were being made to NovAtel and MagCan, all those sorts of arguments. The very same arguments were advanced back then, and what happened? Now, I try my hardest to . . .

AN HON. MEMBER: How can you remember? You weren't here.

MR. DALLA-LONGA: I can read *Hansard* as well, just as well as you can. I mean, not right now but . . .

### Speaker's Ruling Decorum

MR. DEPUTY SPEAKER: Hon. members, we're in for a long and interesting evening. Starting to talk to each other is not parliamentary and is conducive to disorder, so the convention of speaking through the Chair. It keeps me awake, and it keeps one another from going at each other. So if you can bear with this and let hon. members say what's in their hearts and what they need to say, that would be very much appreciated by the Chair and presumably all those who wish to listen.

Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Deputy Speaker. I can assure you, I don't want to lull you to sleep.

### Debate Continued

MR. DALLA-LONGA: Getting back to my comments about loan guarantees. You would have thought we would have learned our lesson by now. I mean, we have time and time again made loan guarantees. Why are loan guarantees required? Because what we're dealing with is higher risk loans. And understand that this is not a rural versus urban issue. It's the issue of loan guarantees. This issue applies if it's in rural or if it's in urban.

10:30

Now, the hon. Minister of Health made the comment that they had talked to their constituents, and the constituents were in favour of this loan guarantee program. Well, let's face it; if somebody comes to me and is going to offer me a loan guarantee, am I going to turn it down when I don't have any risk? I mean, being the fiscal conservatives the opposite side claims to be, how can they possibly support something like this? I don't understand it. The hon. Member for Cypress-Medicine Hat I've had numerous conversations with. I'm anxious to see how he's going to vote on this Bill, because he claims to be a blue-blood, true-blue fiscal conservative and here he is supporting a government that's going to put forward a Bill that supports loan guarantees. What business, whether it's a farm, whether it's a business in downtown Calgary, is going to oppose a loan guarantee? Not very many of them. I don't think there's any consistency in this.

Anyway, all the financial problems this province currently has gotten itself into are mainly because of loan guarantees. What are we doing getting back into this again? I don't understand that. I can understand that some of the members here feel this is useless debate and they want to go home and they're accusing us of wasting time and dollars, but how many dollars are we potentially going to waste with this program? How many dollars? In one loan guarantee we can blow just what we're spending here. As a matter of fact, I don't even get paid hourly; I get paid monthly.

Now, the argument's been put forward, again from the other side, that this is a cost-saving measure, merging these two corporations together. Once again, we're not opposed to merging the two corporations. However, with all the cost savings that are going to be achieved by merging these two corporations, I submit to you that all these cost savings and then some will be blown with this loan guarantee thing. I've been involved personally in public practice with loan guarantees and helping clients secure loan guarantees, and I know how that works. "Hey, here's a dumb government program. Let's see if we can get some of that action because, hell, there's no risk to it."

Then the argument is put forward: well, we're just going to do some pilot projects; we're just going to blow a few million and see if it works or not. In the meantime, all those kids that need school

books and stuff, to heck with them. My question is: how long is it going to take before we figure out that this isn't going to work? Is it going to be \$1 million, \$10 million? I don't know. Maybe by the time we're \$35 billion in debt, that's when we'll figure it out. "Well, we'd better get rid of this program. And it was the Liberals' fault, and the NDP that did it to us."

**Point of Order  
Relevance**

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

MR. DEPUTY SPEAKER: A point of order, Calgary-Egmont.

MR. HERARD: Thank you, Mr. Speaker. Standing Order 23(b). I'd like to know what this has to do with the amendment, please.

MR. DALLA-LONGA: I'm glad you asked the question, because I'd like to explain that. We're talking about a hoisting provision here, and we're talking about why we're not in favour of passing this Bill right now. I've just given you the reasons. We're opposed to this legislation. Let's study it. Maybe we can amend it. After all, we're here to help you. We don't want you to get in trouble again.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Egmont has raised a point, and perhaps it's time to refresh ourselves on what's happening. We have a six-month hoist, which is a traditional means for stalling a Bill. There's nothing wrong with that. It's very parliamentary. In that case, you do not have to confine yourself to talking about the importance of six months. You can talk on the whole principle of the Bill, and that opens up debate very widely. Those are the rules.

**Debate Continued**

MR. DALLA-LONGA: Mr. Deputy Speaker, I thank you for your wise words. I mean, to speak to just the hoisting clause itself obviously wouldn't take very long. Why are we doing it? We're here to help you. I keep telling you that.

Okay. So where do we go from here? What are we proposing? We're saying: "Let's have a look at this program. Let's go back into the communities." I don't really believe we've done as thorough a discussion with the communities as has been sort of put forward in this Chamber this evening. I've talked to some of the other members, and I don't think we've done thorough research on this subject. This looks like something that was put through in a rather hasty manner. What we need to do is have a look at it, think about it, and I think what will come out of this is that we'll see there's an error here. I mean, 100 percent loan guarantee. I can understand that rural Alberta may need some assistance, but throwing money at the situation isn't going to solve it.

This party on this side of the House was opposed to the \$50 million loan guarantee to PWA. Now, that side says, "Oh, you want to put down a company that's an Alberta company." Well, where are we now? We've got a \$50 million loan guarantee, and when that's used up, then what are we going to do? We're going to need another \$50 million loan guarantee and another one. What's needed there is for the government to get involved and help PWA, not to give them money. Throwing money at the situation is not going to resolve it, Mr. Deputy Speaker.

I wanted to confine my comments to basically section 56. The rest of it, from what I can tell, the merging of the two corporations, we're basically in favour of.

Thank you.

MR. DEPUTY SPEAKER: West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Speaker. I wasn't going to speak to this amendment, honestly. But the deputy House leader touched a raw nerve there a while back by his remarks. Therefore, I feel compelled to cast a few pearls before the members opposite.

**Point of Order  
Imputing Motives**

MS CALAHASEN: Mr. Speaker, a point of order.

MR. DEPUTY SPEAKER: Lesser Slave Lake has a point of order.

MS CALAHASEN: Well, Mr. Speaker, I think this is on Standing Order 23, imputing motives. I feel slighted by the fact that he would want to cast pearls over there when there's only one Pearl in the Legislature.

MR. DEPUTY SPEAKER: Thank you for that gem.  
Could we have West Yellowhead.

MR. VAN BINSBERGEN: I would like to assure the Member for Lesser Slave Lake that I hold her in the highest esteem. I like the name Pearl, in fact.

**Debate Continued**

MR. VAN BINSBERGEN: Nevertheless, Mr. Speaker, to bring you up to date, the deputy House leader referred to us as thin-skinned, and worse yet, he called us dribbling gerbils. Now, I was utterly flabbergasted that this kind of language is acceptable, is deemed to be parliamentary. What really gets me is that if this is acceptable, then surely we can come up with better descriptions of animals in the process of urinating.

Anyway, Mr. Speaker, I'm speaking to the amendment. In attempting to hoist this Bill, we're not stalling, as the deputy House leader also said, but we're in fact exercising our democratic right and our parliamentary duty. We are working in the interests of our constituents. We are to oppose any Bills that are vastly flawed, as this one is.

**10:40**

Therefore, I would say, Mr. Speaker, that we're carrying out our duty unlike, as has been said before as well, that this is the same old-style politics in spite of all the new parliamentary reforms we have seen. Well, really, I wonder what has changed when we see before us a government that professes in fact to believe in freedom of information and yet prevents us from getting at information having to do with its vast series of financial disasters. We have a government that supposedly doesn't believe in patronage yet gives jobs to ex-ministers without any competition. We have a government that doesn't believe, supposedly, in loan guarantees, and all they do is keep lading it out. No, Mr. Speaker, it's the same old practices all right, and I think it is about time we call a halt to all that.

We keep hearing ad nauseam, Mr. Speaker, the cry that the people elected us to govern. Now, I submit that no one should overuse the same phraseology ever. It is boring; it is plebian. I also submit that if this government had been honest and had campaigned on the honest promise of cutting 20 percent of education and health and social services, they would have been deep-sixed.

So we are to scrutinize the legislation that comes forth out of this government, and we're doing exactly that, Mr. Speaker. I urge all of you, even the members on the other side, to vote for this amendment so that we can hoist this piece of legislation, and it may inevitably see the way of all flesh.

Thank you very much.

MR. DEPUTY SPEAKER: Edmonton-Highlands-Beverly.

MS HANSON: Thank you, Mr. Deputy Speaker. I feel so strongly about the loan guarantees that I decided I'd better stand up and tell a story about something that happened in my constituency as a result of a loan guarantee. All of my constituents feel very strongly; it was one of my campaign promises. So I'm going to refer again to the riverboat fiasco in Edmonton. Now, that's something . . .

AN HON. MEMBER: Lance won't like it.

MS HANSON: Too bad.

This is an example of why you shouldn't give loan guarantees.

MR. WOLOSHYN: That's the third riverboat today.

MS HANSON: The riverboat's dry-docked today.

#### **Speaker's Ruling Decorum**

MR. DEPUTY SPEAKER: Order. Hon. member, we have a lively debate that's going on within close confines to the place where you're speaking, and as the hours tick away, people's inhibitions disappear, it would appear, so I'm trying to bring them back. We have made a ruling that we stick to the principle of the Bill or the items of the hoist. To other hon. members, we would appreciate it if you would conduct your conversations in a whisper so they're not audible to everybody else. With that admonition, we would appreciate hearing further from Edmonton-Highlands-Beverly.

#### **Debate Continued**

MS HANSON: Thank you, sir.

Before I was interrupted – no, not by the Speaker; by those people down in front of me – I was speaking about the example of the riverboat as a bad business deal that no one ever would have gone into if there hadn't been government money and a loan guarantee, because most people in Edmonton who canoe or do anything on the river know there isn't enough draft. I can remember taking my canoe from Devon to Edmonton on July 1 and having difficulty finding a channel deep enough to take the canoe. People were all asking, anyone who used the river was asking the question from the time the thing came up: why in the world does anybody want to try a riverboat when you can't take a canoe down this river half the time? However, because the money was available, it went through. It was supposed to have its first trip. They sold a whole bunch of tickets. All kinds of people lost money. They never got their money back on those tickets. There were charities who lost money, who sold tickets for draws and for fund-raising things.

#### **Point of Order Relevance**

MR. WOLOSHYN: Point of order.

MR. DEPUTY SPEAKER: Point of order, Stony Plain.

MR. WOLOSHYN: Mr. Speaker, I do appreciate your patience. *Beauchesne* 459(1) and (2). The first one deals with relevance. A scenic tour of the Saskatchewan River from Devon to Edmonton is far beyond anything imaginable to connect it with Bill 21. The other aspect is simply this. If we are going to refer to the riverboat any more, I would like the references categorized, because this is the third or fourth speaker talking about the same boat, the same thing. Now, I know it's in dry dock. I know it hasn't floated. I don't know if it will get out of there. But this has got nothing to do with Bill 21.

MR. DEPUTY SPEAKER: I think the hon. member has a bit of a point. What you try to do with a hoist is try to concentrate the minds of the Assembly on why the Bill needs to be hoisted for six months. You were just floating one story that might add to that; is that true? Okay. Hon members have a point that if they've heard that story for a few times, maybe we might have some additional good reasons for hoisting this Bill. Is that the point of your point of order?

MR. WOLOSHYN: Yes.

MR. DEPUTY SPEAKER: Okay.

Now we have further debate on this point. Redwater.

MR. N. TAYLOR: Mr. Speaker, as mentioned in the point of order, he cited 459(2). It's not bad for a shot. He usually hits the side of the barn occasionally. But that clause says "repetition." It's got nothing to do with boats or floating or anything else. This is the first time tonight we've heard about the boat.

MR. DEPUTY SPEAKER: For those people who don't happen to have their handy green book of *Beauchesne*, 459(1) – and that was one of the points the hon. Member for Stony Plain made – as it is stated in this wonderful tome,

Relevance is not easy to define. In borderline cases the Member should be given the benefit of the doubt, although the Speaker has frequently admonished Members who have strayed in debate.

All of those are loaded with the kinds of words a lawyer could run away with, and not being a lawyer, I'm limited by that.

(2) The presiding officers are directed by Standing Order 11(2) to call to order members who indulge in persistent repetition.

Now, persistent repetition is one perhaps where we have an individual repeating themselves frequently or the same debate coming up. The same debate coming up is a little more tenuous than the same person saying the same things. As all hon. members know, not all of us have been blessed with the opportunity to stay in this Chamber for, yea, these many three hours and have taken time out to attend to meetings outside the Chamber. So I think the member is perfectly within the rights that I have been led to believe she has in carrying on the way she has and would ask her to continue.

**10:50**

MS HANSON: Thank you, Mr. Speaker. I will not go on too long. Also, I am also speaking in respect to the loan guarantees, so it is in regard to the amendment. I also felt that since nobody had mentioned the depth of the river or a canoe before, it would probably be all right.

AN HON. MEMBER: Tell us about the trees on the bank too.

MS HANSON: Yes, there are great trees on the bank, and there are also swallow nests.

### Debate Continued

MS HANSON: I believe I was speaking about bad business deals and everybody losing money because of this happening. Because of a loan guarantee, charities lost money, people were disappointed, the boat is sitting on the river, there have been headlines and pictures all summer, and everybody's mad just because we'll always have this albatross sitting there. Maybe it's going to be rotting in a couple of years, and every time everybody looks at it, they're going to think about loan guarantees. So for that reason I would submit that we should accept, vote in favour of the resolution, and wait for a while before we think about anything that has anything to do with loan guarantees.

Thank you.

MR. DEPUTY SPEAKER: Edmonton-Strathcona.

MR. ZARIWNY: Thank you, Mr. Speaker. I've been advised by my colleague from Fort McMurray. He said that it's my turn to ooze a little bit, to repeat those famous words that the deputy House leader mentioned.

Now, I have no experience as a farmer directly, but I have been on farms, and I have got other credentials that I think would allow me to speak on this particular Bill. My father was a farmer. He was a farmer in the Tawatinaw area.

AN HON. MEMBER: Where's that?

MR. ZARIWNY: That's in my colleague for Redwater's constituency. He was also a blacksmith in Thorhild. Not only would he be a constituent of my colleague; he'd be a darn good supporter of him. So my experience in farming comes from my parents.

Now, it seems to me that based on my knowledge of farming, Bill 21 is not a good piece of legislation as it stands. It's not a good piece of legislation without the amendment. I know my father as well as the farmers in that area, in my colleague's area would object very strongly to the Bill. They'd say, "You can't go ahead with Bill 21 unless there's an amendment, a Bill that simply attempts to establish by legislation something that exists already."

What they're saying is: amalgamate the Alberta Agricultural Development Corporation with the Alberta Hail and Crop Insurance Corporation. Now, we don't object to that, but why legislate something that's already there. Not to repeat the good words of my colleagues from Lethbridge-East or Redwater, but farmers like my father would have liked to have taken time to think about this Bill, to mull it around. I also do not support the Bill because it sets up a loan guarantee system which will put Alberta into further debt. We simply cannot afford the Bill without the amendment.

Now, consultation with farmers is an important part of their tradition, not only the tradition of this Assembly but their tradition. Farmers talk. Farmers like to listen, and they like to get around and talk about a Bill like Bill 21. That's their form of participatory democracy. Evaluation of the Bill without consultation I think is an authoritarian act. It's a sign of a monolithic government that just doesn't care.

AN HON. MEMBER: It doesn't listen.

MR. ZARIWNY: And doesn't listen. I'm sure that the farmers would support the amendment my colleague offers. We must go back to our farm community and find out just really what they want to say about it. So I say: give it a rest. Let the farmers decide what they want to do about this Bill, not you.

DR. MASSEY: Mr. Speaker, I guess I should preface my remarks with a quote from Stephen Leacock. It was Stephen Leacock who said that you don't have to be a chicken to know a rotten egg.

I think the amendment should be supported for a number of reasons, and the first of those is that our agriculture critic and the Member for Redwater have flagged a number of deficiencies.

### Speaker's Ruling Decorum

MR. DEPUTY SPEAKER: Order. There are a couple of little transgressions here. For the benefit of all members, it's custom and tradition and courtesy not to walk between the Speaker and the Chair. We are in Assembly, although it doesn't always appear readily to the untrained eye that we are so. So you cannot go any other place than out of the Chamber and back in; you can't go and confer elsewhere. That's a good admonition for all hon. members, whether they are here or whether they are elsewhere.

Excuse the interruption, Edmonton-Mill Woods. Would you proceed.

### Debate Continued

DR. MASSEY: Thank you, Mr. Speaker. As I was saying, our agriculture critic and Member for Redwater has flagged a number of deficiencies in the Bill: the whole question of loan guarantees, which still is a bitter taste in the mouths of most constituents. The history of loan guarantees has not been a happy one for taxpayers in this province, and the wisdom of some of the provisions has been, I think, fairly carefully detailed by the Member for Redwater. That's one reason that I support the amendment.

I also support the amendment because I don't believe we lose anything by delaying. I think on balance it is well worth the risk. Certainly as the minister of agriculture addressed the Bill, urgency didn't seem to be an issue, or if it was, I didn't hear the argument saying that this was something that was needed urgently by the government. As the Minister of Health indicated, the Bill had been arrived at after extensive consultation, so again I don't think that is a cry for urgency. My second reason, then, is that delaying doesn't seem on balance to hurt.

I think there's a third reason, and that is that there are a number of ways of delaying Bills, but as you indicated, Mr. Speaker, a hoist is a time-honoured parliamentary strategy for delaying legislation and has in the past served some legislators very well. So I would propose that as a third reason: a hoist seems to be an appropriate way to delay action on this Bill.

A fourth reason is that I think the delay would end in a win/win situation: the government would win, the opposition would win, but most importantly the citizens of the province who might benefit from this legislation would be the winners.

A fifth reason, Mr. Speaker, I guess relates to: much has been made of government policy and consistency. I think most of us have heard "get out of the business of being in business" and "that was then and this is now" so often that it has become a cliché in this House, and I think consistency is the hobgoblin of little minds. Consistency, I don't think, is important here, and neither is the government's reputation in terms of consistency. What is important is the agriculture community and how well served they are by this legislation. I think the hoist that we're proposing in this amendment allows us time to consult those potential users of the services this legislation would provide.

A sixth reason I would like to support the amendment is that the minister in addressing the concerns raised in the last few days about the Bill was less than reassuring in his defence and at times almost seemed puzzled when some of the provisions were raised and questions were asked for details about the Bill.

11:00

Another reason I think it should be delayed is that I'm not convinced that it solves the problems it was designed to address. I think the pilot projects are one indication of that. There is not certainty that this is the way the government should proceed, and it would give us time to explore what other kinds of solutions had been considered and for that knowledge to be shared.

For those reasons, Mr. Speaker, I would support the amendment. Thank you.

MR. VASSEUR: I, too, Mr. Speaker, rise in support of the amendment. Although I spent the first 18 years of my life on a farm, I'm not going to talk about the chicken and the rotten egg. I'll just go right into the local initiatives that were taken by Municipal Affairs a couple of years ago, where the whole issue of community bonds came up. I attended some of those conferences, both in Bonnyville and in Smoky Lake, and never did the issue of community bonds come up where it would be a hundred percent guaranteed by the government. On numerous occasions we talked about a certain percentage being guaranteed by the government, a certain percentage of the bonds guaranteed at the local level, but never a hundred percent.

Our problem with the Bill that we see proposed is exactly the 100 percent guarantee, which is interpreted as exactly that, as a loan guarantee. Again and again we see the losses that we've experienced over the years with those types of loan guarantees. All of us, not only on this side of the House but on that side prior to June 15, addressed that issue of loan guarantees and loans. We all were telling the same story to the people of Alberta, that we were going to be out of that business.

A while ago the gentleman from Little Bow expressed his concerns and had the opportunity to talk against the amendment. He also mentioned that this shouldn't be referred to as a hundred percent. Now, if there is a proposal forward that he would propose as an amendment, he should do that. This is why we on this side of the House are objecting to that 100 percent, because that's the way it reads under section 56 of the proposed Act. So we rise in support of the amendment because we think we need some time. The amendment says give us six months to take a look at these things, and maybe we can come up with a different formula than the 100 percent.

Thank you.

MR. DEPUTY SPEAKER: Edmonton-Mayfield, just before you begin, I want to double check. Have you spoken before? I've looked quickly, and I don't see that you have.

MR. WHITE: Not on this amendment. Oh, I'd never presume to try and trick the Chair into doing something. Never, never, never, sir, never.

It will be no surprise to you, sir, and to many others present that I'm rising to speak in favour of the amendment. [interjections] Not to riverboats, as much as some of the members opposite would like to hear about those. We heard earlier some members speaking about what the new reforms were to do and what they weren't to do. It certainly wasn't in order to stifle any debate, and I'm sure the members opposite would not wish that to occur. You certainly wouldn't want to deal with anything other than that which is before us.

This is a bad piece of legislation. I'm sure a number of members would agree, if they're able to take it to their constituents and ask that, but this is not occurring. The fundamental purpose for this hoist/heist – hoist over there, heist over here – is

to give people time to consider that portion of the Bill dealing with loan guarantees.

Now, you've heard time and time again that if this government had just put forward that which they said they were going to do that they announced a great deal of time ago, the amalgamation of two corporations and the streamlining, that would not be a problem. It certainly would not be a problem today if they had just spoken to this amendment and agreed to put forward another amendment to strike this portion of it. We would have completed this piece of business without any further difficulty. To bring in this legislation in the manner in which it was, Bill 21 of 21 Bills, and try to hustle it through at the last minute is just simply not fair to Albertans. It does not give any time to speak of. Have we heard anything of this in the media? Not at all. It certainly hasn't been spoken about on the streets of Redwater or Leduc. Certainly it hasn't happened in Wainwright. Medicine Hat might never hear of it because the member is just too busy talking and not listening. No, there's just no possibility.

#### Point of Order Parliamentary Language

MR. KOWALSKI: A point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Deputy Premier has a point of order.

MR. KOWALSKI: Mr. Speaker, under Standing Order 23 and *Beauchesne* 490 and 23 and a whole series of others, the whole book, but primarily Standing Order 23, the hon. gentleman should not throw out barbs across the floor. It's very clearly stated in Standing Order 23 that provocative language, language which incites debate, should not be utilized. I do believe the hon. member owes an apology to the member he just finished insulting.

MR. DEPUTY SPEAKER: Well, the hon. Deputy Premier's admonitions may be quite right. It forces the Speaker to confess that he was busy. At this late hour many things may happen. In any event, the Speaker must confess that he was busy trying to figure out various bits and pieces of the script and must confess that he did not hear the substance of the hon. gentleman's thoughts or follow his thread. I'll pay much more attention and, if this reoccurs, will bring that to the attention of the speaker.

Thank you.

#### Point of Order Repetition

MR. RENNER: A point of order.

MR. DEPUTY SPEAKER: You can't have a point of order on the point of order.

MR. RENNER: No, it's not on the point of order.

MR. DEPUTY SPEAKER: Medicine Hat.

MR. RENNER: Thank you. Actually, I just wanted to thank the hon. member for mentioning my name, but I was sitting saying nothing. That's not what I'm rising to.

Actually, I'm rising on 23(f), "debates any previous vote of the Assembly." I would propose that the member, actually a number of the members but this member specifically, is saying that he is debating specifically the community bonds. He's saying that he agrees with everything in the Bill with the exception of community bonds. Well, Mr. Speaker, yesterday this Assembly dealt with a

motion from the Member for Lethbridge-East which specifically removed the issue of community bonds from the Bill. This Assembly debated that motion. We had a standing vote, and we decided that motion. So now why are we revisiting the whole thing all over again? I would ask for your ruling on that.

MR. DEPUTY SPEAKER: It would be my understanding, hon. member, that when you are going through the process of debating a Bill through the various stages, including, of course, second reading and committee and third reading as separate stages, there will be repetition necessarily between the two. So that isn't the kind of qualifier that I would interpret 23(f) to be, but it is a good point. That tends to refer to other kinds of decisions, decisions other than decisions made on the Bill that we're presently discussing. As long as the hon. member is confining himself to the importance of the hoist, the occasional mention of earlier decisions within that Bill I don't think are inappropriate.

11:10

MR. WHITE: Thank you, Mr. Speaker, for your time and your good judgment on the matter. It seems that you're called upon time and time and time and time again to make these rulings, and sooner or later these people opposite will understand that the rules of the House operate for the benefit of both sides of the House and not just for their purpose. It's a shame that they don't spend more time reading and understanding.

Sir, are you just dancing or are you standing?

MR. DEPUTY SPEAKER: Order. I can assume that the hon. Member for Edmonton-Mayfield meant no dishonour to the Chair.

MR. WHITE: Agreed, sir.

MR. DEPUTY SPEAKER: It is normal procedure for people to be able switch and to carry on a brief conversation in order to explain to a member that there are three members that we can discern who have not yet spoken on this issue.

MR. WHITE: I apologize, sir, but so many times you wish us to speak through the Chair that I was confused there for a moment. I'm sorry, sir. It won't happen again.

#### Debate Continued

MR. WHITE: Speaking through the Chair once more, sir. There comes a time in every legislator's life that they must make some fundamental decisions. Certainly there are some decisions that have been made and said over and over and over and over again, that loan guarantees are certainly not something that one wants to be involved in. Now, I've heard it so many times from the opposite side in the House, outside the House, reading speeches, and listening to those members speak over and over and over again. It's tiresome. Then when they have an opportunity to slip one through slyly, to add a piece to a Bill that has such wide-ranging parts to it that it can touch virtually every community for a million dollars here and a million there, because that what's the maximum limit is, by 12 people appointed by the government and parts of it can even be overridden by a minister, it's dastardly.

[Mr. Clegg in the Chair]

The effects of this part of the Bill – it's just believable it could come through in the manner it has without having any public debate at all. We have roundtables, and we have a series of discussions on things like freedom of information, which is a

very, very important piece of business. But rest assured, if you took this Bill and this particular portion of the Bill out to the communities of this province and said, "Here is a piece of business; let's discuss it," you would have halls full of people both for and against. There would be those that would have their hand out looking for a government guarantee, and there would be those that are saying, "Look; I have made it my business to make my own money on my own terms without having any guarantees of anything." Those businesses are throughout this province. They're from barbershops to implement dealers, and every single one of those people works very hard for their money, and they would not like to see this kind of legislation come into effect. They would like to have a lot of review. They would love to see the regulations to see how this actually is implemented, what the government intends to do insofar as how much money they intend to budget and allocate for this purpose, because certainly not every loan is going to be a good loan. That's the business of loans. Certainly you'd have to put some money in the pot to cover any bad debt or any guarantees that this government well knows it has done before.

Freedom of information. Now, I cannot believe we haven't seen any kind of organization chart put forward of amalgamation of these two corporations to see how in fact they would operate and how they would operate in the business of loan guarantees and the massive attack on the funds you would see if you had advertised the fact that these loan guarantees are available and how they're available and for what business. It describes absolutely nothing about what a qualifying business is. Loans can go up to 40 years. There isn't a businessman in his right mind who would consider turning down such an offer of a 40-year guarantee. Everybody would be applying for it, both for the borrowing and the lending of those moneys if they're guaranteed on both sides. Now, that is absolutely ludicrous.

If you think of the worst possible case scenario – which we must in these cases because that's the job of the opposition, to point out these areas of potential difficulty – certainly the back benches may in fact understand all the ramifications of this, but they certainly haven't said so in this debate this evening or in any other debate and certainly not recorded in *Hansard*. How do they know what's going to occur? How do they know how the front bench is going to manage these funds? How do they know? They're going to be gone for two months, and this may all occur in that time. The appointments may be made, the regulations may be set, and it could be very, very embarrassing.

[Mr. Deputy Speaker in the Chair]

Remember that on that side of the House the back benches I'm sure did not know of all the difficulties with NovAtel and all the other loan guarantees that occurred. They did not know. They simply did not know. Here is another case in point where this could very well happen. The egg will certainly end up on their face. It certainly will. It'll reflect on the entire Legislature. It certainly will not be on this side. How can they go off and leave this House with this piece of legislation passed without understanding the ramifications of it at all? It's beyond comprehension how they could do that. At any time you do this, there has to be some small bit of patronage involved. It may be just ever so slight. It may just be a friend of a friend or somebody that you know and trust. Some of that may be acceptable, but it is open here to guaranteeing loans to friends of friends of friends. Nobody but nobody can tell me different on the regulations. It certainly isn't herein contained. It does not say that anywhere. Certainly patronage is not against the law; it certainly isn't. God help us if

it was. Members from the other side would have a great deal of difficulty living it down.

Mr. Deputy Speaker, the loan guarantees – they call them LOBs in this particular piece of legislation. Well, in the game of tennis, LOB is a lob. That's something that you hurl over to the other side of the net and try to catch the other person in front of the net. Well, we are in the front of the net. Here we are, looking at this government play this silly game to try and hoodwink us to believe that there's nothing happening here at all. All the regulations are all put in order. Everything is in order, and there is nothing that could possibly go wrong with guaranteeing this money.

Well, I don't know how far in history you have to go. Last week? Twenty years ago? I mean, if you had gone back to the Loughheed years – and some of the members opposite remember those well – this kind of legislation would never occur without the full and complete scrutiny of every member of government and every member of the opposition. We would all understand what the ramifications of it were and how it was to be implemented, who the intended recipients of these funds are, who it is that should be knowledgeable about these areas. This is definitely not the way it should be done. We know it; you know it. We're having a great deal of difficulty understanding what is the rush? Why would this government not have the gumption to put it to the people of the province of Alberta? Take it to the constituencies. Let them know who the intended recipients of this Bill are to be. Let them know why this should be put into place, why public debt should or couldn't increase for the benefit of some in this province. Why? All of these questions have yet to be answered. There is not one little bit in this document here, not one tiny shred of evidence that says that it should be and will be disseminated in any manner other than perhaps on patronage. There is nothing to say that. In three pages there are not any regulations.

We don't have any idea of who the people are to sit, these 12 members. Only a quarter of them have to in fact be in agriculture. I assume that would be agribusiness. They could be all downtown city lawyers, and we know the mistakes, what that could be like.

#### **Point of Order Imputing Motives**

DR. OBERG: Point of order.

MR. DEPUTY SPEAKER: Bow Valley has a point of order.

*11:20*

DR. OBERG: I rise under Standing Order 23(i). The hon. member across from us is impugning that we are taking up with patronage. That may be practised on the other side of the House, but on this side of the House patronage is not acceptable and is a derogatory term.

MR. DEPUTY SPEAKER: The Chair is inclined to agree. If one assumes that this an unavowed motive, the question arises as to whether or not, because there's no explanation for why the Bill is being put forward, that it must be because of patronage. Are we hearing you right, Edmonton-Mayfield? Are you saying that?

MR. WHITE: No, sir. That certainly wasn't what was said. Definitely not.

MR. DEPUTY SPEAKER: Well, we'll take that under advisement and look at the Blues. If you'd continue on without . . . [interjections]

Redwater, you're going to add to my ruling? The question, and I know it's hard for you to hear above the excited fervour of the moment: are you going to add to the ruling?

MR. N. TAYLOR: Yes, I wanted to add some information to that. That's come up before, in my experience, and it has to be against a member, not against a government or not against caucus or not against a group. If they say that the Tories practise patronage or the Liberals practise patronage, that's okay. If you say that Redwater practises patronage or Medicine Hat practises patronage or even Brooks – and who would want to practise down there? – nevertheless, that would be wrong.

MR. DEPUTY SPEAKER: I think if the hon. member heard me, that was my point. That was my point. In my case, I was trying to say unavowed motives to another member. I did not hear that “to another member.” So you're just reinforcing my point, and I appreciate that. Thank you.

Edmonton-Mayfield, in continuance, in the last moment.

#### **Debate Continued**

MR. WHITE: Thank you, Mr. Speaker. It's difficult to speak.

#### **Point of Order Improper Inferences**

DR. OBERG: Point of order.

MR. DEPUTY SPEAKER: Excuse me, hon. member. We are slowing up the time on this.

Bow Valley, you have an additional point of order?

DR. OBERG: Yes, I do, Mr. Speaker. The hon. member across intimated that practising in Brooks was unacceptable, and as a doctor I find that quite repugnant.

MR. DEPUTY SPEAKER: Hon. member, I take it that Redwater was making these comments for illustrative purposes. However, if you would care to clarify that you were not.

MR. N. TAYLOR: Certainly, Mr. Speaker, I would withdraw it. Now that there's a person of such medical talents down there working on the people, I know it must be a better place to live.

MR. DEPUTY SPEAKER: Thank you.

#### **Debate Continued**

MR. WHITE: Sir, it seems to be difficult to get many points across here. There doesn't seem to be any kind of a reluctance on the other side at all to just pass into law millions and millions and millions of dollars of loan guarantees without any worry or any concern that they will have any management of these funds ever again. The front bench may and should, and there are probably about three or four ministers that will hold the little sack of cash and approve, as they do with some of the lottery funds, just like this and like this and like this. Well, that shall and can occur under that which we have before us.

Talk to some people who were around at the time the Regional Business Assistance Corporation was in place. That's a federal/provincial organization that in fact did the same sort of thing. What ended up happening there was that local businesspeople were sitting on boards to approve or not approve loans. These were hard loans that actually had to be paid back to their own little corporation. What they found was that they were approving these loans, and then they were finding that the guarantees had to be met. It ended up with their own money. They were encouraging competition to their own businesses. These businesses would get into their own business, compete with them, and then lose all their

money, denigrate the market in their particular area to no net benefit to anybody in the community.

There's a case in point that I remember quite well. I can't mention the town because it has some ramifications for some people that I know who lost a lot of money in the area. It was a farm implement dealership. The person that happened to be on the board at the time approved a loan. The objects of the company allowed it to get into a totally and completely different business. Unbeknownst to that person, they went out and purchased another dealership that was supposedly the rising star from I think it was eastern Europe, or perhaps it was from somewhere else that these implements were to be brought in and sold. Well, he went in and undercut them. Then he took over another part of a dealership that he purchased from another outfit and set up business right next to this chap that happened to be in business for a long, long, long time. Because the second organization had this loan guarantee and was able to set prices way, way, way far below the original person that had to finance all his borrowings on the open market and happened to hit a time when – we all know it – interest rates went soaring, it put that chap out of business. Shortly after the time he went out of business, the person that was on the loan guarantee from the Regional Business Investment Corporation – both were out of business. Consequently, in that local area they were out of a business that paid tax, they were out a businessman that had a substantive following in the community, and third, the farmers were out an implement dealership within that region. Now, that is wrong. Wrong, wrong, wrong. We all know it.

All you have to do is go throughout rural Alberta and ask about these things. Farmers have a long memory. Sometimes it's a little colourful, but certainly when it comes down to hard-nosed business, they know what should be and what should not be in the market, and this particular piece of legislation, this part of it, particularly introduced in the manner in which it was – I happened to phone a farmer friend of mine actually in the Deputy Speaker's constituency. He's retired now but certainly knows a great deal about the business. He knew absolutely nothing about this, and when asked about it he said, "Jeez, if they'd only asked, we could tell them why it could and should not work, and if it is to work, at least allow us the opportunity of speaking to them before they include all the regulations and have the Lieutenant Governor of this province pass them into law."

Thank you, Mr. Speaker. I gather I'm very close to the time. You've allotted me a little extra because of the order. Thank you kindly, sir, for your time.

MR. DEPUTY SPEAKER: Calgary-Varsity.

11:30

MR. SMITH: Thank you, Mr. Deputy Speaker. It is a pleasure for me to return from the city of light, the city of a solid hockey team to make sure that I could participate in this interesting debate and certainly to concentrate on the amendment that's been proposed. A community bond is something that I think can instill confidence in the people of that community, and it's certainly the purpose of this party to support large communities, small communities, communities where we have people who want to contribute. For example, Mr. Deputy Speaker, if you want one year of prosperity, you grow grain. If you want 10 years of prosperity, you grow trees. If you want 100 years of prosperity, you grow people. I think that's what the Agriculture Financial Services Act can do to support us, and that's why we need this Bill passed this evening.

The portion of the Bill that I think allows the agricultural industry to still continue to use communities as their focal point of commerce is an important factor in the fabric of Alberta. So many provinces, particularly the one next to us, Mr. Deputy Speaker, have seen what can happen when there's a move to urbanization and in fact governments don't support the communities which the farmers continue to have daily commerce with. As a matter of fact, it's quite interesting to watch how the farm community does business in these small communities. I've certainly been out there, and I've watched people walk into town with empty pockets and walk out of town having spent thousands of dollars because there's trust in those communities. That I think is a focus of a lot of Conservative government legislation: it focuses on the trust of all Albertans. It goes on that as we prepare to move towards the 21st century that this government in this province supports the continuance of these communities.

The small part about the community bond is just one link in the chain of these communities that will keep them solid, that will continue to add to the growth of this province. It's important to maintain this infrastructure. I know we have ministers over here who concentrate on infrastructure. Some of those infrastructures require pavement; some of them require buildings. Some of them require other forms of infrastructure, and that, Mr. Deputy Speaker, can be something quite so innocuous as a community bond. Again focusing on the trust of all Albertans, I think the guarantee of the bond rests in the integrity and the trust of all Albertans.

I think to debate this in this House at 2340 hours is rather redundant, but I thought that if "redundant" is to state something again, what is 'dundant'?

To follow the flow of what the Agriculture Financial Services Act can do and specifically the amendment, Mr. Deputy Speaker, is to provide a position that I guess would best be reflected by a president of the United States who went through a very difficult building time, a time when his country was in much more dire straits than ours. Of course, I know you know that I'm referring to Franklin Delano Roosevelt. [interjections] He said that

the test of our progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little.

It's nice to jeer and catcall, but when you get a president who speaks words of that magnitude that had such impact upon a nation, then I think that it's a lesson that we can well gain from in this small, tiny cog of the world called Alberta.

So it would, I think, auger well for all citizens of Alberta for us to proceed forward with the passage of this Act, for us to disregard this amendment that has cost already the Alberta taxpayers some many thousands just in debating time alone. I think the overhead cost has been lengthened for this evening, and I think we should probably go forward. It's certainly my wish that we go forward, because we need, again, Mr. Deputy Speaker, to maintain the fabric and maintain the strength of the small communities in Alberta, particularly northern Alberta. But that is not to leave out southern Alberta. However, having been born in central Alberta, actually, and having the luxury of watching how the people in small communities pull together and how they work together – gosh, I've even been to areas west of Edmonton, which would be western Alberta but not southwestern Alberta: western Alberta. If you assume that Edmonton is really southern Alberta . . . I'm speaking of a community where people are locked together in co-operation, and they have indeed shown that by choosing good and sound representation for over five elections in a row. I won't specifically name that political area. It's important, particularly in light of this amendment, that we concentrate on how important the

financial linkage is with the modern-day farmer and the modern-day businessman working in a quiet rural setting, whether that be in eastern Alberta, which is . . .

AN HON. MEMBER: Northern Alberta?

MR. SMITH: Or northeastern Alberta.

I feel very privileged, Mr. Deputy Speaker, to be able to speak specifically against this amendment and specifically for this legislation. You know, I would wonder, had I not had the luxury of being able to take modern-day transportation from Calgary this evening – you know, I was using my car, and I realized the length of drive. I realized all of a sudden that I start out on a road that has no turnoffs, and it's over 439 kilometres to come sit in this House until who knows when. Four hundred and thirty-nine kilometres, 200 of which are on a straight road until you get to a small town called Wandering River. Then you turn right – interesting; you turn right – and right to the capital of Alberta. You know, if I had to spend that four-plus hours in the car, I would think that I would want to be more constructive in this House than to spend endless, endless hours . . . [interjections] Being constructive? It almost reminds me of a story about the carpenter, but I don't want to dwell on that allegory.

MR. N. TAYLOR: Tell us about the carpenter.

MR. SMITH: Not having the experience, Mr. Deputy Speaker, and wanting . . .

11:40

MR. DEPUTY SPEAKER: Hon. member, I only interrupt so that I might hear your story about meandering or the river. I would caution your colleagues through the government Whip that it's not helpful to a speaker I'm sure and certainly not helpful to the Chair to have too many encouragements and directions from the government benches.

MR. SMITH: Well, thank you for that sage advice. Sage, I believe, is grown as an agricultural product in southern Alberta.

Indeed, a previous program on CTV recently actually reinforces our Act that we want to pass, and actually reinforces the need to defeat this amendment, Mr. Deputy Speaker. The program spoke of a wheat subsidy: if it looks like a subsidy, if it walks like a subsidy, then surely it must be a duck.

The guarantee of a community bond really pales in light of what we've seen, a direct subsidy. I've always wondered: why do we subsidize an industry? Now, we really started out to provide price and income stability, but some people have talked about subsidies. It would be interesting that we would do that to an industry that has reducing employment and diminishing marginal returns. I'm sure that's going to be debated at another point, and it's important for me to concentrate as an Albertan, I guess, who's seen the value of communities who are supported by a strong government in Edmonton.

What I see, Mr. Deputy Speaker, when you have programs that support, areas that allow commerce to take place throughout Alberta – again, you may be in Manning, Alberta. I remember a time when the best commerce between Peace River and Manning and High Level was the fact that Manning had the only liquor store. That was in the days of nonprivatized liquor stores, and there was a very, very well off bus driver, I will assure you of that. Could we have accelerated the growth of Manning, Alberta by having – hopefully if the previous government would have had the foresight, and we had the foresight to be able to put in place

a legislative infrastructure, that will make Alberta stronger. It's so important for me to stand and speak against the specific amendment and yet really indicate to the minister of agriculture, who has carefully drafted a piece of legislation that will take us into at the very least 1994 – actually, I find this quite interesting, because I've never really been able to make this much sense this late in the evening, Mr. Deputy Speaker. It's indeed a privilege, and it's important that we stand up and carry forth with it.

#### Bill 14

#### Appropriation (Alberta Capital Fund) Act, 1993

#### Bill 15

#### Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1993

#### Bill 16

#### Appropriation (Lottery Fund) Act, 1993

MR. DEPUTY SPEAKER: I hesitate to interrupt the hon. Member for Calgary-Varsity. However, under Standing Order 61(5), I'm obliged to put the question to the House on the appropriation Bills presently before the House for third reading.

[Motion carried]

#### Bill 21

#### Agriculture Financial Services Act

(continued)

Moved by Mr. N. Taylor that the motion for third reading be amended to read that Bill 21, Agriculture Financial Services Act, be not now read a third time but that it be read a third time this day six months hence.

MR. DEPUTY SPEAKER: Calgary-Varsity, because I interrupted you, you are permitted to continue your speech for six or fewer minutes.

MR. SMITH: Thank you very much, Mr. Speaker. As I look over, I see spaces between the back of the seat and the front of the seat, which would lead me to believe they're on the edge of their seat. Prior to toppling them completely over, I would suggest to you that we could perhaps adjourn debate on this burning issue.

MR. DEPUTY SPEAKER: Calgary-Varsity has moved that we adjourn debate. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

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

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Okay.

head: **Private Bills**  
head: **Third Reading**

11:50

[It was moved by the members indicated that the following Bills be read a third time, and the motions were carried]

No.	Title	Moved by
Pr. 1	Karen Mavis Poor Eagle Adoption Act	Renner (for Hewes)

Pr. 2	The Youth Emergency Services Foundation Amendment Act, 1993	Mitchell
Pr. 5	Canadian Union College Amendment Act, 1993	Gordon
Pr. 6	Mennonite Mutual Insurance Co. (Alberta) Ltd. Amendment Act, 1993	Bruseker
Pr. 7	Gerald Edwin Crabbe Adoption Act	Renner (for Hewes)
Pr. 8	Michael Caleborn Rothery Adoption Act	Van Binsbergen
Pr. 9	Adrienne Heather Cupido Adoption Act	Renner (for Tannas)
Pr. 10	The King's College Amendment Act, 1993	Renner (for Hewes)
Pr. 11	Newman Theological College Continuance Act	Brassard (for Woloshyn)
Pr. 12	First Canadian Insurance Corporation Amendment Act, 1993	Hlady
Pr. 13	Gardner Bible College Amendment Act, 1993	Brassard
Pr. 14	Benaning Osi Adoption Act	Leibovici

**Bill Pr. 17**  
**Canadian Health Assurance Corporation Act**

MR. JACQUES: Mr. Speaker, I move third reading of Bill Pr. 17, the Canadian Health Assurance Corporation Act.

MR. DEPUTY SPEAKER: The hon. Member for Grande Prairie-Wapiti has moved third reading of Bill Pr. 17, Canadian Health Assurance Corporation Act. Does the Assembly agree to the motion for third reading?

SOME HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.

[Motion carried; Bill Pr. 17 read a third time]

MR. DEPUTY SPEAKER: Hon. Member for Edmonton-Norwood, are you rising on a point of order?

MR. BENIUK: No. I rose to speak. [interjections]

MR. DEPUTY SPEAKER: Thank you for your help.

Hon. member, we're going through the vote on them. Do you wish to speak to the next one?

MR. BENIUK: No, to this one.

MR. DEPUTY SPEAKER: I'm sorry; I didn't see you. The vote has been taken.

MR. BENIUK: A point of order. I did rise.

MR. DEPUTY SPEAKER: Your point of order is that you stood and you were not recognized by the Speaker when you wished to speak on third reading. Just give us a moment.

Hon. Member for Edmonton-Norwood, the procedure is a bit awkward. We'd have to get unanimous consent for the House to rescind the vote that has just been taken in order to then go back and allow you to speak. [interjections] I'm sorry; I did not hear the comment.

MR. BENIUK: I do make a motion that I will be able to speak. Therefore, I would like to rescind.

MR. DEPUTY SPEAKER: The Chair is asking the Assembly if we could have unanimous consent to rescind the vote just taken to enable a member to speak. All those in favour of that unanimous consent, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed?

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: The unanimous consent was not given.

[On motion, the Assembly resolved itself into Committee of the Whole]

**head: Government Bills and Orders**  
**head: Committee of the Whole**  
**12:00**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: I call the committee to order.

**Chairman's Ruling**  
**Decorum**

MR. CHAIRMAN: Hon. members, when you're standing in your places, then I don't know whether you've got a point of order or you're stretching. I had several members here at the same time, and I'm looking around to see - I know some of them are very reluctant to shout out, "Point of order." But if you'd just remember that the speaker of the moment is standing and others are presumably moving from their desk to another, that would be helpful.

**Bill 8**  
**School Amendment Act, 1993**

[Adjourned debate October 18: Mr. Friedel]

MR. DINNING: Mr. Chairman, this is a Bill that is near and dear to my heart, having sponsored a similar Bill, 41, in a previous Legislature. I must commend the hon. Minister of Education for having taken that Bill out on the road and listened to Albertans and heard their suggestions on how to improve this important Bill. The fundamental part of it, as all members probably know, is that it seeks to comply with a made-in-Alberta solution to a judgment brought down by the Supreme Court of Canada in March of 1990 with respect to governance, management and control, of Francophone schools by Albertans who enjoy rights under section 23 of the Charter of Rights. There are a number of other provisions as well, but I believe one fundamental change is one that respects the judgment of the Supreme Court, respects the Charter of Rights, respects the rights of Francophone Albertans, but also respects taxpayers and provides truly a made-in-Alberta solution that reflects the needs of Albertans.

Mr. Chairman, I move that we call the question on Bill 8.

MR. CHAIRMAN: Edmonton-Centre.

MR. McFARLAND: You can't drink and talk.

MR. HENRY: I'm told I can't drink and talk. Member for Little Bow, it's amazing what I can do.

Mr. Chairman, I'd like to speak in committee to Bill 8. It's been a while, I believe a couple of weeks, since we've had the opportunity to actually debate Bill 8, and I welcome the opportunity to continue to do this. I appreciate the brief summary the

hon. Acting Minister of Education provides for us, but one of the difficulties with this Bill is that indeed it takes several different issues and tries to deal with them all at once within one Bill. The problem with that is that because of the Supreme Court decision with regard to Francophone rights, we have a situation in Canada whereby Francophones are entitled to governance of their own schools, and this Bill certainly provides for that. Again, I think I mentioned before in committee that it's not the ideal or perhaps the exact wanted solution that the Francophone community in Alberta would have ideally liked, but I believe it's a good compromise solution. I frankly commend the government for that in terms of the governance issue.

However, Mr. Chairman, I wish the Bill had dealt with that and not a host of other things. What it's dealt with is also the amalgamation of school boards. The amalgamation of school boards is something that I believe most Albertans realize is down the road. I attended the roundtable sponsored by the Minister of Education as well as one sponsored by the Alberta Teachers' Association as well as several other community groups, like ABC and Head Start. I've also visited with several boards in the rural areas. People recognize that boards that have 500 students, 800 students, 1,000 students are going to have to look at ways of economizing and providing efficiencies. It's my understanding that amalgamation of smaller boards – not specifically rural, because there are some large rural boards as well – could save us in administration up to \$10 million.

Mr. Chairman, I want to commend the Education minister. I know I'm not supposed to refer to the fact that he's not here, but I hope he does read *Hansard*. I want to commend him for coming out at the Alberta School Boards Association MLA breakfast this week and very clearly stating the government's intention with regard to amalgamation of school boards. I believe it's not the minister's wish and it's certainly not the wish on this side of the House to have, number one, forced amalgamation and to have amalgamation of public and Catholic boards in our province. We have a long-standing constitutional right for Catholics in our province to operate separate school divisions, separate from the public system, and we all want to honour that.

There's been some confusion out in the public, and I want to put it on record very clearly here that there have been some fingers pointed my way that we created some of that confusion. I will assure you, Mr. Chairman, and I will assure every member of this House that we have never on this side of the House ever tried to confuse the issue or misrepresent the minister's position. I've talked previously to the minister privately about this issue, and I have received his assurance – and I believe him, frankly – that this is not the intent of this Bill.

However, Mr. Chairman, it is the intent to try to provide some efficiencies. One of the difficulties that places us in is that we have these efficiencies that can be created in education. There's no doubt that we're under a fiscal crisis right now, and there's no doubt that we need to find ways to save money, but to try to just hack away at a system – this legislation will provide some voluntary mechanism for boards out there whom I know are discussing. I know there's been some discussion in my former community of Lacombe, if I can raise that one more time today. The Member for Lacombe-Stettler will well know that there have been discussions in that community that perhaps there are ways to better provide the services in terms of merging boards. Of course, Lacombe is one example. That is an affluent board in terms of assessment, and it's immediately south of a board, Ponoka, that has a low assessment. I believe from people I know in that community that they would be amenable to having some discussions and perhaps amalgamating and not just having to take out of provincial coffers in terms of helping a low-assessment board or

perhaps transferring money between existing boards. I know the will is there, and I commend the minister and the government, frankly, for coming forward with a mechanism that will then allow those boards to amalgamate.

Mr. Chairman, I want to reiterate very briefly the concerns that I've expressed previously in committee with respect to home schooling. There is a very definite, strong place for home schooling in our province. However, the reason some people are choosing home schooling and the system we have that allows, I believe, a misuse of the purpose of home schooling has led to a real mess, frankly, in our province. I'm not sure the minister has used the word "mess," but certainly a situation that needs review and that needs tightening up. Everybody has said that, because we have situations where boards, perhaps who feel constrained by dollars, are out flogging, searching for students and offering various financial incentives to their parents. Again, most boards would never do that, but that is the case in some boards.

#### 12:10

We've proposed amendments on this side of the House that would put a freeze on any expansion of home schooling provisions until the ministerial review is completely finished and we have new regulations in front of us that would tighten up that system. I believe the minister does want to tighten up that system. Those failed. Then we brought forward amendments that would qualify so that we wouldn't have a school in one part of the province that had no resident students supervising students from a very remote part of the province. In the absence of regulations that tighten that up so we have some adequate supervision, we have definitions, and that's part of the problem. The regulations do not define what supervision is and how many times the students should be visited in a year, what kind of progress reports there should be.

Also, this is not just a checking-in or monitoring. Being a teacher is a hard job and being a parent is a very hard job, and in having to do both, sometimes a parent needs support. We believe the regulations – and I would hope this is being reviewed by the minister – would define that if a parent signs an agreement with a board to provide home schooling, the board is then obligated to provide certain kinds of support to the parent, whether that be in terms of materials, also in terms of resources and in terms of advice when required.

Mr. Chairman, I also want to just briefly talk about and put on record here – and I'm going to again take the government at its word. Section 30 of the Act talks about special-needs children, and if I could quickly refer to the section, there is some concern that the change that's contemplated in this section would in fact relieve school boards of the responsibility of providing services to special-needs children. It's my understanding, from having discussions with the minister and his deputy, that in fact the intent here is that a student – and I'm talking about section 30(1) of the School Amendment Act, and it's amended by section 9 of the Act under discussion. It says:

A board may determine that a student has special needs that cannot be met in an education program that can be provided by the board under any other provision of this Act.

That's a change, specifically referring to section 28.

[Mr. Herard in the Chair]

There has been some confusion in the community. I've had a number of groups and parents of special-needs children approach me and say, "What does this mean; how is this going to weaken?" I've discussed it with the minister, and I want on record that it's my understanding from my discussions with the minister and with the deputy minister that this will not change the right of children who have special needs to the program. It's simply to allow those

Francophone boards that we've created under this Act to have the same responsibilities as other boards. I take the minister at his word on that one, and I see the acting minister nodding. I think that needs to be on record, because there has been some concern expressed. I've undertaken to find out the information, and I've gotten back to some of the people who have written to me and called me and met with me, and I've tried to reassure them on that.

Mr. Chairman, there's also section 11, which repeals section 39 of the Act. I won't read it at this point, but that's a section that allows school boards to provide health services. There is some concern with this particular section. It is of concern, and I would like to speak to that in more detail. I've asked for some information. I've received some legal opinions. I've asked for the department's legal opinions. I haven't received those. The minister has been kind enough to provide me with some information, but I still have some questions with regard to that.

Mr. Deputy Chairman, as well I also want to raise the issue of the amalgamation of school boards. There's been one change. The hon. acting Education minister indicated that Bill 8 was essentially a resurrection or a reincarnation, if I could call it that, of the old Bill 41. I want to point out that under the old Bill 41 there was a provision that when a board amalgamated with another board, then that board essentially would become a ward – and I'm over-simplifying this – and would elect their trustee to the new amalgamated board. However, under the old Bill 41 it was very clear that under a new amalgamated board all trustees would be elected. However, there is a slight change in Bill 8, which would allow counties to continue to appoint their trustees rather than having to have separate elections. I have some concern about that. I'd like to discuss that in some more detail perhaps later on in committee, but I just wanted to highlight it at this point.

Mr. Deputy Chairman, I also want to put on record one more time that the hon. Member for Stony Plain – I've quoted him, and I've read it in *Hansard* – agrees with me totally that it was not a responsible act to bring in one Act that dealt with so many different issues. There are some members on the government side of the House who I know don't agree with all of the provisions of the Act, but because of the way the Act is constructed, we're forced to take it or leave it. I see the hon. acting Education minister nodding. It's unfortunate, because if the government really wanted to be progressive and have a real free vote system where people could for a very good reason represent their constituents and not necessarily the Progressive Conservative Party line or in fact the Liberal Party line, then they would have brought in a series of Bills: one that would have dealt with Francophone education rights, one that would have dealt with home schooling, one that would have dealt with regionalization, one that would have dealt with health services, one that would have dealt with special needs, et cetera. That way we could have voted on them one by one by one, and we could have debated them and not got into this muddle: do you have to go home and say that you voted for one part because you wanted another part, even though the first part may not be what you wanted.

There have been concerns expressed to me from around this province about the nature of this. It brings us back to the old School Act, and perhaps one of the questions we need to raise is: why is it that we had such an extensive review a very few short years ago? We had a new School Act brought in in 1988, and all of a sudden we're into some fairly major amendments beyond the Francophone school division issue, which has been determined of course by the Supreme Court.

Mr. Deputy Chairman, with those comments I will take my place and reserve the right to perhaps debate some specific issues later.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Chairman. This is the important Bill, and this Bill would have passed without any problems if it had only focused on the Francophone section, which is in accordance with the Supreme Court decision, the establishment of Francophone school districts and boards. Unfortunately the minister saw fit to throw a whole bunch of other things in there from soup to nuts that makes the passage of this Bill somewhat fraught with obstacles, to put it mildly.

I think the one that I personally find the hardest to swallow is section 6 on home schooling. It really sticks in my craw, because this section purports to alleviate the problem of finding willing school boards to supervise students on home schooling. Unfortunately it doesn't really do that.

12:20

I oppose it, actually, on three grounds, Mr. Chairman. First off, this change should not be made while the minister is thinking about all kinds of new regulations that have to do with home schooling on the basis of the roundtable discussions he has had. Apparently the information is still being compiled.

Second, this particular Bill does not make unwilling boards willing, and that's what it ought to have done, if anything. Instead, it increases the likelihood of a mad dash by private schools in addition to the few willing nonresident boards who have already engaged in this partaking of the trough. The result will be that it will be mass confusion, Mr. Chairman. Far more jurisdictions will now run, will compete for the public funds in order to have the privilege of supervising these home schooling students, and in a sense what we end up doing is providing more public funds to private schools. At least they distinctly have that possibility, sort of an unofficial increase.

A third problem that I envisage with this particular section is that the problem of supervision itself has not been addressed at all. The distance factor still contains enormous objections here. Instead of students being supervised, say, in Rainbow Lake by a willing nonresident board in Vermilion, we may now have the same situation occurring, except that the board or the supervising authority might be a private school in Medicine Hat. So we can imagine that supervision itself will not improve at all. Mr. Chairman, we have tried to tackle this particular section, and we've come up with two amendments. We've spoken to them at length. We've done our best. The first one was to leave that particular section out of the Bill entirely, to do some selective surgery as it were. Unfortunately, though, that particular amendment was defeated, even though we know there are members on the other side who find that particular section on home schooling as distasteful as we do. However, they have not seen fit to admit to their true colours.

[Mr. Tannas in the Chair]

A second amendment was tried by us, Mr. Chairman; namely, to confine this supervisory capacity of school jurisdictions to a 100 kilometre radius. Admittedly it's perhaps an arbitrary distance, but we still felt that would ensure that there would be some measure of supervision, perhaps in a regulated way. That, too, was unfortunately defeated. So all I can say is that there doesn't appear to be much of a commitment to public schooling on the part of members on the opposite side of the House.

Another section that bothers me greatly in this particular Bill is section 21, that speaks to the amalgamation of districts. It is

voluntary. Nobody can have any objections to that, of course, other than to conclude that possibly there might not be very many amalgamations in the foreseeable future, unless the minister provides a few inducements, incentives, or possibly even disincentives for not amalgamating.

There is a significant omission, though, when we compare Bill 8 with its predecessor, Bill 41. In Bill 8 transfer of the employees will be dealt with by the new regional board, whereas in the old Bill 41 the employees were ensured employment by the new regional division. We spoke to that before. In fact, we've come up with an amendment to rectify that, to make sure that the employees would be ensured of continued employment, and that amendment, too, went the way of all flesh. Mr. Chairman, it seems to denote the unwillingness of this government to deal fairly with employees. Therefore, we are forced to look after their interests, and we'll continue to do that.

Bill 8 does allow amalgamation of districts, but it does nothing to change the structure of counties. That in itself, Mr. Chairman, is an anomaly. Counties, after all, do not primarily concern themselves with education. That's kind of an afterthought. As a result, we often see councillors make decisions in the field of education when they're primarily concerned with municipal interests. We consider that a significant omission.

I went to the Alberta School Boards Association, Mr. Chairman, a couple of days ago here in the city, and I was buttonholed on many an occasion by trustees from all over the province who asked us to do something about that. Do something about that blasted county system, they said. By the way, they also vociferously spoke out against home schooling and asked us to make sure that that would not go through. We said that we had tried. However, we also said that it would be best to keep writing letters, as they did in other matters of education, specifically the cuts.

Mr. Chairman, there's one more item, actually, that bothers us, me specifically, and that is the health item. I think the Member for Edmonton-Centre has spoken to this. Let me just briefly touch upon this. The schools are no longer to provide such basic services in the health field as they wish to do, which has brought about uncertainty, specifically about the impact on children with special needs.

I've expressed my views on this, Mr. Chairman. I find that much as I like the sections on Francophone education, there are other items that I don't like at all, and I would hope that we could convince the minister to make a few changes.

That's all I have to say, Mr. Chairman. Thank you very much.

MR. CHAIRMAN: Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Chairman. In speaking to Bill 8, I would say once again that I find it very disappointing that a government would bring forward a Bill that has so many principles attached to it. I believe there's a disservice being done to the Francophone community through Bill 8, inasmuch as it's been put together in a Bill where many of the issues warrant significant debate. I would suggest that in the present state that they are within Bill 8, they indeed should not be supported.

If we were truly being democratic when we're dealing with Bill 8, we would be splitting this Bill to ensure that the Supreme Court of Canada's decision on Francophone schools was indeed treated in a fair and equitable and meaningful way. That's not what Bill 8 is doing. Why do I say that? Well, we have to look at the fact that Albertans are faced with the challenge of 20 percent cuts to the educational system. We have to look at the rationale behind this Bill. I'd say that there are contradictions within Bill 8. Once

again we see government speaking out of both sides of its mouth when it comes to fiscal responsibility.

When we look at regional divisions or a regional board concept, this Bill does not, once again, address the county school system or the county council joint responsibility for education, which we all know is a significant increased cost because of the size of county school boards. Within this Bill that's not addressed the way it was in Bill 41. So I would say that when we're addressing 20 percent cuts in education, why then would the same government come forward with a Bill that is not addressing in a fiscally responsible way the whole issue of county school boards. There are significant costs there.

12:30

Not only is there a significant cost; there's conflict of interest. We disenfranchise not only the school trustees, who are elected through the democratic process, but we also disenfranchise Albertans. I'll use my own example in the city of Fort Saskatchewan, the hamlet of Sherwood Park, county of Strathcona, where we have a 15-member education board, and nine of them are county councillors. We have seen recently, indeed, the six trustees at large, who are democratically elected, asking, begging county councillors to allow only the minimum required under the present Act to be appointed to the school board. What has happened? We now see 15 members once again being appointed to that school board. That is a significant cost; \$50,000 could have been saved.

We also see where a conflict – and the Acting Minister of Education is certainly aware of that, and so is the present Education minister aware that this has been going on for at least 15 years. I recall well the debates with the previous chairman of that board, Win Ferguson, when it wasn't acknowledged at that time, whether it be in Strathcona or whether it be in Leduc, that people were indeed disenfranchised, and we had rotation going on, which also added a significant cost.

So I would suggest that indeed this Bill is significantly flawed, and that's why I say that the Francophone community is being done a disservice through this Bill. I hope that later on in the debate with regards to regional divisions and the whole issue of county school systems, I'll be able to address it in a more meaningful way, and hopefully we'll see some support from the government side if indeed we're going to look at being fiscally responsible.

Now, let's look at the 20 percent cuts that are being suggested to Education. I certainly have no difficulty in looking at establishing efficiencies and ensuring that duplication is removed from the educational system. I look at the whole issue of health. Here we're seeing health being removed from an educational responsibility. Well, that in itself is not the problem. Where I see the problem lying is that this government hasn't demonstrated as yet, by redirecting funds to ensure that, that the health needs within the educational system are indeed met. We have seen the community health budgets faced with some decreases, and over the past decade we've seen substantive public health functions being cut. I'll use one example. What we're hearing now in the school system is that public health nurses will not be able, through budgetary restraints, to come in and check heads for lice. Now, that is going to be a societal problem if we don't deal with it when it's identified within our school system. It doesn't make any sense. So what are we going to do? We're going to let the problem compound, and it ends up going into the doctor's office and it ends up going into the hospitals. So it's an added cost to our health care system, when a little bit of prevention would have saved substantive dollars.

There are many other areas within the health-related area where I don't believe that this government is behaving responsibly; that is, in the special-needs areas. It's been suggested that there has been fear created by the Official Opposition. That fear hasn't been created by the Official Opposition where there are special-needs requirements of families. It's the government's insensitivity when they're talking about 20 percent educational cuts, when they haven't been up front with families who have special-needs children. When you hear mothers and fathers coming to you and breaking down telling you that they don't know what's going to happen if indeed these health-related areas or these special needs aren't going to be funded within the educational system, what will happen to their children? We know that we've seen a deinstitutionalization, and thankfully that has been happening, but if we don't ensure that the programs allow these young Albertans to be fully functioning adults and maximize their abilities to remain in the community, then indeed it's going to become a societal problem five and 10 years from now when they indeed are adults. What are we going to do then? So once again, shortsighted. If we're going to take health responsibility away from education, let's make sure that there are dollars put in the public health system to make sure that the special-needs families' needs are met within the health care system, to make sure that the public health nurse can come in and fulfill the functions that have been traditionally going on, going back to the times of Louis Pasteur.

I would also suggest – and a member of government accused me of being socialistic when I started talking about a school hot lunch program. I can't think of anything more needed in the province of Alberta, particularly in the winter months, when we're looking at health and we're looking at the economic dire straits that some families are in. You can't educate a child if a child is hungry. Some of the first things that teachers are having to do within the school system today is ensure that the child has something to eat before you start to educate them. So once again I don't think this government is demonstrating through Bill 8 a responsible way in ensuring that we have the educational system that'll turn out the Albertans that can meet the challenges at the turn of the century.

The other area, Mr. Chairman, that I have some reservations about is the supervision of home schooling and the direction that we seem to be pushing in in the province of Alberta. If we don't adequately address the weaknesses within the public school system today, I would suggest that what we're continuing to do is seeing further weakening of a system that indeed when I came to live with my family here in 1968, I would say was one of the best educational systems probably in the world. What we're seeing is an eroding of that. I do not believe that Bill 8 addresses those areas.

How indeed does Bill 8 fit in with the School Act and the 20 percent cuts that this government is advocating for education?  
Mr. Chairman . . .

MR. CHAIRMAN: Order. The noise level is increasing again, and you're keeping several people awake. We would like to have people keep their conversations down and would ask the Whips that they ensure that.

The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Mr. Chairman, I appreciate your bringing some order.

I would just like to state that I'll leave my comments for further debate. I certainly would like to speak once again and hopefully look at bringing forward an amendment to address the whole issue of the lack of Bill 8 addressing the county school issue.

Thank you, Mr. Chairman.

12:40

MR. CHAIRMAN: The hon. Member for Redwater.

MR. N. TAYLOR: Yes, Mr. Chairman. I'd like to say a few words on this Bill that's been around for a long, long time. Also I'd like to sympathize with you a bit, because this is actually a Bill that amends an Act. I gather from that that literally you can discuss everything in the Act when a Bill amends an Act, so it could wander around a great deal. Mind you, we wander around a great deal in this Legislature anyhow when we're debating things, so it maybe doesn't matter that much.

I'd first like to talk to Francophone education a bit. This has to be one of the longest – and it's nice to see the former Minister of Education out masterminding and steering the ship of state through the shoals of the opposition to try to reach the other shore. It's always wise, Mr. Chairman, to know what kind of a skipper you have when you buy a trip on a boat. The past Minister of Education in May 1991 talking about Francophone education put a committee chaired by the present minister of agriculture, which I should have expected would lay an egg anyhow, being a minister of agriculture. The present minister of agriculture chaired a committee that eventually came out in May 1991 with Bill 41 which was going to give Francophone education. The minister suggested a board in Peace River, which is natural; he'd have it up next to his canola plant, which is very near and dear to him, a very heavily subsidized government project, and I guess he thought that the Francophone district might as well be there too. Nothing happened in 1991. Maybe the Education minister laid an egg. Maybe as Stephen Leacock said: it wasn't rotten; it was empty. On May 12, 1992, the minister jumped up on the fence and started to crow again. We all ran over to the chicken yard to see what he was doing. On May 12, 1992, he said that he would introduce legislation concerning Francophone education during that session of the Legislature. A thundering silence through May 1992. On June 12, 1992, he says: don't worry, we will get it passed in '92, but I'm hoping we'll do it now.

So there he is now. He reclines semicomatose, taken over from Education, telling us he's finally ready to go into Francophone education. Well, Mr. Chairman, you have to be a little bit concerned just how legit this is. We had the minister of agriculture and we had the Minister of Education, and they didn't seam it. The present Minister of Education I suppose is off trying to placate some crowd that's not too happy with the cuts. So I indeed am very concerned about whether Francophone education is going to proceed, and to that extent I would like to ask the minister, especially since the acting minister is also the Treasurer – rather a bountiful thing, to me; I'm not usually that lucky to be able to harpoon two whales with one harpoon in one night. What I want to find out from him is whether the \$24 million contract that was recently signed with the federal government – better than a helicopter deal, I guess. I think that was one of the few things that our past Prime Minister did in that summer school when she was in charge of things. Would the minister be able to respond and tell me whether the \$24 million grant was tied to the passing of Francophone legislation? In other words, were you smart enough to get the \$24 million from the former Prime Minister on the thought that you might spend it for Francophone? Or did you actually make a promise so that you'd get it? I can pause for a moment if you want to yell at the little gremlin up there. What did she say?

AN HON. MEMBER: Part of it.

MR. N. TAYLOR: Part of it. Oh, I see. So you were smart enough to get half of it out of the old Prime Minister – or past Prime Minister. “Old” wouldn’t be a very good thing to say. Very impolite, especially at my age. I know how it is. He cut me right through the quick, Mr. Chairman. But I’ve got one consolation there. I am developing with it.

So he got part of the money as tied to passing Bill 8. I’d be interested in knowing how much. The way this government does business, I’d like to know whether the promise has been made in order to get the money and whether we’re debating a rather redundant clause. Mind you, I hope so, because I am a great fan of Francophone education, and I’d like to see it go ahead. I’ve always been disappointed that the acting minister wasn’t able to perform in the past.

I move on a bit to regional divisions. That kind of puzzles me. My constituency has counties as well as school boards. As a matter of fact, I think I’ve got more school trustees than anybody in the province it seems. I’ve got lots of them. I think I’ve got five boards, and the Deputy Premier has got about four. So I’ve a lot of school trustees. Some of them are county and some aren’t. My impression is – and I can’t quite understand why the minister didn’t seize the opportunity to make all new boards elected rather than a collage or a mixture of appointed and elected, if you’re going to have enlarged boards. The counties I detect, at least in my area, would be glad to get out of it.

[Mr. Clegg in the Chair]

There was a time when there was a great deal of honour, when money flowed like water, and the heritage trust fund put money out right, left, and centre. [interjection] Well, that might be so, but the way the Act is set up, they can appoint, they can elect, they can play back and forth. The point is that the whole district’s concern isn’t taken in. I can’t tell from the Act – and maybe the minister can enlighten me – whether the county can decide to heck with what the new district decides; we want to appoint, or whether the whole district when it’s formed has the right to tell the county, “No; you’re through.” I get the very strong impression that it tries to go in two directions at once. I’d appreciate an enlightening on that.

The health situation is a puzzling one too, especially in the rural areas, with a government whose philosophy is that the school is an extension of the home. Well, if it is indeed an extension of the home, Mr. Chairman, surely good health care starts there, at the home or at the school, and for this Act to try to say that the school can disclaim health doesn’t make sense. I’ll agree that nobody expects to have an operating room in the basement of a school nor do they expect to have a drug dispensary down in one corner. They expect very fundamental health rules, like checking out sore throats, or poor health to at least be spotted at first probably by the teacher or the supervisor in the school and then call in the board or send it over to the board. I get the impression here that they’re trying to disclaim any responsibility of being an extension of the parent.

Home schooling. Well, I think here, Mr. Chairman, that this government has sold out to the lobby that felt that private schools could . . . Did you want to ask a question? I’d be glad to let you have the floor. Home schooling is something that I think every parent has a right to, but I don’t think they have that right so that they can escape supervision.

It doesn’t seem fair to the child to name a board way off at the other end of the province, and this is what we’re setting up here. We are going to have schools set up, mail-order private schools, if you want to call them that, in Calgary, Medicine Hat, or

wherever, that will go out and advertise to parents and say: “Home schooling. Take your child out of school. Send the home schooling contract down to us at the other end of the province. We won’t bother you; you’re too far away. We’ll make it as easy as possible, and we’ll send you back a thousand dollars of the fees that are collected for educating the child.” I think the government was very remiss indeed not to put the supervising of home schooling much closer to where the home school is. I can see them not getting along with one board and not getting along with two boards, maybe even three boards, but when they go to the other end of the province to get somebody to supervise, which this Act will allow, it is nothing more than telling the parents: “We’ll send you a thousand dollars. We’ll keep \$2,500, and we won’t bother you.”

Well, that’s not what I think our modern society is based on. We’ve always said that although parents have rights with children, they don’t have the right to destroy their education, to deny them education, to mistreat them. Although we put laws in against physical mistreatment, I think our society has also recognized for years and years that you can’t mentally mistreat your children just because you’re the parent. [interjection] There was more in that pizza, Mr. Chairman, than I thought. Those peppers looked quite harmless.

12:50

Home schooling seems to me to be the Achilles’ heel of this particular legislation. I don’t think it’s been very well thought out. I think it’s going to be open for abuse. There is intellectual and mental abuse that can be applied to children, and this could be done under this Bill because there is no mention of supervision. Well, how can a private or a public or a separate school supervise education that’s at the other end of the province, maybe 500 miles away? It’s not likely to. Sure they can dispatch a letter I suppose now and again, but there’s no supervision. I think this government is letting our next generation down by putting loopholes like this in home schooling.

Lastly, Mr. Chairman – and of course I’m just getting warmed up. I’ve always been a night person. That’s maybe one of the advantages of living a clean life: you don’t fall apart, like the Acting Minister of Education is now. As 1 o’clock in the morning approaches, I’m just getting my second wind. I think there’ll be a few more amendments coming along that I would like to talk on, but just because I have so much to say, I’ll still keep talking.

There is a part of this Bill that’s very interesting indeed, and this is from a government that argues that they stand up for individual liberties more than anyone else. In this case they’re really taking liberties with people, because in section 25(2) – and this is the committee stage; you’re supposed to bring up different Bills. The government says that section 12 is deemed to come into force December 31, 1988. This means that potentially nonpaying parents; that is, parents they want to pursue back to 1988 – that’s retroactive legislation. To go back literally five years to try to pursue a parent for fees that they deem as earned is worse than even any Tory or Liberal federal income tax. Now, I think there’s nothing wrong with pursuing somebody that hasn’t paid their fees for four or five years, but to put retroactive legislation – retroactive legislation in any Bill, no matter what it is, is repugnant and should have nothing to do with any government that prides itself on any form of democracy.

So that was the last bit, Mr. Chairman. My last shot at the government was retroactive legislation. I’m sorry I repeated that three or four times, but I just wanted to alert my back bench to get somebody ready to take over for me. From failing hands I throw the torch; be there to carry it high.

Thank you.

MR. GERMAIN: Mr. Chairman, since I have not spoken today and since I last spoke yesterday, I'm happy to now speak again. I want to indicate to those members opposite who are watching carefully that I can indeed speak without moving my hands and flailing my hands in the air. I'm grateful for the coaching. As soon as the Member for Redwater stops undrapping so I can concentrate on my commentaries, I intend to push on against overwhelming odds once again.

I think with some 52 or 53 new members in this House, Mr. Chairman, it would be a momentous occasion. I intend to go home and record it for all that are interested that I got to speak in the early morning of the House. I intend to comment on that the next time that somebody suggests that MLAs aren't working when they're down there in Edmonton. Tonight's *Hansard* will reflect to the contrary.

I want to also tell you, Mr. Chairman, how pleased I was that the Member for Calgary-Varsity touched on Wandering River, which is a prominent landmark north of Edmonton as you approach Fort McMurray. It is not far from that cantankerous piece of road that I continue to debate with the minister of transportation on other issues. It is between Edmonton and Fort McMurray.

In connection with the School Act debate I want to raise the issue that has been so eloquently raised before of home schooling, because it is an issue of concern to the school boards and some of the residents of Fort McMurray. They are perhaps a jealous and a concerned lot up there, and they have a funny principle. In rural Alberta and in Fort McMurray we like to shop locally, Mr. Chairman, wherever we can spend our money. We like to buy locally, and we want to educate our children locally. We feel, then, that they get the kind of education that we as taxpayers in that community pay for, that they get the kind of education that is necessary to train them for some of the interesting jobs in the community, and that they get to be part of the cycle, the ebb and flow, of Fort McMurray. So the constituents that I represent feel strongly about the issue of home schooling.

I also want to express the same concern that the Member for Redwater expressed, and that is the issue of retroactivity on school books. Now, we have had considerable debate here as to the impact on parents trying to educate their children, parents feeling as all Albertans and as all Canadians that their paycheques continue to shrink, shrinking in an ever-increasing inflationary spiral, increased taxation at many levels of government, and of course a singularly unwilling attitude on the part of many of their employers, who are also struggling to pay increased wages. As a result, the concept of retroactive enforcement of arrears on school book fees against parents retroactively for five years seems somewhat odious to me with respect, Mr. Chairman, and frankly it seems somewhat mean-spirited. I know that the minister of social services knows how many people are involved in his department or who are just barely off of his department. The struggling poor and the working poor will be hard hit by that type of legislation, and I believe we can do better in that regard.

Now, there was one very interesting educational institution that occurred last year, Mr. Chairman, in Fort McMurray that some in the community would just as soon forget about. We had a young lad from school who wouldn't go to school, and as a result he ended up being imprisoned. So he was placed into a penal situation where he had an opportunity to learn some of the less desirable tricks of the trade in a penal institution. I notice that this Act that did attempt to nibble around the issue of the attendance board, did not see fit to in any way put any damper on the ability of law enforcement authorities to put young people in school who are otherwise not causing much of a problem but who simply will

not go to school. I kind of think that the desirability of bringing unwilling students to school must at some point have a breaking point, and the breaking point, in my respectful estimation, would be against the incarceration of such a student in a facility where the dangerous tools of the trade he can learn are much more dangerous to society than perhaps not attending school.

I want to conclude now, Mr. Chairman, on those three minor points, again without the use whatsoever of my hands to make any points either dramatically or less dramatically.

Thank you. That concludes my statement to you this evening.

1:00

MR. DEPUTY CHAIRMAN: Well, thank you, hon. member, for standing at attention the whole time you spoke.

The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Chairman. As I had indicated with regards to Bill 8 and the lack of addressing the county school system, as it was addressed in Bill 41, I'd like to introduce an amendment to Bill 8. It states that we move that section 21 of Bill 8 be amended by deleting subsections 208.4(5) and 208.4(6).

I cannot understand why indeed the government did not take the intent of Bill 41 and carry it through into Bill 8, which clearly stated in Bill 41 that a county would be treated no differently than any regional board, as under Bill 8. In other words, if a county wishes to become a member of a regional board, they indeed would under the old Bill 41 have to be elected as members at large. What you would have would no longer be, as we know it today, a county school system. I say that I'm puzzled why the government wouldn't do that, because indeed we all know that the county school system, because of the size of the board, indeed is costly. You're looking at, as identified previously, 15 members on most boards. As I'd indicated, you're looking at a substantial cost.

Now, if we go the route of regional boards, as under Bill 8, you would see a more economic factor being reflected and allowing more dollars to be redirected into the classroom. We all know that the Alberta Teachers' Association has consistently advocated the separation of school and municipal government, arguing that functions required of the elected persons in each of these types of governments are quite different. Certainly that has been identified over the past not only 10 but 15, 20 years, when we've seen increasing conflict happening, and that certainly has been the history of the Strathcona county school board.

We look at recent editorials in our local papers – and once again I'm referring back to being fiscally responsible – and the 20 percent cuts in education, and I ask the government: if you're serious about being fiscally responsible, I would ask you to support this amendment, because indeed there will be significant savings. Not only will there be significant savings, but we will truly see a democratic process alive and well where we've seen county school boards, as I've previously stated, where the electorate indeed is disenfranchised and indeed the members who are elected at large are outvoted consistently because of the composition of county school boards.

So, Mr. Chairman, I would say to the members across the way, or the government, to demonstrate through supporting this vote that you are serious about being fiscally responsible, that if indeed you're serious about being fiscally responsible, you will support this amendment. If indeed you do not support the amendment, you are clearly demonstrating that you're not serious about ensuring that we have an effective and efficient educational system and that indeed as a government you are not serious about amalgamation of boards to make them more economically viable

– and to suggest that if people do not do voluntary amalgamations, you'll do it through legislation. So the challenge I put to the government of Alberta tonight is to indeed support this amendment.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Thank you, hon. member.

The hon. Member for Calgary-Currie.

MRS. BURGNER: Mr. Chairman, I do not wish to speak to the amendment. I'll maintain my position when we revert to the main motion.

MR. DEPUTY CHAIRMAN: The hon. Member for Edmonton-Centre.

MR. HENRY: Patience, as they said, Mr. Chairman. I would also like to speak to the amendment and to recap very briefly. The hon. Member for Clover Bar-Fort Saskatchewan has moved an amendment that does put Bill 8 back in the original form or very similar to the original form it was when it was the old Bill 41 when it was introduced by the then Minister of Education.

Mr. Chairman, what is fundamental to this discussion is the nature of democracy. In our province we do have a county system of education, where people are elected as county councillors and automatically then in some jurisdictions are appointed as school board trustees. I believe there's a growing understanding in our province among several county councillors – and I believe this was reflected at the last AAMDC convention – that people elected to deal with education need to have education as their primary responsibility and, frankly, their primary motivation. The situation now is that in the county system if an individual wants to become a school board trustee, then they must run as a county councillor. They may not have the interest or, more importantly, the expertise to be able to deal with some of the very complex problems and the immense amount of work that face county councillors. Conversely, people may run as county councillors because they want to deal with some of the issues of zoning, land use planning, transportation, et cetera, that face county systems, and lo and behold they're all of a sudden put on the school board, and they have that responsibility as well. The education of our children is too important to have as an add-on.

The other fundamental mistake I believe the government has made in allowing through the amalgamation of school boards a hybrid kind of school board, where you have some school trustees elected and some school trustees appointed by the county councillors, is that you essentially have a two-tiered system. You wonder whether elected school board trustees in a new, amalgamated regional school division, that may well be elected from an area that is larger in population than the county, might feel they have more of a right to sit there. We all know that everybody represented by school board trustees wants to have an equal say in education.

Mr. Chairman, I draw from my experience, as I've done several times here, of living in Lacombe, Alberta, where you have the county of Lacombe with a population of somewhere around 6,500 people, if I'm not mistaken, who all appoint school board trustees. As well, you've got the town of Lacombe with about 7,500, close to 8,000 people, the town of Blackfalds, the town of Bentley, the town of Alix, the village of Clive, the village of Mirror, the town of Eckville – I believe the last time I added it up, a population of close to 13,000 – where they are minority representatives on the school board, even though the majority of representatives are representing less than 7,000 residents, Mr. Chairman.

1:10

I guess for me it's incumbent upon the government to explain why, in their wisdom, in Bill 41 the initial intent was to have in amalgamated school boards all school board trustees elected in the new amalgamated areas. Frankly, what has changed since June of 1992? A mere 16 to 18 months, then all of a sudden this major shift. I saw a progressive shift in 1992, and I'd like to know why we've all of a sudden reverted. I asked that question in committee; I asked it in second reading. I did not receive a response, and that's why when the hon. Member for Clover Bar-Fort Saskatchewan indicated to me that she wanted to propose this amendment, I wholeheartedly supported this amendment. We need to have a broader discussion about the whole county system, and perhaps we need to have a debate that allows some of the benefits of a county system in education to come forward as well. Mr. Chairman, this is a shift from the original Bill 41. We've not received an explanation – I was going to say adequate, but we've not received any explanation at all – as to why, in the government's wisdom, they chose to revert to an old situation.

I would urge members to support this amendment. Thank you.

MR. DEPUTY CHAIRMAN: Are you ready for the question?

HON. MEMBERS: Question.

[Motion on amendment lost]

MR. DEPUTY CHAIRMAN: Calgary-Currie, on the Bill itself.

MRS. BURGNER: Mr. Chairman, I want to just take this opportunity to speak in favour of Bill 8. I think, as has been discussed in this House this morning, there are lots of issues before the constituents and the citizens of Alberta but none so fundamental right now as education in terms of hitting a nerve, an area where fundamental discussion has to occur on change. I think this legislation makes good on some commitments towards that change in education vis-à-vis the specific interest of Francophone governance rights, and I endorse and support the government's initiative to bring this to the table, as they promised to do. I would like to speak for that commitment. I think it reflects the Premier's promise during the election and makes good to the people of the province that he will keep his word on other election commitments that he's made.

In addition to that, it allows us to focus some discussion on the role of legislation as it affects education, because needless to say, as we proceed with the roundtables and other discussions, we're going to be visiting the why and the wherefore and the how of education, and I think it behooves us all to become more informed on the process and more informed about how much needs to be discussed as we make change, and that change is not necessarily something that can be done overnight or in a hurry.

I'm particularly struck, as we proceed with the roundtables, when people ask: how can we effect these changes to bring back to the constituents and to the citizens the unique situation we have in Alberta of local boards with so much autonomy and so much responsibility? Our School Act has been addressed and constructed and revisited to reinforce that local authority and autonomy, and it is a vehicle of the local school board to effect change that reflects the concerns in their community. It is when the government needs to provide overriding and all-encompassing direction that we amend our legislation in our School Act.

So as not to prolong the early morning revelry or to be the last speaker before the sun rises, I would like to just compliment the minister on bringing this forward and my colleagues on supporting

his initiatives, and I look forward to seeing it being enacted in this session.

Thank you.

MR. DEPUTY CHAIRMAN: The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Chairman. [interjections] I haven't spoken tonight. I'm going to keep this very, very short. I was on the list previously. Very short, Mr. Acting Minister of Education.

Just a couple of issues I want to touch on, and because we're dealing with a comprehensive Bill that changes considerably the overall educational Act, it tends to open up the whole ball of wax. An area that I want to touch on is the Francophone issue. We know why that's here: because of court decisions and such. The home schooling has been touched on by several, so I'm not going to repeat that. The special needs has been touched on to a degree, but the comment I hear on special needs from so many educators is that teachers are taught to teach and that integration within the school system is commendable, but let's have the resources. The teachers are asking for the resources.

Mr. Chairman, the thing that probably troubles most people right now with education is when we talk in terms of the method of reductions. This caucus has been very, very, very insistent that education is too precious to sacrifice, and we maintain that position. There are some people that will say, "Education spending at the elementary level can be reduced by greater efficiencies, such as reducing the number of school districts." Possibly the administration is a bit too top-heavy, but when you look at elementary education and you look at advanced education and then you combine the two, overall I do not think you can get by with an educational system that is going to have less dollars spent than is spent at the present time. You may have instances where you're going to have a shifting of dollars from, let's say, the elementary portion to the postsecondary, because the post-secondary is where there are major, major problems in young people being denied the opportunity for a basic right, and that is the right to education. So that's the one area that is very, very important to me.

I have a child that is now grown up that has utilized the system very, very well. The system has been good to him. I have two grandchildren, and I'm concerned for their future. Everyone in this House should be concerned for the future of their children and their grandchildren and for the children and grandchildren of Albertans that placed them in this particular position of responsibility.

On that note, I'm going to conclude to allow our spokesman for education to speak.

MR. DEPUTY CHAIRMAN: The hon. Member for Edmonton-Centre.

MR. HENRY: Thank you very much, Mr. Chairman. I know the hour is late, and I know people's patience is wavering. However, there is one other issue that I touched on earlier and I believe needs to be addressed in a very substantive way. There is a section of the proposed Bill 8 that seems very innocuous. It's section 11, and it says, "Section 39 is repealed." Well, section 39 of the School Act is a potentially very significant part of the School Act. It's an addition again I believe from Bill 41. It wasn't in Bill 41. Section 39 of the School Act says: "A board shall provide the students attending its schools with those health services that the board considers necessary." There is some

confusion frankly out in the public about exactly what this measure will do. Section 39 is very innocuous, and it simply allows school boards to provide health services at its own discretion. It's an enabling clause in the legislation.

What I would like to do at this time, so as not to take more time than necessary, I would like to propose an amendment that has been approved by Parliamentary Counsel. I have copies for circulation. The amendment is that Bill 8 be amended by deleting section 11.

Mr. Chairman, would you like me to sit down until they are circulated, or would you like me just to pour on with my explanation?

1:20

MR. DEPUTY CHAIRMAN: Go ahead and speak.

MR. HENRY: I get conflicting direction from yourself, Mr. Chairman, and from members on my extreme right, if I can say it that way. However, Mr. Chairman, I will follow your directions. [interjections] Extreme right.

In seriousness, I see that the Acting Minister of Education is listening, and I'd like to explain what the concern is that has been expressed to us. Mr. Chairman, there are some times that schools in the past have had to provide health services, such as inoculations, et cetera, and the explanation for section 39 that I've received from the Department of Education indicates that that was the purpose of section 39. It was to allow schools to have school nurses, to allow school boards to have TB testing, to have inoculations. The explanation that's been given by the department is that we no longer need this section of the Act because of course schools don't do that anymore. They did it in the '50s perhaps, but they don't do it anymore.

However, because of the progressive inclusion or integration policy of, frankly, the former minister and this government, we now have special-needs students who are either partially or quite often fully integrated into the classroom situation. There are times when those students need minimal medical services, Mr. Chairman. Sometimes that may be something as extensive as suctioning for children with severe respiratory problems. Sometimes it might be something less than that. The problem that you get into is that this is the one section of the Act that allows . . .

#### Chairman's Ruling Decorum

MR. DEPUTY CHAIRMAN: Excuse me, hon. member. It's just getting a little bit noisy. When we get close to morning – being a farmer it's not late at all for me, but are some members trying to make as much noise as they can to stay awake?

AN HON. MEMBER: Yes.

MR. DEPUTY CHAIRMAN: Well, if you are, then maybe you should go to either wing, and we'll give the hon. Member for Edmonton-Centre a chance to be heard by the Provincial Treasurer. He's very interested in that.

The hon. Member for Edmonton-Centre.

MR. HENRY: Thank you, Mr. Chairman. The Provincial Treasurer, I can see from here, is sitting on the edge of his seat, hanging on my every word. I do have to point out, though, that it's not just farmers who get up early. Parents get up early, and lots of other folks like that get up early, although we do know farmers are well used to early mornings.

### Debate Continued

MR. HENRY: Back to section 39. When the department mandates school boards to integrate special-needs children, the difficulty arises when we try to define what medical services are. In the government's own handbook that's entitled Meeting the Challenge and in several other publications of the government, medical services are defined fairly broadly. I think we have to recognize that we're debating Bill 8 in the context of the education roundtables. The Acting Minister of Education, the Provincial Treasurer, well knows that in those workbooks and in the discussions medical services have been termed to be things like physiotherapy services, respiratory therapy services, from that end of the spectrum to psychological services. That's where we get into a problem, when we're talking about those kinds of services such as physiotherapy and occupational therapy that are required for students with special needs who are mandated to be integrated or included by the government. This is the one section of the Act that allows school boards to do that.

Mr. Chairman, I'd like to briefly quote, if I may, from a document, and I will file it if it hasn't already been filed. It is an information package published by the Department of Education that was passed on to me by the minister. It was published in September, and I believe it's been circulated. It's an information package on Bill 8. Specifically on section 39 it says – I'm quoting from page 17:

The repeal of this section, of course, does not resolve the important issue of addressing the medical needs of children attending school.

Ongoing discussions with the departments of Education, Health, Social Services and Justice are continuing.

We know that there was an interdepartmental committee at the deputy ministerial level looking at the co-ordination of those services.

Mr. Chairman, I don't propose this amendment lightly. I consulted with two counsel outside of the Legislature, one who does a lot of work for teachers' associations and one who does a lot of work for school boards. I asked them to independently look at this piece of legislation and say what this can mean. What could be the potential implications? Both of them came back independently and agreed that this could mean that schools would not be allowed to provide those kinds of medical services, which again could be, in the government's terms, psychological services, occupational services, physiotherapy services.

Mr. Chairman, there's no question that the intention of some people in Education to try to streamline education dollars specifically for education and let health dollars look after the health needs and let child welfare and social services dollars look after the social welfare needs is a positive movement. We agree with that movement. What I'm having trouble with is the co-ordination. We've not heard anything from the Ministry of Health that indicates that if this part of the Act is passed and school boards then no longer have the discretion to provide those kinds of medical services, indeed the resources will be available from the Health department to the health units to provide those services. In fact, we've seen in the last two years some decreases in services provided through health unit boards to school divisions. We're talking about things like speech therapy, occupational therapy, physiotherapy.

I know there are members who are former school board trustees on both sides of the House. I know that they will recall how difficult it is to provide inclusion services or integration of special-needs children without adequate resources to do that. It simply doesn't work. What I'm worried about and what people who have contacted me are worried about – and I think it's fair to say that I've received hundreds of letters and dozens of phone calls on this

subject. The reality is that there's a potential for falling through the cracks here. The way the government structured this amendment – and again it was not in Bill 41, and there was not broad consultation on this amendment – I think the amendment may be premature. It's a wise move to try to direct education dollars to education, but unless you've ensured that the health dollars can provide the health care services that are required for children with special needs and that that is mandated and that the social services and child welfare can provide the services that are needed for those children, then you've got a problem basically.

So, Mr. Chairman, I'm going to urge that members on both sides of the House reconsider this one. I urge the acting minister – there's always time in the spring to bring it back if he wants to reconsider it – to support this amendment, simply put this measure on hold until some of the initiatives that I know are happening in the government to try to co-ordinate services better are more in place in terms of children's services so we can be assured that people like the parents of children at the Elves Memorial school in Edmonton don't have to worry. They are worried that if the school boards are not able to provide those services, do not have the mandate to provide those services and the appropriate funds or direction have not been provided from the board of health to replace those services, the children can fall through the cracks.

So I would ask all hon. members to please support this amendment. If this amendment does fail, which unfortunately most opposition measures do in our system and this Legislature, regardless of their merit, I will be pressing the Minister of Health. I want to put it on the record here that I will be encouraging people to call the Minister of Health and asking that the same commitment be made for this section of the Act as has been done with the home schooling, which is to delay proclamation of that particular section until all the pieces are in place, because they're not in place now. I want it on the record very clearly that I intend to hold the government responsible if all of a sudden in any jurisdiction in this province there are school boards who either feel it is no longer their mandate after this Bill is passed or that they no longer have the enabling legislation and start withdrawing those services that have been described by the government's documents as medical. If those services are not provided by another public department, I will be holding the government accountable for that.

Thank you, Mr. Chairman.

1:30

MR. DEPUTY CHAIRMAN: The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Chairman. Being the epitome of brevity, I shall be brief in speaking to the amendment, but I would like my views on record here.

Section 11 of Bill 8 provides for the repeal of section 39 of the School Act. Now, the interesting thing, Mr. Chairman, is that section 39 speaks to the decision-making to be at the local level, at the board level, as to where the health services shall be provided by the schools to the students attending these schools. Somehow, all of a sudden that local power of decision-making is lifted out of here. For some reason it is not up to the schools anymore or to the school boards, even though they didn't provide all that many services. We all know that.

Now, the question, of course, is: why was this done? Mr. Chairman, it may be a very innocuous move – I don't really know – but it is our function to scrutinize and probe, to be critical, et cetera. We were elected to do this, and we will carry out our mandate in the face of sometimes great adversity. Anyway, I

question the reason for this particular change. The amendment would restore the old provision that the board shall determine what services are necessary, what health services ought to be provided to the students within its jurisdiction. It's important to keep in mind specifically whether this change will have any bearing, especially on students with special needs.

It is perhaps significant that the vaunted booklet Meeting the Challenge sees the suggestion of cutting all kinds of medical services. It's a suggestion, mind you, but it all seems to lead in the same direction: it is the elimination of many services that thus far have been considered to be very important. Generally, the government appears to be bent on pruning every system and to do it so severely that it makes us all rather fearful as to what is going to be left over.

This proposed section 11, which we would like to eliminate by our amendment – we want to make sure, Mr. Chairman, that this amendment restores the way it was. We thought it was a good way because it left the power of decision-making up to the local school boards. Those boards ought to be able to determine what sort of health services they want to provide to their students. After all, that's local control, and we hear so often, from this government particularly, that local autonomy is the end all and be all.

Mr. Chairman, I said I would be brief, and I intend to stick to my word, so I will leave it at that.

Thank you very much.

MR. DEPUTY CHAIRMAN: Thank you, hon. member.  
Are you ready for the question on the amendment?

HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: All those in favour of the amendment to Bill 8, proposed by Edmonton-Centre, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY CHAIRMAN: Those opposed, say nay.

SOME HON. MEMBERS: Nay.

[Several members rose calling for a division. The division bell was rung at 1:35 a.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Abdurahman	Hanson	Soetaert
Beniuk	Henry	Taylor, N.
Bracko	Langevin	Van Binsbergen
Bruseker	Leibovici	Vasseur
Carlson	Massey	White
Chadi	Mitchell	Wickman
Dickson	Percy	Zwozdesky
Germain	Sekulic	

Against the motion:

Ady	Friedel	Oberg
Amery	Gordon	Paszkowski
Black	Haley	Pham
Brassard	Havelock	Renner
Burgener	Herard	Severtson
Calahasen	Hierath	Smith
Cardinal	Hlady	Sohal
Coutts	Jacques	Stelmach

Day	Kowalski	Tannas
Dinning	Laing	Taylor, L.
Doerksen	Lund	Thurber
Dunford	Magnus	Trynchy
Fischer	McFarland	Woloshyn
Forsyth	Mirosh	

Totals: For – 23 Against – 41

[Motion on amendment lost]

MR. DEPUTY CHAIRMAN: On the Bill itself are you ready for the question?

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: The hon. Member for Edmonton-Centre.

MR. HENRY: Yes, Mr. Chairman. I'm not going to take a lot of time, but there are some things that need to be said. [interjections]

AN HON. MEMBER: Alice has gone to wonderland.

MR. HENRY: Maybe several other members would like to too.

Mr. Chairman, it needs to be on record that on third reading myself and, I believe, our caucus members in a free vote will support this Bill in the end. I do want to put on record compliments to the minister and the former minister, frankly, and the government for extending proper rights to Francophone Albertans for governance of their own schools. I think that's significant, and I commend the government on that.

1:50

AN HON. MEMBER: A waste of money.

MR. HENRY: Mr. Chairman, if one of the other members would like to have the floor, I'd be willing to relinquish. I hear comments. Would you like to put your comments on record as well?

Mr. Chairman, I also would like to put very clearly on record that I and my party support wholeheartedly the minister's move for voluntary amalgamation of school boards and reiterate our belief that this applies to two things. Number one, we're not talking forced amalgamation or coerced amalgamation; we are talking voluntary amalgamation. I believe there is motivation out there to do that. Also, I want to be very clear that this party would not support any forced amalgamation of Catholic and non-Catholic boards and again to commend the minister for making the government's policy clear on that at the Alberta School Boards Association convention.

Mr. Chairman, I want to express our profound disappointment. The government first acknowledged and the minister acknowledged earlier this session that there was a major problem in the administration of home schooling in this province. For that reason, the minister announced a review of the regulations of home schooling in this province, and that's a step in the right direction. Again, I'm quoting the hon. Member for Stony Plain from when this Bill was last brought before the House in its prior format: the regulations should be tidied up. We should ensure that we have adequate supervision and adequate support for parents prior to opening up home schooling to any other body for supervision. I do take the minister at his word that he will not recommend proclamation of that particular section until we have revised regulations approved by the Lieutenant Governor in Council. I've

seen some of the input that the minister has received, and I believe those regulations will be tightened up and will address some of the concerns, but I wait to see those as well.

I would be very happy – and I want to put that on record – and our caucus would be very happy, in a spirit of co-operation and consultation, to review any draft regulations the minister may have developed from that committee, whether in a public or private fashion, to provide some input to the minister. I've expressed that as well to the minister prior to this.

Mr. Chairman, I have some grave concerns that this House has chosen not to delete section 11 from the Act. I believe it's a recipe for disaster taking away the enabling provision that allows school boards to provide medical services. I'm speaking, as I said earlier, from two very different legal positions. One lawyer who acts primarily for school boards and the other who acts primarily for teachers gave the same advice to me, which is that removing this section could cause school boards not to be able to provide those medical services that are required for children with special needs. We'd get into a problem because the government in its own workbook has defined those medical services to include things such as occupational therapy, physiotherapy, respiratory therapy, some more traditional things that we'd define as medical but also things such as psychological services, which are often testing and remedial support for students with special needs. We need to rethink this.

I'd ask the government again – and I want it on record that I'm asking the government – to delay proclamation of that particular section, as they've agreed to do with the section regarding home schooling, until there's proper co-ordination to make sure that if school boards are not going to provide some health services, health units are in there providing those services, so that the initiative that was, I think, spearheaded by the current acting Education minister when he was the Education minister in terms of full integration of students with special needs into our classrooms, wherever possible and practical certainly, isn't jeopardized and we don't step back.

I appreciate – and again I want it on record – the government's move to try to define education dollars to be used for education services and health dollars to supplement those and again social welfare dollars, but frankly the plan is not in place, the co-ordination is still being talked about, and I'm afraid that children are going to fall through the cracks.

As I said earlier – and I want to reiterate this, and I will convey this again to the minister – I received hundreds of letters and dozens of phone calls from parents of special needs children who are worried. This is not something I initiated. These people aren't asking for anything more than they already have but are worried that the services may fragment or may fall apart prior to the co-ordination of assistance being put into place, and I want that to be very, very clearly on record.

I also want to be on record as stating that the government has not adequately addressed the issue of employee rights with regard to amalgamation of school boards. When I raised that issue of whether employee contracts would be honoured when existing school boards voluntarily amalgamated, the government pointed to a section of the Act that could be interpreted – and there's some question there – as actually providing those rights for teachers. Having said that, if that is the case, the government has not addressed the rights of frankly the lower paid people in the school system, such as the support staff, the clerical staff, the teacher aides, and the janitorial and other maintenance staff. I think everybody would agree that we do not want a situation for those employees whereby two school boards amalgamate and then all of

a sudden somebody in an unwise decision decides that anybody over 55 should be laid off, no seniority rights or contract rights.

With those comments I look forward to a third reading debate where we can talk a bit more about the principles. I do think it needs to be put on record. I also want to say that there are some times in the Legislature – and I conveyed this to the Treasurer and the Deputy Premier – where procedural matters take over and where some matters are perhaps discussed more than some members would like. I want to make it clear that we've tabled about four or five amendments, I believe, in the House. They're well-meaning amendments. These are amendments that are sincere and I believe well thought out. Some of them have to do with ideological or philosophical differences, and I accept that fact. A couple, specifically the matter with regard to the employees and more specifically in the matter with regard to section 39 of the School Act, were an attempt to try to make a better piece of legislation. I regret the fact – I regret it sincerely – that we've not progressed far enough in this House that an opposition member can stand up and propose improvement to legislation and not have it voted down simply because it's an opposition measure. I believe that's happened in this situation. I see the government Whip shaking his head no. I believe actually he agreed with most of my comments a year and a half ago.

I make it very, very clear, Mr. Chairman, that I would like us to move forward over the next three years to get to a situation whereby a government member can make an amendment to an opposition member's private members's Bill and have it accepted by the opposition because it's an improvement, and that private members from both sides of the House can make amendments to government Bills to provide better legislation, not simply to make political points.

With those comments, Mr. Chairman, I'll take my seat. Thank you.

MR. DEPUTY CHAIRMAN: Thank you. Are you ready for the question?

The hon. Member for Edmonton-Avonmore.

MR. ZWOZDESKY: Thank you, Mr. Chairman. I, too, will be very, very brief, but I do want to get up and just record my support for certain parts of Bill 8. In particular, it's the part that affects the establishment of Francophone school boards effectively throughout the province. I think this has been a long time coming, and I congratulate the people behind the authorship of this particular initiative. I think all too often we don't give proper credit to second languages, third languages, and so on. Respecting the fact that French is an official language of Canada, it behooves us in this Legislature to show our support in this way. It wasn't all that long ago that in fact a member of this very Legislature was asked to leave for using one of Canada's official languages, which was a travesty of democracy and also of justice.

[Mr. Tannas in the Chair]

In that regard I just want to underline the importance of additional languages as well, because they are coming up for scrutiny within some of the proposed cuts in the education sphere. Earlier today we heard the hon. Member for Vegreville-Viking speak about the importance of the Ukrainian language, as an example. That's certainly an outstanding language here, as are many others. In that regard I think we are in favour of anything that promotes the learning of a second or a third or just another language because of the tremendous communication skills that it provides to students. These students are soon going to be in

competition for many jobs, not only here in Alberta but perhaps across Canada and elsewhere, and it is certainly incumbent on us as legislators to provide them every opportunity to expand their horizons and to be as well prepared as they can to take on any of those kinds of jobs.

**2:00**

Languages should never be looked upon as something that threatens or divides people from other members of society. Quite to the contrary; languages, it has been proven, do open up all kinds of additional possibilities for students and in particular prepare them extremely well for some of the international directions that we are all taking of late. In that regard, Mr. Chairman, there are numerous tests and surveys that have been done that actually bear out that students who do have a second or a third language actually do score even higher than other students who don't have those kinds of skills in their repertoire. So we see the importance of that learning, and the sooner we can get on with it the better.

So as we look at not only Bill 8, but as we come to look at the entire area of education in general, let us not penalize students by not allowing them to pursue some of these language options. This past weekend, I was very, very happy to attend the second annual gathering of la jeunesse Française for the second annual Jeux Francophonie ici en Alberta.

#### Point of Order Decorum

MR. CHAIRMAN: Do you have a point of order, Edmonton-Norwood?

MR. BENIUK: I'd like to return a favour. Would you please note that the hon. Member for Stony Plain closed his eyes and was leaning back sound asleep.

Thank you.

MR. WOLOSHTYN: I would like to clarify something. Yes, I had my eyes closed; yes, I was leaning back. I was so intent on listening to the debate, I wanted to concentrate, because the hon. member opened his debate saying how he was going to support particular sections of the Bill. I was waiting for that. He addressed it, and as we moved along, he was getting farther and farther away from it. I just wanted to concentrate very much, Mr. Chairman, and I was just resting my eyes, so we can continue.

MR. CHAIRMAN: I'm sure the hon. Member for Edmonton-Avonmore can understand how . . . [interjections] Order. Order.

I can quite understand the position of Stony Plain. Edmonton-Avonmore, as you know, when you're listening to fine music such as your voice, one needs to concentrate by closing one's eyes.

#### Debate Continued

MR. ZWOZDESKY: I appreciate the hon. Member for Stony Plain giving me that undivided attention. I was with you all the way there, because I know that he himself is at least bilingual. Am I right? So he understands the importance of languages as well. In fact, I was building up to my big conclusion.

I don't want to start all over again to take you up to that pinnacle which motivated such deep concentration on the other side, but I do sincerely want to just re-emphasize my tremendous support for anything that promotes additional language study in the province of Alberta and/or helps facilitate it for the betterment of our youth. This aspect of Bill 8 I am fully in support of. It's been a long time coming. C'est très nécessaire et aussi très

important. With that I would close, and I say thank you very much.

MR. CHAIRMAN: Are you ready for the question?

HON. MEMBERS: Question.

MR. CHAIRMAN: We're considering Bill 8, School Amendment Act, 1993.

[Title and preamble agreed to]

MR. CHAIRMAN: On the Bill itself, does the committee agree?

SOME HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed?

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Carried.

[Several members rose calling for a division. The division bell was rung at 2:06 a.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Abdurahman	Fischer	Mitchell
Ady	Forsyth	Oberg
Amery	Friedel	Percy
Beniuk	Germain	Renner
Bracko	Gordon	Sekulic
Brassard	Haley	Severson
Bruseker	Henry	Smith
Burgener	Herard	Soetaert
Cardinal	Hierath	Sohal
Carlson	Jacques	Stelmach
Chadi	Kowalski	Taylor, N.
Clegg	Laing	Thurber
Coutts	Langevin	Trynchy
Day	Leibovici	Vasseur
Dickson	Lund	White
Dinning	Magnus	Wickman
Doerksen	Massey	Woloshyn
Dunford	Mirosh	Zwozdesky

Against the motion:

Havelock	McFarland	Taylor, L.
Hlady	Pham	

Totals: For - 54 Against - 5

[The sections of Bill 8 agreed to]

MR. DINNING: Mr. Chairman, I move that the Bill be reported once the committee rises and reports.

In doing so, may I acknowledge one person in the gallery who is here this evening, Miss Sandra Cameron from the Department of Education, who has been the chief author of this Bill and I'm sure is looking down on the Assembly tonight with pride that we have succeeded in bringing the Bill forward.

[Motion carried]

**Bill 12**  
**Liquor Control Amendment Act, 1993**

MR. CHAIRMAN: Hon. Member for Grande Prairie-Wapiti, would you care to begin this portion of the morning?

2:20

MR. JACQUES: Thank you, Mr. Chairman. My comments are very brief. In closing the debate on November 1, we noted that really the three emphases in terms of this Bill are certain provisions with regards to GATT; secondly, certain housekeeping items; thirdly, to enact legislation that is commensurate with the plan that was introduced in this House on September 2 regarding the privatization of the ALCB retail stores. With that, I will sit down and no doubt allow the debate to continue.

MR. CHAIRMAN: St. Albert.

MR. BRACKO: Mr. Chairman, the other day I left you with a couple of lads running through the pasture chased by a bull. I didn't end that. As the race went on to the fence, the bull got closer to the lads. Eventually they came so close that both boys got gored by the bull. It's the same way with loan guarantees and the way this government conducts business. The taxpayers get gored by the government.

Further, the town drunk was walking down the street one day. His friend saw him, and both sides of his face were burned. His friend said to him, "What happened to you?" He said: "Well it's this way. I was at home . . ."

MR. CHAIRMAN: Hon. member, I'm sure there's a wonderful punch line, but is this really relevant to the debate? [interjections] Order please. Hon. member, I am sure that what you're about to say is going to be relevant.

MR. BRACKO: Thank you, Mr. Chairman. So the phone rings, and he said . . . Oh, I can't go on? No? Okay. I'll bring that up next day.

Anyway, ladies and gentlemen . . .

AN HON. MEMBER: How about the rest?

MR. BRACKO: The rest? I'll do it later.

In looking at Bill 12, privatization is an important aspect, and one that our party supports. However, we have several concerns with it. One, we don't see the overall plan. We've asked for it. We want to do an analysis of it; we believe it should be done. It's a billion-dollar industry with over \$400 million worth of profit that comes from the ALCB. We know that the management had put forward two plans. One would be 150 stores to begin with, which could be reduced to 50 stores, done over time, done with consideration, done with cost analysis. One would also involve consultation with the public. This didn't happen. Instead, overnight they announced the privatization of the ALCB stores.

With that, several problems arose. We have municipalities who are concerned now. They didn't have adequate time to make the change in the bylaws. As those of us who have been in municipal politics know, it takes time, six weeks to three months, to change a bylaw, even longer if you want to do it carefully, where you want to hear the concerns of all the residents. This wasn't done, and now we have situations in Edmonton, situations in Calgary, situations in other parts of the province where liquor stores are going in that could be very harmful to the residents. The residents were not informed of it and now have to take the long route by

going to the development appeal board to fight liquor stores in their area. We see in the Boyle-McCauley area in Edmonton and 17th Street in Calgary a lot of concerns: seven, eight, nine stores in one small area, and the residents are not happy with that. It's left the municipal councillors in a situation they do not want to be in. So time was needed. That should have been thought through, the implications of what you do. In Boy Scouts they tell you to prevent accidents from happening, prevent damage from taking place.

**Chairman's Ruling**  
**Decorum**

MR. CHAIRMAN: Sorry, hon. Member for St. Albert. Just a gentle reminder. Even though we are at 2:26 in the morning, when a member is speaking, it is courtesy not to walk between the member and the Chair. It's one of those funny little anomalies of the House that is a matter of courtesy, but in exercising it, it keeps everybody awake.

MR. BRACKO: Thank you, Mr. Chairman.

**Debate Continued**

MR. SOHAL: Start all over again.

MR. BRACKO: I won't start over again, but I could do the joke again though, Mr. Chairman.

Again, a separate corporation has to be set up, and this again hasn't been clarified. Who's involved? Is it friends of the government, what powers do they have, and so on?

Mr. Chairman, those are some of our concerns, and I will conclude with that.

MR. CHAIRMAN: Edmonton-Rutherford.

MR. WICKMAN: Thank you very much, Mr. Chairman. To follow up on the main critic of the ALCB, I want to just make some opening remarks, and then you'll see a number of amendments being introduced by our Member for St. Albert.

I want to say right off the bat that I do support the concept of privatization. There's absolutely no question about that. There are concerns, however. I think the greatest concern that is facing Albertans in terms of the privatization of the ALCB is the process, the lack of a plan. When the minister stood up to make the announcement, there were no previous studies that we can gather. There were no plans. He simply moved his agenda ahead much more rapidly, I believe, than anticipated because of rumours that were already out there in the community, even though I still feel that some people out there got wind of those rumours earlier than others. Nevertheless, it happened, and the plan was not there. The plan should have been there, and the plan should have been there to address a number of concerns. Because the plan wasn't there, there are now people paying for it.

The people that are paying for it: number one, the municipalities. The municipalities are being flooded with applications for ALCB liquor licences in neighbourhood strips. In my constituency alone I don't know how many there are going to be, probably about 20. The first one that is going to go to the development appeal board – and I anticipate he's going to have some difficulties – is the infamous one called Ralph's Liquor Sales. I guess the owner of that anticipated such success from the name alone that he's now made application for a second one in the Blue Quill shopping centre. I'm going to have two Ralphies in my riding, two Ralphie liquor stores. In addition to that, in every other strip there's a licence being applied for. What happens is that the city

was not given the benefit, and the same applies to other municipalities throughout the province. The municipalities were not afforded the opportunity to first be informed of what was going to happen so they could attempt to deal with it through a planning process. So the thing is in shambles now from a planning point of view.

**2:30**

The very first one that went to the development appeal board in the city of Edmonton was one on 149th Street. The development appeal board turned that down, but it meant a community league had to pay the application fee. Tons of people had to take time off from work to go down there and make their protest known for something that wasn't going to be approved because it wasn't, as deemed by the development appeal board, suitable. It would distract from the amenities of that neighbourhood is the exact terminology that was used.

This is going to happen repeatedly throughout the province. It is going to frustrate a lot of community groups. The Duggan Community League has already gone on record saying that they are very, very perturbed about it. The Royal Gardens Community League – and I could go on and on and on. They are very upset at the way this happened. Again, they take the position that the privatization aspect is not that much of a problem to them but the way it's being done.

I look, Mr. Chairman, at the reports that are coming down from law enforcement people: the fear of increase in crimes attributed to possible robberies and the sale of booze to minors, and just the overall increase that can be anticipated, again because of the lack of a plan. Everything comes down to the lack of a plan, because the plan wasn't there. Even a lot of those that have applied, that have laid down their \$200 and then their \$1,000, a lot of them, I think, are starting now to get cold feet. They are starting to say, "What did we get ourselves into?" or "What would we get ourselves into?" Are we going to survive in this business, or is it going to be like with our neighbour to the south, the state there where 800 eventually evaporated down to 200 because they squeezed each other out? A lot of small business-people got hurt. Again it's due to the lack of a plan. For the minister to stand up and for the Premier – I heard him on the radio interview from Japan – to stand up and say that this is going to sort itself out, that the marketplace will prevail and certain ones will win, other ones will lose, and things will settle down once they go through that whole process is inflicting a lot of pain as it goes down the road. There's going to be a lot of losers that are anticipating that this is going to be their stake. They're going to find that it's not their stake. They're going to find out that they're going to lose their life's earnings.

The biggest losers in the whole shot, I believe, the ones that I feel the greatest sorrow for, are the 1,500 employees that have faithfully served the province, the ALCB – the employer – now being basically cast away. I've stopped by and visited some of the stores. I visited the Southgate store, and I talked to the employees there. I visited the one on 103rd Street and the one on 23rd Avenue that is now closed down. I've talked with those employees, and if you could feel the pain that they're going through. The festive season is around the corner, and this is what they are being faced with. The employees in Southgate are saying that they think that in January they're gone. Nobody's really sitting down with them and trying to resolve the issue, trying to come up with a solution. Rather, they're forced to run out there. They're forced to try and fight through legal mechanisms. They're forced to fight in any direction they can in an attempt to at least salvage something of what they've had in the past.

Mr. Chairman, the points I raise: the process was quick, lack of a plan; the planning problems, lack of a plan; the fear of increased crime, lack of a plan; the business losers, again a lack of a plan; the employees, again because there is no plan, a lack of a plan. So it all hinges down to a Bill that has been introduced. The process was not proper. It was not accompanied by a plan. But there is going to be the opportunity to redeem yourselves, to do what's right. When the Member for St. Albert stands up again, every one of you will have the opportunity. Listen very carefully when he introduces the amendments, because we can make a bad Bill into a good Bill, and we can all leave this House at 6 o'clock this morning, whatever, feeling proud that we've done something good.

On that note, I'm going to conclude and allow other speakers to go.

**MR. CHAIRMAN:** Edmonton-Whitemud.

**DR. PERCY:** Thank you, Mr. Chairman. I rise to speak to Bill 12. Certainly like many members of this caucus, virtually all, I am in favour of privatization. I think that in many instances it makes far better sense for the private sector to deal with the provision of these goods and services. If there is a concern of social control and the like, you use regulations, you use the authority of the state through regulations to deal with the problem. You don't have to deliver the good or service in question through government. So the issue, then, isn't privatization; it is the process connected with this Bill that we have difficulty with.

Let me start at the beginning, Mr. Chairman. First of all, for a government that has really on many, many occasions lectured both this side of the House and the public in general about business sense and how to make a buck, the whole process by which the ALCB has been privatized seems to have been constructed with the sole object of minimizing the value of its assets. One cannot think of any other reason why they would have done this. To maximize the value of these assets, what one might have done is in fact sell them as ongoing entities and provide them with some insulation over a six-month period or at least some protection, then allow unhindered access to those class D licences. You would have then sold many of the existing leases and certainly many of the properties as ongoing entities, and there would have been a far greater return, then, on the value of those assets to the province. So just the way that it was done in terms of how the capital and the leases were dealt with really didn't show any appreciation of how markets work and what constitutes the value of a firm. That seemed to be ignored in this whole process.

What is also interesting in this process, Mr. Chairman, is that there has been no planning per se. If you're going to start a new business, if you're going to move into a new market area, one of the things you do as an individual firm going to start up is have a business plan. Similarly, if the government, then, is going to divest itself of a billion dollar – gross terms – entity, one would think that if they were going to do this and allow the privatization of the retail side, privatization of the distribution and warehousing of liquor in this province, the government would have come forward with a business plan so that the rules of the game would be known to all participants. That they have not done. They talk of a business plan for their individual departments, but they have not chosen to have one for this new entity, the corporation described in this Bill. That is a very serious flaw.

It's a serious flaw for a number of reasons. First, it meant that the government itself didn't know the rules of the game, the issue of successor rights, which some members over there find humorous. But for those firms or individuals that have bid on sites to

suddenly find themselves now dealing with successor rights – it destroys the economics of the whole enterprise, to begin with. So in good faith they entered into this, in good faith they paid their bond, and now they find that the economics of it as they understood it no longer exist. The Minister of Labour says: sorry; we thought people knew. Well, if they had done a business plan, Mr. Chairman, the government would have known, the Minister of Labour would have known, and certainly the Minister of Municipal Affairs would have known the rules dealing with successor rights, because it would have been thought out in the construction of the business plan.

We find as well in the discussion of the ALCB that the whole issue of pricing seems to be pulled out of a hat. We've heard the Minister of Municipal Affairs talk about a flat tax and that a flat tax is fair because it will increase the price of liquor at the lower end and reduce it at the higher end. Well, Mr. Chairman, that is not any realistic way of appraising whether a pricing mechanism is good or not. If you're selling something, you want to make the biggest buck possible. That's the object of being in business. It's not, in fact, to have a flat tax. Flat taxes and the Flat Earth Society have a lot in common. The object, then, of a pricing strategy if you're selling liquor is to maximize your profits. That's not done with a flat tax.

Now, I know that at this late hour, at 20 to 3 in the morning, the last thing members on either side, I would be willing to hazard, would be willing to hear is an economics lecture, but it behooves me . . . [interjections] That's the feral horse Bill; excuse me. I must speak tonight, Mr. Chairman, of elasticities and the pricing of liquor. I've felt this welling up in me now for some time, and tonight is the night because we have a captive audience here. All instructors love a captive audience. They know that if they leave this room, we're going to try something tricky, so they're not going to leave. They're going to be listening. I know I have their rapt attention.

2:40

Now I'm going to talk about the issue of pricing and how it relates to maximizing profits.

**Point of Order  
Relevance**

MR. CHAIRMAN: Calgary-Egmont, do you have a point of order?

MR. HERARD: Yes, Mr. Chairman.

MR. CHAIRMAN: A citation then?

MR. HERARD: It's under *Beauchesne* 459. I wasn't aware that there was anything in the Bill that related to the pricing of liquor. I would like to know what relevance that has to this discussion.

DR. PERCY: I'm glad he asked that question, Mr. Chairman. I have his attention. Certainly I know that. If you read the Bill, it speaks of distribution and pricing. What I'm going to talk about with regards to the economics of pricing is directly relevant.

**Debate Continued**

DR. PERCY: So let me start, Mr. Chairman, talking about elasticities. I needed to embed my lecture in the reality of this Bill. Well, what I'm going to talk about are elasticities of demand. When an economist talks about the elasticity of demand, what he's referring to is the responsiveness of quantity to price. In theory, what you want to do if you have any market power –

and clearly the wholesale entity will have market power; they will have the ability to set the wholesale price. Now, the hon. Minister of Municipal Affairs is going to set the price through a flat tax. I urge him, because I am concerned about getting more money for Alberta taxpayers, that he move away from the flat tax and consider what economists call third-degree price discrimination.

AN HON. MEMBER: What are the other two?

DR. PERCY: Well, no. I don't want to go through the other two.

Third-degree price discrimination, Mr. Chairman. Now, this sounds like something out of a police novel, but it isn't. What third-degree price discrimination is is the ability to try and segment markets. What you want to do is charge the highest price possible in those markets where the elasticity of demand is very, very low. Now, if I were to have a blackboard up here, what I would do is draw a graph. Then I'd have a very steeply inclined line going down, which would represent a demand curve. I know that props are sometimes not allowed, but I'm sure that you will appreciate that this is what I'm talking about: a very, very steeply inclined or inelastic demand curve. Now, in a market where you're dealing with really expensive wines – pouilly-fuissé, for example. Now, I had no experience with that myself, though certain ministers in British Columbia have, to their eternal detriment. I believe one was known as the pouilly-fuissé kid, and he's no longer in government. It was on his expense tab.

What you want to do, Mr. Chairman, when you have a demand curve such as this that's very inelastic is you want to charge the highest price possible. If you look at this curve, an inelastic demand curve, if you increase the price very high, the quantity demanded is reduced very little. Since the price times the quantity equals the total revenue in that market, you can increase this price very high with only a very small reduction in the quantity demanded. So to the extent that you're dealing with people who are really hung up on expensive wines and just appreciate the label, you can take those people to the cleaners. You can. That's what we ought to do in this province. We want to make money for the taxpayers. So what we want to have, then, is not a flat tax. We want to price discriminate, to charge the highest price possible in those markets that are characterized by a very inelastic demand curve.

On the other hand, in the low end of the market, where there are very many substitutes – and I know of many of them. Many of the wines that I drink have screw caps or come in brown paper envelopes. I know that I'm very price conscious. If the price of one of these increases, I just shift to another Bulgarian or Hungarian wine. In those markets you really can't put much of a margin on those wines, because what will happen, then, is that the consumer, the price-discriminating consumer, will shift from market to market to market, always seeking out the lowest priced wine, because many of us who drink in that end of the market are not very discriminating with regards to taste. It's price that's of concern. So in those markets, Mr. Chairman, what you want to do, then, is have a much smaller margin. What you attempt to do as you look at these various markets, when you have a more inelastic demand, you charge a much higher relative price. In those markets where the demand curve is much flatter – and again allow me to use these props – this type of demand curve would look like this: it would be very flat. So any change in the price here leads to a very significant change in the quantity demanded, and you'd lose customers.

What I'm arguing, Mr. Chairman, is that the hon. Minister of Municipal Affairs really doesn't know anything about third-degree price discrimination. It's clear that his training in this regard is

somewhat deficient, and I wish that he were here tonight to enjoy what we're enjoying this evening. We'll see him tomorrow morning, actually this morning, at Public Accounts at 8:30, something we're all looking forward to on this side of the House.

So with regards to pricing, there is a fundamental flaw. It's very much like any type of flat tax. You know, you talk about a Flat Earth Society; you talk about flat taxes. In many instances they don't work. So what we want is a pricing mechanism that really seeks to maximize the revenues for the province of Alberta. If this government had done its homework, Mr. Chairman, had done a business plan, had talked to professionals in the field, they would know that a flat tax doesn't pay if your object is to get the maximum revenues for the taxpayers of Alberta.

I mean, I am concerned when I see, then, no business plan, when I see a discussion of pricing mechanisms which any of our third-year students would know doesn't protect the interests of the taxpayers of Alberta. Even our first-year students in economics at the University of Alberta would know this or they wouldn't in fact pass. So there are problems.

AN HON. MEMBER: Is there a test?

DR. PERCY: There's no test at the end of it, no.

There are problems. A business plan, then, would protect investors going into this market, but more importantly, Mr. Chairman, it would protect the interests of the taxpayers of Alberta, something that we on this side of the House are keenly interested in.

Pricing issues I think are very relevant and have been neglected in the business plan; the whole issue of zoning as well. I could go into an elaborate discussion of zoning, but I won't because I know my time is nearing an end. Suffice to say that had there been a business plan, had it been publicized, and had the municipal authorities known that there were going to be this array and clustering of liquor stores in their areas, they would have put the zoning regulations up front. Now they're reacting to a fait accompli, and it's very difficult for them to do that.

So when one is in favour of privatization but sees a Bill such as this, you're really torn, because you know it's not good economics. It doesn't protect the interests of the taxpayers of Alberta. It's not well thought out. There is no business plan. More importantly, what it does is really create distrust in the private sector about subsequent privatization initiatives, because the private sector now doesn't know what the rules of the game are. They'll change day by day because they make them up as they go along. It's not the way to run a business, Mr. Chairman, and it's certainly not the way to run a government.

Thank you very much.

MR. CHAIRMAN: Bow Valley.

2:50

DR. OBERG: Thank you, Mr. Chairman. It's with great pleasure that I stand here to give my maiden speech in the Legislature this evening. I think it's extremely fitting that at 2:50 in the morning I rise as a medical doctor to give this speech. It's very comforting that the Legislature has given me this opportunity so that I see so many smiling faces working, when I'm used to being up at this time of the night working. I really appreciate the opportunity that the Legislature has given me to do this.

As we just had a lesson in economics, I think it's time that we had a lesson in anatomy and medicine, because the most important people in the privatization of liquor stores are the people that walk into the liquor store, and, Mr. Chairman, there are no graphs

when it comes to people walking into a liquor store. Unfortunately, the people probably do not understand third-level pricing as well, or whatever it was. I'm sorry; I guess I'm just an ordinary person and didn't understand it myself.

Being from Brooks and being from an area where there are a lot of free thinkers and a lot of lone spirits, I think it's extremely important that I rise to talk on this, as privatization of the liquor stores is probably the first bastion of public government that hopefully will fall. I think we are seeing a change in government, and I'm hoping that this is the first step. I would like to stand here and give you my vision of government. But I'm sorry, Mr. Chairman; we only have 20 minutes to speak, and I find that extremely limiting at this time in the morning. I'm used to taking a lot more time at this time in the morning whenever I'm doing what I'm doing.

MR. CHAIRMAN: Hon. member, you're in danger of winning your own award.

DR. OBERG: Well, Mr. Chairman, one response to that is that being a member of the Deep Six, I'm not eligible for the Deep Six award, which is extremely gratifying.

Speaking on Bill 12, again, I see the privatization of the ALCB as an extremely important step by our government. I think that the government has to become more involved with things such as standards and outcome as opposed to direct hands-on managing of business. I'm sure the member across from us who was waxing eloquent about economics would agree that governments probably are not the best people to run individual businesses. I think that's something we've seen time and time again, and I'm certainly not proud when I say it. However, it is something that I believe strongly in. I think the sooner we get a lot of businesses over to the private sector the better, and I think at this time in the morning it's extremely important that we divulge that, as probably there'd be liquor stores still open right now. So I think it's extremely pertinent at this time in the morning that we discuss this. [interjection] Edmonton-Whitemud, thank you for that.

Actually, we could go on about the medical effects of moderate consumption of alcohol. Again I could go through the signs and symptoms of alcohol abuse, and I could also expound on access versus abuse and the fact that access has never been tied to abuse. The consumption of alcohol is actually dropping in Alberta. As the minister has told us numerous times, the consumption of alcohol in Alberta has dropped 25 percent over the past three to four years. I do not think this has anything to do with access to alcohol in this system, but I think that, more importantly, it has to do with the change in society's norms. I think that's an extremely important aspect that is not often considered when it comes to the privatization of the ALCB. I think the alcohol consumption rates are going to continue to go down regardless of whether or not there are 700 stores or 400 stores or 200 stores, as there presently are. And as people keep reminding me, farming isn't all that bad.

A lot has been said about the location of liquor stores, especially in the inner city, and I think that may well be a point that needs to be addressed. I feel that the municipalities have the power to address that particular issue, and I think it is imperative that we leave it in their hands. I think we'd be usurping the municipalities' responsibilities and obligations under their law if we were to make amendments that would suggest where the location of these liquor stores were to be.

Again, the municipalities are an extremely important part of our system. I think the inner city of Brooks is a good example. Thank you for bringing that up. In the inner city of Brooks we presently have three liquor stores located within a very short range.

We are going to be having another three open, which would bring it to a total of six. I as a medical doctor see a lot of alcohol abuse in the small towns. I am not anticipating seeing any increased abuse with the supposedly increased access. I think there are a lot of studies that I could cite, especially recent ones in the *New England Journal of Medicine*, about access and alcohol abuse. So I think that when it comes to privatization of liquor stores, there are a lot of things that need to be considered.

AN HON. MEMBER: Keep going. You're rolling.

DR. OBERG: Well, thank you. Thank you.

MR. DINNING: It's the third-degree differential pricing that got you.

DR. OBERG: That's right. Actually, keeping with the third degree, one thing that we do worry about is third-degree burns when people are involved in accidents secondary to alcohol abuse, so I think economics does actually tie in with the people that go into the liquor stores. So we are talking about a similar thing. Even though the hon. Member for Edmonton-Whitemud is an economist and I am a medical doctor, I think we are all dealing with people, and we are all dealing with the privatization of the ALCB, which the member across from us decidedly supported. He did have some problems on locations and third-degree pricing and things like that. However, I think that in principle he probably does support the privatization, because I truly feel that at heart he is one of us and is truly right-wing. I have people on this side that have sometimes differing opinions about that, Mr. Chairman, but I try to quell that dispute, and I speak highly of the member on the opposite side.

In summary, Mr. Chairman, should we privatize ALCB? I think that's an extremely important concept that our government has taken, and I certainly applaud the ministers involved. The final word that should always be remembered is that access has never been tied to abuse. The argument saying that more access will lead to increased abuse and increased medical costs has been debunked in numerous studies that have been put out.

With that, and seeing the fact that people are giving me the third degree here, and keeping with the third degree on the other side, thank you very much.

MR. CHAIRMAN: Calgary-Buffalo. Calgary-Buffalo declines. Edmonton-Roper.

MR. CHADI: Thank you, Mr. Chairman. I, too, am thrilled to rise today, tonight, this morning to speak in favour of Bill 12. Now, I have some concerns with respect to Bill 12, but all in all and generally speaking, I favour the privatization of the liquor stores and I favour the privatization of the warehousing and the distribution part of it. I'll get into that in a few moments.

The reason that I have some concerns is with respect to process at this point, Mr. Chairman. That is with respect to a half billion dollar industry that was privatized or is about to be privatized or is in the process of being privatized without the benefit of debate in this Legislative Assembly. We were all elected as members of this Legislature. We were all elected to ensure that corporations such as the Alberta Liquor Control Board are looked after in the best possible fashion, are looked after so that we can maximize any potential profits that we possibly can for the people of this province. That's what we're here for: to indeed look after the affairs and the money that we the taxpayers of this province are

putting up. We have to spend those funds in the most frugal manner possible.

3:00

So when we talk about privatizing a half billion dollar industry, and we talk about it in the realm that we never had any benefit of any debate in this Legislature, it gives me grave concerns. What else could be privatized in that way? When I start talking to my constituents and I tell them that we went through the privatization because – every constituency in this province, I'm sure, every single member in this House must have heard from their constituents when it came to privatizing the ALCB. I'll bet that many of them don't even realize that as elected Members of the Legislative Assembly we had nothing to do with it. We never even had any debate in this House. We didn't even know it was happening until the papers told us it was happening. It wasn't a situation where the minister got up and said, "We will be doing this tomorrow" or "We will be doing this next week." Even the employees, Mr. Chairman, had no knowledge about what was happening. I'm told that employees learnt via the radio that indeed they were going to be laid off – via the radio. Can you imagine listening to the radio and hearing this, that you're now fired?

That reminds me of something. I was on TV the other day, and my executive assistant who runs my constituency office was also there, so I asked her . . .

AN HON. MEMBER: She told you you were fired?

MR. CHADI: Yeah. I had the earphones on, and I was talking to the people in the sound room, and I suggested at that point that they should call in my assistant. So they called my assistant into the sound room, and as soon as I knew she was in there I asked if she could hear me, and indeed they nodded and said: yes, she can hear you. I said, "Patti, if you can hear me, you're fired." You should have seen the look on their faces. I mean, everybody roared in laughter, but I don't think that anybody was roaring in laughter when they heard on the radio that they were going to be canned. That's got to be an awful thing to have happen to you.

With respect to the half billion dollar industry and the privatization of it, let's go on to say that I think the process is further flawed by the way we went about selling these stores. I don't like using the term "selling," because I don't think we sold anything here. All we did was shut these stores down, and it's quite clear that we have within Bill 12 getting out of the retail and the leases. All we did was shut down these stores and then try to get out of the leases if we possibly can.

When we advertised all of this, there was much interest in these stores. There was much interest in people getting class D licences. But I feel that we could have maximized our profits had we taken each individual liquor store that we had in this province and set a value on it. We should have gone to each store and said, "This is what we think this is worth based on sales, based on the equipment that we have in there, based on how much we're paying for a lease, or based on the fact that we own the land and the buildings, and this is what the market value of that land and building is." So you take all of that into consideration, Mr. Chairman, and you could come up with an asking price. I feel that's what we should have done for every single store throughout the province.

I give you an example. We have one store on 106th Street just north of Jasper Avenue here in the city of Edmonton. This store was doing in the range of about \$20 million in sales, \$20 million in liquor sales. That's what this store was doing. Even at 6 percent it would do \$1.2 million in gross profits. But, indeed,

when I see the financial statements of the ALCB, that store was doing \$1.3 million net for the ALCB – \$1.3 million net. Let me suggest to you that even with gross profits of \$1.2 million under privatization, it would mean to me, anyway, that that store is worth some money. The goodwill aspect attached to that should have brought us some money here. We shouldn't have dumped it. We shouldn't have just locked the doors and taken all the fixtures and the equipment out and tried to sell it by auction. What we should have done is said, "This is what this store is worth; this is how much we have to get out of it." I submit to you, Mr. Chairman, that I feel we could have probably realized another \$2 million, perhaps \$3 million quite easily on that store alone. We let it go. It's gone. It's history now, and we won't cry over it any longer.

But let's look at other stores. Let's look at rural Alberta. Let's look at the stores that we have all across these small towns and say: what about them? What about the land and small buildings that were worth, say, \$25,000, \$30,000, the businesses probably somewhere in the range of maybe \$30,000, \$40,000, the equipment that was in those stores? We could have gotten somewhere in the range of \$100,000 perhaps out of each one of these small places that the hon. Minister of Municipal Affairs deemed stuff that was not worth anything. I submit to you that we made a grave error here. We did it because we didn't consult; we didn't talk about it in the Legislative Assembly. We should have had debate. That is the reason I stand before you today, Mr. Chairman, and speak out against this: because I think this is the only chance we've had.

When we look at the existing leases that we have to perhaps buy out, this scares me. We could perhaps be paying up to a million dollars on one of the stores alone – that's Fort Saskatchewan – that we signed literally days before the idea or the notion of privatization came into play. A 30-year lease at \$100,000 a year, Mr. Chairman: that's \$3 million. Now, if that landlord wanted to play hardball with us, as the government we're going to have to pay out that lease. I say to you that that could be as high as \$3 million, if we wanted to pay that out. I would hope that's not the case, because if that is the case, then we're in grave trouble here. I think that Fort Saskatchewan is not unique. We've got them all over the province.

Another thing that just comes to mind is the computer system that we had invested in. It's something like \$6 million. Literally days – I think we signed the cheque just after we announced privatization, and the cheque went out for the computer system. Now, that's not planning. That's the worst thing I ever heard of in my life. I can't believe we would actually do something like that, that we would get involved in a situation where we'd expend those kinds of funds so foolishly, without any regard for the people that are putting those moneys up. Let me tell you; I as a taxpayer and every single person in my constituency, those people who are paying those taxes, it hurts us. Every time I have to sign that cheque to Revenue Canada or to Alberta corporate income tax, it bothers me to no end. We've got all sorts of taxes to contend with, let alone those that are being spent without regard for us taxpayers.

When we talk about the privatization of the stores, I agree with the fact that we privatize the stores, so I'm taking it a step further, Mr. Chairman, and going on to privatizing of the warehousing and the distribution as only a natural, and I believe in that. I think that we have to go that step further. We have to ensure that all aspects of liquor are privatized. The reason I say that is because I've heard objections to the fact that perhaps liquor prices in northern Alberta or some in southern Alberta could be a little bit more money now because the ALCB will not subsidize the freight.

Prior to privatization the freight was all being subsidized. Somebody living, for example, in Fort Chipewyan, where there are no roads to get in or get out and the only way to get in would be either by barge or by airplane – the people in Fort Chip are buying their alcohol for the same price as somebody in downtown Edmonton. One might say that that's mighty fine; that's mighty great of the government; that's mighty generous; that's mighty nice. I'm sure there are people who say that there should be nobody that has to pay a premium for liquor up in Fort Chipewyan, as they would here; it's just not fair. I'm sure those arguments have been – but I say to you, what about milk prices? What about the staples? What about food? We subsidized alcohol, but we couldn't subsidize milk for children up in Fort Chipewyan. That's a grave mistake, and I'm glad it's over with.

3:10

MR. GERMAIN: Someone's got to speak up for Fort Chipewyan.

MR. CHADI: Absolutely.

I have no sympathy whatsoever for anybody having to pay a premium for alcohol because they live in a remote area. I have no sympathy whatsoever. Now, I have sympathy for them when they have to pay \$10 for a 10-pound bag of potatoes. That's where my sympathies lie.

So when we talk about the privatization and the distribution of the warehousing, it opens up a great number of business opportunities, Mr. Chairman. I think that it goes far beyond having a store on every corner, because I disagree with the fact that this is going to lead to 700 stores. Something was said that in Iowa they had 700 stores or 800 stores, and then it dwindled down to something like 150 stores. I can see that happening over there. I really don't see that it's going to happen in the province of Alberta. I think people are more cautious. People understand what's going on. In the beginning there was a little bit of uncertainty. Well, there was no light in the beginning. That was it. Then they saw light. That's the way it ought to be. It ought to be that the government shed some light on this, and it's high time that they did. I believe that because people got so into it and tried to understand what was going on, they made every effort to and finally did understand some of the requirements for this class D: who could have a licence, and how many in a certain jurisdiction.

I think the distribution is going to be far more effective. We can have wholesales in southern Alberta. We can have wholesales in Brooks. We can have a wholesale in Medicine Hat. We can have one in Lethbridge. There's no stopping it, and I agree with it. As a matter of fact, if I weren't a Member of the Legislative Assembly, I can submit to you, Mr. Chairman, that I'd probably be out there trying to get one of these myself and maybe more than one. I think I would try for southern Alberta and northern Alberta.

AN HON. MEMBER: What about central Alberta?

MR. CHADI: And central Alberta – I've heard that one tonight too – and a little bit west. As I drive towards Fort McMurray, when I reach Wandering River, I can assure you, Mr. Chairman, I wouldn't turn right, because if I remember correctly, that would lead me right on to the bush road that would take me perhaps to somewhere around Avenir, which is on the road to Janvier and Conklin. I could perhaps connect and get back to Fort McMurray. I'm not quite sure if that leg of the road is finished, because at one point Alberta transportation started building the road right at Conklin, in the middle of nowhere, and then worked its way up. For the life of me, I couldn't figure that one out, because we had

to ship everything by train to get to a certain area called Conklin in the middle of the bush and then start building our roads outward.

In any event, I think that privatizing the warehouses, I'm in favour of. There's no question about it. There's one thing, though, that kind of strikes me and bothers me a little bit, and that is that when I read a local rural newspaper just the other day, it said that because there was no bid on the local liquor store there, the ID, the improvement district, and the town got together, and they're now making a bid to buy the land and the building so that they can run the liquor store. I thought it was rather stupid. One government, we, trying desperately to get out of the business of being in business, particularly with liquor stores, and here yet another government just diving right in. You know what else really got me, Mr. Chairman? That town, that community, and the people on that town council and the ID council had the audacity to suggest and implement a bylaw that said that if they owned the liquor store in that community, no one else could open another liquor store there. Unbelievable. What are we doing? We've got to sit back now as legislators and say, "Hey, listen." We've got to advise these guys that you can't do that, that you shouldn't do that, that it's wrong to do that, that we have worked for so long to try and get out of business, we shouldn't allow that to go on in those sorts of communities, particularly in rural Alberta.

With respect to crime and additional crime I think we do have some grave concerns when we privatize if we don't restrict these class D licences. When I spoke with the hon. Minister of Municipal Affairs at one time, he did mention to me that what he wanted to see were ma-and-pa operations and he didn't want you rich socialists to own these big stores. Well, I can say to you, Mr. Chairman, that what I think is going to happen is that you're going to end up with a couple of ma-and-pa operations that will ultimately go broke, because what's going to happen here is that the people who can survive will survive and the ones that can't will go broke.

[Mr. Clegg in the Chair]

I can tell you that in Edmonton a couple of years back we had a grocery store or a convenience store on every street corner that you can think of. I mean, you couldn't drive down a five-block radius without seeing 20 of these convenience stores. Where are they today? They can't compete with the big stores. Look at the Safeways that were out there. Where are they today? Where are the IGAs? They're shutting down. They're being stamped out like flies because the big boys are here, and it's only a matter of time before we start seeing that happening with the liquor stores. It's survival of the fittest in a market economy, and I suggest to you that the small stores will eventually get eaten up. You're going to have the big stores anyway. It's a reality. It'll happen, and I don't think we ought to be surprised to see it when it does in fact happen.

I think I'd like to stop at this point in time. I think perhaps there are others on this side of the House that want to speak.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The hon. Member for Three Hills-Airdrie.

MS HALEY: Thank you, Mr. Chairman. I rise to speak in support of this Bill. I think what we've done is create an opportunity for a large number of businesses in Alberta. I'd like to speak specifically about my constituency, Three Hills-Airdrie, where just in one part of it we now have six people who have

applied for licences to sell liquor compared to one. We have an even distribution of liquor stores on both sides of the city now. As we're split by Highway 2, it makes it kind of nice for the 6 and a half thousand people that live on the east side to be able to shop a little closer to home. It's also spun off a number of other jobs in that construction is being done in six different places in Airdrie right now to create the liquor stores. So it's putting money into our community in a number of different ways.

When you go down the road to Three Hills and Trochu, there's also private industry going on there, Mr. Chairman. I have received phone calls from people saying that this is a great idea, that it's about time, and that they're delighted that we're finally doing it.

I don't understand third-degree economics, but I do understand economics in that if people want something, they will find a way to get it. This private enterprise has a wonderful opportunity in it. If you're a good businessperson and you work hard, you'll probably make it, and if you don't work hard and things don't go well, you won't. That's the way it is in private business. It's a lot easier for government to keep throwing money at a problem. It's not so easy for private business to do it, so I know that when they do it, they're sitting down, they're thinking about it carefully, they've worked out their business plans, and they are going to try and make it succeed.

When you talk about professionals in the field, I think that the people who run ALCB are professionals in that field. That's what they've been doing, and they're the ones that advised the minister on how to proceed. I have to have a certain amount of faith in them and in Bob King, who is chairman of that. I believe that the way they set it up was probably the only way that it could be done. I don't think you can announce months in advance that you're going to do this. It doesn't accomplish anything to do that except cause frustration for employees. I know they heard about this in a hard way, and I understand their frustration, but many of them are going to be working in the new stores, plus a whole lot of other people that weren't working in a liquor store before or in a small convenience store that will be handling liquor will also have jobs. I have a small store in Acme. They're absolutely thrilled that they're finally going to have an opportunity to increase their business, their sales, in a month. They've been struggling for 10 years trying to keep their little store together, and it means a lot to them. I'm delighted that they're finally going to have an opportunity to try.

3:20

When you talk about elasticity of demand, I think that what we've seen over the years is that demand has pretty much stagnated; it's dropped. Even though we've got probably four times more stores now – 800 versus 200 from even five years ago – the actual sale of liquor has declined, but the sale of wine and beer has gone up. I think that's really important to some of these smaller stores, because the main part of the sales they'll be handling is in the cheaper ends, not in the cognacs that sell for \$200 a bottle or whatever. There'll be liquor stores that can handle that, but the vast majority of the smaller ones won't anyway.

With regard to the bidding on the sites and successor rights, people who are interested in buying the actual sites have been informed of that. They were informed of that when they put their bids in, and they've made decisions on whether or not to proceed. Nobody's forced anybody to do anything in this. That's the beauty of free enterprise.

When you talk about little can't compete and big will take over, I have a hard time with that. Maybe there's not a mom-and-pop

store on every single corner, but there are sure a whole lot of them out there. I really don't think that only the Safeways will be selling liquor in the future. I think there are a lot of small stores that will continue to compete and do a very good job.

With that, Mr. Chairman, I would like to conclude my remarks. Thank you for the opportunity.

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

MR. DICKSON: Thank you very much, Mr. Chairman. You know, there are always a lot of lateral benefits in being able to sit in the Chamber and hear a lot of learned MLAs speak and talk about issues from their perspective and in a way that reflects their own values and their own background. Tonight's been no exception, and I find I've learned even more at almost 3:30 in the morning than I have many evenings when we've finished at 10 o'clock or so.

For example, I learned tonight there's an inner city in Brooks, Alberta. I can't wait. My in-laws live in Medicine Hat, and I frequently travel past Brooks, and I can't wait. I'm going to make a special detour next time, Mr. Chairman, to go and have a look at the inner city in Brooks. I'd never appreciated that there were three liquor stores before. I want to make a tour, because I'm just fascinated that we had that concentration of stores before.

The second thing I learned tonight, Mr. Chairman, is that after listening to the confession – it wasn't a confession; my colleague from Edmonton-Whitemud I think was telling us he only drinks wine from screw-top wine bottles. My immediate step after I leave here is to take whatever steps I can to ensure that this man is taken off the Christmas party social planning committee. If this is where this man buys his wine, I think that we can do better for our Christmas party. So there are all kinds of things one can learn.

Mr. Chairman, we've heard a lot of discussion at different stages of this Bill and some interesting observations tonight, but it's clear that there are two things that Bill 12 is not. The first one is: this isn't a Bill about privatization. You know, I have a great deal of respect for the Member for Bow Valley, but, with respect, this isn't a vote on privatization or against privatization. I don't know of a single member on this side that doesn't support privatization. What we're voting on is a specific Bill, a specific plan, and if it's a lousy plan, it deserves to be voted down and rejected. It can only stand on the basis of the way it's been constructed, the way the component parts work together or fit together. From where I sit, my perspective – and I think my constituents in Calgary-Buffalo would find – this plan doesn't work very well together. This isn't a well-constructed scheme. So, with respect, I think it's nonsense to talk about this: if you support privatization, you have to vote for Bill 12. I don't accept that, and I encourage other members who may support privatization but have reservations about this plan to do the same thing.

I said there were two things that Bill 12 clearly is not. Just to sum up, one is that this is not a vote on privatization or against privatization. The second thing is that some members may be labouring under the delusion that Bill 12 simply deals with the wholesale end of things – warehousing and distribution at the wholesale level – but it's clear from the dogmatic presentations from the Minister of Municipal Affairs that this is the cornerstone in his comprehensive regime to create a new delivery system for alcohol across the province. So we're not dealing just with Bill 12; we're also dealing with the cornerstone or the building block upon which this government has built their entire proposal and scheme for liquor distribution in the province of Alberta.

So I think it's fine to deal with Bill 12 in a narrow sense, but I invite members to look beyond that and recognize there are numerous other issues that are going to follow and are going to be necessarily incidental to implementation of Bill 12.

Now, with respect to the Bill itself – and I'm happy to advise members it's not going to be necessary to haul out an overhead projector. We don't have any charts. We'll leave that for the Member for Fort McMurray, who I understand is working as we speak, Mr. Chairman, on a presentation that's going to electrify all members in this Assembly. He's promised that he's got some aids and some devices that are going to assist all members in providing one of the most impactful, one of the most riveting presentations that this Chamber has ever seen, certainly in this short session.

Now, Mr. Chairman, it's fine for the Member for Bow Valley to say – what was his comment here? – that he's interested in outcomes. He's anxious that the government get out of the liquor store. We heard the Member for Three Hills-Airdrie talking about the jobs that she expects she's going to find in her constituency. But, you know, what I haven't heard addressed is the social cost. If there's one aspect of privatization that seems to have been shunted off to the side if not wholly disregarded it's the social impact that's going to flow or the likely consequences of this kind of a dramatic shift in the way alcohol is available. I may be a supporter of privatization, but is it too much to ask, is it unreasonable to ask that the government and each of the ministers sitting opposite would go through and examine this proposal, this radically different way of delivering this service and explore how it's going to impact in each one of those departments? I would have thought that that would be sort of a minimal level of competence. Is there anybody that wouldn't expect every minister in this cabinet to assess what kind of an impact the private distribution of alcohol is going to have from their own departmental perspective?

What's apparent is that that has not happened. To me that in itself is surprising, and what that starts to do, then, Mr. Chairman, is cause all concerned and responsible members in this Assembly, and I think there are 83 of them, to then question whether this government has thought through the various incremental stages that have to be followed and have to be traced to be able to establish this regime of distribution of alcohol from a large number of privately owned locations. You know, we often get criticized that we continually ask for the plan, we ask for a system. But I think the responsible thing for legislators is not to make ad hoc decisions, not to say, "Well, this sounds like a great idea," so we bulldoze in there and do this without considering how it's going to impact in other areas. That's really all members on this side are asking for. I don't think that's unreasonable, Mr. Chairman. I see from the way you're nodding that you're sympathetic with that perspective, and I expect all members are sympathetic with that perspective.

**3:30**

Now, Mr. Chairman, when we're talking about problems associated with it – and these may not be problems that necessarily have to derail the privatization of alcohol distribution – surely there are reasonable questions that at least warrant a thoughtful response. We don't hear that thoughtful response, or we haven't to this point. It's clear all the departments haven't looked at it. What we now find is this bizarre situation where we have the Minister of Municipal Affairs, the minister responsible for this privatization scheme – when he's asked, "What are you doing to work with the municipalities to be able to manage this new challenge?" his response is, in a metaphorical sense, to shrug his shoulders and say: I phoned Jan Reimer, the mayor of Edmonton,

20 minutes before question period and told her I was prepared to work with her. Well, there's more than one large urban centre in this province. What we've seen in my city, in Calgary, is that there's substantial concern by the city council, by the mayor in terms of what support they're going to have to make the changes to be able to manage this new alcohol distribution plan. It seems to me the Edmonton Police Commission did a report that identified a large number of concerns with private distribution of spirits.

Well, it seems to me it's not too much to ask, or I wouldn't have thought it too much to ask, to have that consultation happen first. Instead, what we have in Alberta is that the minister has charged ahead as he's wont to do, he's got his plan, and after he's been processing applications and determining who's going to get a licence and who isn't, he then says, "Oh, well, it's up to the cities to exercise their land use controls; it's up to the local police commissions to deal with this." Well, that doesn't sound very responsible. It doesn't sound like a fair way of treating those municipal governments, Mr. Chairman. It would have made more sense to me if when this plan was first hatched, before it ever got to legislative form, the minister would have sat down with those municipalities and indicated: "What problems are you going to have with this? What changes are going to be required in municipal legislation? What kind of support are you going to need in terms of law enforcement?" [interjections]

We hear comments from members opposite that aren't prepared to acknowledge the fact that this isn't necessarily a win/win proposition. I'm disappointed that after the good questions that have been asked in this Chamber and some of the pointed questions put to the Minister of Municipal Affairs, we still have members opposite on the government side who don't see that there are any resulting problems that flow with this kind of alcohol distribution. I'm not suggesting that the problems may have to derail the whole plan, but is it not prudent, Mr. Chairman, to at least do the consultation first instead of rushing ahead with a plan and then saying to the cities, "It's your responsibility to try and sort this out later" and saying to the police commissions and police forces, "Well, you have to deal with this after"?

The Member for Bow Valley said that studies he's aware of show there's no problem in terms of increased violence, increased crime as a consequence of private distribution of alcohol. Well, we've tabled five different reports that suggest the contrary. A study by the Edmonton Police Commission: the Edmonton Police Commission reviewed studies that had been done in five other provinces. Now, it may be that members opposite are prepared to discount those studies, but I don't think Albertans are. I think we expect to see a little more thoughtful response from members opposite and from the government in particular. Specifically in Calgary, we heard the Member for Calgary-Currie raise a concern the other day in terms of the number of liquor stores that would be on 17th Avenue. Now, I understood that liquor stores in Calgary that were of concern were on 17th Avenue SE, and it may well be she's aware of a number of liquor stores on 17th Avenue SW. In any event, I think the city of Calgary, the City of Edmonton, every municipal authority in Alberta, wants more information and wants an opportunity to be able to discuss how this is going to impact them.

I understand, Mr. Chairman, that there's some renewed interest on the government side. I'm hopeful that before we finish, those members who are now so vigorously shaking their heads are going to be motivated to stand up and speak and put it on the record. I think their constituents want to hear why they're shaking their heads when I suggest we should find out what the problem is going to be with law enforcement. Albertans and their constituents want to know why they're shaking their heads when I suggest

we should make some inquiries and find out what problems we're going to have in terms of land use planning. I'm counting on those members to stand up, not speak from their seats where *Hansard* can't record it, and put their comments on the record, and then we can deal with them.

Mr. Chairman, there have been all kinds of questions raised in terms of lease buy-outs, and I don't think that's been adequately addressed either. We talk about what's happening at the municipal level. It occurs to me there's another issue that hasn't been dealt with by the government. There's a municipal planning authority, which is a provincial body which assists municipalities, mainly the smaller municipalities. It would seem to me to be a fairly modest, reasonable proposition for the provincial government to ensure that this body is able to provide some support to smaller municipalities in preparing the stage for private liquor distribution. I haven't heard of that being done, and I'd like some indication from the members opposite what's been done in this respect. We haven't been able to get this information from the Minister of Municipal Affairs, the minister responsible for privatization, and I'm hopeful we'll get that before the end of the evening. In fact, with any luck, perhaps the Minister of Municipal Affairs will be in touch with his caucus Whip and I'm sure would be delighted to come down here if he were contacted before 4 o'clock. I expect we'll be here for at least another hour and a half or so, and maybe the Minister of Municipal Affairs will be able to come down and join us. We're having an absolutely engaging time, and he would probably be able to shed some light and clarify some of these matters now that seem a bit shaded.

MR. KOWALSKI: He's coming at 9:30.

MR. DICKSON: At 9:30. I appreciate from the Deputy Premier, the Government House Leader, that assurance, that the minister responsible will be here. I encourage all members to make careful notes of whatever questions, queries they've got, and when the hon. minister is here at 9:30, perhaps we could . . .

MR. KOWALSKI: He isn't the sponsor of the Bill, remember.

MR. DICKSON: Well, that's true, and I heed that admonition from the Deputy Premier. That's always useful instruction. I've perhaps been unfair to the Minister of Municipal Affairs. I've been focusing on him. For some reason, I had it in my head that this whole alcohol distribution privatization scheme was animated by one man. I made that mistake, Mr. Chairman. I've done an injustice to the caucus, because I now get the signal that this has actually been a decision of a much larger number of people. When one sees the ferocious and tenacious way the Minister of Municipal Affairs has been spiriting this liquor privatization scheme through, I might be forgiven for assuming he was the one quarterbacking this plan and not some other member of his caucus. My comment, in any event, would be that I still think it would be useful for the Minister of Municipal Affairs to join us. I hope we will have the chance at 9:30 this morning to be able to put questions to him.

I understand there's some debate. I want to be fair, Mr. Chairman. I understand some members of my caucus are not sure that would advance the cause of the debate or elucidate any of the points that are at issue now.

3:40

A good example of the problems we have with this whole privatization scheme. On November 2, when the hon. Minister of Municipal Affairs was asked about the municipal by-law problem,

do you know what his comment was? He said: well, there may be an issue in the inner city, but here's what we're going to do; we let one store in Edmonton open at 8 o'clock in the morning. I think his response was that that was a way to curb some of the abuse problems that might otherwise happen in the inner city in Edmonton.

[Mr. Tannas in the Chair]

I guess we have to give the minister some credit, or perhaps Mr. King, the chairman of the Alberta Liquor Control Board, may have to give him some credit for coming up with that proposal. But it seems reasonably clear that the government is going to have to do a great deal more, Mr. Chairman, much, much more, to be able to accommodate those legitimate concerns of the police forces, police chiefs, the municipal councils, and the mayors.

Mr. Chairman, when we address this whole business of municipal planning, there's a bit of misapprehension that many members may have, because as often as I've heard the Minister of Municipal Affairs respond to this question from the land use perspective, typically what he has said is that it's up to the municipal councils to regulate where the liquor stores are going to be. I think members in this House . . . [Mr. Dickson's speaking time expired]

MR. CHAIRMAN: The Member for Edmonton-Norwood.

MR. BENIUK: Thank you, Mr. Chairman. [interjections] I am delighted that I brought my own cheering section. As you can see, the member opposite is most helpful.

Mr. Chairman, I will speak against Bill 12, the Liquor Control Amendment Act, 1993. I support the concept of privatization. I probably would have supported the privatization of the wholesale operations. I cannot do so for a very obvious reason, which I will now go into.

The minister responsible for the Liquor Control Board has commenced the privatization of the retail portion of Alberta Liquor Control Board operations. What we have is chaos. There are stores closing, but there are also employees in these stores that were given termination notices and then given notices that they would like to be kept on on a short-term basis. We have a situation where numerous stores are going into small, condensed areas in urban centres, and the mayors of Calgary and Edmonton, the city councils of Calgary and Edmonton are very upset. Some businesses that applied for the liquor licences were surprised, in fact were shocked, that on their streets there might be five or six or seven liquor stores within a block or two or three or four. In short, there is chaos.

Now what we're doing is going one step beyond. We are going to privatize the wholesales. This reminds me – and I noticed other people were using graphs, diagrams. Mr. Chairman, I would have loved to have brought a couple of pictures in. I think this is most appropriate. One would have gone back to the 1960s, when the Vietnam war was on and President Johnson of the United States insisted that the war continue. It had a soldier carrying a gun over his head, walking into the water as if he was going to drown. Another one had soldiers marching into an airplane as if they were going into a black hole. Here we have a minister who has created chaos. He has created chaos in the retail portion of the liquor business.

#### Point of Order Relevance

MR. KOWALSKI: Point of order, Mr. Chairman.

MR. CHAIRMAN: Point of order, Deputy Premier.

MR. KOWALSKI: I would like to remind all members of the House, Mr. Chairman, that this Bill we're debating is in the name of the Member for Grande Prairie-Wapiti. It's quite incredible to me, if we're going to talk about relevancy, if we start talking now about unknown authors who are not associated with the Bill. It's now the last three speakers in a row who have done that. Surely there comes a point in time where relevancy must apply. I know there's a filibuster going on, and we all appreciate that, but President Johnson of the United States of America is totally unrelated to Bill 12, the Liquor Control Amendment Act, 1993, which has been introduced by the Member for Grande Prairie-Wapiti. I think there is some need to focus with respect to this, if we could.

MR. CHAIRMAN: Edmonton-Norwood, you are going to be on the Bill?

MR. BENIUK: I would first like to respond to the Deputy Premier. I did not say that the author of the Bill was the minister. I said: the minister responsible for the Liquor Control Board. He is in charge of the Liquor Control Board. He is in charge of the privatization. If the Deputy Premier wishes to read *Hansard*, I did not refer to the minister as being the author of this.

As it regards President Johnson, I was simply pointing out that as chaos is being created – and the city councils of Edmonton and Calgary confirm this – the people living in urban areas, in the inner cities are protesting. There is chaos. People that have applied for licences are having second thoughts. There is chaos. Stores were supposed to close. Employees that were given notice, as I mentioned, have been asked to stay on. So there is chaos.

Now, there was also this: regardless of what happens, we're going to march forth. The analogy of comparing it to another situation I think is most appropriate.

#### Debate Continued

MR. BENIUK: Let us continue, Mr. Chairman. As Alberta has for decades been a jurisdiction that has had reasonably tight control over liquor sales, wholesale and retail, to overnight go from a situation of control to virtually no control will also create more chaos not only in the retail sector but in the wholesale sector. For example, we all are aware that in the news there are many stories about the smuggling of cigarettes across the border because cigarettes in the United States are less expensive than here. As we go from a system of control, if the wholesale operations remained in place for a year to a year and a half to two years as the retail private sector took root, you would then have a situation where we could ensure that an industry generating half a billion dollars in revenue – net revenue, I might add – for this government, for this province would not be jeopardized. The funds are crucial. [interjections]

3:50

MR. DAY: Don't let a little hilarity stop you, Andrew.

MR. BENIUK: I find it interesting, Mr. Chairman, that the Minister of Labour finds it hilarious that people working for the liquor board are given notices to terminate, that they're given notices that if they want to collect unemployment insurance, they should sign a form saying that they'll work on a temporary basis. I find it hilarious that a half a billion dollar industry is being privatized that could jeopardize a half a billion dollars in revenue for this government when they're cutting education, health care,

et cetera. He finds it amusing that that money is put in jeopardy. I find it interesting when you have privatization taking place in the retail sector and there is chaos. They're going to generate chaos now by this Bill, by implementing a private-sector wholesale operation at the same time. You cannot go from a system of control to one without control without creating more chaos when you privatize the wholesale operations.

Let me put it to you this way, Mr. Chairman and members of this Assembly. What controls, what accounting mechanism, what regulations are going to come into place to make sure that every bottle of spirits that is sold through the retail operation is properly taxed from the source all the way to the retail operation? If you privatize the wholesale operation immediately, as you're doing the retail, there will be chaos. The question then arises: if funds are going to be lost, if revenues are going to be lost, what areas are going to be affected? We are talking of half a billion dollars here. Are you going to end up cutting more health care, education, advanced education? Where does one draw the line?

Now, the minister responsible for the Liquor Control Board, who is not the person that is responsible for the Bill, has stated that it is the responsibility of the municipalities to bring in zoning bylaws. He is washing his hands of all responsibility in saying that it is somebody else's. As the wholesale is privatized and problems arise, will he be doing the same thing, or is he going to turn around and accept responsibility? As social problems arise, is he going to be doing the same thing, or is he going to be taking on some responsibilities?

At the present time, I believe the liquor stores will be able to make a minimum 6 percent on the liquor. What is the price of liquor? What revenue will this government receive if the wholesale is privatized at the same time as the retail outlets are being privatized? The question is not if we support privatization or not; the question is the timing. Should we not ensure that the retail outlets are properly in place, that the problems associated with them have been overcome, before we go the one extra step and privatize all potential control over the retail operations?

I believe it was the Member for Bow Valley who made a statement which I think is priceless. I believe his exact quote – and I don't have *Hansard* with me, obviously, because he spoke just a few minutes before – was to the effect: government is not the best people to run businesses. I would suggest to you, based on the example offered by the minister responsible for the liquor board, that government is also not the best people to privatize, because their methods of privatizing result in chaos. We are giving up a great deal of revenue, valuable stores, et cetera, for what?

I wonder if the Minister of Labour, who found something quite humorous a few minutes ago, has started to take a look at the labour implications, union contracts, et cetera, when the wholesale operations are privatized.

AN HON. MEMBER: Question.

MR. BENIUK: If a person has a question, I would – no. I think he should wait to ask the minister after I finish. I don't believe, Mr. Chairman, that I should be answering for the minister.

#### **Point of Order Imputing Motives**

MR. McFARLAND: Point of order.

MR. CHAIRMAN: Point of order, Little Bow, with citation, please.

MR. McFARLAND: Standing Order 23(i).

MR. CHAIRMAN: Standing Order 23(i), imputing motives. Okay, explain.

MR. McFARLAND: I believe the member presently speaking is taking credit for something that I don't believe he rightfully can take credit for: being a minister. That's a motive, in my opinion.

MR. CHAIRMAN: I'm sorry. The Chair misses, at this late hour, the relevance.

Edmonton-Norwood, if you'd continue.

MR. BENIUK: Was I just accused of assuming I was a minister or something? That's what it sounded like.

MR. CHAIRMAN: I don't think the words are debatable.

MR. BENIUK: Oh, he wishes I was the minister. A misunderstanding.

May I continue?

MR. CHAIRMAN: Edmonton-Norwood, please continue.

MR. BENIUK: Thank you.

#### **Debate Continued**

MR. BENIUK: One of my major problems with supporting this Bill, in addition to the chaos it's going to create or accelerate, is the fact that there will be no control in the short term as we're going through this process of ensuring that there is no smuggling of liquor, which would make it a very profitable operation, and that the products being sold in the retail outlets are properly taxed.

One of the major problems of the retail outlet also reflects on the wholesale. Too many retail stores have gone into the inner city. Is it conceivable that along the main arteries, including the Yellowhead, the wholesale operations will go? At least half of the Yellowhead is in my riding. [interjections]

MR. CHAIRMAN: Edmonton-Norwood, please continue. We only have a moment left.

MR. BENIUK: Mr. Chairman, this is sort of an aside, but I must tell you. I was speaking once in this Assembly, and there was so much silence – in fact, I was speaking on multiculturalism – it was deafening. I stopped. So when there's the Minister of Labour finding something humorous when I talk about labour or other topics dealing with the Liquor Control Board or other people, believe me, their adrenalin flows.

AN HON. MEMBER: Whose?

MR. BENIUK: Well, mine, and I'm hoping everybody else's in this Assembly and the government Whip too. But once again, Mr. Chairman, I think they should be asking questions of their minister rather than asking questions directed towards me.

4:00

My understanding is that the wholesale operation does not have a tax. What it has is a built-in profit. They buy at one price and they resell at another, and the wholesale operation makes the profit. So what mechanism is going to come into place once the wholesale operation is privatized? Are there provisions coming into place for a tax to come in where the profit was on the

wholesale operations? This is a crucial point. We're talking of a half billion dollar profit margin.

The present people who are applying for and will be receiving shortly their licences for retail operations are going to be greatly affected by how the wholesale operation is working. Have there been any consultations? Has any material gone out on what changes there will be with the private retailers? These questions should be answered before we pass this Bill. We should know what is going to happen.

I repeat, as I said at the very beginning, that I support the concept of private enterprise, but when you go from a situation of total control overnight, retail and wholesale into private, you're going to have more chaos than we can handle. What we should do is go with the retail, wait a year, a year and a half, and then proceed with the wholesale. For those reasons – for those reasons – I will vote against this Bill. If this Bill had come in a year from now, a year and a half from now, I probably would've voted yes in favour of it, but I will vote against it because of the timing.

Thank you.

MR. CHAIRMAN: Edmonton-Avonmore.

MR. ZWOZDESKY: Thank you. I can't tell you what a great delight it is to address this wonderful Assembly at 4:03 a.m. I've been looking forward to this for quite some time because I'm actually in favour of privatization as a concept, Mr. Chairman. As I make that comment, I always remind myself that the less government there is, the better. I think that most taxpayers of Alberta would agree. It's a situation where the ever encroaching arms of government have rather enveloped us more firmly, at least in the most recent past. It's probably time to break away from some of that.

Whereas I would favour privatization into many different areas, I'm still in a bit of quandary as to whether or not I favour it when it comes to this particular area. Rest assured, I am trying to absorb voting for this motion, but I am having some difficulty with that. I wish to explain a few points as to why.

One of the many wonderful features of my particular constituency is the fact that it is largely residential. As I weigh that factor against this Bill to bring in privatization of liquor, I wonder what sort of an impact it's going to have in my constituency on my constituents. Being that it's a family-oriented neighbourhood, naturally there are many individuals there with young families. These young families, of course, boast very beautiful young children, and it is these children that I think are the most vulnerable and the most innocent.

I love a parade. I love to see this parade that is forming behind me. I take it as a sign of real solidarity, and genuinely I appreciate it, hon. members.

AN HON. MEMBER: We're not trying to interrupt you or anything.

MR. ZWOZDESKY: No, I'm sure it's not intended as an interruption. In fact, I welcome it. It's good of them to come by to gain a little bit of insight from our end.

The young children that I was speaking about are primarily the ones I'm concerned with when I think about privatization and the impact that it might have on us as a society. These are the young children that are the most impressionable. They are the ones that are the most susceptible to influences. These influences can take many, many forms. The influence can be extremely direct, Mr. Chairman, in that the increased availability of alcohol will

definitely impact on consumption, and that in turn will impact on the children's parents and in turn on the children themselves.

#### Chairman's Ruling Decorum

MR. CHAIRMAN: Order. The passing parade – you're bending the rules. We have Standing Orders, and you are not standing. You're moving. There are plenty of halls outside the gallery and the Chamber.

Edmonton-Avonmore, it's apparently an old Australian custom.

MR. ZWOZDESKY: Thank you. It's good to share each other's cultures in that way. I feel extremely enlightened by that, being a pro-multiculturalist. I thank you for allowing them to in fact do that.

MR. WOLOSHYN: Point of order. No pictures in the House. No camera.

SOME HON. MEMBERS: Citation?

MR. WOLOSHYN: No cameras: 23(j).

#### Debate Continued

MR. ZWOZDESKY: The other form of influence that I'm concerned with is the indirect influence that this Bill might potentially bring about. Some of that indirect influence, Mr. Chairman, is with regard to image building, which in my view should be a very positive thing. I think we should be rearing our children in a manner that we ourselves would like to think we were reared in, and that manner is one of positivity about oneself, about one's family, and about one's neighbourhood. I don't think, in that vein, allowing the privatization to proceed in the way it accomplishes a positive type of image building. I think, in fact, it might lead to a very negative image.

I think there are some cases that have been made for the rather rampant availability of alcohol in certain European countries which would see problems among youth linked to that availability. In Canada we haven't yet experienced many of those kinds of problems, and I hope, quite frankly, we don't, which is why when we introduce a piece of legislation like this that has the profound ability to cut right into the Alberta fabric as we know it and to so profoundly impact it that we could see the unraveling of that fabric, we should stop and reconsider what it is that we're doing here. That is to say, at least the government opposite should certainly stop and do that.

We must be very careful that we don't create the wrong kinds of impressions for our young people through the availability of alcohol literally on every corner. We could feasibly see these stores coming up in some of the highly populated residential areas, as I alluded to in the beginning. Certainly the residents in Edmonton-Avonmore who have contacted me so far about this have a fear that that could well happen if the licensing and the criteria for it aren't tightened up somewhat.

Similarly, we could see these liquor stores popping up in many of the strip malls. That, too, might create the wrong impression. The more you see of something, the more you become acclimated to it, I think the more you tend to think it's okay. While many people present would say that they perhaps enjoy the occasional libation, I think that at a certain age it's okay, but the impression that we leave with the youth is not okay. So we must proceed very carefully and very cautiously when we're looking at this particular legislation, at least from that standpoint. We don't want to upset that delicate balance that we have been working at

for many, many years in Alberta. We must do what we can to protect ourselves from it.

#### 4:10

Then there's the matter of safety and neighbourhood safety in particular. This brings into account a lot of the comments that I heard when I was door-knocking and a lot of the comments that have come into my office since that time from seniors. This group has a tremendous concern about the deterioration of Alberta, of the Alberta which they helped to build. This simple piece of legislation, Mr. Chairman, has the power to actually start accelerating the potential for deterioration of our Alberta society.

With regard to neighbourhood safety in this instance, we all know what alcohol and specifically too much alcohol can sometimes result in. It brings out the best in some and the worst in others. As I travel through my constituency and speak with people about this, they share with me some rather horrific stories about the problems that alcohol has caused. It does drive people in some cases to do things that are a definite detriment to society, and it does cause people to sometimes do things and say things that they later might regret.

Safety is not something that we should take lightly and especially neighbourhood safety. That is the one thing that I think seniors deserve, along with a certain level of health care, because it is what they have strived so hard to build in this province in the first place. In return, it's up to this generation to help that generation that came before us to set in motion those kinds of checks and balances that would see the delicate nature and fabric of Alberta protected from those kinds of evils.

[Mr. Clegg in the Chair]

As I look at this legislation and say to myself, "Should I be voting for or against it?" I'm still in a quandary, because I see it as something that is coming through in a tremendously hurried fashion. Where I think members opposite might have gone a little bit wrong in their haste here is that they failed to understand that the thing people resent and fear most is change itself when they don't fully understand some of the ramifications of that change, much less the purpose that precipitated it in the first place. So we should be very, very prudent in our debate on this particular Bill so as to not leave any stones unturned, knowing that people do have a natural resistance to change because they fear the unknown, they fear the uncertain. They don't know where it will lead. We should not see the situation exacerbated. We do know about the potential dangers of alcohol and the tremendous detriment that it can be to individuals and to families and to our communities. Most precious among that whole lot is certainly our youth. There are not enough education programs yet that point out how alcohol can be used or in some cases even enjoyed without becoming abusive to one's self.

So I ask myself again: what kind of an Alberta do I want to see in one year, in two years, in five years, in 10 years? We're not going to see the impact on society, as I'm attempting to describe it to you, in the short term. It is a longer term goal here that I am speaking about. That goal is to see our Alberta protected from and against any potential evils that might befall it. I think there are numerous studies that have been conducted on alcohol and related problems that stem from it. We've seen lately some of the concerns that the city of Calgary and the mayor and some task forces there have raised with regard to this rushed piece of legislation, should it go through. In fact, this morning the mayor of Calgary was on a CBC radio program explaining what some of

these difficulties might be if we don't slow down and take a more careful and cautious look at that.

Let's remember that when we're talking about privatization here, we must try and keep firmly in mind that the financial bottom line is not the only measuring stick against which we in this House are going to be evaluated. Some of these longer term effects that might arise must also form part of this discussion, and I think that is what the mayor of Calgary and others were trying to say this morning as they started to come to grips with what this specifically means to their city, in the same way, Mr. Deputy Chairman, that we looked here in Edmonton at the kinds of impacts it would have. You saw some of the outcries from people particularly in the Edmonton-Centre and Boyle Street areas who expressed their concerns about the number of liquor stores that might be springing up in their areas. Now, that area of Edmonton that I just referred to is already in trouble. It already has a fairly high rate of crime and prostitution and other demeaning elements. So the people who live right in that area have a legitimate concern to ask the government to rethink this legislation before they proceed with it.

Some of this is also to do with the regulations that will or will not accompany the privatization. Some of those regulations will be part and parcel of the licences that are granted. The great fear that people have is that in understanding how business operates and what the very purpose of business is, we all recognize that by and large profit is the main incentive and the main motivator. Having said that, we must also understand that when it comes down to making a sale or not making a sale, there will be those in society that might allow sales to happen to some individuals who under the current system would not have that ability to purchase. At least there would be a greater check, a larger balance in place now than there might be under the privatization scenario. I am not attempting to downcast on business in Alberta. I am simply attempting to point out that the potential for that does exist. So we must be very, very careful how we bring in this legislation.

#### 4:20

You know, quite honestly the first thing that I was asked in this regard was: why is the government privatizing alcohol? What is really behind this? If I could have answered that question for the people who called in by saying, "Well, you know, there's something broken and therefore the government is attempting to fix it," that would have been a fairly convincing argument, but I have yet to hear what, if anything, is broken in this system. I am trying to come to an understanding, therefore, of why it is we're trying to fix something that isn't broken.

I see a tremendous impact also which organizations like PAID are raising. The People Against Impaired Drivers are telling us on a very regular basis about some of their fears and about the linkages that exist between alcohol availability or accessibility and potential accidents and in turn potential deaths. These people, Mr. Deputy Chairman, have paid, and they have paid dearly with the loss of family members due to alcohol-related incidents. I think we should be listening to the kinds of points they're making and the kinds of research that they have done, because there are very convincing arguments in some of their reports that certainly caused me to stop and rethink some of this, and I would think it would cause others to do the same.

The other points are with regard to the patronage issues that have plagued this privatization process ever since the beginning. Now, I know that all members in this House are honourable individuals and surely aren't doing any of that kind of thing purposely, at least I would like to think not, but patronage of who is getting the sales permits, of who is being able to . . . [Mr. Zwodzesky's speaking time expired]

MR. DEPUTY CHAIRMAN: Order.

Before I go on to the hon. Member for Edmonton-Meadowlark, I want to say that the mayor of Calgary sure gets up early in the morning.

The hon. Member for Edmonton-Meadowlark.

MS LEIBOVICI: Good morning to you and to all the other members. I'm very excited to be here to be able to address the Assembly at this time in the morning.

AN HON. MEMBER: How excited are you?

MS LEIBOVICI: How excited? You'll find out as I continue on in my discourse here.

It reminds me, as I sit here, much like it felt like on grad night. It was a wonderful night, and I'm sure the other members across the aisle here can just cast their memories back to that wonderful time when you were out all night because you had a point to make. Part of that point was also that it was a tradition; right? We are making a point here, and we are going in terms of the tradition of this wonderful Assembly, and that is that this is a democracy. We are here to speak to a Bill that is a bad Bill, and that's what the point is. This Bill has really not addressed any of the issues that have been foremost in the public's mind for the last two months, since the Bill was first brought into place by this government.

Now, what I'm surprised at is that each one of us here has brought up different points of view. We've had the hon. Member for Edmonton-Rutherford talk and quite aptly describe in economic terms what effect this particular Bill will have on us as Albertans. [interjection] Most persuasively; you are quite right. Then we had the Member for Calgary-*Buffalo* talk about the social costs and what will occur in terms of individuals with respect to this particular Bill. Yet on the opposite side of the House, even though there are quite a number of members who are here, there have only been two that have had not the opportunity but have wished . . .

MR. WICKMAN: You mistook him for me?

MS LEIBOVICI: I beg your pardon?

MR. WICKMAN: You confused us?

MS LEIBOVICI: Oh, Edmonton-Whitemud. Excuse me.

. . . to speak to this particular Bill, and I wonder if it has something to do with the fact that the members are being kept like mushrooms in terms of what this particular Bill is and the impact of the Bill, or perhaps it's their researchers. Is it something to do with the quality of the researchers on the opposite side of the House that they haven't had the kind of input that we've had in terms of the Bill, an inadequate research budget, perhaps? When I listen to what some of the questions are and some of the items that have been put forward, particularly with respect to the Member for Three Hill-Airdrie – and I will readdress those issues point by point in my discourse, whether it's in this 20 minutes or in my next 20 minutes – I'm not quite sure why there is not any kind of feedback coming from that side, who are so staunchly in favour of this Bill. If they weren't so staunchly in favour of this Bill, we would have put it to rest a long time ago.

Then the other thing that really threw me for a loop was this afternoon when the Member for Calgary-*Buffalo* presented – was it three or four documents? – five documents, one of which was from the chief of police in Calgary. [interjection] Edmonton.

Excuse me if I'm mixing some of the names up; it must have something to do with this late hour.

MR. GERMAIN: It's early.

MS LEIBOVICI: Or early hour.

The Minister of Justice responded that he hadn't seen these documents before, and I thought to myself: how is that possible, that the Minister of Justice would not have seen a document that is at least two, three, four, five days old? How old would you say it is, Calgary-*Buffalo*?

MR. DICKSON: Five days.

MS LEIBOVICI: Five days old, from the police chief of Edmonton with respect to the costs of the privatization of ALCB and the potential increase in crime. That's why I go back to my original point in terms of what exactly is the information that the private members on the other side are looking at in terms of this particular Bill? Now, I'd like to backtrack a little bit in terms of why we are here tonight and why we are going to continue to be here tonight, unless of course by our persuasive arguments the members on the opposite side will sit back, relook at their position, and agree with our position, and that is – and I would like to reiterate – that this is a bad Bill.

Now, privatization can be a good thing. Each one of us has gotten up and each one of us has said that privatization is a good thing, yet I'm still not sure. I have constituents who ask me, I have the unions who are asking me, I have many people who say to me over and over again: why are we proceeding so quickly? I don't really have an answer to that. I could look at what the Minister of Municipal Affairs said with regard to registries, and what that minister said with regard to registries and privatization was that one of the key reasons for that – and you've heard me say this before because it was quoted from what the minister said – was because he didn't like standing in line. [interjection] Yeah. He didn't like standing in line, and that's why registries is being privatized.

Now, is that a good enough reason to privatize ALCB? This is where I'd like to go back to the prescience of the Liberal caucus here. On September 2 we put out a news release that said that the government plan needs improvements, and we said that there were six improvements that needed to be addressed. I'm going to list what those improvements were. I'm not going to read them; I'm just going to take the highlights, because then I would like to address them with regards to the rest of my talk.

#### 4:30

One, all money that's raised through the sale of outlets should be applied to the debt. Two, the social consequences of the move need to be looked at. Three, the government must not repeat the wine store fiasco. Four, the ALCB employees must be treated fairly and humanely. Five, employee groups must be allowed to bid for stores. Six, taxpayers must be assured that there will be no net reduction in provincial income.

Now, to me those are all reasonable requirements in terms of what to look at when selling the ALCB stores. However, this is where I get back to my original point in terms of whether the private members on the opposite side are really fully aware of the implications, and that's why I think it's important that each one of us on this side of the House try and attempt to educate the opposite side as to what the impact of this will be. If need be, I'm sure the hon. Member for Edmonton-Whitemud will be more than willing to repeat the lesson on elasticity and inelasticity within a

marketplace just to make sure that people do understand what we are talking about.

Now, I'd like to get back to some of these points. One, in terms of money raised being applied to the debt, it's been a real disgrace in terms of the amount of money that we as a province have lost by the sale of the stores, by the sale of the goods within the stores, and by the leases that will have to be, in all due respect, defaulted. I just would like to give a little anecdote. I had the opportunity to go to the auction at which the 106th Street store furniture was sold. What I saw there were these beautiful oak credenzas and oak tables and oak storage for the wine. The comments that people had to make were that this is a shame that we are selling these goods for less than what they're worth, for close to a tenth of what they were worth.

AN HON. MEMBER: Sinful.

MS LEIBOVICI: Sinful. Yes, sinful.

Not only are we not sure where the dollars from the sale are going, not only are we not sure that it is being applied to the debt, but we are also losing money on a daily basis with the sale of these stores and with the leases that we are not able to get out of. I would like to see some figures from this government in terms of what is the cost of getting out of a 30-year lease? It's got to cost us something. I have to date not seen those figures.

MR. MITCHELL: What does it save us?

MS LEIBOVICI: What does it save us? Good question. That is a good question. I will probably be addressing that later. Thank you, Edmonton-McClung.

The second issue was the social consequences of this move. As the situation progresses, we have had the Edmonton police force, we are now having the Calgary police force, we have had the People Against Impaired Drivers, we have had the Mothers Against Drinking Drivers: all of the groups that . . .

MR. HENRY: What about fathers against drunk driving? You'd better include that.

MS LEIBOVICI: I'm sure there's a group such as that as well. All of these groups are now coming forward to say that there's a real problem with regards to the ability to access alcohol, and it's not only the ability in terms of increased availability, but it's also ability in terms of the fact that stores will now be open till 2 o'clock in the morning. It struck me as rather - I'm trying to find the right word here. Maybe I'll rephrase it. This morning when I was listening to one of the radio stations, I heard the Premier of this province say that there is nothing wrong with increased accessibility. I believe he was in Tokyo, and in fact you could go to a vending machine on a street corner and get a bottle of beer or a bottle of alcohol. Is this really where we want this province to go? I think it's a moral consideration and a social consideration. I do not think this government has sat down with their constituents and really looked at whether your constituent in Three Hills or Airdrie or Calgary-Egmont really wants to go to the corner and plug in a loony, much as they would plug in a loony for the *Journal* or the *Herald*, and get a bottle of beer at any time, because that would mean that there are no restrictions. That is exactly what the Premier said this morning. I think we need to look at that, because how do you control that? Right now what the government is saying, from what I am hearing, is that they do not wish control.

The third is in terms of the wine store fiasco. We have looked at that scenario. To my understanding - and I've said this in this Assembly before - 22 out of 26 of the wine stores last year were fined for a total of, I believe it was - well, I'm not going to quote the figure. I'm not sure. It was in the hundreds of thousands of dollars. These are wine stores, 22 out of 26, with the current complement of inspectors. Now, we are looking at adding - I've heard various figures - anywhere from two to 11 more inspectors, and the amount of stores that will be selling alcohol will at least quadruple. The number of inspectors is not being augmented in the same kind of ratio. If the wine stores, 22 out of 26 in one year, can try and get around some of the laws, then what is to prevent the other businesses from doing much the same?

I think the other area in terms of the whole perception around favouritism is that we are not able to get the names of those people who are obtaining licences. I can go up the hill here . . .

DR. PERCY: Freedom of information.

MS LEIBOVICI: Freedom of information: there doesn't appear to be any in this particular situation.

If you go around Edmonton and, I'm sure, in your various cities and towns across Alberta, you will see on each street corner a little sign posted that says: liquor store to come soon. If you just go up the hill here, there's an empty store that says: liquor store to come soon. Well, I think that in terms of knowing the names, this is something that would bode well for the government to show that there is no favouritism and there is no problem in terms of competition. Everybody knows where these stores are. All they have to do is walk around, and you'll see where the signs are. There is no control in terms of how many licences are being given out. In terms of competition, I do not see that being an argument as to why we can't know who the licences are being given to.

The treatment of the ALCB employees. We have the Iowa example, on which the privatization is based. In the Iowa example what was said was that laid-off employees were given preference on state recall lists for many comparable jobs. This has not occurred in this situation. As a matter of fact, what has occurred is that the employees right now are fighting for successor rights. The Member for Three Hills-Airdrie indicated that stores knew there was a problem with regards to successor rights. Well, they didn't know it until the end of last week when a letter was sent out by the Minister of Labour to the stores, to the prospective lessors, indicating that yes, there might be problem. So for any of those stores who were looking at opportunity being created and who were developing their business plans, they did not have the proper information to make those business plans with.

Again in terms of successor rights on ALCB employees, the government would, I think, show a measure of good faith to provide the employees with the names of the individuals who are obtaining licences so that they can go ahead with their case at the Labour Relations Board. I think the 1,500 employees have been made to suffer in terms of how they were laid off, in terms of the kinds of things that have been going on with regards to their layoff. I think that as a show of good faith at least the government can provide the Labour Relations Board with the information so that the union and the government, and for the businesses, can progress to get a decision as quickly as possible with regards to successor rights.

4:40

MR. DICKSON: A modest demand.

MS LEBOVICI: I think it is a modest demand. I think this is not something that should be dragged on for months and years because the implications to the employees, to their families, to the businesses, and eventually to the consumer in terms of increased costs is something that needs to be considered by this government.

[Mr. Herard in the Chair]

I think there's an issue that occurred with the part-timers. To me it's also indicative in terms of our request that the ALCB employees be treated fairly and humanely. Perhaps I can just outline what the scenario was, to my understanding. That scenario was that the part-time employees were given their notices of termination. They were given their layoff notices. There is a requirement within the collective agreements of, I believe, a 30-day period of notice. Well, what happened was that as this notice period came closer, the stores realized that they would not be able to close down, and they also realized that they could not continue without having ALCB employees keep those stores open. So what the ALCB did was they said to employees: we want you to sign away your rights of notice; we want you to work on a day-by-day basis. Christmas is approaching, everyone, and this is not a fair and humane way to treat anyone's employees. If you don't do this, what we're going to do is on your UIC, on your separation slips, we're going to say that you quit, and that means that there are no UIC benefits. Now, is this the government that treats its employees fairly? No. I asked the question in the Legislative Assembly, and as a result I would like to think that at least the notices in terms of their UIC forms are now saying "laid off" as opposed to "quit." But the employees are still being asked to sign away their rights with regard to notice periods.

Employee groups must be allowed to bid for stores. This was something that sort of flip-flopped. First they were; then they weren't. Still, we don't know whether any of the employee groups got stores. How many did they get then? It brings to mind a question that arose when the Member for Three Hills-Airdrie said that lots of employees are going to be working in these private stores. [Ms Leibovici's speaking time expired]

MR. ACTING DEPUTY CHAIRMAN: Hon. members, could we have some order, please?

The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman.

AN HON. MEMBER: This better be good.

MS CARLSON: Just make sure you wake up and take notes, because you're going to need them.

Well, we've looked at this Bill now . . .

MR. KOWALSKI: Say something different. Anything.

MS CARLSON: Like I said, Ken, take out your pen.

MR. ACTING DEPUTY CHAIRMAN: Order. Hon. members, just a reminder that we don't use names in this, please. Thank you.

MS CARLSON: We've looked at this Bill now from nearly every angle conceivable except from the perspective of taking a look at it from the impact that it's going to have on the prospective entrepreneurs that are taking a look at taking over these businesses. This is of particular concern to me because in my

constituency I have a large percentage of first-generation Canadians. Many of these people have come to this country with limited educational backgrounds and somewhat limited language skills. For them their opportunities are very limited. They take a look at windows like this that they think the government is providing for them, as a wonderful opportunity to be able to promote and advance their situation in this country. So I think when you take a look at that, the government has a responsibility to make sure that the window they're providing to these people is in fact a window of opportunity.

The problem with this particular Bill is that it's only an alleged window of opportunity, because of the profit margin involved. [interjection] Well, watch the numbers and take out your pen, because to date the very best information the government has supplied to the general public is that the current liquor prices will be discounted by 6 percent and that the retailer will then be able to mark their product up as high as the market will bear.

What in fact happens when the minister keeps his promise of making a licence available to anyone who qualifies is that the market is flooded with stores and there are no options, particularly in a constituency like mine in urban Edmonton, in terms of manipulating the price. You're stuck with the average price for all of these products. In view of this, a person who opens a liquor store in my constituency is constrained to a 6 percent margin on an average bottle.

Now, speaking to the ALCB, the average bottle sales are \$28 a bottle in this city. Six percent on that works out to a profit margin of approximately \$1.68 a bottle. Write this figure down and keep it in mind, because I want to walk you through the costs of opening a small, fiscally conservative store in my constituency. I'm going to talk about the fixed costs of opening it up, the variable costs, and then we're going to see what the break-even point is and find out whether or not it's even financially viable to open the doors.

In my constituency a small, fiscally responsible store would be about a thousand square feet. That's less than the square footage you see on this side of the House. That costs them about \$1,000 a month. Common costs, things like the property tax, building insurance, maintenance, run about \$3.50 a square foot. That's another \$300 a month. Security on a liquor store is going to run you \$100 a month; telephone and utilities, \$150; office supplies, \$50; repairs and maintenance, \$25. Insurance averages out at about \$42 a month. Now we have base operating costs of about \$1,667 a month.

Now you add the labour. If you're open four days a week from 10 to 9, Friday and Saturday from 10 to 11, that's 70 hours of operation a week. In that size of a store you need a front-end person and you need a back-end person. The cost of that, at an average of \$10 an hour, is \$5,600. Add on to that the additional payroll costs of 10 percent, which covers your holiday pay, your UIC and CPP: another \$560. The owner of the store has got to have a vehicle to operate it; that's another \$200 a month. So now we're talking base operating costs, just to be able to open the door of the store and serve the public, of \$8,027 a month.

What about the salary for the owner? If we're talking about a minimum base salary for the owner, you can add another \$1,500 on to this. Now we're up to \$9,527 a month. Before we talk about the variable costs of bags, freight, breakage, and theft, we now need to sell 5,671 bottles a month just to break even. Your average profit margin on those bottles is \$1.68.

Now let's talk about the variable costs. Based on similar retail operations, they should, in a properly and tightly run small business, add approximately 20 cents a bottle. That comes out to about 12 percent of your fixed costs. That adds another \$1,134

a month. Now our base operating costs are up to \$10,661, and now we need to sell 6,346 bottles a month. This is just to provide a base subsistence living.

4:50

We've yet to talk about the cost of setting up the business, the interest on the borrowed money, the stress on the family, or the overall risk involved in this venture. Before we address these factors, let's just take a reality check to see whether or not it's even economically viable at this stage. Right now, today in this province, we have 204 ALCB stores with \$402 million in sales. This averages out to approximately \$2 million in sales per store per year in this province.

Now, just to put this in perspective, there are currently no stores in my constituency. To date I have had people bringing me several proposals for every single strip mall in Edmonton-Ellerslie, and there are six of these strip malls. In talking to my colleagues, they are seeing similar numbers in their constituencies. Add to this the comments from the minister, who has promised a licence to every single Albertan who qualifies for one. When you talk about these factors, I believe a conservative estimate of the number of stores that will actually be available to Albertans will at least quadruple the current level. This means 816 stores now sharing in those sales which top out at \$420 million a year.

We have to keep in mind that liquor sales are decreasing every year, not increasing. So now we have to share \$420 million between 816 stores. This averages out to \$500,000 in annual sales per store. If we talk about our earlier assumption of an average sale price of \$28 a bottle, and if you take the average sales per store of \$500,000 and divide those two numbers, you're going to see an average number of 17,857 bottles sold per store per year.

Now, our earlier indications indicated that stores needed to sell an average of 6,300 bottles a month just to break even. If you multiply 6,300 by 12, it comes out to over 76,000 bottles per year to break even. These stores need 76,000 a year to break even, yet the average sales will only give them 17,000 bottles. Where are they going to make up the difference?

AN HON. MEMBER: Selling to minors.

MS CARLSON: Selling to minors is a good point. Those are the kinds of options that these retailers are going to be looking at.

MR. ACTING DEPUTY CHAIRMAN: Order please. Could we have a little less chatter please? Thank you.

MS CARLSON: Even if we change the assumption that we're going to now have more than 800 stores, which I think is a conservative estimate, and we go back to capping the stores at 204 in the province, which is the number we have right now, which is also quite clearly in conflict with the minister's statements – even if we do that and go back and rework the numbers, the very most possible sales we can see out of these stores is 71,000 bottles per year. There's still the difference of 7,500 bottles. Where is this difference going to be made up?

This means that from the very first year of operation, before you take into account any financing costs, before you take into account any inventory costs, each one of these business owners is going to lose more than \$7,000 a year.

AN HON. MEMBER: How much?

MS CARLSON: More than \$7,000 a year that they're going to lose.

Now, to lose \$7,000 a year, they're going to have to come up with more than \$150,000 with the start-up capital to put their inventory in place, because the province only accepts cash. Then they've got to do all their leasehold improvements, rent deposits, and the cost of opening up the business. Each one of these business owners is going to lose a tremendous amount of money. It just isn't economically feasible to do this. As the current government strategy stands, what we see here is not a window of opportunity but a window for economic disaster. It's clear by looking at this example that the government has a very long way to go in terms of meeting the needs of the people in this province with this Bill, and they have a long, long way to go in terms of really knowing how to be open for business.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you so much, Mr. Chairman. The Deputy Premier – and I'm delighted that everybody has pushed right on down to the front row to hear the commentaries this morning. The Deputy Premier, Mr. Chairman, threw out a challenge to the Member for Edmonton-Ellerslie. He said: I want to hear something new. Now, let's be honest in this House. Did he hear something new? Did he hear – I've got my hands going again; I must restrain – that what we have done is a licence to bankruptcy? That's what we've got here.

You know, I've got to confess that I may have . . . [interjections]

MR. ACTING DEPUTY CHAIRMAN: Order please. Order please.

MR. GERMAIN: Mr. Chairman . . . [interjections] Look on the bright side: it's already 8 o'clock in Newfoundland. [interjections] Eight-thirty? I'm sorry; 8:30 in Newfoundland. I stand corrected.

I also misquoted myself a week ago. I referred to this Act a week ago as a piece of legislation presented as purebred that turns out to be a mongrel. I have to downgrade that assessment. It's a rainbow trout that has now turned out to be a catfish.

I want to begin the formal part of my commentaries this morning, if you don't mind, by reading from an autographed copy of a book that some of the hon. members across have: *Unfinished Business*, by Roger Douglas. He wrote me a little note. He says – well, members can come over and read the note at their leisure when they wander by.

AN HON. MEMBER: And he said, "Join the Conservative Party."

MR. GERMAIN: Yeah, I'm sure he said that. He wouldn't have said that even if I'd paid him the \$3,000 they did, Mr. Chairman.

I want to read from the book, if you don't mind. It's a quote that has been picked up with credit from the book *Official Lies: How Washington Misleads Us*, by James Bennet and Thomas DiLorenzo. It says:

When in doubt, a political proverb ought to go, opt for the innocuous. Plenty of politicians have been damaged by taking stands on war, taxes, gun control, and free speech, but no one ever lost an election because he sent out a free calendar. Statesmanship has its rewards, but they are frequently posthumous; it's easier to expedite, to facilitate, to intervene – to be nothing more than an exalted messenger boy whom the other messenger boys call 'my distinguished colleague'.

Against that backdrop . . .

AN HON. MEMBER: You should be on the calendar, Adam.

MR. GERMAIN: Well, I know there are such calendars that feature . . . Let's move on.

AN HON. MEMBER: There are calendars that feature little chubby lawyers.

MR. GERMAIN: Yes, I must say.

I was about to get into the professionalism of the debate and list all of the professionals we've heard from tonight. I feel sensitive to this. I'm simply a small town lawyer, but maybe some of the big city lawyers opposite will check in with their preambles on what is wrong with the Member for Edmonton-Ellerslie's commentary that this a licence to bankruptcy. I notice there's a distinguished realtor sitting opposite, and I noticed that he listened in rapt attention, nodding . . . [interjections] Well, Mr. Chairman, yesterday we had the Terminator, we had the Galvanizer, and now I guess we have the Guarantorizer.

**5:00**

Anyway, I want to return to the Bill. I've been desperately trying, desperately, desperately trying to return to the Bill, to return to the issue of how you sell a dog with fleas. How do you sell a dog with fleas? Now, every businessman knows this, but the business acumen on the government side doesn't know this. You've got these dogs with fleas: some of these isolated liquor stores, valued, I believe, at almost \$65 million on the books. We'll talk in a moment about the Fort McMurray experience, but let's talk in general terms. How do you sell a dog with fleas? You put a diamond collar around the dog and then you point everybody's attention to the diamond collar. Now, did this government do that? No. Up in Fort Chipewyan the businessmen would have done that; down in Brooks, in the inner city, they would have done that. What we have is stranded assets. Now, how do you strand assets? Let's refresh the lesson, and I'm humbled that I don't have any charts here today; I don't have any pictures. How do you strand an asset? Well, what you do is you give someone a \$200 licence, tell them to go to the more popular location with the cheaper rent, and then they won't want your liquor stores. Instead of selling \$65 million of assets at top dollar, assigning leases at a premium, where they pay to take over the lease, lock, stock, barrel, and bottle, what we did in this province is strand assets. Now, as if my learned colleague from Edmonton-Whitemud did not have enough lecture material in economics . . .

AN HON. MEMBER: Are you talking about Mike Percy?

MR. GERMAIN: We don't refer to people by name here. I believe that was your ruling here. Some hon. members probably weren't here to catch your very astute ruling earlier, Mr. Chairman.

We now have a classic example of how you strand assets, but we go on. We now create a potential liability risk for the government agency that doesn't seem to have been dealt with by the legislators. We also get more regulation by corporation, more internal rules, more internal regulation instead of all of the rules being right up front. Finally, we now have a truly mixed model, a combination of private liquor and state liquor. We have a classic mixed model so that we no longer have a thoroughbred, nor do we have the mongrel.

I know there are other speakers getting ready to speak. There will soon be other speakers ready to take my place, and I want to say that we go back to what we really have here, the rainbow trout

that really turns out to be just a catfish. That concludes my initial comments at this juncture, Mr. Chairman.

Thank you.

### Chairman's Ruling Decorum

MR. ACTING DEPUTY CHAIRMAN: Hon. members, before we go on, I would appreciate it if all hon. members would refrain from the very loud interjections. If you want to do that sort of thing, you can go to the lounge, because other people may want to listen to some of these brilliant, diamond-studded comments.

### Debate Continued

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Chairman. I'd like to address my remarks to the process that is being used in this privatization effort, because it has caused such great distress in the business community, with municipal governments, and in particular with the workers that are involved. It's from the perspective of those workers that I'd like to make my remarks this evening.

I wondered, if those workers were to sit here this evening, what they would have to say to this Assembly about what has happened to them and their jobs. I think they would have a number of comments. They would have a number of questions. They would ask, for instance: why us? Why should this happen to us? They feel like victims. They feel a sense of terrible loss. They feel that fate has somehow or other dealt them a bad hand, and they also feel that they have been singled out somehow or other by this government for punishment. So they are bewildered. They want to know why this has happened to them, and many of them don't understand. They also think that they deserve better. They look at themselves as having really no control over the situation and can't quite understand why there wasn't some accommodation in terms of job relocation or some negotiation with them to make sure that their futures were assured. They are also somewhat, again, bewildered. They've worked hard and find themselves out in the cold. Many of them have difficulty going home and talking to their families, and many of them find talking to their families about what's happened to be a very difficult task.

Mr. Chairman, may I adjourn debate on the Bill?

MR. ACTING DEPUTY CHAIRMAN: Having heard the motion, are hon. members agreed?

HON. MEMBERS: Agreed.

MR. ACTING DEPUTY CHAIRMAN: Against?  
The hon. Deputy Premier.

MR. KOWALSKI: Mr. Chairman, debate is adjourned momentarily on Bill 12. I would move that we do now rise and the Speaker return to the Chair and that we go into third reading on Bill 8.

[Motion carried]

[Mr. Deputy Speaker in the Chair]

**5:10**

MR. DEPUTY SPEAKER: Calgary-Egmont.

MR. HERARD: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration certain Bills. The committee

reports the following Bills: Bill 8. The committee reports progress on Bill 12. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

MR. DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.

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

**Bill 8**  
**School Amendment Act, 1993**

MR. KOWALSKI: Mr. Speaker, on behalf of the Minister of Education I would move third reading of Bill 8, the School Amendment Act, 1993.

MR. HENRY: Mr. Speaker, given that we are at third and final reading of Bill 8, again for the record – and I will try to be brief – I will be supporting this Bill in third reading because there are some positive sections in this Bill. I urge all members on both sides of the House, even those who are choosing to exit themselves, to support the right of Francophones in Alberta, the section 23 rights guaranteeing them governance over their own school system. The Francophone community that have asked for provision of these rights did not get exactly what they wanted in this Bill, but – and again it's for the record – I think it's a good compromise. It's a good compromise worked out by the current and former ministers of Education, and I want to acknowledge that.

I also want to acknowledge, Mr. Speaker, that there are some members of the House who are worried about the amalgamation of smaller school boards, but I want to put on the record here that my support and our caucus support for the amalgamation of school boards has two provisos, which, I believe, through debate have been made clear, have been agreed to by the Minister of Education. Those are: number one, that the Bill provides for voluntary amalgamation, and I leave it to the minister's discretion as to what incentives might be provided through his good offices, not for coercion or mandatory amalgamation of school boards; number two, and I say this very strongly in the strongest of terms, this in no way infringes on the right of the Catholic minority in our province to governance over their own school system. These rights have been enshrined in the North-West Territories Act and several other pieces of legislation and our Constitution.

Again, I want to put on the record and acknowledge and thank the hon. Minister of Education for making it crystal clear at the Alberta School Boards Association convention this past Monday morning that it was not the intention of the government to forcibly amalgamate public and Catholic school systems in our province. The Catholic school system has served our province very well and in some areas in fact is indeed the public school system: St. Albert is a case in point. Those rights have not been affected by this Bill.

Having said that and having said I will support this Bill, I reiterate that I will be holding the minister to his word when he indicated that the section affecting home schooling and expanding home schooling supervision to private schools will not be proclaimed until the minister has tightened up and improved the regulations as a result of his current review. Mr. Speaker, I want

it on record very clearly, again, that the amendments that we proposed with regard to the home schooling issue were very, very clearly intended to try to address some of the issues that I know some members from both rural and urban Alberta share the concern about: nonresident school boards supervising students. We tried to propose amendments, but I want it on the record really clearly that every one of the amendments was voted down unanimously by the government side. I think that's a shame, because I think if some members of the government frankly had looked at them outside of partisan lines, they would have to agree that the amendments were positive amendments in that, specifically with regard to having made the decision to allow private schools to supervise home schoolers, our amendment would require parents who choose home schooling to choose their local public board or the nearest separate board or a private school within 100 kilometres. So you would not have private schools in a remote area of the province, who could have absolutely no resident students, supervising students from all over the province.

I'm going to push the minister to ensure that we have regulations that address some of those issues and that tighten them up. Again on record I want to offer our caucus' support if the minister would like us to respond to draft regulations either publicly or privately. We're prepared to do that.

Again, very briefly, the issue I raised earlier this morning regarding the County Act I believe the government needs to take under advisement, especially if they're looking at the proper representation for those concerned about school issues.

As well, the section on employees, which again was defeated by the government. I will be the first to stand up and hold the government accountable if school boards do amalgamate and if employees, specifically nonteaching employees, are abused through that process. I would hope that that wouldn't happen, but I would hold the government accountable if it does happen.

Last but not least, Mr. Deputy Speaker, and briefly, it's very important to put on record very, very clearly that this government has in this Act removed the enabling provision for school boards to provide the health services in the schools that they have been providing historically and have done that without having put in the necessary co-ordination mechanisms with the Department of Health to ensure that students with special needs are not left high and dry and to ensure that the initiatives that were promoted so strongly by this government and by the previous Minister of Education, the now Treasurer, in terms of integration and inclusion of children in our schools are not undermined.

I will be pushing the government, and I will be encouraging the hundreds of the people who have written to me, the dozens of people who have called me, and organizations and groups who are concerned about this and are concerned about students falling through the cracks to contact the Minister of Health and the Minister of Education to express their concerns.

With that, Mr. Deputy Speaker, I thank the hon. members for listening to those concerns, and I encourage all members to vote for this Bill.

MR. DEPUTY SPEAKER: Deputy Premier in summation.

MR. KOWALSKI: Mr. Speaker, it was a commitment of this government to proceed with this Bill in 1993. That commitment has now been made true. The vote will be called in a minute or two.

Prior to adjourning the debate, I would just like to point out for all of my learned colleagues in this Assembly that the sense of participation and the excitement of giving a speech is really a wondrous thing, but when one gives the speech ad nauseam, a

dozen times, it becomes less of a wonder. Mr. Speaker, I recall not very many months ago being in this Assembly, really after 1989, and there was once a representative who represented the constituency of Calgary-McKnight who used to give repetitious speeches. That hon. member survived one term in this Assembly. A long time ago someone once told me that it's a lot easier to talk your way out of this Assembly than it is to talk your way into it.

I would just like to conclude the debate, as we continue forward for the next number of hours. The question on Bill 8.

[Motion carried; Bill 8 read a third time]

[On motion, the Assembly resolved itself into Committee of the Whole]

head: **Government Bills and Orders**  
head: **Committee of the Whole**

[Mr. Tannas in the Chair]

**5:20 Bill 12**  
**Liquor Control Amendment Act, 1993**  
*(continued)*

DR. MASSEY: I had tried to look at the process of the Bill from the perspective of an ALCB worker and the kinds of questions they have been raising about what's happened to them. I had addressed three questions that I've heard raised by those employees. Why us? The feeling that they've been victimized. Don't we deserve better? The third one that I think I was dwelling on when we interrupted for the adjournment, Mr. Chairman, is: what do I say to my family? These workers have had their homes jeopardized by the privatization. They've had the plans for their children's future interrupted and put on hold and put in question. They've lost their sense of security, the kind of security that a job brings to them. I think you probably have to have lived in a home where the major wage earner actually did lose his job to really understand and appreciate the feelings that they are going through and the kind of turmoil that the workers' families have been put in.

I think they're also asking: aren't we Albertans too? There's somehow or other the feeling that they've been marginalized by the government. They're left with the impression that somehow or other there's a justice in what has been done to them and that they somehow or other deserve to have been victims of this rather punitive action. There's a deep sense of betrayal by their own government.

There also is a feeling that it's not fair. They weren't consulted. They were not part of the decisions that affected their lives deeply, and they don't feel that's fair. They also feel that the rules were changed on them in midstream. Many of them had spent years negotiating for better working conditions and better wages to better their position economically through collective bargaining and other processes, and all of a sudden all those years of work were wiped out with one Act.

Those are a number of the questions that I think those workers are asking and would ask if they were here in this Assembly this morning. I think we deserve to reflect on the kind of perspective, the kinds of feelings that they must have as we consider the Bill.

Thank you.

MR. CHAIRMAN: Calgary-North West.

AN HON. MEMBER: Nice tie, Frank.

MR. BRUSEKER: Thank you. At Williams Men's Wear in my constituency. Come visit sometime.

Thank you, Mr. Chairman. I just want to speak to Bill 12, the Liquor Control Amendment Act, 1993. The concept of privatization is certainly a concept with which I have no particular difficulty. In addressing this Bill today, I guess we really have to ask ourselves the question of whether or not it really represents true privatization. Privatization as I understand it involves turning something over for presumably some kind of remuneration, hopefully more remuneration than what we paid for something in the first place.

As I read through different sections of the Bill – in particular I'm looking at section 6, which refers to an earlier piece of legislation which of course this Bill attempts to amend, and it refers to section 13.1 as amended by adding the following. I may be paraphrasing, but basically, as I understand it, it says that the corporation shall run away and hide. Now, that's perhaps a somewhat loose interpretation. It says, "cease to operate" and "cease to . . . occupy any premises for the purpose of operating . . . a liquor store" and discontinue the use of the premises, discontinue the occupation and "parting with possession of the leased premises." It doesn't say anything in there about getting any money for those buildings and those lands in which we have invested a great deal of money in the past.

Mr. Chairman, I think about my own constituency of Calgary-North West, for example, where within the last three years the government has built through the corporation a new Liquor Control Board outlet at a cost, to my understanding, of approximately \$2.2 million. [interjection] Crowfoot shopping centre. As I read through this particular section, the section simply says, as I understand it, that we're simply going to walk away from that. Now, I don't understand that to be prudent business practice. I have no problem with the idea that perhaps we would sell off this investment in real estate, which the government owns, and that we would recoup our \$2.2 million. I suppose implicitly it suggests that maybe we're going to sell it off. It simply says, "shall cease to operate and maintain liquor stores and cease to use or occupy any premises." It says that we're going to quit, that we're going to run away and hide.

So when I looked at that, I said, you know, that that's not a very prudent business decision. Mr. Chairman, I guess my biggest concern here is the issue we have talked about before, and that is the issue of planning, of forethought, of making a conscious as opposed to perhaps an unconscious decision as to where we're going. This particular store that I'm referring to is less than three years old. It was built because three and a half years ago the corporation decided to get out of leased premises in a small shopping mall in the constituency of Calgary-North West, decided that it would be more prudent in the long run to invest in land, to invest in a building and put up a facility and move in. Over the long term, as most people know, you're better off to own your own real estate rather than to lease your real estate.

MR. HENRY: How much did it cost?

MR. BRUSEKER: There's \$2.2 million invested in this. So we have a new building, actually quite an attractive building. [interjections] Pardon me?

MR. CHAIRMAN: Through the Chair, please.

MR. BRUSEKER: Oh, sorry.  
So we have \$2.2 million.

I hope, Mr. Chairman, that you note that we're at a.m. now and not at p.m., so when it gets around to 5:30 you won't cut me off. I just wanted to make that point clear.

MR. CHAIRMAN: No matter how tempting the thought.

MR. BRUSEKER: No matter how tempting. I appreciate that.

So what we have now is a facility that soon, I presume, is going to come empty. I've seen a couple of applications for new facilities to come up in the constituency of Calgary-North West.

I did check, by the way. The Standing Orders do say "p.m." They're quite specific on that. So we have ample time before we have to adjourn, just over 12 hours now, which is rally quite exciting I think.

So, Mr. Chairman, I guess I looked at the advisability of trying to sell off this liquor store that we now have. I thought: well, what is it likely that they're going to be able to do? Calgary is just a great city, and Calgarians are really novel, innovative, and creative individuals. [some applause] Thank you. I see that there's some support for that notion.

Mr. Chairman, I was curious about what happened to the old liquor store. I'm sure everybody's going to be really interested in this, because all is not lost. I mean, hopefully you can do something with a liquor store. Do you know what happened to the old liquor store? It's kind of ironic. It got changed into a church. So what used to be a Liquor Control Board store in the Silver Springs shopping centre is now the Bow Valley Alliance Church, and where the wine section used to be of course in the good old days is now where the altar is.

5:30

AN HON. MEMBER: The Reform Party at prayer.

MR. BRUSEKER: The Reform Party at prayer. Perhaps it is, but I thought it showed some creative ingenuity. I'm not sure if maybe now the government might be interested in soliciting other church groups to come and look at this particular location. There's parking there; Sunday morning it's not too busy. It's close to Boston Pizza, so they could go right over and have some pizza for breakfast I guess after church service Sunday morning. You know, it might be a real hot piece of property, but then again it might be a piece of property that sits around for awhile.

I guess when we're asked to support a piece of legislation like this, you have to ask: why would the government say we're going to, quote, unquote, privatize the Alberta Liquor Control Board, when in fact all they're really doing is setting up in direct competition with themselves other licensees that are going to be operating? One of the licensees that's going to be going in, as I understand, at least from what has been announced so far, is directly kitty-corner across the street in another regional shopping centre and will go directly, head-to-head in competition with the one that is now in business.

DR. OBERG: The economists would call that free enterprise, Mr. Chairman.

MR. CHAIRMAN: Order please, even if it is 28 and a half minutes before 6 o'clock in the morning.

MR. BRUSEKER: I appreciate that, Mr. Chairman. Thank you. I wasn't watching that closely, but I certainly do appreciate that, as promised, you didn't call me to order at 5:30.

However, the issue here is that what the government has done is said: let's go ahead and let's set up a whole bunch of new

stores before we've gotten rid of the old ones. I think what would have been more prudent and what would have been a more palatable piece of legislation than what we have before us today in Bill 12 would have been a piece of legislation that says, "We are going to put these up for sale," not, "We're going to open up a whole bunch of new liquor stores wherever and anywhere people can come up with the 200 bucks to buy the licence." Let's sell off the ones we have. So the \$2.2 million that we have, we say: "Here's the price tag. Boom. Put a for sale sign on the front, call your local MLS realtor, and come on down." If it sells, fine. Then we get rid of it. We don't have the overhead. We don't have the costs. We don't have the operating expenditure. Then we could have a free market and free enterprise. That would allow that to get rid of it.

Mr. Chairman, one of the interesting things I've heard a number of members speak about, including I believe the proponent of the Bill, the Minister of Municipal Affairs, in speaking to the Bill, is that over the years we've actually increased the number of outlets that are available through hotels and through the construction of new stores and that conversely, although we've increased the access, we have in fact decreased consumption. I think those are statistics that most people would agree with. Well, I was moved by the hon. Member for Bow Valley, who was talking about charts and graphs. I really wish I had a nice chart and a graph and that we could extrapolate showing on one hand that the liquor stores are going up and on the other hand that the consumption is going down, because if we follow that through to its logical absurdity, if we increase and increase and increase the expenditure, ultimately we'll get to the point where there's no consumption whatsoever. Now, I don't think that conclusion necessarily follows, but if we had a nice graph, I'm sure we could draw that out and put a nice overhead in, and it would look really interesting.

DR. OBERG: I'm sure the amount of Liberal rhetoric could be added in there too.

MR. BRUSEKER: I'm not sure how that could be factored in, but it might make an interesting addition to the chart.

Mr. Chairman, on one hand we've got this whole proposal of privatization – and as I say, I think that's a somewhat questionable term – and the statistics that are being thrown out. I know that other members, of the Liberal caucus at least, who have taken the time to speak to the issue, have spoken about the social issues and the social concerns that they have. I think what we have to look at with respect to this particular piece of legislation is: in the long term what is going to be in the best interests of Albertans? I suppose in the long haul, ultimately this empty building that may sit vacant for some time and gaining us no revenue as it ultimately is closed up when the new ones come into business also needs to be factored in.

I think that ultimately this is going to be another one of those Bills that is very reminiscent of the AGT privatization. On one hand, they said: oh, we're going to get all this money, all this revenue in the privatization of AGT, and gosh, on this hand, it looks really good. But then we had this other little thing over here called NovAtel, which sort of ate up all of the profits we had. The end result when push came to shove was that basically what we did was give away AGT and get nothing for it, when you consider the income we got, on one hand, and what we lost, on the other hand.

Unfortunately, Mr. Chairman, I think that's exactly what's likely going to happen here. We will get some revenue in; no doubt about it. We will sell off some of the facilities, very few of them on the short term. Over the long term, ultimately, yes, we will

probably sell them off, but our carrying costs on interest, on an empty building, our overhead to heat an empty building that's not generating any revenue are going to start nibbling and nibbling away at what we're proposing to do here. When everything is said and done, we may be slightly ahead, we may be slightly behind in the dollars and cents, but I think we need to look at the overall effect on our society as a whole.

Mr. Chairman, the other issue that I think is of concern and has been raised by certainly the city of Calgary is the location. In section 5 of the Bill it talks about striking out one word, "shall," and substituting the word "may" with respect to determining the location of where these liquor stores shall be. By doing this, again this seems to be an underlying philosophy of this government: simply to abrogate responsibility, pass it off on someone else's shoulders and say: "Here you go. You look after it, because we don't have the time, the desire, the inclination, or the motive to pursue it." So what ends up happening, by simply a one-word change it says that we're not going to worry about it any longer, that somebody else has got to worry about it. It says in fact:

may delegate to the Corporation the power to determine the places in which warehouses are to be established in Alberta and the location of the warehouses.

So I guess, given the activity and the mobility of the warehouse from Calgary to St. Albert, I'm wondering about the mobility of the warehouse to be determined in the future.

You know, it's really curious that when we had the privatization of AGT Bill, the government was very careful to specify that the head office shall remain in Edmonton despite the fact that Edmonton has no AGT phone lines in it virtually at all other than interconnect lines, and in this particular piece of legislation it says: oh, locate the warehouse anywhere you want to, here there or anywhere; it doesn't much matter.

So again, Mr. Chairman, we see here a government that really hasn't thought it through, that really hasn't planned what it is that they want to do, what it is they hope to achieve from this piece of legislation, Bill 12. The Bill itself shows a lack of planning, a lack of foresight.

Mr. Chairman, the end result, as we will see, I expect, is probably a flurry of little shops that suddenly become created, that suddenly come to life around our cities and towns. We will probably see then, unfortunately, some of those - because they haven't been well thought out themselves - finding themselves in financial difficulty, and unfortunately it's going to create a whole state of flux, of upset for Albertans for, I think, probably a couple of years until it finally all gets settled down. I guess, you know, we can say that people will just have to learn to live with that, but if the government had really planned it well, they wouldn't have to learn to live with it, because those things could have been avoided.

MR. CHAIRMAN: Medicine Hat.

5:40

MR. RENNER: Thank you, Mr. Chairman. I have been listening to a number of members from the other side speaking to this Bill. We've had a lecture on economics. We've been told that this is a disaster in the making. We've been hearing all night long, and certainly there's no doubt that it's been all night long, about how this is going to be a disaster for Alberta. Well, they just don't get it; they really don't get it. In one breath they say: we agree that privatization is the way to go and we all would support it, but we don't like the way you're doing it. Well, how else can it be done? It's like they're trying to have their cake and eat it too. You can't have privatization unless you privatize. What they've been talking

about is not privatization but outsourcing. What they want to do is have the private sector take over and do all of the work for nothing and the government keep all of the revenue. Well, it doesn't work that way. It just won't work that way. The way it will work is to turn the whole thing over to the private sector, and that's what we've done.

Now, they talk about selling the stores. We heard them say earlier that we've got a liquor store that grosses \$20 million a year, Mr. Chairman. They said: why doesn't the government simply sell this store? Well, you can't sell that store because we have made a fundamental shift in the way liquor sales will take place in the province of Alberta. We're not dealing with the liquor board of old, that was basically a tax collector in the guise of a retailer. The liquor stores that the ALCB has had around the province for the last 50, 60 years, whatever it is, were not retailers. They were basically tax collectors. They put product out on the shelf, and their main concern was to collect the tax, not to sell the product. They had protected markets. They were basically a monopoly; in most centres they were a monopoly. In any of the smaller cities there was in most cases only one liquor store, and in larger cities there were numerous liquor stores, but they were very much a protected market.

Let's take for a case in point this \$20 million store. How could anybody in their right mind buy that \$20 million store unless we as a government said to the prospective buyer: "Mr. Buyer, we will continue to protect your market for you. We will choose who it will be that will take over this store, and we will, to the exclusion of all others, guarantee that you will have the market for this store." Well, that's not the free market, Mr. Chairman. We want the free market. The free market says that there is a supply that meets the demand. We heard about that a little bit earlier. We don't have controls on that supply so that the demand is forced to buy from one single supplier. No. We allow people to operate stores anywhere they want. That's exactly what we're doing here.

If this potential investor came along and supposedly bought this store that was grossing \$20 million a year and paid upon the expectations of a store that's grossing \$20 million a year, then what's this prospective buyer going to do when someone else comes along and wants to open another store across the street? Well, under their scenario we would say: "No, no; you can't open that store. We are protecting this store." Under our scenario we are saying: "It's a free market. If you want to open another store across the street, that's just fine."

The only way that you can be successful in converting an operation from a government-owned set of tax collectors to a free-market enterprise of retailers selling a product is to close down the government stores, and that's what we've done. We have closed the government liquor stores. We have not sold one government liquor store. The liquor stores are not for sale; they can't be bought. We closed the liquor stores, and we have offered licences for sale to anyone in the free market who wishes to go into the retail business of selling liquor. We have not picked out the winners. We have not decided who it is that's going to be the lucky person that gets the franchise for one particular area. No; we're not doing that, Mr. Chairman. We're saying that the free market is going to reign supreme. That's exactly what we're doing. We're saying that when you get into this business, you'd better understand up front what you're getting into. We have not made any secrets. We've been very up front. We have given examples of previous experiences in other jurisdictions where this process has taken place. All along we have said that we expect there will be an oversupply to start with and the market will sort things out, that if you want to get involved in this business, please

understand up front that there is a possibility that you may not survive. Everybody who has the entrepreneurial spirit, Mr. Chairman, is in, fully understanding: "I am going to be the one that survives. I'm not going to be the one that fails because I am going to be in control of my own destiny."

What we have here, Mr. Chairman, is a complete paradigm shift. We have the situation where we have a totally new environment for bringing about the sale of alcoholic beverages in Alberta. That's what they fail to see on that side of the House, and that's why they can't understand how the system is going to work, but the system will work. The reality is that the ALCB of the past is gone, and it's gone forever. It'll never come back because we have brought about a new way of retailing in this province.

Now, let's deal with some of the other points they have brought up. They talked about the fact that this government has left 1,500 workers in the lurch. Mr. Chairman, I feel very much for those 1,500 workers. I have a number of them in my constituency. I've talked to them. I very much feel for them, but that is the way that things go. I would like to say that although those 1,500 may have lost one job, the opportunity has opened up for them. There are going to be many more stores in the market, and those same workers can work in the new stores that come into the market. As a matter of fact, I would say without a word of exaggeration that instead of 1,500 jobs for people involved in working in the retail liquor business in Alberta, after the privatization prospect we'll probably have 3,000 workers involved in the sale of liquor in this province.

[Mr. Clegg in the Chair]

Let's address the issue of consumption, as it's come up a number of times. We've heard the horror stories that we're going to have a problem because accessibility is going to bring about increased consumption. Well, the material that we have simply does not support that theory. The member opposite tabled some documents in the House the other day, but those documents did not relate to what we're doing here. He tabled a document from the Edmonton Police Association, but that document referred to the sale of beer and wine in convenience stores and supermarkets. Is that what we're doing? No, it's not. We're not doing that. We are setting up a facility for the free sale of alcohol on a retail basis in Alberta.

What he fails to understand is that this process did not simply start in September when the announcement was made. The deregulation, so to speak, on the sale of alcohol has been going on in Alberta for quite some time. For the past two or three years outside of the major urban areas we have had the private sector involved in the sale of alcohol. We've had the private sector involved with off-sales in hotels and taverns. The accessibility has been there for the past two or three years. Don't deny that, because it's true. If someone wanted to have access to alcohol, for the past two or three years they did not have to go to a government-owned liquor store. They could have gone anywhere they wanted. I spend quite a bit of time in the Cypress Hills, and even in the Cypress Hills provincial park - there's a little coffee shop there - they have been selling beer and spirits for the past year. So this is nothing new. This is nothing that should shock everyone in the whole province. This accessibility has been there. If it were going to cause such a problem, why have we not noticed it already? I think that's really a red herring. I think statistics prove that accessibility does not lead to increased use of the product.

5:50

I have to give credit to the government, because I think Alberta has probably been one of the most successful provinces in the country in getting a mind-set change in the population so that we don't have the same attitude towards drinking that used to be very prevalent 10 or 15 years ago. People simply drink less now, and the fact that alcohol is more accessible is not going to change that. We have made it socially unacceptable to be drinking and driving. That was not the case 10, 15 years ago. We have made it socially unacceptable to be visibly impaired. That wasn't the case many years ago.

I think we now have a society that is ready to go into the 21st century. We no longer need to leave our thinking in the field of sale of alcoholic beverages back in the early 1900s, in Prohibition days practically. This is what we've been living with in Alberta for so long. We are now moving into the 21st century in a number of areas. This is just one of them.

All I can say to the members opposite is that if they're not ready to jump into the 21st century, those of us on this side are, and we're ready to go. We are going to the 21st century with or without you.

Thank you, Mr. Chairman.

DR. PERCY: Mr. Chairman, in listening to the hon. colleague from Little Bow and my colleague from Calgary-North West on trends, I was struck in fact by the one joke that I know that deals with economists and trends. I have something more substantive to say, but I thought I would share this as we verge on 10 to 6.

DR. L. TAYLOR: A point of order.

MR. DEPUTY CHAIRMAN: A point of order. I'm sorry. Point of order, Member for Cypress-Medicine Hat.

DR. L. TAYLOR: I just wondered. This member has spoken already, Mr. Chairman. [interjections] Oh, okay.

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

DR. PERCY: Thank you. [interjection] Well, it ties in very much to the issue of trend and prediction, so it's a useful story. As I say, you'll find that there are very few humorous stories or jokes for that matter that involve economists.

There's a group of economists flying from Toronto to Vancouver. They're in a DC-10, a three-engine plane. They've left Toronto and suddenly one engine kicks out. The pilot comes on and says: "Well, don't worry. There are still two engines left. There's a little problem. It's going to take us an extra 20 minutes to get to Vancouver." Well, there's a little buzz among the economists and then silence. The plane's flying. It's over Winnipeg, and a second engine kicks out. The pilot then comes on and says: "Not to worry. We still have one engine, but it's going to take us a little longer. It's now going to take us an extra hour and a half to get to Vancouver." One economist turns to the other, and he says, "You know, if that third engine kicks out, we're going to be up here forever." That's as close as I could come to a joke related to the issue of prediction and trends and extrapolation.

With regards to the comments by the hon. colleague from Medicine Hat, many of us are in favour of privatization. What does concern us about this Bill is that this is in a sense the trailblazer for subsequent privatization efforts. One would hope,

then, that it would be done right, that there would be a business plan, and we've mentioned this. The government has talked time and time again about a business plan. Each of the departments in government will have a three-year business plan that sets out objectives, defines them very tightly, and asks how the minimum amount of resources can be used to achieve the maximum in terms of whatever indicators are chosen. Well, in this case, in this privatization, there was no business plan associated with initiating the privatization, none whatsoever. One would think, then, that a business plan would have been essential, because what that would do is give stability in the market. The players would know the rules of the game. As you go, you make a transition. As you privatize, as you make this transition, you have to provide an element of stability so that firms know the rules of the game.

If we look at the fiasco associated with Al-Pac, Mr. Chairman, the major problem there was not the efficacy of that investment. Many would argue that the northern forestry investments are a good deal for Alberta. The problem was that the rules changed as the firms came in. Their capital was put at risk, the investments were put at risk as the rules changed day by day. This is what we're observing in the case of the privatization of the retail stores and the privatization of the distribution warehousing. The rules change. They're made up as they go along. It's not fair to investors in the private sector. It puts their investments at risk and it makes their plans redundant as the legal framework associated with this changes from day to day. How could you ever enter into a privatization initiative without having a pricing formula in place? I mean, the minister has talked about, you know: we're going to go from a system of markups, which is a form of tax collection, to a flat tax. Is it public? Is it known? Firms are going to go into that market without knowing what the pricing mechanism is, and it's still going to be at the control of the government because it will set the flat rate tax that they'll impose. Surely firms entering the industry have the right to know the rules of the game.

So one of the points that we're making with this Bill is that if you're going to do this, you've got to do it right. You just can't make it up as you go along, and that has been the case with this particular Bill. In fact, this Bill deals with the tail end of the exercise, not the retail side.

Again, with all due regard to my hon. colleague from Medicine Hat, there are real issues of concern to this side of the House with the Bill. It has to do with process, because process is important in terms of setting out the rules of the game. One thing that government ought to be able to do is find a set of rules and then live by them. We have not seen that. What a good business plan would do in this instance is set out the rules of the game, provide some economic stability in terms of defining the relationship between retailer, warehouse, and distributor, defining the pricing relationships. That we don't see, and that would have been part of any business plan.

Similarly, the issue of consultation. As you shift resources from the government to the private sector, there has to be an element of consultation. The affected parties have to know that is going to occur. Again, municipality after municipality has come forward and said: "Why have you done this to us? Why didn't you consult, allow us to get our zoning in place, and then if you were going to do this, privatize?" That was not done, Mr. Chairman.

So three issues: first, making up the rules as they go along; second, the absence of a business plan; and third, the absence of any consultation with affected areas. We're not arguing that the provincial government should come in and set the zoning. What we're arguing is that what should have occurred is that the government should have said: "We are going to privatize. This is the business plan by which we're going to do it. These are going to be the classes of licences that are going to be issued.

These may be the implications for municipalities. You may want to consider your development appeal boards. You may want to consider your zoning." That was not done, Mr. Chairman, and it ought to have been done, because if this privatization doesn't work, it's going to be very, very much more difficult for subsequent privatization initiatives to succeed, because the private sector won't touch them with a 10-foot pole. They'll discount the assets being transferred to them significantly because of the risk involved in dealing with a government that makes up the rules as they go along.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The hon. Member for Calgary-Currie.

6:00

MRS. BURGNER: Just to brighten everybody up, I would like to acknowledge my colleague the hon. Member for Medicine Hat, because quite frankly his discussion on business and economics came from a practical sense that belongs in the real world and not in the ivory classroom towers that we have been exposed to for these wee, long hours this morning. Quite frankly, Mr. Chairman, it is a delight that we are debating this Bill this morning, that we are looking at the completion of the privatization of the ALCB. I am very delighted to represent the government as we go forward on this issue, because if the Liberals were in charge of this, it would not be successful.

There is an issue here that I would like to bring some perspective to, and that has to do with the doom and gloom fear that every person who has opted for and pursued a licence to operate a liquor store is going to go down in flames or be consumed in flat beer and other screw-topped containers that we talked about earlier. There is the assumption coming from our colleagues across the way that everybody who has an opportunity to have a licence is going to own and operate a liquor store, and the fact of the matter is that maybe they're just going to hold onto them.

I'd like you to consider this scenario. If I was going to take out a licence to open a liquor store and received that licence on the same day as everybody on the street or in my community or in my town or hamlet or even in beautiful downtown Brooks, would I necessarily choose that moment and day to open my liquor store and come to the marketplace as fast as my neighbour? There are different economic strategies that one might want to consider. If they have been prewarned and concerned about the Iowa model and they have a very strong understanding of what it means to rush in unprepared, perhaps the issue will be simply to hold that licence and reserve that space but not necessarily invest in the opening and operation of a liquor store until they test the marketplace and see what's happening. I suggest to you that it is appropriate for us to put our minds in the thinking mode of someone who wants to operate a successful business and not jump the gun that they're going to continue to practise some of the less-than-successful methods of operating government-run liquor stores.

The concern has been raised that we're going to have 2 a.m. operations in our liquor stores. I've had constituents raise that concern to me, but I actually quite believe that some stores will serve different market areas in different hours. It doesn't seem reasonable to me to tarnish every single liquor store operator as somebody who wants to offer a 2 a.m. drive-through service or whatever. You demean their ability to find their niche in the marketplace by clouding the issue and dismissing them as doom and gloom, assuming that all of them are going to be operating at that hour.

The other issue that hasn't been discussed is the effective use of the real estate market. There may be people who choose to buy

a liquor store licence in order to access an opportunity, but they keep it in a holding pattern, waiting and watching for a real estate opportunity, because part of their interests or part of their holdings may be in that line. I don't believe you have to look at everything as being driven by the ability to make money off selling spirits.

I think it's important, if you're going to go out and consult with your constituents about where the sale of the liquor and alcohol is going to be in this province, that you get some sense of what the marketplace might bring to the issue, because it might, quite frankly, frighten a few of them off. As long as they have met the qualifications of a class D licence and as long as they have met some of the zoning regulations that are in place, they are free to operate a successful liquor vending operation in the way that they feel will best suit the marketplace. It is very discouraging for me to hear on an hourly basis, several hourly bases, that not one of them – not one of them – is going to be successful. I ask you to take up with the various members of your caucus who may have some retail experience, as you've taken up and got your economic lessons, and cover that base as well. I think it would be a more complete picture if you did.

I would also like to speak for a few minutes on the entire issue of zoning and the impact on our cities and towns. Quite frankly, once again we see an opportunity here to enlighten cities, municipalities, rural communities to work with the system, to be alert to what's happening, to see changes, and to be ready to act on behalf of the constituents and citizens of this province. No, what we're hearing is that only when government tells them there is a reason to develop a policy or create a bylaw or call the police are they capable of understanding what's happening. Quite frankly, I'm astounded that neither the city of Calgary, the city of Edmonton, or any other municipal region that has the jurisdiction and the authority to do so had not prepared for zoning concerns with respect to privately operated liquor licences.

From my limited expertise I was aware of the revisiting of privatization of liquor sales two years ago when they discussed the off-sites. When the hotels were operating separate stores in conjunction with their hotel business, right then and there it created the conflict of who should sell liquor and how close they should be. I'll give you the example of the Westward Inn on 12th Avenue in downtown Calgary. It's within two blocks of the major ALCB store on 11th Avenue, and it's about five blocks from the wine store up on 17th Avenue.

Do you want my toothbrush? I will acknowledge the clean, fresh, and pressed hon. member from Red Deer. I wasn't going to distinguish. Both are honourable and both are fresh.

To my colleagues, I would like to finish this within the time limit, my point being that in the marketplace existing in Calgary for close to two years have been liquor stores on a similar close, proximate site. The city of Calgary has not decided that that is a problem, has not had the foresight and the initiative to see: was there going to be a zoning issue with competing liquor stores?

In the city of Calgary on the corner of about 21st Street and Kensington Road there exists a school called St. John. On that corner a real estate project went down, and a few years ago a private liquor store was opened. That nice wine shop in the Kensington area is situated across the street from an elementary school, grades 4 to 6. I would just like to suggest to you that if there was a concern about the proximity of selling alcohol with schoolchildren nearby, they have had ample opportunity to deal with it.

Let's take it one step further and go to the Canadian Council of Grocery Distributors conference held in January of this year at the Westin Hotel, wherein they brought in members of the beer industry from the United States, retailers from the various grocery

chains in Montreal, and, in addition to that, our very own chairman of the ALCB, Mr. Bob King. Quite frankly, ladies and gentlemen, with the hundreds of people who attended that meeting and all of the discussion that came about following an open meeting with respect to the ALCB and privatization, was there one alderman who went back, as they should have done, and said, "I think we need some policy on this, guys"? Did they take their job responsibly? Did they proact? Did they invite Calgarians to have some interest? No, ladies and gentlemen. Because they're government and government orientated, they thought, "We'll wait till government tells us how to do it." I'm, sorry; that is not how you do business as a politician. You are responsible to be proactive. You are responsible to initiate policy. That is what frightens me, that ladies and gentlemen, my colleagues across the floor, continue to think that only government has the ideas and only government can lead and only government can regulate. We are responsible for developing policy, consulting with our communities, having a pulse on what the heck's going on, making recommendations, and being thoughtful and considerate in advance of issues so that they don't become crises, so that we can plan, so that we can take initiatives forward.

Ladies and gentlemen, as the sun breaks through, I am excited about the opportunity to privatize the retail outlets of liquor stores, because quite frankly I know the municipalities can handle it. I know the retailers can handle it. I know the consumers can handle it. I'm excited, because I can handle it.

I thank you for the time this morning.

#### 6:10

MR. DEPUTY CHAIRMAN: Thank you, hon. member.

The hon. Member for Edmonton-Centre.

MR. HENRY: Thank you very much, Mr. Deputy Chairman. I've listened very intently to the last two or three speakers and find myself quite amazed, frankly, about the comments made regarding some of the points that were made by members on this side. The hon. Member for Calgary-Currie consistently referred to ivory tower and no business experience. I believe she was sitting in her seat. Perhaps she wasn't quite with us, was with us in body and maybe not in mind. I thought I heard the hon. Member for Edmonton-Ellerslie outline the nearest thing, frankly, to any business plan I've ever seen in this Legislature, but obviously she didn't listen. I'd advise her to read *Hansard*. I'd also maybe suggest that the hon. Deputy Premier, who's been around in this Legislature and in political life for some time and is fond of suggesting advice to new members, provide advice to the hon. Member for Calgary-Currie. Today in her remarks regarding Bill 12 she mentioned that some of her constituents have come to her with some concerns about Bill 12 and about the privatization of liquor sales in our province. I quite often hear the member get up and express concerns or talk about concerns that her constituents have raised and then promptly dismiss those concerns. I suggest that she might want to listen to them occasionally.

Perhaps I could offer some advice to the hon. Member for Calgary-Currie, specifically with her comments regarding municipalities. I won't go into all the gory details, but one of the major failings in this privatization that's been pointed out is the fact that there are potential – and we acknowledge that it's potential – negative effects on communities or neighbourhoods with regard to the placement of the stores. The hon. Minister of Municipal Affairs has said: well, that's an easy one to solve; municipalities can control that through bylaws and through zoning requirements. The points that have been made on this side of the House and during question period and debate on Bill 12 have tried to point

out to the hon. Minister of Municipal Affairs that perhaps some prior discussion with the municipalities may have been in order. Perhaps the municipalities may have had time to do this kind of planning. Then I hear the hon. Member for Calgary-Currie getting up and telling us that anybody in their right mind would have known two years that this was going to happen. There were meetings all around. First she berated the city of Calgary for not having done its job. Well, I hasten to point out to her that perhaps she should speak to a couple of her colleagues, who up until five months ago were members of the city council of Calgary, whom she is just accusing of not having done their jobs.

Specifically, for the record, the hon. Member for Calgary-North Hill and the hon. Member for Calgary-Shaw, at least from an outsider point of view, made very effective aldermen in the city of Calgary. I take to task the hon. Member for Calgary-Currie's comments that those two members did not do their jobs well while they were members of the Calgary city council. I'm sure they'll want to have that discussion with her when they wake up and see the light. I'm glad she's finally seen the light. It's about time in this Legislature.

Mr. Deputy Chairman, I would like to also comment – perhaps I'm more asking questions from the hon. Member for Medicine Hat. I will look at *Hansard* and I will follow the comments made. Perhaps then if I'm wrong, I will acknowledge that. But I thought I heard the hon. Member for Medicine Hat suggest that it was a more efficient way to operate to have privatization; it was a more efficient way in the private sector and in the entrepreneurial spirit, et cetera. He made comments that it was a more efficient way of delivering services to people and that we're going to have an improvement in service delivery.

Now, here's what I can't quite add up, and maybe I'll have to ask for comments from Edmonton-Whitemud or our accountant from Edmonton-Ellerslie to help me with this one. What I thought I heard the hon. member say is that we're going to be more efficient, that we're going to go from 1,500 to 3,000 jobs, and that we're not going to have any increase in consumption. Now, it doesn't quite add up, Mr. Chairman, that we're going to have no more consumption. We're going to have exactly the same level of liquor being sold in this province, we're going to have twice as many people selling it and more jobs, yet we're going to have a more efficient system. It must be part-time jobs. I leave that open. I will look at *Hansard*, and if I'm wrong, I will stand corrected. Frankly, I'm really puzzled on this one.

Mr. Chairman, one of the major concerns for me as an individual who came to this Legislature was hoping that we would have an opportunity, because there were so many people new to this Legislature, to re-examine the role of government. I believe that most people, if not all, in this Legislature, when they ran for office on June 15 – one of the things that was said was that the role of government in our province has really gotten muddled over time, and we need to re-examine that role of government. It went over wonderful in Brooks. It went over even better in Edmonton-Centre, let me tell you.

I know the Premier has appointed the hon. Justice minister to head up the Government Reorganization Secretariat. As I understand, the role of that secretariat is to go stage by stage through the various operations, programs, departments, and services of government and determine if each of those are being managed effectively and also whether each of those services, programs, or departments are in fact appropriate roles for government. Well, I sit every day on the edge of my seat waiting for the plan. I've asked for the plan. I've never seen a plan. I don't know what this government is going to come up with next. Today it's liquor store privatization, then it's going to be foster care

privatization, day care privatization, and then it will be senior lodge privatization. The only thing that would make me jump up for joy is if Executive Council would somehow privatize, Mr. Chairman. That might make some sense.

The point I'm trying to make here is if government members, in their secret little meetings in the back room, really want members on this side, who believe that government should get out of business, who believe that government should redefine its role, who believe that government should be looking after people and not looking after businesses, to buy into that, then lay out the plan. Let's have a very intelligent, rational discussion about what the role of government is and what it isn't. I hazard a guess here or a suggestion that we will find amazing commonality, because I think there is a growing consensus among Albertans that government needs to get out of business. We don't want to be dogmatic to say that everything needs to be done by the private sector or everything needs to be done by government. There are some rationalizations that need to happen in government. We need to start focusing on what it is that government can do best in terms of service delivery. There are some things. I think we all agree that we wouldn't want to have our road system in our province completely privatized. We wouldn't want to have some services that we know are good public utilities completely privatized. There are things that can be privatized, that can be done better and more efficiently by the private sector.

Mr. Chairman, we're being asked to go on faith in saying: "Okay, here's a little piece. We're going to hive it off and privatize it, and you guys think that's a good idea because you're free enterprisers too. And here's another little piece, and here's another little piece." We don't know that we're not going to end up with a more cumbersome bureaucratic mess at the end of this four years than what we started with.

Let's see a plan. The Premier promised a plan. I urge the Premier – and I will send him the *Hansard* of this – to please lay out his plan so that we can see what it is that government is going to look like in this province in four years. Then the next step as an elected member, who frankly represents a thriving constituency in our province – I would like to be involved in representing my constituents in finding out which are the best ways to privatize. I believe it's an insult to the democratic process for any member to have to read about a major government move in the newspaper or by some press release. We have a Legislature, and this government consistently over the last 10 years circumvented this Legislature and frankly made some of the functions of this Legislature almost ineffective because the government has chosen to make decisions in back rooms and not put the goods on the table.

6:20

Let's have a discussion about what the role of government is. Let's decide in a three- or four-year plan what those things are that we need to move off into the private sector or abandon completely, if they're no longer useful. Then let's take them one by one. Let's spend our time constructively, and one by one let's have some debate as to what the best way to do this privatization is or to do this off-loading or elimination of particular services. Then we wouldn't have the ungodly mess that we're faced with now where you've got entrepreneurs, strong Albertans who want to create jobs, who want to get out on their own and make things happen, applying for licences, putting money down, putting some investment into developing business plans, which this government might want to do one day, and then finding out that they're going to have a problem with employee succession rights.

Surely to goodness the Minister of Municipal Affairs, who's responsible for this privatization – maybe I should now call him the minister of privatization – has got legal counsel in his department that could have reviewed this and said, “Well, here's something you might need to look at.” Where was this cooked up? Was there anybody who had any sort of knowledge of the legal ramifications? Were they ever consulted? It doesn't look like it, because we're doing a patchwork. “Let's fix this. Oh, there's another hole in the dike there; let's fix this.”

If we had a kind of rational, intelligent discussion about a process that could be used in this Legislature, then what we could do in committee is bring in experts, such as legal counsel from government, such as business experts, so that we're not sitting here pointing fingers at each other saying that you don't know what you're talking about; I don't know what I'm talking about. We can actually have some outside expertise brought in, and we can actually question them, get the best advice about how to proceed with these matters, and then make our decisions.

Mr. Chairman, this government in the way they have operated this has been unfair to the voters of Alberta, who expect a democratic process, has been unfair to the employees of the Alberta Liquor Control Board, who were first told that they couldn't form co-operatives and buy existing stores or licences, and then they were told they could, and we're still not quite sure how that's operating. It's not been fair to the entrepreneurs, who have had the rules changed on them halfway through. Most importantly, it's not fair to the purse of the provincial government, which ultimately belongs to the taxpayer.

Mr. Chairman, if this had been part of an orderly, rational plan, we wouldn't have the kind of situations the hon. Member for Calgary-North West raised or other members of this Legislature raised, where you had management of the Alberta Liquor Control Board in the last two years making major, multimillion dollar financial decisions, locking the ALCB into leases or into owning property, only to know that now we have a problem where we've got to negotiate how in heck and how in blazes do we break those leases or do we abandon them. Surely to goodness if there was some sort of rational plan, then we could have direction to the management, in this instance, of the Alberta Liquor Control Board to say, “Listen; our long-range plan in three years is to downsize and remove this from government operation and have private entrepreneurs deliver liquor services, so make sure you don't commit us to any long-term financial commitments in the next three years.” Surely to goodness that would be a much more rational way.

Mr. Chairman, our province is the home of the oil patch – and I see the hon. Minister of Energy is here this morning – and I often think: what would happen if Imperial Oil or Esso or Shell, any of the biggies, Texaco, Gulf, allowed their executives to make some major financial decisions and then very shortly after that have head office actually make decisions that undermine those field decisions to cost that company a substantial amount of money? It simply wouldn't happen. If it happened, somebody's neck would be on the line, somebody's head would be rolling, because surely to goodness if you've got some sort of business plan from central office, then it's your responsibility to communicate the details of that enough so that the individuals who are charged with making decisions away from your central office don't lock your central office into commitments that you're going to have to break down the road.

Mr. Chairman, the government has very conveniently plucked some figures out of the air very selectively with regard to consumption figures. One of the things that we've not been able to do in this Legislature – I know the Member for Medicine Hat

says that there are statistics indicating that consumption will not rise. Well, we also know that there are other figures that say it will rise, and to be fair I believe that some of it's because we're trying to talk about different situations and we're not analyzing all the variables.

What I have not seen factored into the figures that the government used to show, that in the last recent years there has not been an increase in consumption even though there has been an increase in availability – and frankly I would have liked the opportunity to call experts who could tell us whether it indeed is a factor – is the state of the economy. I mean, we all know that when the economy goes down, consumption will go down, and that's a well-known fact. Perhaps if you had pulled out the economic difficulties we've been having in our province, pulled those impacts out of the figures, you might have actually seen an increase. But we don't know that because we haven't been given the opportunity to call experts in this committee and to actually deal with it.

The other issue – and I know it's been referred to – is that on September 2, 1993, my leader, Laurence Decore, the Member for Edmonton-Glengarry, issued a press release saying that there were six improvements we would want to see. Frankly, the reaction to the first one disturbs me greatly. Mr. Chairman, we have a major financial crisis in our province. [interjections] Wake up, Calgary-Bow. If the Member for Calgary-Bow would talk to her Treasurer and her Deputy Premier and her Premier and suggest to them that they need to stick to the principle that if we're going to be selling off assets, we need to apply that to our long-term debt and not use that to fudge the current year figures so you can make your deficit look bigger for short-term political gains, then maybe we'll get somewhere, but that's not going to happen. I think Albertans aren't going to be fooled by that. We can't get a straight answer. The last time that question was asked, the Deputy Premier said it would be used for debt and deficit, were his exact words.

The social consequences of this move I don't believe have been fully debated and fully analyzed. Mr. Chairman, I draw on fairly vast experience in mental health and in family services and in community work, and I can tell you that if there are major social consequences – and we've not had a chance to actually analyze those in any detail – all of the intents of the Minister of Family and Social Services and child welfare will just go, poof, out the window. The family grid might as well not be there if we're going to be making decisions like this that have absolutely no relation to it.

6:30

Mr. Speaker, there is a direct correlation between alcohol consumption and family violence, and that has been proven over and over and over again. I defy any member on that side of the House to stand up and show me any evidence that there is not a correlation there. The correlation is very strong, and statistics show that. It doesn't matter whose statistics you use. Frankly, if you want, I can stand here for another four hours and give you personal anecdotes about ones that I have seen. The point here is, Member for Three Hills-Airdrie, that we've not had any analysis of the social consequence.

Thank you.

MR. DEPUTY CHAIRMAN: Thank you, hon. member.

The hon. Member for Edmonton-Meadowlark. [interjections]

MS LEBOVICI: Okay. I was going to defer to experience and wisdom, but I will defer to the Chair's ruling.

I thank the Chair for recognizing me on this very important issue. I do commend the members on the opposite side who have

had the courage, as it were, to speak out in favour of this Bill. I would encourage others as well, because I find it interesting in terms of what the viewpoint is with regards to the reasons for the passage of this Bill by the government side. I wonder if the briefing notes that the members on the other side have have pros and cons so that you can make an informed decision on what is right and what is not right as opposed to maybe just getting a position that everyone has to buy into.

When I look at the arguments and when I hear the Member for Medicine Hat say that they've got it, well I don't think that you've got it; I think we've got it here on this side of the House in terms of what the implication of this Bill is going to be.

AN HON. MEMBER: That's why you're on that side of the House.

MS LEIBOVICI: When I hear the Member for Medicine Hat say – 40 percent of the people in Alberta voted for us, and don't forget that – that it is this government's intention to get out of business, then I wonder, because it isn't so. At this point in time, the government is still in wholesaling. You may be privatizing; you may not be. You don't know what you're doing with that. At this time you're still generating revenue. Revenue is going to be coming into the government coffers as a result of the sale of alcohol.

AN HON. MEMBER: That's passive.

MS LEIBOVICI: Passive or not, it is then a tax that you are putting on the taxpayers. It is still revenue that is generated. You are not getting out of the business of being involved with the sale of alcohol.

In terms of when you look at areas that are not going to be receiving services because there is not the incentive for private enterprise to go into particular areas in Alberta, I think we're looking at a concept of agency stores. I remember that the other night the Minister of Municipal Affairs seemed to be talking about a mixed model. If that isn't the case, then I would urge the minister when he does join this debate to explain that more fully. Is there going to be a mixed model of delivery in terms of provision of alcohol in this province? I still do not know whether that is or is not so. My argument at this point in time is that the government is not getting out of the business of selling alcohol.

[Mr. Tannas in the Chair]

There was a comment made in terms of, well, the Liberals couldn't do it, or they couldn't do it any better. What is the plan? Well, I'll just give you a brief outline of some of things that we would have done right off the top. One, we would have consulted with Albertans. We would have held true to a campaign promise of listening and caring. Two, we would have looked at the business plans and the potential of having a business plan in terms of what exactly are we as government going to lose or gain from the sale of stores? Three, we would have looked at humane treatment of employees. That is not something this government has done. It has consistently refused to do that. Four, we would have allowed enough lead time for municipalities so that they could in fact get their act together, as the Member for Calgary-Currie so nicely suggested, which brings me to the point that the Member for Calgary-Currie made.

Again, it seems she had some inside knowledge. Two years ago this member knew that the ALCB stores were going to be privatized. It's unfortunate that the government negotiators prior

to the contract being signed – either it was May or June of this year – didn't know that. But the Member for Calgary-Currie, who wasn't elected, knew that. It's surprising that ALCB didn't know that when they spent I believe it was a million dollars to renovate the Summerlea store in my constituency not less than a year ago. But the Member for Calgary-Currie somehow knew that this was going to happen. Well, I beg to differ that she knew that that was going to happen. I don't think that before September 2 any member in this House knew it was going to happen other than perhaps the Minister of Municipal Affairs when he woke up that morning. It would be nice, of course, if they would inform the Legislative Assembly, which is in fact here to talk to and make those decisions.

When I had my last 20 minutes, I was talking to the issue in terms of employee groups, and I think we've talked to that. The other issue that deals directly with this particular Bill is in terms of the taxpayers must be assured that there will be no net reduction in provincial income as a result of the sale. That's the revenue neutrality. I wonder how that's going to happen. What we've heard are statements such as: liquor prices at the higher end will be reduced, and those prices at the lower end will rise. I'm wondering if the Premier of this province, who likes to quaff one with his friends at the St. Louis, asked if they would enjoy their beer prices going up. When I look at what the Member for Edmonton-Ellerslie did in terms of an average price per bottle – I believe it was \$28 for there to be any kind of profit. Well, \$28 at how many bottles was that a month? Seven thousand? Is that realistic? Are the people in the bar at the St. Louis going to pay \$28 for a pint of Drummond, which is what your Premier is right now selling in Tokyo? I'm not sure that that is what this government is looking at. That's why we're saying that the government really needs to take a very hard look at this particular Bill.

Now, there are some other points particular to the Bill as well. That's in terms of a comment that I made earlier as to whether this government is going to be getting out of the business of wholesaling. It appears clear now that the government is going to be trying to get out of the business of warehousing. We're not sure what the implications of that are going to be. The Bill proposes amendments that set the stage for the privatization of the warehousing and distribution aspects. I think that again it's part of an ad hoc plan that seems to be evolving as we go on day to day. It's interesting. Perhaps today there will be something new that will come out in terms of how we're going to privatize ALCB.

There's a problem with the agency stores. I mentioned that as well. I have yet to see what the definition of that is. I've yet to see what the government portion of that agency store is. I again wonder. I believe it was the Member for Calgary-Currie who talked about – was it the Member for Calgary-Currie? Let me just check here. It may not have been her, but one of the members from the opposite side talked about stores – I think it was the Member for Medicine Hat; yes, it was – in terms of consumption and accessibility and that there was no link to crime that he could see because of the fact that it wasn't going to be available in convenience stores. Well, I'm not sure the Member for Medicine Hat is aware that what originally was proposed were freestanding stores and what now has happened is that that is not the case. What is happening is that owners of stores are being given licences. For instance, I think there's a pizza parlour that's been given a licence. All they've had to do is put up a wall, so on this side is the pizza parlour and on this side is the liquor store. That's happened on numerous occasions. There are restaurants that, again, on this side is the restaurant and on this side is the liquor store. That was not the original intent of the Bill. So I wonder if indeed we're not moving towards the model that the

Premier spoke about so highly yesterday in his press conference from Tokyo with regards to having a vending machine on each corner that dispenses alcohol. Is this really something that the members on the opposite side want to see in this province?

6:40

There are other areas in terms of the problem with the municipalities. There has been reference made to that. One of the things that the city of Calgary is asking for – and I'm surprised that none of the representatives from Calgary have even bothered to mention this – is a moratorium. Now, isn't that a novel idea? We've asked on three separate occasions in this Legislative Assembly for a moratorium on this Bill, and this Calgary member on our Liberal side has.

AN HON. MEMBER: Calgary-Buffalo.

MS LEIBOVICI: Calgary-Buffalo. Thank you. I wonder, are those aldermen not speaking to the members in Calgary? What is the situation there? My understanding is they are asking for a moratorium. If that's not the case, please, it's a freewheeling debate. I think that's one of the things that needs to be looked at in terms of is there in actual fact support for this Bill within your constituencies? Given the request for a moratorium from Calgary, given the request in Edmonton from several of the communities for a moratorium, I would suggest that the answer is no. I don't think we can neglect the fact that there was a petition of 22,000 names – not a thousand, not 200; 22,000 names – presented in this Legislative Assembly approximately two weeks ago by the Member for St. Albert.

I think there is another issue that hasn't been addressed in terms of what will happen with the privatization of ALCB. This is one that we don't want to talk about in terms of free enterprise. That is, of course, that the prices are going to increase. They're going to increase perhaps up to 36 percent from what the price is now. Every time someone goes into a store to buy a bottle of beer, be it Drummond or what have you, they're going to see that that price has gone up, and they're going to remember that it's this government that has caused that price to go up. Again, if I were a government member, I would want to see in my briefing notes that there is the potential for that to occur so that I as a government member could make an informed decision on this whole process.

There were some comments made in terms of not understanding third-degree pricing. I think what people will understand is the 36 percent increase. I think there were some comments made in terms of anatomy. I think that as a doctor the hon. Member for Bow Valley should well understand the effects that alcohol has in terms of increased hospitalization costs, increased insurance costs, and the list goes on. I don't think I need to belabour that point.

The sale of alcohol at this point in time is a half billion dollar industry. Right now articles are appearing every day in the paper with regards to what the problem is. One of the last times I spoke to this particular issue, I indicated that this was an issue that was starting to bubble over and that I think will erupt in the next while. It's much like a volcano. At this point in time I think the best solution is for the government to look at what the implications of this Bill are, to say: "Well, I don't know if this is really the correct route to go. We don't have all the answers, because if we did, we would be hearing them in the arguments from the members' side. Perhaps the best thing to do with this is to look at holding off and seeing what makes sense." In reality, a lot of the stores have not as yet been sold, and we know that because workers have been asked to stay on. In reality, there are not very

many stores that have opened shop yet, so it is not too late to say, "Let's have a fresh, second look at this whole situation."

Specifically in terms of the Bill again, I have talked before to the fact that we are setting up a board that's going to be delegating responsibility, and that board will in fact have powers I'm not sure we as a Legislative Assembly should be giving to that particular board. There's a problem in terms of section 13.1 with regards to the abandonment of leases and that the government will be required to pay penalties as a result of that, especially in terms of 30-year leases. You're right. It is a mess, and it's a mess that it's not too late to extricate ourselves from.

In terms of distribution agents – and again I have not heard any arguments to convince me otherwise – what we are indeed setting up is another tier that in effect is going to be affecting the price of alcohol, because if you've got someone else between the distribution point and the end point who is the distribution agent, then there's another body you're going to have to pay. That will affect the profit, and it will affect the end price of the product. It just makes common sense.

What we on this side have been saying is that you need to consider what is happening here with a measure of perhaps impartiality. Get away from those notes you've got there, because I don't think they tell you the pros and cons, and get to where you can really listen and understand what some of the arguments are that we are putting forward.

There's a chance indeed for businesses to have opportunities created, but with the current plan we now see in front of us, what we are doing is creating an opportunity for businesses to go bankrupt. We need proper business plans. We need a plan from this government that will show where this government is planning to end up and how much the cost really will be to us as the taxpayer and to the consumer in terms of the end cost of the product as well as to the business owner, who I think it is only fair should be given as much information as is available. I have talked to several people who wish to buy a licence, people who have indicated that they are interested in stores, and do you know what their biggest problem is? It's lack of information. They can't get the information. So they don't even quite know what they should rightly bid for a store; they're just guessing. The information is not easy to access. We go right back to freedom of information, right back to what this government needs in terms of ensuring that its plans are proper and that Albertans basically are getting the most bang for their buck.

I think I will again just urge opposite members to read through *Hansard*, perhaps read what our arguments are and see the cons that are there, because the cons are not in your briefing notes, as I can understand from comments that have been made.

Thank you.

MR. CHAIRMAN: Edmonton-McClung.

MR. MITCHELL: Thank you, Mr. Chairman. I would like to establish my support for Bill 12, but over the course of my comments I would like to qualify my support for what I believe to be some very important reasons. I will vote for this Bill, but it hasn't been without a good deal of deliberation that I have come to that conclusion. The reason is that, as is so often is the case, the principle of a Bill, in this case privatizing the Alberta Liquor Control Board, becomes mired. It is not kept distinct, or it is not supported by the quality of the process outlined in the Bill. There can be no doubt that at this time, if not long before, government must make the assessment of what it should do, ensure that it does that with excellence, and determine what it shouldn't do and stop doing those things. When you assess the range of enterprises and

activities undertaken by this government, there are some which are more or less obvious candidates for privatization. I believe the Alberta Liquor Control Board is an obvious candidate for privatization. There certainly doesn't need to be and there is little justification for government being involved in the sale of liquor.

6:50

One of the arguments we often hear is that government must continue to sell this liquor so it can sustain the \$400 million or \$500 million in income it so badly needs, this government in particular, given its desperate fiscal problems. I would like to argue, Mr. Chairman, that if the only basis upon which somebody is arguing for not privatizing the ALCB is because it makes money, then there is a slippery slope to that argument. If government should be in an enterprise because that enterprise makes money, then government should be selling pizzas, government should be in drycleaning establishments, and government should be renting cars. But of course all that is absurd. The fact is that we do need the money, and the fact is that if properly structured, there is absolutely no reason why the government of Alberta can't privatize the Alberta Liquor Control Board and the stores, et cetera, and still make the money it's always made. To say otherwise is to say that the government of Alberta doesn't make money on cigarettes because it doesn't sell cigarettes. Of course it makes money on cigarettes, because it taxes them.

At the level of principle, Mr. Chairman, there is no question that I support this idea of privatizing the current Alberta Liquor Control Board's structure and its assets and its business. In fact, I was quite amazed when the Minister of Municipal Affairs in the original instance failed to include warehousing and distribution in his privatization initiative. Hurried as it was, ill-conceived as it was, it didn't come, I guess in retrospect, as a surprise that he would have forgotten to do that. I had to chuckle to myself, because here was the self-avowed right-wing business, private enterprise, free market kind of minister who, in his ardour to establish that he had privatized the liquor business in this province, had simply forgotten, believe it or not, to privatize warehousing. Well, is warehousing of liquor not a potentially commercial business? Of course it is. Why would it be that this government would somehow distinguish one from the other? Because he hadn't thought it through? To say that he had to warehouse liquor was to say that he had to warehouse cigarettes. Well, of course he doesn't warehouse cigarettes. He doesn't warehouse pizza crusts, he doesn't warehouse pizza accoutrements, he doesn't warehouse perogies, so why would he warehouse liquor?

It seems, Mr. Chairman, that somehow he has recovered, although again in an awfully hasty fashion, which leads me to the crux of my reticence in supporting this Bill. We have to be very clear in drawing a distinction between the objective – that is, to privatize the liquor business in this province – and the manner in which it is done. Just because the objective is the right objective, just because it is the positive thing to do doesn't mean every last conceivable way in which it could be done amounts to correct ways in which to do it. I think this government has had the benefit in a number of areas of seizing on a certain objective and somehow glossing over the important distinction; that is, the right way to achieve it and the wrong way to achieve it.

If I had to imagine, Mr. Chairman, how not to privatize liquor stores in this province, this is exactly what I would imagine. It's the model of incompetence. It is fundamentally the model of incompetence for privatizing the liquor business in Alberta. The fact is that this process has been hurried. It's been ill-conceived. It's been poorly planned, probably minimally planned if planned at all. We certainly haven't seen a plan. We haven't seen a

business plan. We have the minister of right-wing economics who's taken it under his right wing to privatize this. The last thing he remembered to do is to bring in a business plan, or he has certainly not established a business plan that he would like to share with us.

Here, Mr. Chairman, is the fundamental point at which the incompetence of this plan hits the road, the rubber of the incompetence hits the road. The government on the one hand wants to sell its stores. It wants to sell its assets, and it claims that those assets have a value – what is it? – they think they're going to get about \$85 million for them or \$65 million. On the books it could be \$120 million. Let's assume they thought they could legitimately get \$65 million. Well, if they were going to try and sell those retail outlets and businesses for \$65 million, you'd think they'd want to do something to sustain the value. But no, Mr. Chairman. Do you know what they do? On the one hand, they put those assets on the market; on the other hand, they open up and establish unlimited licences for liquor sales. All you have to do is have – what is it? – \$200 or \$1,000?

AN HON. MEMBER: Two hundred bucks.

MR. MITCHELL: Two hundred bucks and you can buy a licence. So what did they do? To use the Member for Redwater's oft-used phrase, they meet themselves going the other way. They flood the market with competition for their own assets, and then they go out and sell their own assets. Well, it just makes no economic sense; it makes no business sense. Why would they go out of their way to depress the market into which they are selling their own assets?

You know what, Mr. Chairman? The Minister of Municipal Affairs almost approached, seemed to have approached that issue properly to some extent when he was trying to liquidate Alberta Mortgage and Housing Corporation. There at least he seemed to take some care not to flood the market with his product so he would depress the very market into which he was selling his product. Well, this is exactly what he has done in the case of the Liquor Control Board. He's got the right hand over here having no idea what the left hand is doing, or in his ideological fervour to pursue this important objective, he simply and utterly lost sight of what he was doing to himself or, more importantly, what he was doing to the assets he held in trust and manages in trust for the people of Alberta. I think it is bad enough that he would drop the asset, that the asset value we might have got or he would have projected us to get would have been \$60 million less than it is on the books. It's certainly even worse, I would say, that he would go out of his way to structure this privatization to create competition for himself, to meet his competitive self going the other way and reduce further the value he could achieve on behalf of Albertans in the sale of these assets.

Mr. Chairman, where we see there is truly an incompetent plan, I think, is the manner in which this plan was arrived at. This is it: we simply don't see a plan. We do have wind of a \$6 million computer that was put into this operation shortly before the minister then turned around and tried to sell it all. I mean, Calgary-whatever, aren't you appalled and concerned about the fact that he would be dumping \$6 million into a plan that he's then going to sell? Anyway, we have not seen a plan.

It's not just a business plan that we would want to see in this case. This initiative has tremendous social consequences; it has tremendous social impact. I think every member of this House is very, very concerned about the level of alcohol consumption in our society, about the consequences of that alcohol consumption for abuse within families, for the breakup of families, for trauma, for accidents, for time lost on the job, productivity losses. I believe,

Mr. Chairman, the issue of the social impact of privatizing liquor stores and opening up licensing in the way that it's been done is an issue that, while always important, is now even more important and needs attention. Of course, do we see it getting any particular attention? No, we don't. Do we see a plan that outlines exactly what we're going to get for the assets, that outlines how we're going to sustain the income, that reconciles the 6 percent markup with some reasonable profit for the private sector entrepreneurs so they can stay in business and we don't end up having to get back into the business but also have the component of social impact? We simply do not see that.

**7:00**

We did not see any kind of a renewed initiative under AADAC. We don't see better education plans. We don't see better family counseling. We don't see a commitment to a better advertising program to reduce alcohol consumption. We see none of those things, Mr. Chairman. So even if this initiative were done properly financially – and it's clear that that's not the case – it certainly hasn't been done properly with respect to its social impact.

It also has been done in a way that I believe, Mr. Chairman, has been very unfair to the employees. I think the government has disregarded employee input into this process. I think the government has been neglectful, perhaps even more aggressive, in disregard of certain elements of the collective agreements that these employees entered into in good faith with the government. I think, again, these are symptoms of the rush, of the haste, with which the minister and this government entered into the process of privatization.

I would like to address the issue of spread. I understand, Mr. Chairman, that the government is going to drop their price 6 percent to allow for a minimum 6 percent markup. It will be difficult to understand how the entrepreneur is going to be able to achieve any kind of profit or make this business reasonable. We'd simply like to see how it is that the government expects that to occur.

That brings me to my next point, of course, which is the lack of information. I had a number of calls from people who were concerned that they could have some kind of analytical framework, that they could have some kind of data about this industry, that they could in some way analyze the industry so they could determine how to make their financial commitment to getting involved in the liquor business. Of course, none of that is available. It just seems to me to be such a basic requirement that a government who is about to privatize a \$500 million revenue-generating business, a government that is about to sell assets valued on the books in the order of \$120 million, a government that is making dramatic changes with structures that involve this amount of money year after year in the case of the revenue generation – that it could be done without a business plan, or without a business plan that the government was prepared to release publicly, is to say a great deal about what I have talked of earlier to be, literally, the incompetence of this government. That, I think, is a frightening prospect.

The government is very, very cagey in sending messages to the public. It's very cagey in capturing or framing an issue. It's got a wonderful public relations leader at its helm who, as we all know, has a particular knowledge and understanding of the alcohol industry. He brings these two particular strengths to bear very well in this particular area at a very superficial level. He of course is able to capture the imagination of Albertans who believe that privatization is the right thing to do, and we agree, but he is unable to bring any kind of management rigour, business rigour

to the manner in which he pursues that objective. That's all that much more frightening, Mr. Chairman, because he fails to even make an attempt to demonstrate to people that there is a set of financial statements, that there is a set of financial projections which would somehow allow the Members of this Legislative Assembly to make a proper assessment of whether or not this particular approach to privatizing is the proper approach.

[Mr. Sohal in the Chair]

It seems, Mr. Chairman, that the debate has really focused on the government's agenda, that the only way to privatize was to sell these assets independently. Let's analyze that. There were other possible models that weren't compared about which we haven't got comparative cost/benefit analyses. One of those models, for example, would be to have privatized the ALCB in the same way that the government privatized AGT. What they did there is they took the corporation, restructured the corporation, and they sold that single corporation on the private market. Well, why was it that the government decided not to do that in the case of ALCB? Why didn't they structure this corporation, which is what it was, package its assets, analyze and assess its overall market value, ensure that that package, that corporation, wasn't going to be competed against or it wasn't going to confront undue or artificially created competition by unlimited licensing, put that through the proper market mechanisms, through proper market analysis, through proper distribution of a share issue, get the money in an efficient way, and leave a business intact that knew what the parameters of the business were going to be?

So we have two models; well, actually we have three models. We could privatize the assets or each individual store separately. We could privatize them separately, sell them off separately, and, as the government has so inappropriately done, set up a potentially unlimited number of licences to compete with that. Or we could have this third model, which would be to package the corporation as a corporation and sell it on the stock market. Well? It would be interesting if the member from Grande Prairie perhaps could answer, could give us some idea of how it was that those three models were distinguished one from the other and that the least appropriate model, as near as we can tell, was chosen.

Well, it couldn't possibly be a criterion of trying to maintain value, because clearly the first one – that is, selling off the assets or stores independently – would have greater value than the second one. The second one, of course, would have even further reduced value than the third one.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Redwater.

**7:10**

MR. N. TAYLOR: Thank you very much, Mr. Chairman. I want to say a few words. It's too bad, you know. If I was 30 or 40 years younger, I would have been able to speak all night. As it is now, to stay awake – I notice the hon. deputy House leader from Red Deer has suddenly come alive. I thought that he was typical of this government, a nice shiny exterior but a tired old interior, because he went and lay back.

I wanted to take a minute or two to talk about what the Member for Medicine Hat brought up in his economic business model, and it was followed by the Member for Calgary-Currie. I think they had an interesting development. I always like listening to the Member for Medicine Hat, who uses a little more logic than most people do over on that side. When he explains something, I don't always agree with it, but at least he has a pattern that he's

following. He mentioned about selling the stores, not to be afraid of private enterprise to open things up. I wanted to bring to his attention that maybe he wasn't using the right economic model here. What we had here was a franchise. We had the exclusive right to sell a product, whether it was a dairy bar or – I notice the hon. Member for Calgary-Varsity – a mud company.

Mr. Chairman, the sudden appearance of the minister reminds me of that old Bible story of Lazarus, but he looks a little bit better.

#### Point of Order

##### Referring to the Absence of a Member

DR. WEST: Point of order. The presence of a member in the House and statement of this is prohibited in this Assembly. I wish a judgment on it right now.

MR. N. TAYLOR: Mr. Chairman, he is trying to baffle brains. I won't say what with, but as an old veterinarian you know what he's trying to do. It is nice to see him fresh and ready to take part in the debate. I just hope his mind is as fresh as his exterior.

#### Debate Continued

MR. N. TAYLOR: I wanted to go back to the Medicine Hat development. What we had was a franchise here, an exclusive franchise. Now, just pretend you had a dairy bar. Let's say that you were in charge. You were the president of dairy bars for western Canada or for Alberta, or you were president of the Ford motor association. Now, would you go out and say – well, look; you've got orders to sell off all the Ford dealerships. That's fine; you sold them off. Oh, you want to sell off the liquor stores? You wouldn't go out and say that anybody who writes in can get a licence to sell Fords. You'd sell the franchise. Probably, if you wanted to sell more down the road and you wanted to make it wide open, you'd say for five years or six years. You'd sell it with a five- or six-year contract, and therefore you would recover the maximum amount of money. I know that as a businessman for some years, the gentleman representing Calgary-Varsity would understand franchises, because he's worked in that line. When you sell a franchise, the worst thing you can do is tell anybody who mails in a cheque or an application form that provided they have good character and the legal things, they can have it, because immediately you blow your market.

One of the things I wanted to mention to Calgary-Currie and to Medicine Hat is that we had an exclusive right similar to a dealership or a dairy bar. There were other liquor stores and there were other beer parlours and so on and so forth, but there was nothing that compared with a liquor store. Now, in some areas that didn't amount to anything; it was okay just to let anybody write in. But the first thing that should have been done is circulate to anybody interested in wanting to buy one of these franchises on a free and competitive bid with maybe a six-year protection. That's usual with a dairy bar or a Kentucky Fried Chicken or something like that. That's where we missed the boat. The hon. Minister of Municipal Affairs literally cost the taxpayers, as far as I can calculate from what the cash flow from these areas was, something like \$60 million to \$85 million just in that one swoop by not selling the franchise.

Now, that's one of the areas I think we made a grave error in. However, things will go on. I wanted to mention two other areas while I am talking on the area, and I'd be interested in hearing some opinions from that side. The hon. Member for Medicine Hat also said that he didn't see any worries – I think Calgary-Currie said the same thing – about increased consumption. They might be right; I don't know. But you must remember that when we had

the liquor business ourselves, we didn't advertise, or if we did advertise, 100 percent deduction of the cost was off the taxpayers' profit because it was a government thing. So government advertising for pushing liquor wasn't there, but when you have a private organization, as you all know, you can write off the cost of advertising against your income if you're in a 50 percent category. So what you have once you've privatized the liquor business is a number of outlets that at half your cost – in other words, they can deduct half against their income tax – have an incentive to advertise, which you didn't have when you owned it as a liquor store. I think someone can follow the logic. Now, it may well be that the private sector would do that advertising push. I would do it, and I'm sure you would if you owned a liquor store, because after all you're going to get half of it off your taxable income. The purpose of advertising of course is to get people to drink more. Now, they may not be successful, but the point is that we have set in a funny sort of system.

I know this gets a little complicated, but I would have liked to have seen us put amendments into the Income Tax Act, as far as the Alberta government is concerned – because as you know, we get about one-third of the income tax – that there be no write-off for income taxes for advertising liquor. Why should we be pushing and giving write-offs to the private sector to cause problems that are going to cost us money in the welfare and the social sectors? It's a nice little thing that could easily be done as far as income taxes are concerned.

I'm just putting out a few constructive suggestions that I think we could have done some good with and that the government, I think, overlooked or in its haste to convert, its haste to go into the business end of it or sell off, didn't look at. It's going to cost us a lot of money, both from the low amount we'll get for some of these big franchises that are no longer exclusive plus the fact that we are encouraging the private sector with the income tax write-off that we have to go out and push the product.

The last is – I don't know, it might be minor in some people's minds. I've been around business for a long time. Usually when you go out of business . . .

Gee, just as an aside, Mr. Chairman, how can those soldiers remain so loyal? They sweat through the night. They're standing there in dirty socks and 5 o'clock shadows and now in come the colonels fresh and clean. None have been through the battle at all, living in their tents. If they can inspire that kind of loyalty, I admire them. That is the only force I've seen where they could come strolling in after the workers have taken the heat of the day and taken all that suffering and sort of preen themselves like peacocks as they walk by. That's up to them. If they can keep the foot soldiers happy, it's one of their marks of leadership, but I think I see some grumbling back there. I think there just might be a palace putsch afoot. As a matter of fact, I don't know if some of you cabinet on the front bench realize that that whole bloody back row moved up and were taking seats. They were trying them.

MR. ACTING DEPUTY CHAIRMAN: Is this relevant to what you're saying, sir?

MR. N. TAYLOR: Oh, yes, it's quite relevant. Let me show how it's relevant. Anyhow they were quite happy. As a matter of fact, they looked a lot better. Don't you think so, Mr. Chairman? I agree too, yeah.

Back again to the last point I wanted to make. It was with respect to when a firm decides it's not going to operate its franchise anymore. If it's a bus franchise – sometimes with mine I've been associated with a mine – or something in transportation,

it's quite common to have set something up, to offer it to the employees, to take a little time to let the employees buy it if they want to. There was no time taken here at all. I don't know how many employee associations would have bought it. As a matter of fact, for a while the hon. minister said that employee co-ops wouldn't be allowed to buy, and then he went back the other way. There was certainly no effort, knowing full well that these people, bargaining through the years with the government that moved their salaries up quite high . . .

#### Point of Order Clarification

DR. WEST: A point of clarification.

MR. ACTING DEPUTY CHAIRMAN: A point of order from the hon. Minister of Municipal Affairs.

7:20

DR. WEST: Yes. In debate I don't believe you should be able to carry on on a premise that isn't true. He said that the minister changed his mind on the employees being able to purchase or buy into their stores, and I did not. Every employee of the ALCB had the right and has the right today to receive a licence and purchase a store or take the business on leases. So the premise that you're debating is not true.

MR. N. TAYLOR: I think he's right as far as he went, but my statement was employee co-ops or groups of employees. If that's the case, I'll retract because it's not really germane, if you'll pardon the expression, to the whole argument here.

#### Debate Continued

MR. N. TAYLOR: My point that I was trying to get at: extra effort should have been made to try because you knew you had a group of employees that were going to find it very hard to survive in the private sector at the level of pay they had been moved to. It had been ratcheted up through the years to a level that the private sector wouldn't be able to pay, so I think we at least owed our employees a chance through co-ops and government financing, maybe even community bonds. Wouldn't that have been something? Give them a community bond, 100 percent guaranteed. The government couldn't lose. All these little liquor stores going out on community bonds: what a wonderful thing. But, no, they missed it. It shows once again that the right hand doesn't know what the right hand is doing.

AN HON. MEMBER: The left hand.

MR. N. TAYLOR: No, no. This is the only minister with two right hands, I can assure you. I mean, there's nothing left about that minister at all. He's even got two right ears, if you look closely.

The point is that there was no effort made there. So I guess I've made my point that it was a stupid move businesswise. It was a heartless move employeewise.

Thanks.

MR. ACTING DEPUTY CHAIRMAN: The Member for St. Albert.

MR. BRACKO: Thank you, Mr. Chairman. It's been delightful to spend the evening here. It's history in the making for me and for other members here. First of all, history in that I get to make my first amendment in the Legislative Assembly – and I am very

excited to be able to do that – secondly, from this angle, that I'm able to do it at 7:22 in the morning.

First, I would like to summarize the statements that all the members have made earlier today. It would take a few minutes to do so. We've heard it of course from an economic perspective. We heard it from a medical perspective. One of our members gave their maiden speech, and that was excellent to hear. They were proud that they were able to have this opportunity which they probably would not have had if we didn't have this debate on a very important Bill, Bill 12. Also various people spoke to the Bill – some for, some may not support it as much – about the problems and the concerns. What we're looking at is the lack of a business plan that we've asked for: a plan that would show us and all Albertans where we're going, where we want to go, and what it'll cost us in the future, present and future of course. We looked at it also from the human perspective, social service perspective, the cost in human life, perhaps in human suffering, more violence in the family with more accessibility, and talked about the surveys. Some said that there was no increase; others asked that to be clarified and proven wrong.

At this time I'd like to move an amendment, Mr. Deputy Chairman. Section 5 of the Bill is amended by adding the following after subsection (b):

- (c) by adding the following after clause (m.1):  
(m.2) shall consult with any affected municipality prior to the establishment of liquor stores, warehouses and duty free stores in Alberta in those places;

AN HON. MEMBER: What's the punch line, Len?

MR. BRACKO: It's coming. In fact, I'll have it run off for you to have so you won't forget it.

As we look at this, consultation is needed with all members of the community, not just the municipal councils but the residents. They needed to have input. Our Premier's slogan was: he cares; he listens. However, that ended after the election.

Ladies and gentlemen, as we look at the members of the community that needed to be consulted with, the residents are greatly concerned about what happens to their community. First of all, they have chosen a community to live in after looking at several factors. One, most people today in this advanced era of environmental concern look for a healthy community to live in. Of course, the question is: what is a healthy community? One of the first factors of course is air pollution, a community that has air that is not polluted by various factors. A healthy community also consists of a community with a tremendous amount of parks, trees, and so on, so the oxygen from the trees can be used by the residents of that community. This is important. In our community the residents were concerned over trees getting cut down, because of the great amount of oxygen they give off. They gave the number of so many units, whether it was gallons or litres. I don't recall how much it was. That was a primary concern. In Edmonton the same was true, in Mill Woods I believe. They had a petition to stop the cutting down of trees so they live in a healthier, unpolluted area. Also from a therapeutical point of view, going out into the community, getting your fresh air, getting away from the stress of daily living, walking through the trails and through the trees, skiing or riding your bike, jogging, whatever the choice of that person may be. They want an area that is healthy. These communities are being established throughout Canada. There are leaders in the east, and there are certain criteria they must work towards and meet.

Secondly, as they choose a community to live in, another choice in their selection will of course be a school, a school they feel

comfortable with. They send their children to feel safe and secure. As we look at what has happened, we see the liquor store licences, at least the initial \$200 ones, located close to schools, close to residences where that can greatly affect the students and the people in that area. In fact, there are liquor stores some places in Calgary that are close to three high schools, where the students of those schools would have access to liquor. We know that in this situation, when the storekeepers have to make a profit, they sometimes deviate from the rules. If not, other students who are 18 are able to get alcohol for the others. So we're promoting, by allowing this to happen, the use of alcohol by minors.

Next people choose a community to live in for their choice of worship, places close by where can worship freely. They don't want these alcohol stores, liquor outlets, to be close to their churches. In the Edmonton Boyle-McCauley area one is next to a church, which has many of the residents upset.

7:30

When they move into a community, they also look at recreation as being very important, where they and their children can take part in the sports of the community, whether it's hockey, whether it's slow-pitch, whether it's ringette. Sports and recreation is part of their choice. Also, they look for clubs for their children: Boy Scouts, girl scouts, cadets, whatever. They want to be able to send their children or take them to these clubs and have them come safely home. With liquor stores in the areas where they don't want them, this may not serve the best purpose. Another area they look at is the culture of a community, where they have access to improving the arts, music, and other creative skills. Another aspect in choosing a community: a shopping centre is very important, where they can shop locally, where they can get the goods they need. Usually they like to buy in the hometown or from the local stores, shops.

Next, they look at policing when they choose a community. Do they have a Neighbourhood Watch, which is important to many young families, a Crime Stoppers program? What is the policing like? Some people will move to one of the outlying areas because the RCMP may be there. Others may choose the city because of the city police. They want to be assured of police protection and quick reaction.

They also look at the values of the community. Service groups: how do the volunteers serve the community? What kind of groups are there: Kinsmen, Lions, the various other clubs? Another very important area that many like to volunteer in and be part of is the FCSS agencies. What special events and traditions does the community have?

What we have seen from Bill 12 is that there hasn't been consultation with the communities. They haven't asked for the input of the people who are involved, the members of that community, on how it's going to affect them, what they would like to see and not see. They passed the buck on to the municipalities, who had no advance planning, no advance notice, and they were expected to react overnight. In a good planning process it may take from six weeks to two or three or four months to put a bylaw through, especially with communities and municipalities now who would like to consult with the people so they get the input of those communities. With this, we also need consultation with the different groups: PAID, People Against Impaired Drivers, students against, and so on. Getting their input didn't take place.

I believe this amendment is needed to assist, so the people can be consulted, so they don't have the liquor stores in their communities next door to their schools, to their churches. That would have a harmful and maybe devastating effect. Violence may take place

because of the lack of planning by this government, the lack of knowing which way to go.

With that, I will conclude at this time, Mr. Chairman, and move on to my colleague.

DR. PERCY: I rise to speak to this amendment to Bill 12. Let me précis a portion of the argument for the hon. Minister of Municipal Affairs just to set context.

SOME HON. MEMBERS: Where is the amendment?

DR. PERCY: It has been distributed. Everybody has a copy of the amendment?

SOME HON. MEMBERS: No.

DR. PERCY: Mr. Chairman, it's been distributed.

In part this amendment might be seen to be closing the barn door after the horses have escaped, since it talks about the establishment of liquor stores, warehouses, et cetera, and consultation. That of course has happened after the fact, and the hon. minister has suggested that it is a problem that the municipalities deal with and deal with now.

To put this issue in context, earlier in the evening a number of speakers on this side of the House had said that had there been a business plan, had it set out clearly the nature of the business relationships between the warehousing, distribution, and the retail side, had the rules of the game clearly been set out, that business plan would have provided stability for the firms and the market, which is important. When a government is shifting resources into the private sector, there is enough uncertainty in that market that a fundamental requirement of government is to provide a stable set of rules of the game. If one looks at what occurred in this instance, there has not been that stability: the issue of successor rights of workers, the issue of pricing, whether or not markups, a move to some type of flat tax but no real date on the pricing mechanism of firms in the industry.

[Mr. Clegg in the Chair]

So the bottom line has been, Mr. Chairman, that there has not been the consultation required, there has not been the effort to set out a stable business framework in which both local governments and firms contemplating entering the market could really know what the rules are and what expectations would be of reasonable profit, and that has been in fact a serious flaw in this process. If one looks at this as a flagship in terms of privatization – and certainly the assets of the Alberta Liquor Control Board were at one time highly valued, but to the extent that many of these assets have been stranded because of the process of privatization which has occurred, not only will there now be the costs associated with the loss in value of those assets but there is the issue as well that . . .

#### Point of Order Relevance

MR. JACQUES: Point of order.

MR. DEPUTY CHAIRMAN: Point of order, the hon. Member for Grande Prairie-Wapiti.

MR. JACQUES: Thank you, Mr. Chairman. I'd like to cite *Beauchesne* 459, in terms of the relevancy in speaking to the amending motion. The amending motion is very clear in terms of

the consultation process as an amendment to clause (m), which is also equally clear with regard to the subject matter. With all due respect the hon. colleague is getting away from the basic issue.

Thank you.

MR. DEPUTY CHAIRMAN: I was thinking the same thing, hon. member, and I've been here a long time. So please stay on the amendment.

DR. PERCY: Thank you for that, Mr. Chairman. I may perhaps have wandered a bit in light of the hour and the number of times I've been on my feet.

#### Debate Continued

DR. PERCY: The relevance, though, to address the issue brought up by the hon. Member for Grande Prairie-Wapiti, is the issue of consultation. Not only are we concerned about the consultation with regards to the establishment of liquor stores, warehouses, and duty-free stores in Alberta and those places, but we're also now concerned about those stranded assets, those assets which will now decay, which will be eyesores to the public, which may turn out to be who knows what type of urban blight which will pose zoning problems and policing problems for the municipalities. So the issue that I was trying to draw the hon. minister's attention to was really the necessity of consultation, not only with regards to the establishment of liquor stores, warehouses, and duty-free stores but the consequences of stranding such valuable assets through the really quite shortsighted and, one might even say, ill-conceived plan by which these assets were privatized.

So I speak very much in favour of this. As I say, it is in part closing the barn door after the horses have escaped, since the class D licences have been so widely distributed and the municipalities are now dealing with this problem. Had there been consultation, many of the concerns of the municipalities would have been dealt with, we would not see the mayor of Calgary calling for a moratorium, we would not hear the police chief of Edmonton raising concerns about the concentration of liquor stores in the inner city. For all we know, at some point we may hear from the inner city of Brooks of their concerns about the heavy concentration of liquor stores there. So there are a number of problems that may arise because of the absence of consultation. We feel that this is fundamental, and it is with great respect that we bring it to the attention of the hon. minister, because as we know, as he privatizes more and more . . . [some applause] A johnny-come-lately, Mr. Chairman. As we deal with subsequent privatizations, the issue of consultation will come more and more to the fore. So we feel that this issue should be flagged, and certainly this amendment, friendly in nature as it is, really bears scrutiny by all members and support.

So with that, I'll close my comments, Mr. Chairman.

7:40

MR. DEPUTY CHAIRMAN: Thank you.  
The hon. Member for Calgary-*Buffalo*.

MR. DICKSON: Thank you very much, Mr. Chairman. I, too, rise in support of the amendment. It occurs to me that the case for this amendment has already been fully and effectively made over, I'd say, the last six hours. When I reflect back on some of the observations we've heard, I think that to support this amendment one need look no further than a number of the disclosures, a number of the statements and representations made by members in the government caucus. I do want to say that I particularly appreciated the comments from two members in the government

caucus, one being the Member for *Medicine Hat* and the other the Member for *Calgary-Currie*. While I may not have agreed with everything the two members said, I respected the fact that they stood up, they engaged in the debate, they attempted to focus the discussion on its merits. As a parliamentarian in this House I appreciated that contribution to the debate by those two members. I think it went some considerable way in terms of breaking down what so often happens, what I might characterize as two solitudes, where you have members in opposition lobbing questions and attempting to make argument and government members sitting there and not engaging, not participating in the debate. So I want to say that I appreciated the contributions from both of those members.

MR. DEPUTY CHAIRMAN: Hon. member, could I have your attention, please? We're talking on the amendment, and it's very specific, so you must keep within the amendment.

MR. DICKSON: Mr. Chairman, I appreciate being refocused. I perhaps may have said it too softly, but my intention was to reference some of the comments that had been made earlier which make the case for the amendment, and I'm speaking specifically, exclusively to the amendment. In terms of making the case, in terms of demonstrating that this is a constructive, a meritorious improvement to a badly flawed piece of legislation, it's essential that we make reference to arguments that have come up. Some of them antedate or actually precede the amendment, but they're directly relevant. I'll heed your admonition, and I'll be working closely to follow that direction and guideline.

I think the involvement of municipalities was touched on only in a very tangential way by the Member for *Medicine Hat*. I think that as best I understood it, implicit if not expressed in his comments was the fact that this was not a problem for municipalities in this province and this entire regulatory licensing scheme which is envisaged by the hon. mover of this Bill wouldn't be a problem.

Now, the Member for *Calgary-Currie* – and I want to be very fair here – joined debate in a very full and direct way. While we may not have agreed with all of her observations, I think members on this side appreciated that comment. It appears to me that the Member for *Calgary-Currie* in a clairvoyant fashion neatly anticipated the amendment we were going to bring, because she made the arguments then in anticipation, I guess, of an amendment we have now. I expect she may make the same arguments again. She may not. But I want to address those issues.

What was said at that point was that the cities didn't prepare. That's directly related to the amendment we have now. The criticism was that the cities didn't anticipate, they didn't do the groundwork, they didn't see it coming, they didn't do the preparation. Well, Mr. Chairman, I know people who serve on city councils. We have the good fortune here of having members who very recently served on Calgary city council, two very effective members in this Assembly. I hope they're going to join in debate on this amendment, because I'd like to hear how they would respond to the criticism from the Member for *Calgary-Currie*, who said – and I paraphrase her criticism – that they should have seen this coming. These members should have seen it coming. They should have anticipated. They should have talked to their administrators and put in place programs. They should have determined how this was going to affect community policing. They should have determined what land use planning issues and problems were going to come up. Now, what's of interest to me is: I know how hard those members who are currently members in this Assembly worked as councillors, and I don't think they

were irresponsible. I refuse to accept, I just cannot accept that those members were derelict in their responsibilities when they were on Calgary city council. I think they continued right up until the time they left that office to join this House . . .

#### **Point of Order Imputing Motives**

MR. MAGNUS: A point of order. Standing Order 23(i), imputing false motives.

Mr. Chairman, this is pure nonsense. As the member should know – he's been around certainly long enough – the land use bylaw just happens to be the responsibility of city council. Unfortunately, they seem to think the province should run the municipalities in every way, shape, or form. [interjections] Well, as somebody said, that is the Liberal way. But that isn't our way. We will allow our towns and municipalities to run their own municipalities in the way they see fit.

MR. DEPUTY CHAIRMAN: It's a disagreement, but it's not a point of order.

Hon. member.

#### **Debate Continued**

MR. DICKSON: Well, Mr. Chairman, I appreciated that comment from the member who just spoke. I hope to engage him in debate. I hadn't expected that he would join debate quite so quickly. It's apparent that we're going to have a spirited discussion. I'm going to look forward to full comments from that member when it's his turn to speak and after I've finished.

It's clear from that interruption, Mr. Chairman, that we have a real problem in this Chamber. We have members here who clearly misapprehend what this issue is all about. So I want to step back for a moment and deal with some of the first principles here. You know, I think it has to be clear that this amendment focuses on the relationship between the province on one hand and the municipalities on the other. All members understand that municipalities are not sovereign in any respect. Municipalities are but creatures of this sovereign body, at least sovereign in terms of what the Constitution Act of Canada allows the provinces to be engaged in. What's happened is that it's the case that the municipalities only have those powers which they have by provincial legislation, powers delegated to them by the provincial government.

Now, I think what's important in terms of following through in this analysis is that all municipalities in the province of Alberta do not have the sophisticated infrastructure the cities of Edmonton and Calgary have. Those cities have large law departments. They have large land departments. They have a tremendous amount of expertise they can bring to bear. But every municipality in the province doesn't have that advantage. I suppose many of us members who come from urban situations from time to time may forget that you often have town councils and town administrators, town managers that don't have this huge infrastructure; they don't have all the sophisticated support. Those towns look to the provincial government for assistance, not necessarily in terms of seconding experts, seconding staff. I think that those towns and villages and summer villages in the province of Alberta would be dismayed, absolutely dismayed, to hear the comments we just heard from the government member who suggested that the provincial government has no role, no responsibility in those areas. Well, I think people in Sylvan Lake and Drumheller and Taber and Hanna and Slave Lake look to the Department of Municipal Affairs and the Minister of Municipal Affairs to provide them with assistance. In fact, it seems to me there's an Alberta Planning

Board. I can't remember the exact name of the tribunal, but it's an agency which performs, I think, an important and valuable role in assisting municipalities in terms of land use issues, planning issues.

7:50

MS LEIBOVICI: Planning commission.

MR. DICKSON: The planning commission. Thank you very much. That's one of the advantages, Mr. Chairman, in having so many members in this Assembly learned in municipal government practice and law. I appreciate that support in that direction.

What we have here, though, Mr. Chairman, is that it's not right, it's not appropriate for those of us who come from larger urban centres to minimize, to ignore, to disregard the concerns of smaller centres. We heard earlier from the Member for Bow Valley that Brooks has, I think he said, three liquor stores. Now, that's an astonishing bit of information. Maybe what he meant, and I perhaps misheard, was three applications from the community of Brooks. In any event, a centre like that is going to have concerns, is going to have difficulties with privatization of liquor. I think they would want, would require, and would in fact enjoy support from the provincial government through the appropriate planning commission to assist them in dealing with planning land use issues.

Now, Mr. Chairman, as we talk about these land use issues, we've heard in the past the Minister of Municipal Affairs repeatedly say, as the Member for Calgary-Currie did earlier – I'm paraphrasing here; this isn't an exact quote. Their position has been: why didn't the municipalities see this coming? Why aren't the municipalities hurrying to get the appropriate policies and procedures in place? Well, obviously they're going to have to do that if this Bill goes through, but why would we put municipalities, municipal government, that level of government which is so important to Albertans, that level of government that is closest to the people that receive and benefit from those services – why wouldn't the minister, the government, go to those municipalities first and say: "Folks, this is the plan. This is where we're going. You've got a year to identify province and community policing. You've got a year to identify problems in land use planning and zoning and restricted uses. You've got a year to determine what you're going to need in terms of police support. You've got a year to determine what additional support you're going to need in your community to deal with drunk driving. You've got a year to prepare in your community to provide programs to support people that have an alcoholism problem."

Mr. Chairman, I venture to say that if that had happened, we wouldn't be talking to this amendment today. This wouldn't be an issue today, because we wouldn't have a legitimate basis to stand in this House, as we have over the last considerable number of hours, and attempt to make the case we're making. When I look at this amendment we're now trying to do in a way which clearly is a poor second – this is clearly not the preferred way of approaching a difficult problem for municipalities, but we're now stuck with it. We have a plan that is already well on the way to implementation. When I say a plan, that wouldn't be perhaps the way I'd characterize it, but I use that label so members opposite will be clear what I'm talking about. It's what they purport to be a plan, what they characterize as a plan. What happens is that that's already in effect, so now to some extent we have to deal with the aftermath. We have to deal with the effects, the consequences.

Now, Mr. Chairman, when we look at those consequences, there's an impact which is going to be different in Drumheller

than in Edmonton. It's going to be different in large urban centres, where there is a core with a largely transient population, where already there are problems with substance abuse and alcohol abuse, than in some centres where there's a smaller concentration of people. I mean, that follows, that accords with the life experience, I think, of most members here, life experience in terms of what one finds in the city, not in terms of the alcohol abuse problem. I want to be clear on that and not impugn any member in this Assembly.

So we know we've got a problem. That's clear. I think we've seen some quibbling over what the statistics are. We've seen some quibbling over whether there is absolute, irrevocable evidence that privatization of liquor sales is going to translate directly into a huge increase in crime in the community. But it seems to me that as reasonable men and women in this Assembly, there are all kinds of things we factor in and plan on the basis of, that we plan around that aren't proven, if you will, beyond a reasonable doubt, that aren't proven to an incredibly high standard. We deal on a balance of probabilities. I think that's what we do in our ordinary lives outside this House. It's what municipal legislators do. It's even what government members do, I'm sure, in their own lives: they make all kinds of decisions without requiring proof beyond some incredibly high standard.

If we recognize, then, that all we're looking for is a balance of probabilities, does it follow that this privatization of liquor is going to create significant problems for municipalities? I think on the balance of all the evidence, all the material, the five papers I filed, I guess it was yesterday afternoon, and that includes the study from Portland, Oregon: Crime Prevention in Liquor Outlets. That dealt with a municipality. I think in Portland, Oregon, what we saw was a good example of how a state government and a municipal government could work together when privatization happened. There you've got the equivalent of the provincial Justice department meeting with municipalities, municipal police forces on a collaborative, co-operative basis, saying: how can we share information? How can we use the resources we have at a state level – or translate that into a provincial level – to assist municipalities in terms of making sure their communities are safe and making sure privatization of liquor distribution doesn't compromise local safety? After all, Mr. Chairman, is there any member here that thinks their constituents are not concerned about family violence, about community violence, about safety in their neighbourhoods and homes? There may be some members who would minimize this risk. There may be people who say: this isn't anything to worry about. But I come back and speak again . . .

AN HON. MEMBER: Speak with stats instead of probabilities.

8:00

MR. DICKSON: We've got reports.

It's interesting, Mr. Chairman. I'm a Calgarian, but I would have thought the Edmonton Police Service is a credible agency. Are we to believe from the comments I hear from members on the government side that they put no stock in, they give no credence to a report from the Edmonton Police Commission? It seems to me that when these members ask for some concrete evidence that this kind of privatization is going to create problems in the communities, I say it's there. They have only to look at it. It will be a sessional paper. I don't have the number, but I invite all members to contact the Clerk's office. If you want a copy, any member who's interested in seeing what the Edmonton Police Service had to say about it, contact the Legislature Library, call my office. I'm happy to share it with you.

Then I challenge the Member for Bow Valley, after he's read the report, if he still is of the mind and of the belief that there's absolutely no risk in his community with privatization of liquor stores. I invite him to chat with me, because I'd be interested in how he could read that report and come to such a contrary interpretation or opinion than I have. I recognize the fact that I may have read it too quickly. I may have misread it, and if the member can show me where I'm wrong, I invite him to stand now, or at least when I finish, and he'll have an opportunity, or any other member. If you don't accept the information that's there – and I should add it's not just those reports I tabled. These were only a sample of a number of studies that have been done.

I think it's important to note as well that we talk in this amendment about municipalities and the impact this is going to have on municipalities. We have the mayor of the city of Calgary, the other largest centre in this province, expressing concern in terms of privatization.

MRS. BURGNER: That's his business.

MR. DICKSON: I heard a comment a moment ago from the Member for Calgary-Currie, and I think what was said . . . [Mr. Dickson's speaking time expired]

MR. DEPUTY CHAIRMAN: Well, thank you, hon. member. Before we start, it's just that we've been here 12 hours and 2 minutes now, and we are all enjoying ourselves very much.

MR. KOWALSKI: Mr. Chairman, the amendment put forward by the hon. member basically talks about municipalities, the impact of a piece of legislation before the Alberta Legislative Assembly: Bill 12 and its impact on the municipalities of Alberta. As I understand it, there are approximately 350 municipalities in this province. There are some major cities, 14 of them, and we have rural municipalities. We have a combination of a variety of municipalities, and there are 2.6 million people that live in these 350 municipalities in the province of Alberta.

When the citizens of Alberta awoke in the last several hours, Mr. Chairman, and looked at their daily papers and read the headlines in their daily papers, and when they listened to the radio, when they clicked on at 6 o'clock or 6:30 or 7 o'clock, here's what they heard today in the province of Alberta. They heard that the popularity of this government had gone up 6 points since the June election of 1993. They read that the Premier of Alberta, Premier Klein, has a popularity rating of some 58 points in that poll as of today. All of these citizens . . .

#### Point of Order Relevance

MR. COLLINGWOOD: Excuse me, Mr. Chairman. Point of order. The Deputy Premier is speaking to the amendment. I wonder if perhaps he's going to toast us, if that's perhaps what we're going to do if we're speaking to the amendments to the liquor Bill. Perhaps a toast then.

MR. DEPUTY CHAIRMAN: Obviously no point of order, but hon. Government House Leader, I know you're building up to stay on the amendment.

#### Debate Continued

MR. KOWALSKI: Yes. The amendment very clearly talks about the municipalities, Mr. Chairman, and those of us who have been involved in this debate for the last 12 hours and the hon. member who just rose in the last few minutes, just arrived here in the last minute or two, knows what I'm talking about. The people that

live in his municipality heard what I said. The popularity of the Progressive Conservative government of Alberta has risen 6 points since the election of June of 1993. The popularity rating of Premier Klein is at 58 points, and it's because he believes in privatization, and he believes . . .

**Point of Order  
Relevance**

MR. GERMAIN: A point of order.

MR. DEPUTY CHAIRMAN: Order. A point of order. The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you. In fairness to the Deputy Premier, to give him a chance to talk to this most important amendment that he waited for all night, the citation, Mr. Chairman, is *Beauchesne's* 459, relevance. It's been cited here a few times tonight, and I now remember the number.

MR. DEPUTY CHAIRMAN: Thank you, hon. member. [interjection] Just give him a minute or two, and he'll come up with . . .

**Debate Continued**

MR. KOWALSKI: Mr. Chairman, the amendment of the Member for St. Albert says, "shall consult with any affected municipality." I've talked about 350 municipalities. I've talked about consulting with the people. That consultation took place in the June election of 1993, and it has occurred every day since that time. The men and women of this government are in touch with the people of Alberta, and that consultation with municipal leaders in this province, with citizens of this province has clearly said that they like what this government stands for, they like what this government is doing, and they want privatization in the marketplace in the province of Alberta.

[Mr. Tannas in the Chair]

Mr. Chairman, what is the issue with respect to the amendment? It says: consultation with impacted and affected municipalities. Well, what have these people been telling us? They say that they want the government to get its fiscal situation in order. They are not children of the province of Alberta, as was rudely stated by the Member for Calgary-Buffalo, but they are partners of this government in the province of Alberta. We treat them with respect, and we treat them with dignity. We work hand in hand with them with a very dynamic, aggressive Minister of Municipal Affairs who is in consultation with all of these municipalities, affecting each and all issues on a daily basis.

Members of this government attend meetings of the Alberta Association of MDs and Counties, attend meetings of the Alberta Urban Municipalities Association, attend meetings with representatives of the Improvement Districts Association of the province of Alberta, and what are these municipalities telling us when we consult with them, Mr. Chairman? They say that they want a leaner Alberta, they want a more fiscally responsible Alberta, and they want to work hand in hand with the government. Many of them have come forward and said that they believe in the need to downsize government and they believe in the need to privatize.

I find it really quite incredulous in listening to some of these individuals who have been repeating themselves ad nauseam now in this massive filibuster, which by the way is not an important issue like education. All members of the Liberal opposition voted, but no standing vote in support of the government's budget at 15 minutes to 12 last night. Not one member of the Liberal

opposition stood in opposition to the government budget. This Assembly approved it at a quarter to 12 last night. So that's obviously not the issue, Mr. Chairman. Education and all this stuff – we've heard about them criticizing education cutbacks. At 5:30 this morning the legislation with respect to education was approved by this Assembly. So those aren't their issues. Their issue is nothing more than a cheap filibuster against business in this province, against privatization in this province, and opposed to the leadership of the Premier of the province of Alberta who is in touch with individuals.

Now, Mr. Chairman: consult with affected municipalities. Let me just focus on dealing with all these municipalities who are opposed to it. Well, in the town that I happen to live in, the town of Barrhead, when a process goes out to sell a liquor store, who purchased the liquor store? It was the municipality of Barrhead. The town of Barrhead bought the liquor store, and they bought the store to turn it into their new municipal building. The hon. members can stand up and say that we're not consulting with the municipalities, we're not in touch with the municipalities, we don't deal with the municipalities on a day-to-day basis. No, nay, Mr. Chairman. The only thing that's going on here is a Liberal caucus out of control, totally out of control.

**8:10**

When their leader gets appointed as the next ambassador to the Ukraine and when the deputy leader becomes the next Lieutenant Governor in the province of Alberta and when the guy for Redwater gets appointed to the Senate under patronage, let us remember this day, because they are out of control with no leadership and no understanding of what it is the citizens of this province are talking about. They want less government. They want privatization. They want to work hand in hand with their provincial government, and this amendment destroys it and sets it back.

Now, if these people were serious, Mr. Chairman, why didn't they stand and rise at a quarter to 12 last night in a standing vote against the provincial budget? They didn't do that. They didn't put their big defence at the OK Corral against the position of the government in respect to education. No, no, no, no. They took on something called privatization, an antibusiness position of the Liberal caucus.

**Point of Order  
Relevance**

MR. GERMAIN: Point of order.

MR. CHAIRMAN: Point of order, Fort McMurray.

MR. GERMAIN: I'm reluctant and somewhat timid to suggest a point of order against the Deputy Premier, but the citation of relevance from *Beauchesne* 459(1) has been raised several times tonight. We've now all memorized it. I wonder if that citation also applies to the Deputy Premier, Mr. Chairman.

MR. CHAIRMAN: The Chair recognizes the point. It's well made. I certainly heard the Deputy Premier mention this amendment on a number of occasions during the course of his speech. I have not been asleep for a long, long time, and I might not have always caught the thread, but certainly the mention of the amendment was made with enough frequency to keep our attention.

**Debate Continued**

MR. KOWALSKI: Thank you very much, Mr. Chairman. I'll repeat it again. It's consultation with the people of Alberta. It's

being in touch with the people of Alberta. It deals with the municipalities, and the men and women of the government caucus are very much in tune with reality and what the issues are. I repeat: this is not the issue for the people of Alberta. It may very well be the OK Corral filibuster for the Liberal opposition.

I just want to say one additional thing. I said it, in fact, several hours ago in the wee hours of the morning. There was a Liberal member who was elected in 1989 who sat on that side in the corner. He came from Calgary and consistently gave the same speech ad nauseam. He's no longer here. There are a lot of one-term MLAs who give one speech and give it 50 times and deal with repetition. There used to be an NDPer from Edmonton-Kingsway who was really good about that. He had one speech; he gave the same speech. Let me say that "used to be" are the operative words, because there is something that's true about this business: it's a lot easier, men and women of the Liberal caucus, to talk your way out of this Assembly than to ever talk your way in. You are on the wrong side of the issue. You're wasting the time of the taxpayers of Alberta. You're filibustering in this Assembly, and this amendment of yours is nonsense and will be defeated. We will go on, and the people will applaud the leadership of Premier Klein and the leadership of this government, and our popularity will rise more than 6 points in the next poll.

MR. CHAIRMAN: Edmonton-McClung.

MR. MITCHELL: I was listening intently to the Deputy Premier's comments, Mr. Chairman, and I don't know whether he's just tired and is quite excited over the fact that he's tired to the point of exhaustion, or whether he's actually gone beyond exhaustion, has fallen asleep and is dreaming before all of us and is talking in his sleep.

Mr. Chairman, we approached this marathon session last night in extremely good faith, and we approach this marathon session this morning in continued good faith. The demonstration of our good faith was the fact that we did not delay the proceedings of this House at 11:45 last night for a standing vote. Because we had made it very, very clear over more than 25 days of estimates debate, two days of heritage savings trust fund debate, two days of capital fund debate, in detailed, elaborate discussion of why we were very, very concerned with . . .

**Point of Order  
Relevance**

DR. WEST: A point of order.

MR. CHAIRMAN: The Minister of Municipal Affairs has a point of order.

DR. WEST: There were two points of order previously brought up by the opposition relevant to the speech by the Deputy Premier.

MR. CHAIRMAN: Do you have a citation?

DR. WEST: Now this individual stands up and goes off on the same tangent that the point of order was brought against before.

SOME HON. MEMBERS: So what?

DR. WEST: What's good for the goose is good for the gander. I don't know which one these are.

MR. CHAIRMAN: The point of order on 459 *Beauchesne*, on relevance, has been well cited by the Minister of Municipal

Affairs. However, in the course of the evening, in the spirit of openness and freewheeling debate, the Chair has not taken a fine edge to relevance. In the spirit of that goodwill I think we will continue to hear from Edmonton-McClung.

**Debate Continued**

MR. MITCHELL: Thank you, Mr. Chairman. We did not invoke a standing vote last night at 11:45, which would have taken 10 minutes of the House's time, in anticipation of getting beyond now over 30 days of detailed estimates debate, in which our position was very, very clear in many different configurations, with a standing vote on Bill 13 – in fact, earlier in this debate it is very clear where we stood. Why we wanted to get beyond that vote that night, which was given about a 10-second initiation by this government at 11:45 – we were never able to debate at that time, before that vote – was because we thought we were going to get into productive discussions on a number of very important Bills. Bill 21 addresses this latest initiative of the government to get back into the business of doing business. We felt that was an important Bill, important to the people of Alberta, to whom this Deputy Premier said they'd been listening. Well, we've been listening. Do you know what they've been saying? "Get out of business." So what do they bring in? They bring in a Bill that creates a whole new form of business – not just a new form of business but a whole new form of loan structure that some bureaucrats somewhere in the bowels of this government are going to be able to give out to who knows where the government wants to buy votes, to hand money to people who have to take no risk. I would say that's an important issue, and we should get beyond 11:45 as quickly as we could last night so we could begin to debate that. Well, we did. We were cut off in that debate. The government adjourned debate.

Then we got onto the education Bill, an education Bill which addressed a wide range of very fundamentally important issues, two of which addressed the heart of our democracy: one, a constitutional issue about constitutional rights, about people who live in this province to whom we have been listening and to whom five members of that back bench haven't been listening, because they stood up and voted against those constitutional rights. So, Mr. Chairman, the second issue that was raised – and we knew it would have to be raised because it addressed so importantly the issue of democracy – was how county councils can appoint school boards under this Bill. No democracy, no vote at the local level. Half the people in that caucus were elected local officials before they came into this. What do they think about local democracy once they don't need it anymore to build their campaigns for the next level, for the next promotion? You know what they say? "Forget it; we're going to start appointing those people."

**8:20**

So those were two very important issues. We wanted to get beyond 11:45, to begin to debate, because we'd been listening to the people of Alberta who say that they want democracy, that they want those kinds of processes in their legislation. Later what did we talk about? The ALCB. It was very unfortunate that not all those proponents were here. In fact the Hannibal, if you will, of proponents wasn't here. Attila the Hannibal of proponents wasn't here to talk about that particular issue. Mr. Chairman, when we believe, as we do in our hearts . . .

**Point of Order  
Referring to the Absence of a Member**

DR. WEST: A point of order.

MR. CHAIRMAN: A point of order, the Minister of Municipal Affairs.

DR. WEST: I know it's been a long night, and I know there's been some very good debate in this House. Reference to one's presence in this House is purely prohibited by Standing Orders. You made reference to my absence from the House last night, and I want that retracted.

MR. MITCHELL: Mr. Chairman, if he is referring to himself as Hannibal from Attila, I will retract what I said. Thank you.

MR. CHAIRMAN: I think you made a more direct reference than that.

#### Debate Continued

MR. MITCHELL: My point, Mr. Chairman – and we have been listening to that – is that we were approaching this in good faith. We felt that in the spirit of co-operation, that was underlined so strongly by our new rules, we could actually make this debate work and that a government that was confronted by hundred percent loan guarantees, an oversight by its minister who couldn't explain it, would actually say: "You're right; we've made a mistake. Thanks for the debate. Thanks for the input. We're going to make a change." If we've proved anything with this quote, unquote, filibuster, it is that this place here still has a long way to go before this government understands that debate can work and that we're here to make this place work better and that we are well intended in doing that. They can listen to at least one idea in a 12-hour debate and make one change.

Now, the Deputy Premier talked about consultation. That's how they've come up with all these things. Who's the Premier consulting with? The Chinese, when he should be back here talking about education and health care and ALCB, and I can go on. Who's he in touch with? Who do we see him in touch with on the front of the paper yesterday? In touch with a can of Drummond beer. That gives you insights, doesn't it, Mr. Chairman? In fact, the one insight it would give you is into ALCB, and where was he? Well, he was over practising ALCB is what he was doing. Out of control? We've got as many different positions on education as we have cabinet ministers. The only person that seems to be able to say anything about it is the Premier, and he has to phone long-distance, by some cell phone probably – who knows who heard him beyond the *Edmonton Sun*? – and try and clarify. It sure wasn't the Treasurer, because the Treasurer is still saying the same thing.

This brings me to my point. [interjections] Mr. Chairman, if you're going to debate effectively, you've got to know segues. The fact of the matter is that we have been listening to people and that people have been expressing concerns not about ALCB, not about whether or not it should be privatized. Because, yes, it should be privatized. We supported the privatization of ALCB. We support the privatization of what should be privatized. But there is a difference between privatizing and privatizing in the worst possible way that you could ever imagine to privatize. Now, just to emphasize that: here we are privatizing, selling liquor stores into a market that they have depressed on this hand because they've opened up unlimited licences. So the genius of that financial commercial move is to say: "We're going to put these things out into a market where they should have a value. You know what? We don't want them to have that high a value, because we're going to depress the market over here" – over here: this fellow here did it – "by putting out unlimited competition." Doesn't even consider that he could have privatized it like

he privatized AGT, as a corporation, put it on the stock market, got some real value for it. No, Mr. Chairman.

So what we're saying is that we're listening, and municipalities are saying that they've got some problems and they want to be listened to. This amendment says: "Premier, please listen; please care. We want one little change." You know, the Deputy Premier said something that was very interesting. He said it and he repeated it, although we're not allowed to repeat ourselves. He said that it's much easier to talk your way out of this place than it is to talk your way into this place. You know what, Mr. Chairman? I think your corollary of that is that change occurs, and if you don't keep up with the change, the change will change you. You know what? We needed some changes in the process here. We need a government that listens to debate, 12 hours of it: well-intentioned, intense, sincere debate to get some change. They didn't change. You know what's going to happen in four years when they stop doing these polls of the Chinese to figure out how popular Ralph is? You know what they're going to do? They're going to find that they'll be changed, and we will be forming the next government of Alberta.

MR. CHAIRMAN: The Minister of Municipal Affairs.

DR. WEST: Thank you, Mr. Chairman. I've listened intently to the distinct arguments from the other side, and I've heard nothing in the last hour to hour and a half. What I want to do is bring us back and focus us on what this Bill is, and I'll talk to the amendment as relevant to the municipalities and what their concerns are today.

First of all, this is a privatization Bill of sorts as well as a commitment to the general agreement on tariffs and trades. It's not just a privatization Bill. It's to meet a decision made by the general agreement on tariffs and trade that we're complying with. That would have been there without privatization. One must say that if you're against this Bill in its principle, you're against compliance with GATT. Therefore, you're against free trade. [interjections] Well, you would like us to close our borders. You would like us to have a decision made by the general agreement on tariffs and trade that would affect agriculture, that would affect all other business . . . [interjections]

#### Chairman's Ruling Decorum

MR. CHAIRMAN: Hon minister. [interjections] Hon. minister, order. I wanted to bring to the attention of the House that I know it's morning, but could we please tone down the chatter back and forth and listen to whomever is speaking and then in reply, in debate as it probably should be, refute or answer all of the assertions of the previous speaker.

Hon. minister.

#### Debate Continued

DR. WEST: If they're concerned about what I just said, before I get through the next 20 minutes to half an hour that I'm going to speak, you're really going to be excited.

Let me go back to the term "privatization" and give some examples of what liberalism does to privatization. I can remember the morning that a Liberal government in Ottawa decided to buy and set up Petro-Canada. At that time I said: what an absolute disgrace to Canada, which was built on the prevalence of free enterprise and capitalism, for a government to get into the operation of service stations, the operation of a service industry across this country and the ownership of thousands of service stations. You know, after the next government came in, they

found it almost impossible to get out from underneath the principle of Petro-Canada. I suppose the reason to get into Petro-Canada – to take a tangent off on the role of government getting into the service industry, maybe the reason they got into the energy business at a service station level was so that they could bring in the national energy program and curtail the whole industry, operate it from one end to the other.

One of the headlines this morning wasn't just that we were up 6 percent in popular consent for what we're doing; it also had a ghost from the past, an individual saying that he was proud of the national energy program. Pierre Elliott Trudeau has just released a book in which he waxes eloquently about his pride in the national energy program that raped this province for \$60 billion-plus and said that if he had it to do again, he would bring it back in.

MR. CHADI: Where was Lougheed? Where was the Deputy Premier?

MR. CHAIRMAN: Can we have order please.

DR. WEST: Mr. Chairman, I acknowledge that before I'm through, they're going to be very excited.

#### Point of Order Relevance

MR. COLLINGWOOD: Point of order, Mr. Chairman.

MR. CHAIRMAN: Point of order, Mr. Minister.  
Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Chairman. Perhaps it would be appropriate to once again cite *Beauchesne 459* on the aspect of relevance. I don't think it's necessary for the debate on privatization or in fact for the debate on the amendment to the Bill that we're debating to talk about the inadequacies of Peter Lougheed in his negotiating skills with Pierre Elliott Trudeau. That probably shouldn't form part of the debate.

MR. CHAIRMAN: Thank you. We've heard your point of order.

MR. COLLINGWOOD: We know that the Premier at that time wasn't able to take care of the interests of Albertans, so I think we should move on to the debate that we need to.

MR. CHAIRMAN: Just a moment, minister.

Thank you, Sherwood Park. What I said a few minutes ago was that there had been some leniency. Certainly the Chair is living to regret that leniency, but having opened that Pandora's box, I ask for your indulgence. I presume the hon. minister is going to bring this point to focus on the amendment we are addressing, the amendment on section 5 as proposed by St. Albert.

#### 8:30 Debate Continued

DR. WEST: Yes, Mr. Chairman. I'm going to focus it just as well as the last individual that spoke. That focus is to the principle of privatization. The last speaker alluded to the fact that a Liberal government would have created a Crown corporation and then gone public with it with the ALCB, just as it did with Petro-Canada. Then they would have franchised out the individual stores and kept their finger in it until Albertans were totally broke. The principle they just expounded here is the Liberal philosophy that set up 600 Crown corporations back in the early days, everything from Connaught Laboratories in the research and

development of pharmaceuticals in veterinary lines to the running of an airline that didn't run very well – it had 16 to 1 of other comparable airlines in employees – to setting up the . . .

AN HON. MEMBER: PWA?

AN HON. MEMBER: Alberta Energy? AGT?

DR. WEST: I beg your pardon?

MR. CHAIRMAN: Through the Chair, please.

DR. WEST: They were going to set up a Crown corporation of the ALCB and have a pseudo privatization and set up monopolies. The famous way of their privatization is to set up these little clones of pick and choose winners and losers and then still control the distribution of the product and say, "Well, that's good profit for us." Well, I did different than that: the time-honoured, private-sector-driven operations I've seen since I was a boy, where you have a choice, you can or cannot set up on the street, and the marketplace drives it, not government.

What I see espoused by liberalism is that they have to have government involved in every corner of private business and want their hands in it. Now they want to also – and I'm going to get back to the amendment – inflict paternalism on the municipalities. They're acknowledging that municipalities aren't an entity of their own; they're actually at arm's length from the provincial government and cannot think for themselves and cannot function under the various bylaws and regulations they have set up. They acknowledge that they no longer can look after area structure plans or their planning developments, that they have to come back to the provincial government on every move we make to get help. Well, they'd better start looking at Bill 51 and see that we're going to give them all the powers of a natural person and that they have full empowerment within that Act to set their bylaws and regulations to make sure where each and every business goes. In fact, they do that now with the ALCB with close to 6,500 licences.

#### Point of Order Relevance

MR. HENRY: Point of order, Mr. Chairman.

MR. CHAIRMAN: Point of order, Edmonton-Centre.

MR. HENRY: I didn't notice a Bill 51 on the Order Paper. Perhaps the minister could explain that.

MR. CHAIRMAN: Bill 51? Sorry, I was momentarily distracted by the . . .

DR. WEST: Bill 51 was entered last time. It's the new Municipal Government Act, and we're looking forward to bringing it forward. I'm making reference to it because its whole research and development is based on the premise that we're going to empower the municipalities as a level of government without it looking like it's at arm's length from the provincial government.

#### Debate Continued

DR. WEST: Liberalism doesn't believe that you should have three levels of government. In fact, Pierre Elliott Trudeau was a centralist. He wasn't a federalist. He wanted to empower the federal government at a central location and then do a power hands-down across this country. That's the same thing they're asking in this here, that we look at the municipalities as an

extension of this government and help them in every corner they can be. Well, we just had a councillor, an alderman from the city of Calgary say they have the empowerment now to look after where the liquor stores go and where to stop them and where to start them.

One of the things we have done since 1990, as brought up in this debate, is the consultation we had with the municipalities. Since 1990 we have established 600 more distribution networks in this province than we had before. We had private cold beer stores. We had private wine boutiques. We had expanded the off-sales from the hotels, some 1,500 other operations. We had taken the number of ALCB stores down from 225 to 204. We had sent a message over three years that privatization was on its way. The municipalities acknowledged that, because they had ample time to look at zoning and regulations as they applied to those cold beer stores, to the establishment of wine stores, to the establishment of greater off-sales from those hotels. In fact, the municipalities now zone and regulate the licences to some 6,000 operations, whether it be disco centres selling alcoholic beverages, whether it be restaurants, or whether it be hotels, or nightclubs that establish in certain areas of the province.

This is not a new thing for the municipalities to be involved in as far as the licensing and direction in zoning and regulations, as to where these should be established. It's no different than zoning industrial over here, commercial here, residential here, downtown concentration. They do that all now. It is no surprise to them that they will now be asked to look at zoning laws and regulations as they relate to these licences.

You know, there was an issue in this city of a core area where they said the concentration was going to be nine or 10 licences. Those don't mean those stores have opened up yet. The municipalities have time to consult with these people. Do you think nine stores are going to open in a row? Private sector. That's why I'm confused by your philosophy on how the private sector works. These individuals now have seen a number of licences in the area. They're going to look sideways and they're going to judge – and they know the volume of sales in that area – whether they can open up or they can't. After a couple of years, if two liquor stores side by side are trying to compete for the same market, one isn't going to survive. We know that, and it's a time-honoured tradition of the free market system. You don't have to go out and set up a whole lot of rules and regulations as a government. You have to zone. I'm sure we certainly can look at where schools are and where other residential concentrations are, but you don't have to start playing monopoly with the private sector; they do it very well.

So that's why I'm confused. They believe in the private-sector model, but they want to bring in all these little side ventures to make sure government keeps control, government plays in the game of monopoly.

AN HON. MEMBER: It's to assist, not to support.

DR. WEST: Somebody over here says "to assist." Yes, I can see how they're assisting in Petro-Canada. They're bulldozing down the service stations – they're the only persons that can afford to do that – because they can't keep them open. I suppose their tanks leak because they had government people running around supervising during only a four-day week.

MR. DICKSON: Let's stay on the topic.

DR. WEST: Well, it's the essence of the private sector. Who comes out to look at the leases for Petro-Canada? Somebody from

Ottawa to work in the business world in Alberta, a four-day week. They fly back and forth. At whose cost? Our cost.

[Mr. Sohal in the Chair]

AN HON. MEMBER: And you're complaining about a four-day week?

DR. WEST: Why do you think we're getting out? The people of Alberta have said: get the government out of the role of doing business.

Now let's go back and say that we haven't given notice. Somebody says that the reason for this amendment is because we want to delay and have more consultation with the municipalities. ALCB has been around for 70 years. They have fully consulted with municipalities on an ongoing basis as to the distribution and network of their stores and as to the number of licensees and changing of licensees we would have as we went on through the '60s, '70s, '80s, and '90s.

MR. WHITE: With the municipalities?

8:40

DR. WEST: Yes, with the municipalities. [interjection] Well, that's because you went home at night and didn't do your homework. You never read. You never came to the meetings. You'll have ample time after four years. You were an alderman. You had a responsibility to your electorate to study and work within the system.

For 70 years the ALCB has been in business. We have been sending messages time and time again, an indication that we would privatize and do what the ALCB was meant to do: stay in the confines of the Alberta liquor Act and regulations to enforce the rules on underage drinking, on serving to people impaired, and develop a model that will protect the citizens as best we can in working with our police forces across this country.

We also are in the business of collecting a large sum of money to give back to the general revenue fund, albeit some of it must go back into programs in health and AADAC and that sort of thing, to help some of the problems alcohol has created within our society. That is what the ALCB was meant to do, not run a retail store and put bottles in brown paper bags. We have grown up since the days of prohibition. We have grown up since the days when you had to sign for it. We have grown up since the days when men and women could not go into premises together, and that wasn't that long ago. We have grown up since the times when you hid it and you couldn't serve it but behind bars. Do you remember the times you went into liquor stores and it was all kept behind bars and you had to sign, and they'd go back and get it for you and bring it out to the front? This is democracy. This is a free country.

Now the issue comes up: without consultation we've created a dangerous situation where there are going to be too many stores – I just explained that the free market will look after that – that this access is going to create more problems in our society, that going to more stores than 204 plus 6,000 licences plus every beer garden and everything is going to create more problems for us. Well, that is absolutely wrong. Access has never been linked to consumption or that type of problem.

Now, if you want to get on a temperance movement here, if that's what I'm hearing from you, and you want to go back to prohibition and assert the role of government to protect people against themselves, then certainly let's have that discussion. But to bring forth a mythical argument here that because we're doing

this model of free enterprise it is going to create more consumption out there – that is absolutely ludicrous and is brought in here only to filibuster.

You've heard me say in this Assembly that since 1982 till now consumption of all liquor products has decreased 26 to 30 percent in this province with 400,000 more people. To put that in focus, for every 10 bottles of whisky sold in 1982, there are six sold today with 400,000 more people and four times the access. So we are decreasing. For every 10 bottles of beer sold in 1982 there are nine sold now – four hundred thousand more people and a thousand more outlets selling than we had. For every 10 bottles of wine sold in 1982 there are seven bottles sold now with 400,000 more people, again with absolute tripling of access.

In fact, we studied British Columbia and others that had three times the outlets we had in Alberta, and you know, during our periods of combatting drunk driving and that sort of thing, those with three times the outlets had less problems than we did. In fact, the police said when this first came out that they welcomed this initiative, seeing that it wasn't going to be put in grocery stores, because they felt the least distance people had to travel to get their alcoholic beverages would cut down on drunk driving.

Parents against impaired driving even applauded this, because we did take the access issue and the licensing issue into consideration when we didn't put it in grocery stores. Can you imagine allowing every grocery store the opportunity to have this product, the amount of licences or outlets there would be all through the inner city, all through the districts of our residential areas if we had given it to the grocery stores? But no, we didn't, and that was cognizant of the fact that the police said it would create a lot of problems putting it in the average small grocery store, not only with access by minors but in some of the hard to police areas. With this product there it would be better if it was identified as a structure that was primarily liquor store, that at least you knew that was what they were doing. [Dr. West's speaking time expired] I was just getting . . . [interjections] I'll get back in.

**MR. ACTING DEPUTY CHAIRMAN:** The Member for Calgary-North West.

**MR. BRUSEKER:** Thank you, Mr. Chairman. I heard a question at the other side, and since I know that the government supporters back there don't often get answers from the cabinet ministers, I'll give you the answer: of course, at committee stage, yes, people can get in a second time. So we can all leap in on a second occasion, absolutely.

Mr. Chairman, I was moved by the speech offered by the Minister of Municipal Affairs to respond to some of the points he made because they struck me as being so far out of the realm of reality that I felt perhaps a little touch of reality was necessary just to bring the minister back into the regular fold. A number of the last two speakers from the government side of the House . . .

**AN HON. MEMBER:** A number of the last two?

**MR. BRUSEKER:** Two's a number. Two's a nice number. Don't you like two?

The last two speakers from the government side have referred to and have been very concerned about what they term a "filibuster," expressing great concern about a filibuster. Mr. Chairman, this is not a filibuster. The government has the opportunity to adjourn debate anytime it chooses. It could have done so last night anytime or anytime this morning, had they chosen to. We are putting forward opinions, we are putting forward suggestions, alternate proposals in the form of amendment, as the Liberal

opposition is supposed to do. Our job is not to sit here and say, "Yes, sir; yes, sir; it's a wonderful idea." That's their job. Our job is to call the government to task, and that's what we are attempting to do. We are attempting to provide alternate suggestions, and that's exactly what this amendment proposes, what we see as a very concrete, positive suggestion to improve Bill 12. Now, if the government says, "No, we don't agree with you," well, stand up and debate it. Stand up and debate it. Don't sit there like bumps on a log, which by the way, I might add, they do extremely well. Stand up and debate the issue, Mr. Chairman.

The previous speaker says, well, we need to privatize ALCB because of GATT; we need to privatize AGT – or ALCB. Sorry; I'm getting my privatizations mixed up here. We need to privatize ALCB because of the free trade agreement; we want open borders. The next thing I was expecting was for him to stand up and say that he wants to have ALCB outlets in Saskatchewan, Northwest Territories, British Columbia, and Montana, to go across the border. That makes a whole lot of sense. I would be interested to see if in fact he could get that forward.

Mr. Chairman, the previous speaker, the Minister of Municipal Affairs, talks about the 600 corporations which the Liberal government – by the way, I seem to recall the date of October 25, 1993, where there were . . . I think it was a large number. I think the Tories were in the triple digits at one time, and they're now down to – what was that number I mentioned before? Two, I think, was the number.

I think it's interesting when we look at what this government, this provincial government – let's deal right here, right now with what has happened in this province. Mr. Chairman, I seem to recall, when we talk about privatizations or I guess Crown corporations, a corporation called PWA, which I think at many times in the past was referred to as Peter's Western Airlines, in honour of the former Premier of this province. You may recall that this government decided we were going to get into the cellular phone business, better than half a billion dollars put into that particular venture. I mean, the minister says lo and behold; this government here on this side, which has such dramatic business acumen, is the only one that has any idea of how to privatize, of how to handle business, but when they privatized AGT a couple of years back, we got some money for that. On the other hand, we lost so much on NovAtel that in essence we gave it away. That's what they're doing. That's what they're proposing with Bill 12, and that's why that Bill needs amendments, Mr. Chairman, because the Bill as it stands is, I think, going to be like AGT. It's going to give away something that we had. We're not going to get much back in return for it.

**8:50**

The minister even stands up and says: yeah, we're going to get some businesses here, some business there; some will go and some will stay. Nah nah nah; who knows what's going to happen? Better we should buy into a cookie factory, perhaps. Better we should buy into a sausage company. You know, if they'd kept the airline, they could have served sausages and cookies on the government airline and we could have really had a business going along there. Then they could have had the cellular phones in the back. I mean, it really could have been all-inclusive there. They could have had the government phones on the government airplanes, fed you government food, and the whole thing could have been financed by a hundred percent backed community bond. I mean, it was just a wonderful concept. So here we have a government that says, oh yeah, we're getting out of the business of being in business, yet they don't even do that particularly well.

Mr. Chairman, I look at the long list of things, and it's interesting that the minister stands up and talks about Crown corporations, yet this government's involvement in Crown corporations, the investment in a variety of things – I recall the one where you had the ski boat that you didn't need a driver for. The skier in the back had control of this ski boat. It was called Ski-Free Marine, and it was kind of like this government. It was kind of like a boat without somebody to drive it, kind of like this government. There's supposed to be somebody sitting in that middle seat, I hear, and I'm not sure where he is, but it's kind of like that boat without a driver. The driver of this government isn't around either. I suspect they're going to be . . .

**Chairman's Ruling  
Referring to the Absence of a Member**

MR. ACTING DEPUTY CHAIRMAN: Member, you are not supposed to make reference to a member who is not in the House.

MR. BRUSEKER: He's not even on the continent. I didn't mention a particular member, but I take your advice. Thank you, sir. I appreciate your guidance there.

**Debate Continued**

MR. BRUSEKER: When we look at some of the Crown corporations, I know that the Member for Redwater would just love to talk about canola and talk about the government involvement in the canola plant up in the northwest corner of the province, continued involvement in that, and how the government has interfered in the free marketplace in that particular venture.

DR. WEST: That was then and this is now.

MR. BRUSEKER: Oh, that was then and this is now. You know, that's great.

The minister talks about: oh, we consulted about where we were going to put the ALCB stores. I want to get back to the ALCB because I think it's important to be on topic, of course. The minister says: oh, we consulted. We consulted with them in the '60s, and we consulted in the '70s, and we consulted in the '80s and the '90s about where we were going to put the ALCB stores. That was then and this is now: what they consulted about then is not what they're doing now, and that is the problem, Mr. Chairman.

The problem is that what they have done is suddenly thrown open the whole concept of let's have licences any old place. Let's throw open the whole thing, and let's just let it go where it may. The end result is that municipalities had no forewarning. This issue that was brought forward by the Member for St. Albert is as a direct response to municipalities' saying to us: "Those guys didn't listen. Maybe you guys will listen to us, and put forward our concerns." The concerns that they're expressing to us are that there is no advance warning, no advance planning. All of a sudden, what the government is doing is off-loading. They're saying: here, you look after it; you look after it. You go ahead and you decide where you're going to put the stores. It's not our issue; it's not our concern. The end result is that there was no consultation between this government and the municipalities about where stores should go.

Other parts of the Bill and the reason we need the amendment: it simply says that they changed one little word. They changed the word "shall" to "may." What it currently reads – and then the amendment and then the amendment to what is being proposed in the amendment, Mr. Chairman, if you can bear with me here – is that the board "shall determine the places in which liquor

stores," et cetera, et cetera, shall be established. The amendment in this Bill says the board may determine where those shall be established.

Of course, given the past track record of this government to simply privatize everything – they privatized safety inspections. Why? Because they weren't doing them anyway. They said: oh, we can't be bothered doing the elevator inspections, so we're going to privatize that. That was a Bill introduced a while ago by the hon. Member for Rocky Mountain House. We're going to privatize health care inspections. They privatized all these things, because the government said: we're not interested in doing it anyway; we're not going to do those anyway, so we're just going to privatize all that sort of stuff and get rid of that responsibility. This Bill says we're going to get rid of another responsibility and hand it off, but, you know, a good team player would say that if you're going to hand it off, you've got to tell the guy that you're handing it off to be ready for the pass. They used to have a guy who knew a little bit about handoffs all the time. He did that on a regular basis back there. He handed things off and handed things off and handed things off, and finally, of course, the end result was that his party handed him off, but that's another story too.

Mr. Chairman, what ended up happening was that the handoff was made, but the recipient that was supposed to receive the handoff wasn't made aware that the handoff was coming. This proposal put forward by the Member for St. Albert says: let's talk to them; before we simply hand them this responsibility, let's make sure they have the background, the expertise, in place, that they have the bylaws that need amending. I know the hon. Member for Calgary-North Hill knows more about that than I do, so I won't presume to tell him the kinds of things I know he knows need to be done in order to make those kinds of changes. That's all that this amendment proposes. It's got nothing to do with GATT. It's got nothing to do with the free trade agreement. It simply says that in order for this kind of change of responsibility that is going to impact communities, communities where I live and you live and all members of this Legislature live, in order to make that change effective, we have to be sure that the people that are ready to accept the responsibility know that the responsibility is coming their way.

Now, we know that there was some consultation, because one hotel here, the very next day after the minister made his public statement, was putting shelves up on the wall. I didn't get a chance to look in that particular individual's wallet to see whether there was a blue and orange membership card in the back there. Obviously, there was a little bit of consultation with some folks, but clearly there wasn't some consultation with the people in Calgary, clearly, I'm sure, with the people in other municipalities.

Now, the Deputy Premier talked about the municipality where he lives that bought the store itself. Again, there's an example where a municipality, a fairly small municipality – I think he mentioned 300-plus municipalities in the province of Alberta; 315 I think was the number that I heard . . .

MR. N. TAYLOR: Barrhead.

MR. BRUSEKER: Barrhead bought their liquor store themselves. Well, that's a case where the municipality is a fairly small municipality. I'm taking a guess: it probably only has one liquor store in the entire municipality right now.

In my constituency there's one liquor store that is probably going to be closing as a result of this Bill. From the direction given in this Bill, it seems to me the government is simply going to walk away from it and leave it behind for someone else to look

after. Two or three others are proposed, at least, to go into the constituency. Well, the question that has to be asked is: are those constituents ready for that? They may well be, but is the city of Calgary ready for the sudden influx? There have been numerous speakers, even from the government side, that have expressed concern about the number of licences that are going to go into one spot. The city of Calgary themselves have said: "Gee, we didn't know this was coming. We didn't know we were going to be suddenly faced with this particular responsibility. Let's put it on hold until we get everything in order to put it in place." All this motion says is "shall consult." I guess what the Minister of Municipal Affairs and the Minister of Economic Development and Tourism are saying is: we're not interested in consultation. When they stand up and speak against that and say, "I can't support this amendment," I guess what they're saying is: we don't support consultation.

Mr. Chairman, you know what happened to the federal Conservatives when they didn't consult on the GST. This minister that spoke before talks about the national energy program and how much we lost in the NEP. He loves to talk about then, with respect to concerns that he has about the Liberals when they were in government. He says: oh, this was terrible; it was terrible. Yet when we raise issues about what this Conservative government did themselves, he says: oh, well, that was then, this is now, and it's all different. What about the GST? What about the GST that is not only plundering this province but the entire nation? Ten provinces, two territories . . .

MR. ACTING DEPUTY CHAIRMAN: Order please. Order in the House.

MR. BRUSEKER: Thank you, Mr. Chairman. Ten provinces and two territories, GST. Did that government listen? Did they consult? If they had, they would never, ever have brought in the GST. What did they do? They rammed it down our throats, took billions of dollars out of the economy. That is the way that this government operates: they don't consult. The federal government didn't consult, and look what happened to them. So this amendment simply says: let's consult; let's talk to people. It doesn't say: let's stop it. It doesn't say: let's put the brakes on it. It simply says: before we implement this, let's consult with people.

9:00

Now, Mr. Chairman, if the government cannot accept a simple suggestion as easy as "let's consult," a government that is supposed to be open and accountable, that campaigned on "we care, we listen," that says, "we care, we listen, but we ain't going to consult" – what kind of campaign slogan is that? I wish they had run on that and been a little more honest on June 15, 1993, and said: "We care. We listen, but we're not going to talk to you guys about it. We're just going to do whatever we want." I think that would have been a fairer campaign slogan. You talk about honesty and integrity. Well, what we're seeing here is certainly flip and flop. This is flip and flop personified right here.

I think that all members should look at the concept of simply, "shall consult." Those are the two key words. Of course, then there's the rest of it:

shall consult with any affected municipality prior to the establishment of liquor stores, warehouses and duty free stores in Alberta in those places.

That's the amendment to the Bill we have before us today, Mr. Chairman. The Bill simply says that this government has a responsibility. We support that responsibility. We say: "We'd like to work with you on that. We support the concept of

consultation; we support the idea of people working together." But it's not people working together. What they're saying is: "Boom. Here's what's going to happen to you. Those of you that are on the inside can get your shelves up the day before. You can go out and buy the product, and you can put it on your shelves. The rest of you: 'Ah, the heck with you. You deal with it. You worry about it. It's not our problem.'"

Well, it is their problem, Mr. Chairman. It is their responsibility. It is their duty, because that's what they told Albertans. If they're not prepared to live up to that responsibility, if they're not prepared to live up to that commitment that they made to Albertans, then I think they should take a hard look at what it is they propose to do in the future, because I don't think Albertans are going to accept that from this government for very long.

Thank you, Mr. Chairman.

DR. WEST: I wanted to get back in while some of the comments are fresh in my mind. Obviously they keep going back to the irritation of the national energy program. They think that they can wipe that off as then and not now. Well, the election that took place, where of course the major seats came out of Ontario to support that government, has as its leader then, not now. Mr. Chrétien sat at the left-hand side of Mr. Trudeau, who today again is in the paper saying that he is proud of the national energy program, that he would have no problem in supporting it again. I wonder what Mr. Chrétien is going to do in light of that. Of course, we have heard in this Assembly, and I can show the *Hansards*, where members have supported the bringing back of the national energy program in this province. I wonder if we're going to see that sort of representation to Ottawa from the opposition members to see if they'll reinstate the national energy program. The only reason I bring that in is because they keep saying that I make reference to then and not now. I'm trying to say that that's then and now: we have compressed time by bringing in Prime Minister Chrétien, because he is just a ghost from the past. I wait with interest to see how he spends his way out of this recession, how he spends his way out of a \$450 billion deficit that they helped develop.

#### Point of Order Relevance

MR. COLLINGWOOD: Point of order, Mr. Chairman.

MR. ACTING DEPUTY CHAIRMAN: Point of order.

MR. COLLINGWOOD: Mr. Chairman, if I may refer to *Beauchesne* 459(1) again with respect to relevance. I don't think that the debate on that was then and this is now is relevant to the amendment being put forward, because as we all know, then the federal Progressive Conservative Party won every seat in Alberta; now they've been completely decimated and wiped out. So I don't think it's relevant to the debate.

Thank you.

DR. WEST: That may be so, and I'll accept that point of order, too, that perhaps I'd better get back on target here.

#### Debate Continued

DR. WEST: The target, of course, is consultation with the municipalities. I had pointed out when I was previously speaking, how we had moved slowly in privatization from 1989 to 1994, indicating, as we went with varying degrees of privatization, that we were on our way to this model. No doubt the municipalities had seen it and had accepted their role in regulating those licences

and business licences and locations and zoning from 1989 till now, because they must have given business licences to the wine boutiques, to the cold beer stores, and to all those other types of licences that had developed over those years.

I do agree that there are some socioeconomic things that do impact greater in some areas than others, as it relates to problems with alcohol. The inner city may have in itself a depth of concern where the number of outlets, as a municipality looks at it and as residents in the area look at it, may create some problems, but if I look to this city here and I look at the number of licences that have been given by this city to the number of hotels in the inner city in some of those core areas, we have within a two- or three-block area five hotels that have constantly served a constituency that has demonstrated problems, right to the point where the city came along with many organizations to have us open a store at 8 o'clock in the morning to prevent certain amounts of those constituents accessing Lysol and other types of products that were more damaging to them than the alcohol, although the alcohol is one of their biggest problems. So we have worked with the cities and municipalities in addressing those specific socioeconomic problems that are in and around certain areas within our cities. We and Mr. Bob King, chairman, had recently sent a letter to the municipalities saying that we're willing to work with them on an ongoing basis to address those concerns that they may have with residents where licensees may be thinking of opening up next to schools, next to day care centres, next to highly concentrated residential areas.

If we can be of help, we certainly will sit down and talk about it, but we do not sit at city council level and make the decision on the bylaws that would say that we are going to preclude a business licence or a construction permit for that location. They will do that. If they say they need time, they have time, because if those class D licences do not get the business permit or the go-ahead, the green light, from the city, they can sit there for months with their class D licence from the ALCB and they can't open up a store. There is no way you can open up a store with a class D licence without the green light given by the municipality. You have to go down to city hall. You have to walk in. You give your class D licence. You say, "That's the location where I want this." The officer that's in charge of that bylaw says: "I'm sorry, but that's in consideration in chambers right now. I'm sorry, I can't stamp that and give you a permit to go into business. I'm sorry, you'll have to sit there with your licence."

AN HON. MEMBER: Absolutely right.

DR. WEST: Absolutely right.

If they don't, if somebody says, "No, no, no, no, they'll just open up tomorrow morning," then, if you've got a good system, you can go and shut them down.

You're saying, "Well, I know somebody that didn't go through that." I know people that have built garages in the back of their yards without going and getting a building permit. Afterwards they go down and say, "I'm sorry." Well, I'll tell you, they'll be really sorry if they're a foot over the easement. They'll be moving it. I know of some that went on out in one of the counties here, where an individual did go and build without a proper building permit and was told not to build, and he's going to move a house. This hon. member knows all about that. So to stand here and say that the municipalities can't assert their stamp on where the distribution of liquor licences go is wrong.

Nobody going into business – what happens if you're going to build a disco centre? You go to the ALCB and ensure that you can get a licence. Then you go to the municipality, and you make

the licence subject to a location: we're going to build this restaurant with a disco on the side and a pub. First you make sure you can get a licence, because if you're not a credible individual, why would you spend a million dollars and find out you couldn't serve booze? So, first of all, you get the licence from the ALCB with a caveat on it. The caveat says that it's subject to all municipal bylaws and regulations and business approval. Then you go to the city and say, "I'm interested in opening up a disco centre in this area." They say: "I'm sorry; that's zoned light residential, commercial, C-5, or whatever the zoning is. You can't build there." Then you have to go back to the ALCB and say: "I found another location. Is this permit still valid for this location if I get it?" The ALCB: "Yes, but still subject to the regulations, bylaws, and zoning." So you go back to the city again. "I found another location on Jasper Avenue. It's down here, and I want to open up a restaurant, a pub, and a place to sit outside and drink during the nice summer days. Can I do that right on main street, on Jasper? Can I sit out drinking in full exposure to the teenagers, to the people as they walk by?" The city says: "Yes, you can. In fact, hundreds of you can. You can sit out there on a nice sunny day, and you can drink alcohol in full view of the citizens of Edmonton." The ALCB didn't do that. The ALCB just gave the licence, but the zoning and the regulations permitting that were done by the city.

#### 9:10

Now we come along and we say, "Here's the class D licence, a new licence, which has to be majoral sales of alcoholic beverages." It's open to all Albertans, a free enterprise model. It doesn't matter who you are as long as you're 18 years of age, you're a Canadian citizen, you've lived in Alberta, you're a resident of Alberta, that you're a good upstanding citizen, you don't have a criminal record that goes back three years, or you don't associate with the criminal element. We do look at the source of funding that you're getting, because we don't want offshore mafioso money coming in to buy up.

As you fit all of that, then comes the clincher on it: you all can have this licence, but the licence is subject to. No matter where you go, whether you go to Vermilion, Hanna, Edmonton, Calgary, please go to your municipality and ensure you can get a business licence. You will be restricted on this location if it's zoned. We've had them come in and say, "This is the location we want the class D licence for." When you go back, you find out it's zoned residential. They could no more put a liquor store there than fly to the moon, unless the city changed their bylaws and went in and said, "No, we're going to carve this area out and allow it to be C-5 or upscaled," and allow that to be.

I've seen that. When I go out to little malls right in the middle of the residential areas, I see that a pizza joint's opened up and it has a pub on the side of it, and it's right beside a playground. I see that in different places already right in Edmonton-Mill Woods. I see that in Edmonton-Whitemud. I can name your constituencies here where you have pubs and liquor sales now right in the middle of residential areas across from schools, licensed by the city of Edmonton. Some of those hotels that get closer and closer to those residential areas have off-sales too. Cold beer stores: I've seen them.

MR. WHITE: Name one.

DR. WEST: Well, I can name you one that's over there. I don't want to start naming businesses because I don't think it's a place to start critiquing businesses here.

At any rate, what I'm trying to point out is that municipalities – and we'll work with them. We'll talk to them and see. We have for years said and I've said here in the Assembly that back in the '40s ALCB had a policy where no liquor outlet or hotel or that should be licensed within 200 yards of school grounds. Now, some of those old standing hotels that were built years ago before the city developed have been grandfathered into their licence, and residential areas have built up around them. Some of those old areas that used to be straight industrial have now been taken over by kind of a mix. We didn't go back, the city didn't go back and say: "You can no longer have your licence, Mr. Hotel. You've been here for 60 years. We're going to take that away from you because you're influencing the socioeconomic problems that we have in that area." If that were the case, downtown here I can see five hotels that should be closed. If it's socioeconomic problems you have, it's not the class D licence that's caused it; it's other outlets.

You know, those outlets have had off-sales now since 1990, and those off-sales are marked up from the ALCB prices. They get it at the same price. So literally those inner-city areas, where those hotels are functioning, are really taking it off the poor people that go in on a daily basis. If you don't have liquor stores there, you're forcing them into a commercial enterprise to buy at an above-market price.

Again I come back to working with municipalities, when we got together with them on that one store we open at 8 o'clock in the morning to address a socioeconomic problem. We'll continue to do that.

They said that there were 20 stores going to open up in a five-block area. Nonsense. When those 20 people saw how many were listed – it was listed in the *Edmonton Journal* – I know for a fact that some looked sideways and said, "We can't go ahead; we're not going to pay a thousand dollar licence fee to open up with six in a row here." It doesn't take a genius, and thank God they are free enterprisers down there. They know the facts of life. I heard small communities of 3,000 people say, "Well, they get seven licences." In my own home community it was said that there were five going in. There are two now, plus the three hotels which continue with the licence that they had before. I'm proud to say that the store that opened on Saturday is doing well, and it's run by two employees of the ALCB, who took the initiative, went out and leased a space, set up a beautiful little store in my community, and the two individuals are now free market people, happy as can be. I phoned them. I said, "How did your first day go?" The community is supporting them, and the liquor store itself is going to stay open.

Now we get back to communicating with municipalities. They were picking on the hon. Member for Barrhead-Westlock in reference to the store that was sold there. There are close to 15 communities where we've negotiated the sale of the store to the community for everything from police stations to health units to the municipal offices to other social services, libraries, and we have done that at market value. Believe it or not, these municipalities find value in these stores and didn't get special consideration. They paid and bid under the same premise as the free market system does. I took 20 stores through yesterday in order in council, 10 the week before, and will continue to do so. They're bringing above market value.

People are going into these stores. That's to get back to the point where the privatization model would have been different. If they had been running it, they would have set up some Crown corporation that would have sold shares off and received a better value. These stores that we're selling right now are bringing above market value even with the problems that may be legal with

the employees and that, but they're selling. The marketplace is evolving.

Over the next two years I'm not so concerned. The municipalities will certainly see a decrease of certain licences in areas because the market won't bear it. If there are social/economic problems – and I reiterate it again – in certain areas or impacts that residents are concerned about, we will work with them to talk to the class D licensees, to talk to the municipalities as they work on their bylaws and regulations, to talk with the planning commissions, to talk and look at the area of structure plans to see if we can mitigate some of the concerns that they have with the licensees.

One of the things I'd like to point out, too, is that people keep going on that there's a massive change in the numbers going out there. We had looked at the model of 204 stores and said: the distribution that we've put in place is not serving the public; people are driving long distances to get to stores that are hid away in areas that aren't accessible, and some of them are driving there impaired. We said: you know, a distribution that serves the people of Alberta better would address some of that impairment, where people are looking for a store open at 11 o'clock at night halfway across the city. That didn't help impaired driving or some of the problems. In the city of Edmonton we didn't have every store open till 11 o'clock, but we sure did have some, and people would drive across heavy traffic and that. Now they'll have these 400 stores spread throughout a better distribution and serve them more equally.

What I was getting at is that the 204 stores that we had – we had said that if it was done properly, instead of having one store selling \$20 million, we should have had five stores selling \$4 million worth. We would have seen 300 to 400 stores that should have been more equitably distributed, even if we were running it as the ALCB. Well, lo and behold, the number of licences equates almost exactly to what we had predicted it would be at the take-up. When this thing is all over – this isn't the Iowa experience; we're not going to have thousands of people going broke – we're going to have acute businessmen looking at their plans and sustaining business and service to Albertans for a long time.

The other concern that comes up is the policing aspect of it. Well, I can assure you that at the present time we police with some 45 people out there doing inspections along with the police forces of the province. We police underage drinking, serving to intoxicated people. When we document an abuse, we bring in a penalty stronger than any court when we shut a business down for a week that's doing \$20,000 a day. I had one hotel in my own area that was shut down for a week. That's in Vermilion, which is a smaller centre. They equated the fine to nearly \$10,000. That's a pretty severe fine in comparison to other types of court cases.

9:20

Here's a stand-alone board, a quasi-judicial board inflicting penalties that are really excessive. We're going to continue to do that in the future and work with all municipalities and ask the public to report abuses. If somebody is serving past the hours of operation, if somebody is serving minors, if somebody is serving intoxicated people, if somebody is bringing in product that shouldn't be in here, let us know. The citizens of Alberta have to speak out. Parents. Please, parents, don't blame the ALCB and this minister for the abuse your children may be into. Look and see what they're doing at night. You say: "They're open till 2 o'clock in the morning. My kids are going to be out there abusing this." Where are your kids that are 14 years old? Why are they out at 2 o'clock in the morning?

There's an hon. member over here that spoke a minute ago. He went on and tabled documents here that are segmental examples; they're not the truth of the whole issue.

AN HON. MEMBER: Segmental?

DR. WEST: Segmental. Yeah, that's a new word.

He worked in legal aid. He knows how to balkanize the system. He knows how to create a system that takes excessive intervention without results. He would like us to get involved, and these amendments say that: get involved, government; more consultation so that it involves more people, more studies, costs more to the system.

Another thing before that bell rings – I don't know where I'm at, but I've got so much to say here – when this was introduced and I gave a ministerial statement, up stands the Leader of the Opposition and says: we support privatization; we support this initiative. The only flaw they can find in this is some frivolous and vexatious-type amendment like this. As well, it isn't the model that they would have done.

#### Point of Order Parliamentary Language

MR. COLLINGWOOD: Point of order, Mr. Chairman. Standing Order 23(i). I wonder if he could retract his statement. It's not frivolous and vexatious. Perhaps he could just retract that last statement, and we can get on with some other members to speak.

DR. WEST: No. I've looked that up, Mr. Chairman. It's well within my rights to say frivolous and vexatious in this Assembly, and that's exactly what this is. You're filibustering on this for political points when indeed you stood here and said that you support the privatization. Many of you . . .

MR. ACTING DEPUTY CHAIRMAN: Order. Hon. minister, your time is up.

Member for Redwater.

#### Debate Continued

MR. N. TAYLOR: Thank you, Mr. Chairman. I notice the hon. minister said: scoring political points. I just wonder what kind of game he thought he was playing. Basketball? Political points is what we try to make in this Legislature, and the only way to make political points – it's the old Greek analogy that if you create a little friction, you get some heat; if you get enough heat, you get some light; if you get some light, the public can then see what's going on. I think that's what the minister is afraid of. The more we debate here the stronger the smell that wafts out there amongst the voting public, and they're going to want some answers to that. As a matter of fact, I feel very good. I can actually take my jacket off. Before I had the shower there, it was a little hard.

The amendment was about consulting with the municipalities before you do the thing. We had all kinds of debate about what kind of consulting the minister was now doing after the horse was out of the corral. He was pretending that he was a real cowboy helping to get it back in. The point was that this consulting was to take place before privatization. Now, surely the municipalities had every right to think that if you were going to privatize a franchise – and that's what this was, a franchise – you would be selling the franchises. Who in his right mind would have thought that the minister would kill the franchise and say that anybody at all can come in here? That's a neat looking character. I think I recognize the back and the pointed shape to his head. Is that the deputy House leader? It is, isn't it? Yeah.

Surely, Mr. Chairman, they had every right to believe that privatization would be done normally. Privatization of any kind of a franchise is usually done by selling the licence. It's very simple: just put them all up for sale, or put maybe only half of them or a third of them up for sale. No, we didn't do that. We destroyed our own bargaining. We destroyed whatever value we had in our franchise by saying that anybody that could get a few dollars and write in could get a licence. Can you imagine if you were the vice-president of John Deere telling your agents: "Oh, no, we're not going to sell any of our dealerships. If anybody comes in, we'll give them one for 40 bucks or whatever it is"? Naturally you'd destroy the whole value of the dealership. The dealerships have a value because they operate only one dealer for so many square miles of area, so much population. This is what we had; we had value.

Consequently, the municipalities had every right to believe, Mr. Chairman, that common sense and the laws of the market would prevail. I think they should have known that a government that put together NovAtel and MagCan, you couldn't apply the words "common sense" to. They had every reason to believe that they might have learned something about doing business. Therefore, you can't blame the municipalities when all of a sudden, bang, everybody's got a licence. Mind you, if the minister had called in the municipal districts, they would have said: "Well, what are you giving everybody a licence for? That thing is worth probably a million dollars if you just sell the concession as it is."

He certainly didn't talk to the Treasurer, because I know the Treasurer. Sometimes I criticize him, but he's not that dumb financially that he would let franchises be collapsed and go around and give them out. Unfortunately, I think this is something that was cooked up in, I don't know, some restaurant or something overnight, and the next morning all of a sudden we get a news announcement that anybody who wants a liquor licence is going to get one. That's privatizing. Immediately devaluing to almost zero every liquor store – as a matter of fact, less than zero, because where some of these liquor stores are located, all the value the building has is being a liquor store. So all of a sudden we end up with a liquor licence not worth anything because anybody in the street, our neighbour, can have one and a store that was only built to handle liquor being there.

Anyhow, what I'm getting at I guess, Mr. Chairman, is that the municipal districts had no chance at all.

[Mr. Clegg in the Chair]

Oh, can I pause for a moment? I think I recognize the Deputy Chairman, clean shaven, his hair combed, parted on the left side too. Can you see that? Congratulations and welcome to the Chair there.

This is not unusual for this government. In fact, it's quite common to all provincial governments after they've been in a generation or two. They think of municipal governments as being children of the provincial government. They even use the term. Mr. Lougheed used the words: children of the provincial government. Well, in this case they were treated like an unwanted child. They didn't do what Abraham wanted to do to Isaac: they didn't try to sacrifice him and put him away. They treated the municipal government as an unwanted child and just turned loose the whole privatization setup without any thought of talking to the MDs. They should have consulted, Mr. Chairman.

We had the Deputy Premier cite an example that his own MD had bought a liquor store to show what a wonderful idea it was. Well, you know the Deputy Premier. First of all, you're almost sure he got a lottery grant to put up a new sign and a few other

things. Pavement Pete probably whistled by with an extra load of pavement and paved the parking lot, and if it had a flat roof or a tarred roof, he probably deposited the second load and tarred that too. So that was all looked after of course, and if they had any worry at all, they would be able to go to the minister of agriculture, because after all, if you sell beer, that is an agricultural product. Rye is an agricultural product. Even scotch is an agricultural product. The ADC will give you a hundred percent guaranteed community bond. So no wonder the Deputy Premier, like everything else, was the first at the trough. When we cut back highways, the Deputy Premier got those in before the deadline call. Now, it's not surprising to me that he got a liquor store I'm sure completely financed with public moneys, paid with public moneys, before anybody else did. That's not unusual. It would have been most unusual, Mr. Chairman, if he hadn't. Now to go up and say . . .

**Point of Order  
Imputing Motives**

MS HALEY: A point of order, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The hon. Member for Lacombe-Stettler on a point of order.

SOME HON. MEMBERS: Three Hills-Airdrie.

9:30

MR. DEPUTY CHAIRMAN: Sorry about that.

MS HALEY: It's close.

Under *Beauchesne* 484, two points. One, you're imputing motives to our Deputy Premier. I think that's wrong. Two, you are calling into question past acts of past governments, and that is wrong. *Beauchesne* 484. Please stop doing it.

MR. N. TAYLOR: Hon. member, if I may defend myself – mind you, I've learned that Three Hills-Airdrie is quite often correct when she's on a thing. I didn't impute a motive. If I'd said that he was up to some skulduggery or gaining something from it that the rest shouldn't – I'm just saying that it was not unusual for him to be first at the trough. I don't think that's motives.

MS HALEY: Well, what does that mean?

MR. N. TAYLOR: I don't think that's imputing motives. No, that's just showing how fast he is on his feet.

What was the second thing, Mr. Chairman? [interjection] Pardon? I can't remember the second insult, but because I can't remember it, would you care to do it again, the second one? [interjections] Oh, well. Okay. All right; sorry. I can't remember, but whatever it was, I apologize for the second one. That's pretty good, Member for Three Hills-Airdrie. You got a 50-50 batting average on that one. I stuck you with one, and I gave up on the other.

**Debate Continued**

MR. N. TAYLOR: Now, we talk about the responsibility to the municipality. What surprises me is that the minister came out with an example that they opened the liquor stores early so that people wouldn't drink Lysol, so they would buy our own booze to make money out of it. Now, Mr. Chairman, the moral connotations of this – you don't have to be a Thomasian philosopher to say: here is somebody saying that evil is going to be done, so I want to get in there earlier and make some money out of it. Now,

wouldn't it have been much more sensible, if you weren't so prone to trying to make a dollar out of the booze, to put the extra money in there to consult, and to work with those people that have a problem? Maybe use methadone, which is a method of withdrawal. I'm sure the minister has heard about it.

There are a number of different ways to work on alcoholism; there are different drugs. To use the argument that they're getting it in an improper place – you can use the same argument that the hon. Member for Camrose broached the other day. Under this same argument we should have houses of prostitution, because they're going someplace and not impairing their health. So we're going to rush in there with legal houses of prostitution. We're right in with illegal drugs.

I notice the Member for Three Hills-Airdrie is jumping up and down there. Do you want to say something?

MS HALEY: Can I move my chair forward, Nick?

MR. N. TAYLOR: Oh, certainly. We'd love it. You can have a whole half hour, if you like. We'll give you 25 minutes. Twenty-five minutes, or is it 30? [interjection] Twenty. Twenty minutes, and you can have it as often as you want as long as you alternate with us. That's a pretty fair deal. I bet you haven't had a deal like that for the last years, that you can have half of it. Quit shaking your fist at me. You're threatening. [interjections]

MR. DEPUTY CHAIRMAN: Order. Would you talk through the Chair, hon. member?

MR. N. TAYLOR: Mr. Chairman, wouldn't you quiver in your boots when those flashing eyes and the fists starting waving in your direction? I'm quite right. I certainly am. I don't think I'll move a motion or anything, because I wouldn't want to incur the long-term enmity of the member. Nevertheless, she has shaken me up a little. I've lost my place here.

The fact is that you should consult with the municipalities because the municipalities have to bear the brunt of mismanagement of alcoholism. [interjection] It's all right. I'm just letting the debate go on a bit; that's all. Sometimes I sort of piggyback along on the arguments.

Mr. Chairman, we roll on. The minister came up with one of the funniest excuses I've heard of all: that the former Liberal Prime Minister years ago had the national energy policy. Somehow or another that was traded into the value of scotch. I don't think the minister realizes it was oil and gas, which we don't drink, that had the price boosted, not scotch and rye. Mind you, you'd said Lysol. Maybe the minister is looking at taking over there and starting to dispense the oil and gas markets too. A very ambitious minister, and you never know where it will come. He tied it in somehow with the NEP and the price of energy. He's on the wrong form of energy. We're talking about scotch and rye and beer. It's a different form of energy. Mind you, it has some of the same effects; it can put you into orbit pretty fast. How he tied that together is beyond me, but it just shows the complete, almost high-handed arrogance. I've checked. "Arrogance" is all right since 1958. [interjection] I'm sorry. Scrub that. I've got a speaker coming up later that's going to dig a hole for him and then push him in it.

The point is that it was the height of insensitivity to turn licences loose – right, left, centre, and anywhere you want to put them – and tell the municipalities: "Well, it's your problem: the policing, the alcoholism, the vagrancy, the crime. All that's your problem. Mind you, we'll open early, so you can localize it a little bit." That's the only promise we get out of this minister.

Mr. Chairman, I don't know why the deadly silence that's descended on the hall. Mind you, I've found that often when I speak they become so interested that everybody just hangs on every word.

Now, the other thing that bothers me a bit in this consultation with the municipalities is that the minister seems to be using a broad brush when he goes out and issues licences. He seems to treat the rural municipality the same way as he does the city municipality. I think they're two different cases entirely. As a matter of fact, he has not addressed the problem, and I've not heard of the problem. There are municipalities and towns – I'm sure, Mr. Chairman, you know of them too – where the population is so low that the only liquor licence is tied in with a hotel. The hotel in turn has to supply beds and a restaurant. If a liquor licence is separated from that and goes outside that . . . [interjection] He'll get his chance, time and time again. As a matter of fact – let me see: Three Hills-Airdrie comes on, and then you can at 10 after, and then we'll be over. Hey, by 1:30 this afternoon you'll have had a chance to speak twice more, so there's no need to butt in now. I wouldn't do a trick like that to him. After all, if he was in full sway and the full logic of his arguments were flowing just like a philosopher of old, I wouldn't stick my nose in there and try to disrupt the train of thought.

The fact of the matter is, Mr. Chairman, that liquor licences are handled differently in remote areas. What has the minister done about liquor licences bordering native reserves? There is a law about that. [interjection] He'll get his chance to answer. He'll get a chance. If his memory is . . . [interjections]

MR. DEPUTY CHAIRMAN: Order please.

The hon. Minister of Municipal Affairs.

DR. WEST: He was asking a question. Do I have the right to answer that at this point?

9:40

MR. DEPUTY CHAIRMAN: No, you haven't got the right to answer it at the present time. Maybe at question period later.

DR. WEST: Then I'll come back to it later on.

MR. N. TAYLOR: Mr. Chairman, all I ask: would the Minister of Health loan him a pen so he can write down the questions so he doesn't forget them, because he has a facility for that.

MRS. McCLELLAN: I'll remember them.

MR. N. TAYLOR: You're going to write them for him? Okay. Whatever it is, just as long as he knows, Mr. Chairman. It would be the dirtiest of tricks to take somebody with a short memory and tell them they can't ask a question for 10 minutes. I mean, I wouldn't do that to another Liberal, let alone a Conservative. They've got to have the right, you know. [interjection] Well, I mean he's got to have a right to write it down.

So, Mr. Chairman, there is no question that in the area of remote settlements, in the area adjoining native reserves there are special problems that this minister just washed his hands of. The Pontius Pilate of the liquor business washed his hands and said: "It's no fault of mine. I've turned it loose. Let free enterprise roll untrammelled. Let it march across the landscape, because there'll be an automatic good come out of it. We don't know what it is, but we'll start the wheel moving." Sort of like those old roulette wheels: we just know that when the minister is in charge, it's going to come back into the payoff corner. The point is that

anybody who has played roulette realizes that the ball nearly always comes down on a nonpayoff corner. I suspect that that same thing is going to happen with this minister. He started the ball rolling, and we're going to get the nonpayoff corner, but he has not mentioned what he would do at all.

Quit shaking your head, Three Hills-Airdrie. Have you never seen Taylor in full flight before? And here I thought Three Hills was one of the metropolitan areas.

Mr. Chairman, the municipalities have been hard done by by this minister. He has ignored them in every way, treated them as children, treated them as if their values and their opinions did not matter, and, worst of all, treated the residents of those municipalities as if they were merely nothing, just chaff in the wind, the free enterprise wind that's blowing across this land propelled by the minister, bringing good to all.

MR. DEPUTY CHAIRMAN: The hon. Member for Calgary-North Hill.

MR. MAGNUS: Thank you, Mr. Chairman. It's kind of nice to be able to finally get on my feet, because this is about the fifth or sixth time we've stood up. Of course, the Chairman's peripheral vision at this late hour is probably watching that clock, and he's not seeing over to this side. I am awfully happy to have this opportunity. I had to stand up.

Some of the information that seems to be coming out I guess we should be getting used to on the government side, because quite frankly there's been some misinformation about what municipalities can and cannot do, about what the provincial government can and cannot do, which surprises me seeing as how we've got a number of ex municipal councillors sitting on the opposition benches. They should know this information as well, and I quite frankly wish they would share it with the rest of their bench.

You know, under the Municipal Government Act there's a number of items that municipalities have always had the right and the ability to do. Those things are things like the ability to tax their own businesses, whether it be through property or business taxes or whatever. They've always had that ability to raise the amount, the sum they need in any given year to run their municipality through their own level of taxation. They've always had the ability to create a transportation network within any municipality. The infrastructure: garbage, sewer, water, power distribution in some places. All of these things are within the Municipal Government Act. Quite frankly, with the amount of misinformation that we've been seeing and hearing since God knows what time this morning, I wish that we could maybe spread these books out so that everybody could have a good look at them and see exactly what the rules are that the province does give to the various municipalities, townships, IDs, et cetera, so that everybody knew what was going on.

It's been suggested this morning that we take away the right of the municipalities to decide where on earth these liquor stores are going to go. It says that we should get involved. These are comments from the opposition benches. They say that there should be a touch of reality involved, and it's our job – our job – as the provincial government to provide alternate suggestions. The last time I checked the municipal government land use bylaw in the city of Calgary – it's a book about this thick, nice brown cover on it. Frankly, I'm going to bring it up here and photocopy some of the sheets and send it to some of their old municipal councillors so they have some idea what's in these books. I would really like for them to see it because some of the comments that have come out are that we didn't give any amount of time to these various municipalities to bring forward guidelines and rules

that would govern where a liquor store might go in this same municipality.

Well, I don't know about the city of Edmonton's land use bylaw, but I do know about the city of Calgary's, and it would seem to me that under any commercial guideline, C-1 to C-6 and everything in between, there are a number of rules that govern these. They're a direct use for the city of Calgary, and anytime a liquor store has been put in the city of Calgary, whether it was brought in – and it has been brought in by the government in the past over the last number of years since we took over the ALCB – the rules have applied. If you want to go and put in your liquor store, whether you're the government or whether you're a private entrepreneur who wants to take up this business, you simply go in. You make sure that your land use is there; in other words, it's got to be a commercial area, DU guidelines. You must make sure, assuming the zoning is there and everything else, that this thing goes before a development permit review committee, which is called the development appeal board. These rules have been in place for many, many years, and they govern where a liquor store might go within the city of Calgary.

Now, I don't know what the big surprise is here at this point in time. We've certainly advertised for a period of time that we are going to privatize liquor stores in the province of Alberta, so it shouldn't have been a surprise to the municipalities. It shouldn't be a surprise to the Liberals at this point in time. The rules are in place and they have been in place for a very long period of time, and I'd suggest the rules are quite good. After a short conversation earlier this morning, and, I might add, very early, the alderman who talked to me in the city of Calgary mentioned that what they were trying to do was simply strengthen the rules so that they didn't end up with too many liquor stores on one particular block. The rule is already there; they simply want to strengthen the rule. That doesn't sound like something earth shattering to me.

The comments that have been made in this session in the last couple of hours are that the stores won't pay; they won't make money. I mean, I guess as an ex small businessman who's been involved in a number of retail businesses, my experience is that when you go to some professionals – you know, I don't want to start a ruckus here; I can't say the name – they tend to lean more towards the cautious side of things. It's easy to say: "Oh, don't go into that business because it won't pay. We've got the numbers, and we're going to figure them all out at this point in time." Frankly, I've generally ignored that good advice, and I've never lost money in a business that I've been involved in, and that's some considerable number of businesses over the years.

I think it's a ludicrous assumption to think that businesspeople, whether it be in the city of Calgary, city of Edmonton, or any other small municipality within the province of Alberta, are not bright people, and that seems to be what the opposition benches are saying, that they're not bright enough to figure out whether they can make a profit or not. Well, there certainly seems to be an awful lot of people interested in making a profit, in opening a store under the current rules within each of the municipalities, and again the rules are very clear and forthright. They exist today, Mr. Chairman.

As has been pointed out before from some of the speakers, it's amazing to me when we sit here in this Chamber in what some are calling a filibuster – frankly, if this isn't a filibuster, it's as close as I ever want to see us get – when I read . . . [interjections] No problem. I just want to make sure they hear this, Mr. Chairman, so I thought perhaps I'd give them just a moment of quiet while they got rid of their wrath and proceeded.

I guess it amazes me that we've sat through 25 days again of supply and talked about everything under the sun, every budget the government's got, whether it be Labour, social services, Municipal Affairs, Health, Justice. I mean, pick one. We've gone all through this, and what they choose to go after is the privatization of liquor stores. No matter how far reaching I let my imagination go, I can't figure out how this is the one they got stuck on when there are all these other issues on the floor.

In consideration of looking at this amendment, which says "consult with any affected municipality prior to the establishment of liquor stores, warehouses and duty free stores in Alberta," my opinion on this, as an ex-alderman from the city of Calgary who is intimately familiar with the land use bylaw, is that this is redundant, it's repetitious, and it's a waste of time, much like most of this filibuster has been.

Thank you, Mr. Chairman.

**9:50**

MR. DEPUTY CHAIRMAN: Thank you.

The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Chairman. I rise today to speak in favour of the Bill and the amendment that's before us. [interjections] Don't get too excited, because that's as far as it goes.

I have absolutely no problem with the principle of privatization, but the unfortunate thing for Albertans is that this government still hasn't learned anything about being in business and being accountable and doing things in a credible way. We were subjected this morning to a degree of arrogance that I would have been ashamed of, to have to sit here and listen to the Deputy Premier relate what was in the press in the way of a poll saying where the position of the Premier of this province was in relationship to other Premiers across Canada. What he neglected to point out was that he was behind Clyde Wells.

#### **Point of Order Clarification**

MR. WOLOSHTYN: A point of clarification, Mr. Chairman. The Premier was behind Clyde Wells only because the only people they polled in Newfoundland were Mr. Wells' family.

MR. DEPUTY CHAIRMAN: Order.

MRS. ABDURAHMAN: It's incredible how low they will dig to bring something up in this House.

MR. DEPUTY CHAIRMAN: It's incredible that a Liberal member would sit here right in front of me and be out of order. Hon. member, let's have quiet.

#### **Debate Continued**

MRS. ABDURAHMAN: Let's look at it a little bit further. It clearly states: "Only Liberal governments in Newfoundland and New Brunswick fared higher, with ratings of 67 and 49 per cent." The arrogance to stand across there and suggest that they had something to blow their trumpets about when they were the authors of a \$30 billion debt.

#### **Point of Order Relevance**

MR. SOHAL: Point of order, sir.

MR. DEPUTY CHAIRMAN: Point of order.

MR. SOHAL: Citation 459(1), sir: relevancy. How is it relevant to the debate?

MRS. ABDURAHMAN: In speaking to relevance, Mr. Chairman, it was ruled that the Deputy Premier was in order, and I am debating the very point that he brought up. [interjections]

MR. DEPUTY CHAIRMAN: On the point of order.

MRS. ABDURAHMAN: Mr. Chairman, the gentleman was indeed the Chairman who made that ruling.

MR. DEPUTY CHAIRMAN: Order. We have been very lenient on this. We do like to stick to the topic, but sometimes you have to bring in an example in order to get to the topic. We've been lenient on both sides.

Hon. member, continue.

#### Debate Continued

MRS. ABDURAHMAN: Thank you. I am getting to the point, inasmuch as we've seen a government that has taken Alberta to the brink of disaster and now they're trying to turn things around by using privatization of ALCB. Once again we're seeing a government that doesn't know the first thing about business. It's been clearly demonstrated through this Bill. They have indeed created social difficulties. They've also created unnecessary conflicts within communities, and it's certainly been suggested that municipalities have the ability . . . [interjections]

MR. DEPUTY CHAIRMAN: Order. [interjections] Order. Give the hon. member a chance to speak.

MRS. ABDURAHMAN: . . . through their planning departments and zoning . . . [interjections]

MR. DEPUTY CHAIRMAN: Through me.

MR. DINNING: She's bellowing. Isn't there a Standing Order against that?

MR. DEPUTY CHAIRMAN: You're out of order, Provincial Treasurer.

MRS. ABDURAHMAN: I would ask through the Chair that the Provincial Treasurer apologize to me. I take exception to someone suggesting I should go and take a shower.

MR. DINNING: Mr. Chairman, in response to my Scottish colleague across the way, my comments, although I don't mean to slight her, were not directed at her, and I'd suggest she simply get on with her remarks.

MRS. ABDURAHMAN: It's rather like all the remarks about the hon. member from Scotland and 'Albairta.'

Now, speaking to the amendment, Mr. Chairman, it's been suggested by a government member that municipalities indeed have the planning ability to make the appropriate zoning changes, but the point that has to be made is the haste with which this privatization was forced upon Albertans and indeed did not allow many municipalities the appropriate time lines to make the necessary zoning changes.

Not too long ago I was in the city of Grande Prairie, where it was being suggested that because of the changes that had to take

place there, it could be Christmas before this happens. I don't think that was a very responsible way of privatization.

[Mr. Tannas in the Chair]

Now, in speaking in support of the principle of privatization, I certainly don't have a difficulty with this, but it would indeed be refreshing and it would give some confidence to Albertans if this government could demonstrate that they are responsible in the way they approach privatization. It's my firm belief, Mr. Chairman, that through this Bill, Bill 12, they've done anything but demonstrate responsibility in the manner that they implemented Bill 12. Anyone who's in business would know that the first rule of thumb is that you do a marketing survey. To suggest that every municipality could indeed absorb and see liquor stores in excess numbers survive in the marketplace is totally unrealistic. I think the manner in which this is being done is certainly not business-like, and it certainly does not give the type of opportunity to Albertans to indeed have any security in entering this market.

Thank you, Mr. Chairman.

10:00

MR. CHAIRMAN: If the hon. member would just give the Chairman a moment to find out who's next on the order and where we're at. [interjections] Order. I'm getting a lot of advice. I'm getting it from counsel. Thank you.

Bow Valley.

DR. OBERG: It certainly is a pleasure to be speaking to the Assembly after sitting in here for the last 14 hours. Unfortunately, like some of my colleagues, I have not been able to slip away for a shower and a shave.

AN HON. MEMBER: That's sort of obvious.

DR. OBERG: Thank you. That's also the reason, Mr. Chairman, why my colleagues are sitting so far away from me.

The one point that I would like to make is that approximately two hours ago the Member for Calgary-Buffalo cited a paper and asked me to read it. I've spent the last two hours reading it and researching it and finding the paper. I find it a very interesting document. My first comments – I'm not entirely sure whether to criticize the Liberal opposition or to applaud them. I would like to applaud them for saving their research budget, and I would like to criticize them as I read the top of the document, which says: sent by AUPE Edmonton to the opposition Liberal headquarters. I assume that that means the Alberta union of public employees. I go on and quote from the document The Legal Control of Alcohol Availability, a position document on the extension of beer and wine sales to grocery and convenience stores in Alberta.

DR. L. TAYLOR: You're exposed again. The poverty of your arguments is exposed again.

#### Chairman's Ruling Decorum

MR. CHAIRMAN: Hon. members that are near a speaker are reminded that it is a delicate instrument and loud voices in it could perhaps damage both our ears and the microphone. So if you'd let the speaker speak to his own microphone, that would be helpful.

#### Debate Continued

DR. OBERG: Thank you, Mr. Chairman. I go on to quote from the document:

The Edmonton Police Service opposes any extension of the sale of alcohol in grocery and convenience stores until such a change can be proven to have no adverse effect on the quality of life in Alberta.

I would put to you that this was taken into consideration by the hon. minister and that there is no extension of alcohol sales to grocery and convenience stores.

I go on to quote. On page 2, the next topic is key considerations. The number 1 point in key considerations: "while acknowledging the inconsistencies in some of the research and data." I want people to absorb that point, because this is the point I was bringing up when I was talking to the hon. Member for Calgary-Buffalo. What I stated at that time was: show some statistics. This document readily shows how inconsistent this data is and how dangerous it is to make generalizations on inconsistent data.

It also goes on to state:

An expansion of the current distribution system to include thousands of additional outlets would make control factors an immediate and serious enforcement problem.

Mr. Chairman, I would put it to you: if there are thousands and thousands of outlets, I think we may have a problem. From what I anticipate and from what the hon. minister has told me, he has no intentions of releasing thousands and thousands of liquor licences in Alberta.

I go on again and I now speak to the topic called "Research Notes, Costs and Consequences of Alcohol Abuse . . . in the 1987-88, fiscal year." Mr. Chairman, one of the points we have been trying to put across is that society has changed in the last four years and that consumption of alcohol has actually dropped 25 percent. I would repeat that. It has dropped 25 percent. These statistics are five years old.

I will go on again: "Since 1981, the total of clients discharged from AADAC facilities has increased 52%." Mr. Chairman, 1981 was 12 years ago. Again I repeat: our consumption has gone down on alcoholic beverages in Alberta.

On page 4 of the document, Additional Research: "Sale at supermarkets, gas stations, and other non traditional outlets should be halted." We have not started that, Mr. Chairman, and I think that's an extremely . . .

### Chairman's Ruling Decorum

MR. CHAIRMAN: Maybe we should just take a break there, Bow Valley, for a moment.

I don't know whether the Chair should beg, yell, threaten, but certainly I appeal to your best nature. It's been a long evening, morning, and it will be a long afternoon. It would be appreciated if we could bring the level of debate to debate. I know we've all got some really good heckles and interjections, but if we could save them for another day, that would be helpful for us who have jangled nerves.

With that admonition, we would invite Bow Valley to continue in his cogent way.

### Debate Continued

DR. OBERG: Thank you, Mr. Chairman. I go on to page 5.

In a report issued by the World Health Organization, resulting from a 25 year major research project from North America and Europe, the following was released, "Government might . . .

And I quote the word "might."

. . . also use their powers to control the places where alcoholic drinks are consumed, so as to lower the risk of adverse consequences.

And I stress the word "might." There is no statistical significance to that. There have been no double-blind studies. There have been no scientific studies, which was the point I was trying to

express to the hon. Member for Calgary-Buffalo earlier in the debate today.

They go on to quote the *Journal of Studies on Alcohol*:

Results reported here suggest that major changes in distribution systems for alcoholic beverages may significantly influence the amount and pattern of alcohol consumption, and subsequently may affect rates of disease, damage, and injury associated with alcohol use.

Mr. Chairman, I would put it to you that if a patient comes to me, I could say, "Patient, you may have AIDS, but then again you may not." I think that this is the kind of data that we have here.

The one point that I would make – and I'm not trying to criticize the member across the way who brought up this document, but I caution the use of papers such as this without the proper analysis, without the proper statistical analysis, and without making them double-blind studies. As I'm sure the hon. member is aware, in 1993 the most important and most valid studies are large, double-blind studies, and this definitely is not that. I really seriously question the credibility of this as a research document. I do not question its validity as a position paper, which is what it was put out for, about the extension of sale of alcohol to grocery and convenience stores.

In changing my tone, Mr. Chairman, I would also like to comment on one of the other points that was raised some time hours ago. That point was that we limit the number of liquor outlets to roughly 200. I would put it to you that by doing that, we are creating a quasi-monopoly on the sale of alcohol in Alberta. I can see that the value of a liquor store licence would increase according to the location, according to the volume, according to a lot of unnatural factors that I'm sure the hon. member across from me, whose opinions on economics I certainly feel are extremely valid, would agree with. I think that a quasi-monopoly in something such as liquor sales is extremely dangerous. I think it can lead to abuse. I think it can lead to things like the liquor licences being worth a great deal of money, and that is not what we want as a government. This government is committed to free enterprise, and in no way is creating a quasi-monopoly situation at all consistent with a free enterprise philosophy. I find this kind of thinking extremely dangerous, and I would caution the members against it.

### 10:10

The other point that was brought up is the point about patronage. I entirely agree that in the past there may have been some patronage appointments by this government and other governments in Canada. One of the points on not having a cap on the number of liquor licence sales is that there is absolutely no chance of patronage, because if my cousin or my uncle or whoever applied for a licence, there is no guarantee that that licence has exclusivity. I think the person could open up a liquor store right down the street, and you now have a free enterprise situation, which Mr. Chairman, I don't think has any relationship to patronage. So I think raising these issues sets an extremely dangerous precedent.

With that, Mr. Chairman, I hope that these opinions are listened to.

MR. CHAIRMAN: Order. It has been observed that there is a cameraman here, who is here under the authority of the Speaker. I know that they can't record audio, but we would hopefully conduct ourselves accordingly.

Bow Valley, would you continue.

DR. OBERG: Thank you, Mr. Chairman. The point that I was trying to make – and I'm saying this in all honesty – is: be

extremely cautious when you read scientific documents. I think we have just seen an example of how information can be turned around and used in whatever way we perceive it as being useful. I am in no way questioning the argument that the Member for Calgary-Buffalo put across, but I caution especially: be careful on what documents and what information you use to put a point across.

Thank you very much.

MR. CHAIRMAN: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Chairman. I want to deal perhaps somewhat in a startling way this morning with the amendment to the liquor legislation that we're debating, the amendment that was put forward by the Member for St. Albert, which we're debating as amendment A.

I do appreciate and I'm grateful for the guidance and the instruction that the Deputy Premier gave me, because he made it very clear that in developing the theme behind this amendment, one had to go back and look at the entire picture of why we were here all night and all morning for some 12 or 13 or 14 hours straight. I also notice that some considerable debate has been taken up with banter back and forth and catcalls and things like that back and forth. If I was prepared two hours ago to ignore the slight, a personal slight to me, describing me as a chubby little lawyer, talking about a characteristic – and I'm not a chubby little lawyer; the desks are simply narrow.

MR. CHAIRMAN: Are you raising a point of order on the failure of the Chair to silence someone who was accusing you of being undertall?

MR. GERMAIN: Undertall. I'm going to adopt that into my next 20 speeches here, if you don't mind, Mr. Chairman.

You have to go back and set the stage. Like a good general, the Deputy Premier did storm here in the morning – and I want to be very clear. He came by it honestly because he was here all night, and I can attest to that. The Deputy Premier came in and rallied the much fatigued troops. He tried to rally them. Of course, they were silent all night. Of course they were. The Deputy Premier talked about . . .

#### **Point of Order Imputing Motives**

DR. L. TAYLOR: Point of order.

MR. CHAIRMAN: Point of order. When you give your citation and before you speak, I want to read the citation. The last time you called a point of order, it was a spurious one, incorrect. What is your point of order, please?

DR. L. TAYLOR: Well, my point of order is Standing Order 23.

MR. CHAIRMAN: Standing Order 23 has quite a few clauses. Which one, please?

DR. L. TAYLOR: Clause (j).

MR. CHAIRMAN: Just hold.

DR. L. TAYLOR: I certainly wouldn't have given you a wrong point of order, I don't believe. It's not like me to do something like that.

MR. CHAIRMAN: Hon. member, if you are wanting to suggest that there were false or unavowed motives to another member, the Chair did not hear them. [interjections] Your point of order was 23(i), which is imputing "false or unavowed motives"?

DR. L. TAYLOR: Yes. Correct. [interjections]

MR. CHAIRMAN: Now it's (j)?

DR. L. TAYLOR: No, it always was. [interjections]

MR. CHAIRMAN: Always was. The Chairman's ears are in need of . . .

DR. L. TAYLOR: I believe I sent you a memo on that the other day.

MR. CHAIRMAN: Points of order occur as the occasion presents itself, not by a prearranged memo, hon. member. You do have a point of order. I am trying to discover what it is.

DR. L. TAYLOR: Yes. He's imputing motives. He's suggesting we were fatigued. We were not at all fatigued. We were here all night. We were alive and vibrant.

MR. CHAIRMAN: I think perhaps a quick look at the dictionary would indicate that fatigue is not a motive; it's a condition of the spirit or of the body. In that sense, your point is perhaps well made. Would the hon. Member for Fort McMurray please continue on his discussion of the amendment.

MR. GERMAIN: In fact, Mr. Chairman, just outside the House we were commenting earlier on how much wisdom you'd been reflecting in your rulings through the entire debate here this evening.

#### **Debate Continued**

MR. GERMAIN: I want to say to all of the members of the Assembly that the Deputy Premier did what he could this morning, and he did it eloquently. He did it forcefully. But I must with respect disagree with some of the main theses and some of the main comments that he made. I'm also going to talk about the poll, because I want to come back to the poll. I hope people don't let me forget that, but first the amendment.

MR. CHAIRMAN: Only the amendment. Yes.

MR. GERMAIN: All right. Okay. Now, the amendment came up, as you are aware, Mr. Chairman, after many hours of lengthy debate. Now, that debate has been described as a filibuster. How could that be? The members opposite at any time could have risen to adjourn the debate if they did not feel that it was meaningful, succinct, and relevant. In fact, they listened with wonderment as the moment of their deliverance from the legislative errors they are proposing was presented to them. They listened in wonderment. They did not adjourn the debate. In fact, some members even leaned forward in their seats. I remember some members from the back crowded into the front row and lined the front row. They were right there.

MR. MITCHELL: Some paraded.

MR. GERMAIN: Some paraded. That's true, Mr. Chairman.

Now we're getting to the relevant amendment. We have to stress debate, and some members opposite may feel that some debate is exaggerated. Some members opposite may feel that we use modest humour to try and make a point. Some members may feel that we try to use subtle exaggeration to make a point. Why do we do that? We do that because we listened to Albertans. We listened to them with the amendment. We listened to them when they said that they wanted recall. We said that, and nobody listened. We listened to Albertans when we drafted the amendment just like we listened to them when they said they wanted teeth in deficit control. We listened to them in the amendment just like when they said they wanted a resolution and a motion supporting rural business in this province. Just like we listened to them in the amendment, we listened to them when they said they wanted rural development. But it's hard when you give these suggestions.

Now, what other stage, what other chemistry was at work that caused us to be here all night providing these useful suggestions, delivering this meaningful debate? The other chemistry that was at work was that the Minister of Family and Social Services himself many times has stood up in this House, on television, and has asked us to provide assistance and provide answers. So we came forward all night long providing this assistance.

### 10:20

Now we come to the amendment. We come to what I hope, Mr. Chairman, will be the five points against which all amendments and indeed all pieces of legislation will be measured. I know that some of the members opposite will say that we won and you lost. Well, these are the five points that I feel are relevant in addressing the amendment. The first point that I would like to measure this amendment against is point one: does it help Albertans? Now, is anybody in this Legislative Assembly going to stand up in a moment and say that that suggestion does not have merit or that that's a filibuster or that that is not constructive?

The second point that I think the amendment has to be measured against is: does it make economic sense? Okay; that's the second. Now, is anybody in this Legislative Assembly going to stand up and say that we shouldn't measure an amendment against that test?

Now, the third thing is: is it equitable and fair? Is anybody going to stand up in this Legislature and say that to measure an amendment against whether it is equitable and fair does not make good sense?

Now the fourth point. The government has a financial and a fiscal responsibility to all Albertans, so the fourth point, Mr. Chairman, is that an amendment should be measured against the concept: is it helpful to or at least neutral to the government? Is anybody going to stand up and say that that shouldn't be considered when we're discussing an amendment? Is it helpful to the government or at least neutral?

The fifth point is: does it expand the concept of participatory democracy?

Now, those, I suggest, are five rules of thumb. Like all thumb sizes they'll vary from time to time, but they're five rules of thumb that we could measure this amendment against.

DR. L. TAYLOR: Like brain sizes too.

MR. GERMAIN: Yeah, I hear the brain sizes comment.

### Point of Order Rhetorical Questions

MRS. FORSYTH: Point of order.

MR. CHAIRMAN: Calgary-Fish Creek has a point of order. Would you give us the citation?

MRS. FORSYTH: Yes, Mr. Chairman. It's under *Beauchesne* 428(j). His questions are being framed so as to suggest their own answers.

MR. CHAIRMAN: Hon. member, it's a very good point if this were dealing with a written question, which is a more formal part of the Assembly. However, what we really do have is a good example of rhetorical questions, which usually the speaker answers himself or herself. I think we're seeing a classic example of that here. So we would invite the hon. member to continue, hopefully touching on the amendment from time to time.

### Debate Continued

MR. GERMAIN: Well, that's right. Now, that's excellent. In fact, if you don't mind, Mr. Chairman, I'm going to excise this debate and send it home. I appreciate your comment about the model. I want to now take the amendment against the five tests.

Okay. Now, this amendment does not amend the Municipal Government Act. The minister spoke eloquently, but he started from that praecipe. He started as if this was an amendment. This is simply a mandatory requirement by the use of the word "shall" that any affected municipality will consult with the government on not just the liquor store licences but on the warehouses. You remember, Mr. Chairman, that the minister did point out a few days ago, unless I've misunderstood him, that duty-free stores were out of this kind of privatization loop. Therefore, the amendment makes eminent sense.

Does it help Albertans? Certainly it does.

Now, does that amendment make economic sense? Certainly it does. Is that amendment equitable and fair? Municipalities will have to bear the brunt of any social result to flow from the unbridled licensing of liquor stores under the general guidelines of retail products. Does it make sense, and is it equitable and fair that they be consulted? Of course it is.

Is it helpful to or at least neutral to the government? Now, after the track record of the government, what would hurt those members opposite who have benefited from the last 14 hours of debate to adopt this point and say: "Well, by golly, that's not a bad point. Let's plug it into the legislation."

Fifthly, does it expand the concept of participatory democracy? Well, certainly it does.

Now, we had a comment made that in speaking to this amendment, we talked about wasting time. Well, Mr. Chairman, some members from Calgary and points south were concerned with the snowstorm that we had here a week ago, and you'll recall that we adjourned at 8:30 p.m. I think it was good fiscal management and fiscal responsibility last night for us to give back to the taxpayers of this province those two and a half or three hours that were taken away in the interest of safety, although there was little said as we streamed out of here about those poor motorists struggling for survival on Highway 63 where it narrows there.

I also want to say that last night . . .

MR. CHAIRMAN: Are you on the amendment?

MR. GERMAIN: Yes. I'm sorry. I apologize to you, sir. My enthusiasm for the blizzard got me in trouble.

I want to also talk about the amendment. Why is this amendment coming up now? Well, this amendment is coming up now because as a courtesy and in the interests of serving all Albertans last night we broke the flow of the debate on this amendment and

other matters so that we could deal with the School Act. That's what we did. In the middle of last night while people who may have a higher level of normalcy were sleeping, like people should sleep at night, while we broke the flow of this amendment and this debate to deal with those people who were waiting patiently for their private members' Acts and legislation so we could serve those Albertans too, the Deputy Premier said we were wasting time and wasting the taxpayers' money. Well, I never understood that I got paid either for the word in here or for the minute or for the hour. I thought overall we got paid for doing a job for all Albertans. We thought last night we are not . . . [interjections] Ah, yes, the amendment.

Shortly many other eloquent speakers, more eloquent than I and more polished than I, will in fact speak about this amendment. I want to also thank the minister in charge for speaking in favour of this amendment as well. The only difficulty is that the tone of his debate and the forcefulness and powerful, compelling arguments of his debate may confuse some of the listeners in that he was indeed speaking for this amendment, because he repeated time and time again that municipalities are consulted and, as a result, all we are now going to do is give municipalities the enshrined right to be consulted that the minister says they have always had for 70 years. What a proud step forward that the minister brought that to our attention, but the manner in which he did it might lead some people to believe that he was speaking against the amendment. I wanted to try to bely those concerns.

SOME HON. MEMBERS: No, no.

MR. GERMAIN: Oh, oh. Of course, of course.

Now, one of the things about this interesting amendment is that it has to be tracked in relation to issues of the consultative process, because this is a consultative process amendment. The Deputy Premier when he was in here indicated that the . . .

10:30

MR. CHAIRMAN: Are you on the amendment?

MR. GERMAIN: Yes.

The Deputy Premier indicated that as a result of the approach that was taken to this amendment, the government had shot ahead in the polls, but unfortunately, according to the survey quoted by the Deputy Premier, the Premier is 2 percent below the previous rating, and the popularity overall is 45 percent measured against a fixed vote of 44 percent held a few months ago, with 2,000 people across Canada interviewed and undoubtedly a plus or minus 4 to 8 percent differential on that. So the Deputy Premier, although he was appreciative of the fact that communication was important, was also undoubtedly concerned by the fact that by applying those statistics, the Premier would appear to be 6 to 8 percent below his popularity on June 15.

Thank you.

MR. CHAIRMAN: Provincial Treasurer, I hope you will take the amendment to heart.

MR. DINNING: Well, Mr. Chairman, I would want to take the amendment to heart as narrowly as the hon. Member for Fort McMurray, and I will do my level best to follow and be even more narrow than that narrow-vested, suited person across the way.

I do rise and focus on the amendment as it relates to consultation, because in order to consult I believe it's proper and it's our responsibility as a government, as a Legislature to put forward a

plan, to put forward a blueprint, a road map – memory lane, the hon. member would call it across the way – to spell out where we are going in order for us to go to Albertans, then, and seek their input, seek their reaction, seek their advice, ask for their direction, and ask for their approval of that plan.

Mr. Chairman, when I think back to the May 6 budget and the events that led up to that May 6 budget, beginning on December 5 when the hon. Premier was elected the leader of the Progressive Conservative Party of Alberta and some 10 days later when he and his cabinet were sworn in to be Her Majesty's government in the province of Alberta, from there began a number of exciting events that involved Albertans and very much involved them in the consultation process to get their input and advice. Clearly, a number of messages were received during that time: one, that we were to get our fiscal House in order; and most importantly, that we would get our spending in line with our revenues and put forward a plan as to how we were going to balance the budget over a four-year plan, just as the Premier had committed and promised to do.

The other important part of it was developing an economic development strategy, which the hon. Premier brought before this Assembly in late April 1993, that clearly spelled out how this government was going to do the business of government very, very differently than it had done in the past. Mr. Chairman, when I think of that economic development strategy, what was spelled out in there is that we would be building strategic opportunities for wealth creation, that on the fiscal side we would be improving the efficiency of government operations, and that we would create a more competitive and favourable tax and other kind of environment for Albertans to thrive in, to invest their money in, and to create jobs and prosperity in this province.

In the May 6 budget, however, Mr. Chairman, in laying out the plan on which we would seek the ultimate consultation from Albertans, we said very clearly that we would be doing the business of government very differently than we are now, that priority would be placed on maintaining those services that Albertans need and value and, at the same time, new approaches would be considered to maintain the quality of these programs, that we would be looking for more effective partnerships with communities and the private sector, that we would find more cost-effective ways of providing essential services. We laid that out for Albertans to be consulted on loud and clear.

At the same time, Mr. Chairman, we said in the plan that local governments would play an important role in providing public services to Albertans and that we would work together with local authorities to review provincial local programs and financial relations so that they reflect the respective roles and responsibilities.

Mr. Chairman, I'm finding it difficult to bellow over the musings to the opposite, and I would ask that the hon. members across the way – I know they've been here for some 14 and a half hours. I'm sorry that I've only been able to partake in about 10 of those. I can't tell you how sorry I really am.

Back on the amendment as it relates to consultation, Mr. Chairman, I want to refer to the work done by the Minister of Municipal Affairs in that consultation exercise. He is around this province daily and now weekly on a basis relating to the financial situation, a commitment by the Minister of Municipal Affairs, by Premier Klein, by this government to be out talking with municipalities to hear their comments about our relationship with them and how we can enhance that.

The Minister of Municipal Affairs was in my own home city last Friday consulting with the city of Calgary and several other municipal districts, counties, and municipalities and had an

extensive meeting at which every subject under the sun could be raised. I'm advised by the hon. Minister of Municipal Affairs that this subject was not one of concern, was not raised, that while all issues and all matters were on the table for consultation and discussion, this was not a matter that the city of Calgary or that other municipalities at that meeting felt was of sufficient importance that it needed to have further consultation or further elaboration than what the minister had already spelled out. I know he may want to speak further about those consultations.

The other thing that was part of the May 6 plan was the basis of the Financial Review Commission report and our response to it. The Financial Review Commission advised us that we should downsize the government infrastructure and at the same time consider the full impact of those actions. Mr. Chairman, what we made clear in response to that is that we would be doing exactly that, that a review of government programs through the standing policy committees would occur, that the budget roundtable in Red Deer was going on, and that roundtables in virtually every other part of government and other kinds of consultation was going to be a hallmark of this government. So in fact we have done exactly what we said we would do.

I would refer hon. members to the May 6 document one more time, where we said that we were going to do the business of government differently and that we would rethink both what government does and the way that it works. In doing so, Mr. Chairman, we said that government needed to become:

- clear about what its business is,
- [more] focused on program results and service quality, [and]
- more co-operative in our partnerships with other levels of government.

I read in this public document, which was part of the ultimate consultation process, that we said:

As stated in the four-year plan, the government will engage in consultations that will result in the development of business plans for all government departments, agencies and organizations receiving government funding. Outcome measures will be a key component of these plans.

Mr. Chairman, having then laid that document before Albertans on May 6, we went and talked with Albertans about that in the ensuing 10 days and had sufficient confidence that Albertans were adopting and endorsing and agreeing to that plan after the first spate of consultation. Do you know what? We then went to the ultimate in consultation when Premier Klein in Calgary called an election in the middle of May for June 15. We went out for 28 solid days consistent in our message: Albertans, this was the plan on which we were consulting you; this is the plan on which we seek a renewed mandate. There were no promises other than a commitment to this plan, a commitment to the economic strategy, a commitment to consult with Albertans, a commitment to balance the budget by 1996-97 by doing the business of government differently than it had been done before.

Albertans at the end of that first round of consultations gave a seal of approval to the plan and said, "The consultation exercise after this 28 days is sufficient for us to give this government a mandate for five years of government." That didn't mean that the consultations stopped, Mr. Chairman, because they have not. They continue today. As I mentioned, the hon. Minister of Municipal Affairs and all of my other colleagues are out in and amongst Albertans asking their advice and seeking their consultation on this matter and all other matters.

**10:40**

Mr. Chairman, the one reflection I have on the last 14 and three-quarter hours is that while we may muse with one another about what's going on in this Assembly, I can't help but think that

the constituents in Calgary-Lougheed, the constituents in 82 other communities this morning, if they know of our activities here, if they are remotely interested in our activities here, are probably rolling their eyes and saying, "Those boys and girls are once again playing in their sandbox and not doing the job that we sent them to do in Edmonton." I know that we may laugh and we may muse. I see that there are at least five members of the general public, five Albertans, sitting in the gallery. We laugh. We've had perhaps an enjoyable time at moments in the last 14 and three-quarter hours. The tragedy is that what is happening here in this extensive, lengthy debate does nothing to enhance the esteem or the respect that we want Albertans to have for this institution and for those who serve in it.

I would ask all hon. members to reflect very quietly and very carefully that as this piece of business that is before the Assembly, this business on which the government has consulted extensively, has now come to a point where a seal of approval can legitimately be placed upon it, Albertans will see that we have done the job that we were sent here to do and that we would quietly go about doing and completing our business, Mr. Chairman. I would hope that we would have a responsible vote on this matter, all having had their say, but that we could get on with this business and get on with the job of implementing the very plan that Albertans told us to implement and gave us a mandate to do on June 15.

MR. CHAIRMAN: Hon. members, before we proceed further in the debate, for the benefit of those people in the gallery this is Committee of the Whole, which is an informal session. You are viewing members who have been here in some cases for 14 and three-quarter hours. Members in the informal session are allowed to remove their jackets and to move about the Chamber. It's much more relaxed than the formal part.

So with that, hon. members, Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Chairman. I want to turn the clock back just a wee, wee bit.

MR. CHAIRMAN: Hon. member, hopefully you're going to address the amendment.

MR. WICKMAN: On the amendment. I'm going to turn the clock back to that period of time between – what was it? – May 18 and June 16. In that period of time, when I drove down Jasper Avenue, when I drove through other parts of Edmonton, when I drove through other parts of Alberta, I saw these big signs, "Klein: he cares; he listens," implying consultation. Now, let me ask you, Mr. Chairman, when there were 5,000 people out here rallying, representing the disadvantaged, representing those living in poverty, those living on social services, did he care? Did he listen? What about when the thousands and thousands of students made it known that they were going to protest not only here but in Calgary? Did he care? Did he listen? He would not even blink. He would not even bother blinking out of respect for thousands and thousands of young people, the leaders of tomorrow. Yet these boards said: he cares; he listens. That was supposed to talk about consultation. That consultation never, never happened. It never happened.

[Mr. Clegg in the Chair]

Mr. Chairman, when we look at this particular Bill that's in front of us and we look at the amendments that are being introduced by this caucus in relationship to that Bill, respect what we're trying to do here. Respect what we've been trying to do

for the last 14 and three-quarter hours or almost 15 hours now. What we're trying to do is take a bad, bad Bill that is ill conceived and try to make amendments to make it workable, to make it acceptable, to make it a Bill that, in this particular amendment, municipalities can say, "Yes, we can support that, because the government now recognizes our right to consult."

Mr. Chairman, the minister earlier took shots at the Member for Edmonton-Mayfield suggesting that he wasn't – he left the impression that he didn't think he was a very good alderman on city council. He didn't listen and that kind of stuff. Let me remind the minister that every time you throw a little dirt, you lose a little ground.

MS LEIBOVICI: Oh, say that again.

MR. WICKMAN: Every time you throw a little dirt, you lose a bit of ground.

I've listened to a number of government members get up and talk about a process that is in place. The municipalities are there. They can look out for themselves. They have the mechanisms there. They have the development appeal boards. In other words, it's not this government's responsibility to do it. It's not this government's responsibility to consult with those municipalities that are going to be affected in any measure. Simply dump it onto the municipalities. Allow them to use their planning procedures that are in place, the development appeal boards. Force the community to one after one lay down their \$35 or their \$50, whatever the cost is now for an application, to have a development referred to the development appeal board to get what they feel is a fair hearing. It should not, Mr. Chairman, be that way at all. The plan should have come forward. The plan should have come forward when the minister first consulted with the municipalities, utilizing the AUMA, utilizing the AAMDC. There has been time after time talk of this partnership with the municipalities. That partnership is there. That he cares, he listens, it's not there. It just isn't happening. This is a government where ministers will stand up one day and they'll announce that something is going to happen. Catch everybody off guard. Everybody off guard.

Consultation with the municipalities would have to address a number of concerns, Mr. Chairman. It has to address the planning aspects. It has to address the stats that are now coming forward projecting increased crime as a result of the large number of licensed establishments or licensed stores that would be selling booze. It would have to address the municipalities' concerns about these licensed stores being all grouped together in small areas rather than a plan like we see at the present time with the ALCB, for example, where you have a store here, you have a store there. You don't build one here and build one next to the other. The ALCB hasn't been that foolish. So why is the government being that foolish and issuing licences to people that are right next to each other? Issuing three licences I believe in the riding of Edmonton-Ellerslie or Edmonton-Mill Woods, three of them. The listing comes down in such a fashion that they're so grouped together that they can't even determine where their locations are at this particular time.

Mr. Chairman, the disappointing part of the whole process is that as I've listened to the government members stand up one after one, every one of them defended the minister's piece of legislation. None of them asked those tough questions that we've come to expect from the puffballs or – what do they call themselves? – the Deep Six. I'm sorry. None of those tough questions, just

going along with the minister's whims and saying that this thing is going to be fine.

Mr. Chairman, I want to cut my particular portion short because the Member for Edmonton-Roper is going to finish my particular presentation.

**10:50**

MR. DEPUTY CHAIRMAN: The hon. Minister of Municipal Affairs.

DR. WEST: Thank you, Mr. Chairman. I'd like to get back into this debate. I've been in it before, and I would like to now follow through on some points as it relates to this amendment. Of course, I'm against this amendment because you can't legislate common sense. We have been through that in a democratic process for years. The hon. Member for Fort McMurray recognized and he said that he agreed with me when I said that the ALCB has been consulting for 70 years. He said: all we want to do is write in legislation what in fact you've been doing. Well, when you start putting down on paper and legislating things that are common sense, you have now opened the door to a whole bunch of legal experts called lawyers and courts that will look at it and pick it apart and deem you didn't consult or you did consult and go through a whole maceration of convoluting the process in order to extract more time and money and effort from it. There are 5,085 lawyers in this province. Every time I hear lawyers get up – the hon. Member for Fort McMurray got up, and there are other lawyers here – they always wax eloquent about the need for legislating common sense, for legislating processes that convolute the private sector's business opportunities. [interjection] Absolutely.

We are in the process of taking pieces of legislation and streamlining them. In my department alone we will be bringing forth Acts that take 20 other Acts and put them into one. We are trying to streamline our regulations and deregulate to get out of the way of the private sector, and here are amendments coming forward that convolute the process. It must be that all of these members opposite are going to go into the consulting business after, so they continue to drag the process out so that privatization never takes place. It just sits kind of in a warp zone, maybe getting there, maybe not. They don't like the reference to Petro-Canada and what the Liberals did in Ottawa, but they got into the service station business. They bought Petrofina, and then they left it in a time warp. Maybe we'll get out, maybe we won't.

**Point of Order  
Relevance**

MR. COLLINGWOOD: A point of order, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Hon. minister, a point of order.

MR. COLLINGWOOD: Mr. Chairman, again citing *Beauchesne* 459. It's not so much that we don't want to enter into debate. We'd love to enter into that debate, but the fact is that it's not relevant to this debate. I think we should get on with it.

Thank you.

DR. WEST: This is absolute relevancy because we're talking about legislating through an amendment something that in fact is taking place today. Therefore, this is redundant. We have sat here and discussed this amendment for nearly six hours, an amendment, as I said, that is absolutely irrelevant to our society and to what's going on with this privatization.

### Debate Continued

DR. WEST: I have been traveling around this province – the last two Fridays I was in Medicine Hat; I was in Calgary; I'll be in Grande Prairie this Friday – talking to municipalities: Reeves, mayors, administrators. Calgary was well represented last week when I was in Calgary, and this didn't come up. We announced in this Assembly on September 2 the privatization model. We have been indicating since 1989 an evolution to privatization. The municipalities did not bring this up because they know that they can deal with the regulations and zoning in-house. I don't wish to start sending somebody from ALCB or Municipal Affairs to sit at every council meeting in every municipality to give them guidance on zoning and where they should allow their business licences to go. Is that what you're insinuating? God help us when the next amendment comes up for debate. We'll talk about socialism. We'll talk about how you want to intervene and put government's role, a paternalistic government role, from this level down on the next level of government. People are fed up – fed up – in this province with overregulation and governments that want to get in and manipulate at every level. [interjections]

MR. DEPUTY CHAIRMAN: Order. [interjections] Order.  
The hon. Minister of Municipal Affairs.

DR. WEST: Houses such as this across this country over the last 30 years, albeit any type of party and philosophy, have legislated, legislated, and legislated, have overregulated, have intruded in every walk and phase of private-sector businesses. The people are fed up. In the last election in this province they voted Reform federally. You know why? Because they're fed up with the status quo.

Mr. Chairman, I'm right on the essence of this amendment, as with the amendment that may be coming up and a lot of the discussion that's going on. They agree with privatization, but they can't allow the private sector to evolve. They want to be in there every day. They want to pick and nick, and they want to set up their own franchise system. They want to change the rules midstream. They can't stand the fact that the privatization of the ALCB is the first time that a government has stood back and indeed put in a private-sector model. They can't stand that. This is privatization at its purest. The private sector will evolve over the next two years in liquor sales and will pick the right distribution along with the municipalities.

I hate to come back to what Liberal philosophy really means, but it means free enterprise with government control of the monopoly game at an absolute level. The model that was talked about here four hours ago was a model of intrusion. They call it franchising. I've heard debates by the members opposite, some of them that were here before, on the franchise system. I remember when the hon. Dennis Anderson was in the Assembly talking about franchising. Questions were coming up about the inappropriateness of the franchises and the franchise laws, but you would take the ALCB and set that model up. The model that many of the members opposite have espoused here this morning and last night is a monopoly franchise directed and organized and operated by the provincial government in spite of the municipal governments. They wouldn't consult with them, because they have these stores in place, and they would just draw a circle around them and make megastores, superstores.

MR. CHADI: It's going to happen. Wake up and smell the coffee. This is the '90s.

MR. DEPUTY CHAIRMAN: Hon. Member for Edmonton-Roper, you're next on the list and you can voice your concerns then, but please do not interrupt anymore.

11:00

DR. WEST: I would like to get back to the discussion on the amendment. It talked of liquor stores, and we've gone on ad nauseam about what the private sector and municipalities will do with these class D licences, how they will interface, and how they will find their locations properly and orderly within our society.

Maybe I could go over that one more time. First of all, you get a class D licence from the ALCB. The ALCB says on the licence that you must then comply with the municipal regulations, the bylaws and the zoning. We didn't make any assessment on how many. We said that anybody has a right to locate a store here, get a class D licence, but that they must then go to the municipality, which has zoning and business licences, et cetera, et cetera. They would then say to that licensee, "I'm sorry, you can't establish in that strip mall because it isn't zoned for that," or, "We have passed a bylaw in council chambers that says any concentration of these types of businesses too close to schools or day care centres or otherwise is not proper; therefore, we've regulated that. So I'm sorry. You can't set your business up there." It's not the province, not this minister, but bylaws set and directed by the elected people of that municipality. I mean, you can't just go and start building in your backyard.

Say you want to build a body shop or that sort of thing. You've got to go in and get it zoned. You've got to get a business licence. You've got to get a construction permit. You've got to meet the regulations. Why would a liquor store be any different? That's true with some 6,100 licences already in effect in this province. All of a sudden people say, "Well, we've got to change and legislate something that in fact is being handled today in our system. We've got to legislate a better consultation, a better process." Boy, I'm telling you, I can't understand these guys and girls.

Now let's go to warehouses, another point that's in the amendment. The first was liquor stores. I've talked about liquor stores and how they are regulated. The warehouses. We have said that if indeed there are class D licences authorized in Hanna, in Lloydminster, in Cochrane, there will be freight on board, or f.o.b., locations throughout the province, some 112. They're already zoned because they were allocated to have alcoholic products on that licence. The municipalities have already given them a licence. Therefore, they are indeed a miniwarehouse, and they can make arrangements out there in a free enterprise model with the other licensees, the restaurants, the small pubs that can't order in volume, to access that product.

One other thing in this Act, which nobody is alluding to, is changes to the legislation to allow companies to set up warehouses in other centres in this province. This is to comply with GATT, the general agreement on tariffs and trade, so that people who manufacture beer in the United States and bring it into Alberta can indeed set up a warehouse in southern Alberta rather than sending it to St. Albert. That is because it was deemed unfair that we allowed our breweries to deliver and warehouse the product themselves. Therefore, warehousing is looked after and will go through the same zoning as happens now. I remember we had a warehouse in Calgary. The city of Calgary gave a permit to put it in a commercial or industrial subdivision. We built a big warehouse. Well, we've sold it now. It was sold to a company that will be manufacturing things for Rubbermaid.

So why would you bring forth an amendment that indeed just codifies what we're doing today? You know as well as I do that

you shouldn't do that sort of thing legislatively, that it's just a duplication of what is indeed codified in the Municipal Government Act or somewhere else. You want to balkanize the legislative process, which is costly to the taxpayers of Alberta. As I've said before, it irritates them that we would have the audacity to spend the amount of time we have on amendments such as this. It irritates them because they're paying the bill. Who do you think is paying the bill in here?

MRS. ABDURAHMAN: You spoke four times in four hours.

DR. WEST: Yes, I spoke four times in four hours, because you won't get to the point so that we can vote on this and turn it down and get to the essence of the Bill.

At any rate, let's move on now to some of the comments made. [interjections]

Mr. Chairman, I'd like to call the question.

MR. DEPUTY CHAIRMAN: Thank you.

The hon. Member for Edmonton-Roper.

MR. CHADI: Well, thank you very much, Mr. Chairman. I really, really appreciate the opportunity to speak. I mean, we've heard so often from the hon. Minister of Municipal Affairs that it's almost unbearable now. I want to speak on this Bill simply because the hon. Treasurer got up and said: out of respect for Albertans, if we had any respect at all, we wouldn't be in this House right now. Well, Provincial Treasurer, I submit to you it is because of respect for Albertans that we are debating Bill 12 today. It's out of respect for Albertans, the people that elected us, my constituents and the constituents of everyone on this side of the House and everyone on that side of the House, because I can tell you that this is the first opportunity we have had to debate the sale of the Alberta Liquor Control Board and the liquor stores. This is the very first opportunity we have had in this Legislature – a \$500 million entity, a \$500 million Crown corporation – the first opportunity we have had. You bet your boots and bridles it's out of respect for Albertans.

Mr. Chairman, using the words of the hon. Minister of Family and Social Services, it's a half billion dollar commercial entity that we are debating here today. We're debating it simply because we have never had the opportunity to do so before. Now is the only time we have had: last night, tonight, this morning. That is what we're doing here today, Mr. Minister.

I say to you that the whole fiasco of the ALCB has already started. I mean, the privatization has started. We've started to sell off the stores, we've started to close off stores, and here we are debating after the fact. It almost seems like it's not worth it; we're wasting our time here. Perhaps we are, but I don't think we are. I think we're here for a real reason, because I don't want to see this happen again in this House. It's democracy working, and it's working well. It's alive in the province of Alberta. Don't ever call it a waste of time, and don't ever say we aren't doing it out of respect for Albertans, because that's what we're doing.

Mr. Chairman, we've listened long and hard. I've listened all night and all morning so far as to why we should perhaps be looking at how we could have done this privatization differently. How could we have done it differently? What could we have done? We could have taken each one of these stores; we could have sold them as ongoing entities. That's what we said a long time ago. We continue to say so, because we've got all kinds of buildings. We've got vacant buildings now that we're going to

have to sell. Nobody's out there beating the bush to buy these properties. We've got leases that we are going to have to abandon. We're going to have to abandon these leases, and we're going to have to pay out the penalties. We're going to have to take a 30-year lease, perhaps the one in Fort Saskatchewan for argument's sake, where we have a 30-year lease and a \$100,000 contract on that lease. If we were to break that lease now, we're on the hook for \$3 million or thereabouts. No matter how you cut it, we're going to be on the hook for something. Now, what we haven't had is a plan on how we're going to privatize the ALCB. It's never come forth. We haven't seen it. Nonetheless, it's happened. Here we are today.

The distribution part of it really gets me. I mean, this part . . .

#### **Chairman's Ruling Relevance**

MR. DEPUTY CHAIRMAN: Hon. member, I hate to interrupt, but we are on the amendment. I've been listening very carefully and you are giving an absolutely wonderful speech on the Bill itself, but you haven't mentioned anything to do with the municipality. That is a specific amendment, and I hope you get to it.

11:10

#### **Debate Continued**

MR. CHADI: Yeah, I'm coming to it, if you'll just give me a moment.

Clearly the amendment reads:

shall consult with any affected municipality prior to the establishment of liquor stores, warehouses and duty free stores in Alberta.

Well, we're talking about liquor stores and we're talking about warehouses, because that's what I'm getting at right now. When we talk about warehousing and talk about distribution, we must not forget the fact that ALCB and the government of Alberta via the ALCB subsidized freight all over – every municipality, Mr. Chairman; municipalities from the Montana border to the Northwest Territories boundaries. The freight was paid in those municipalities right up to there, so somebody in Fort Macleod could buy a bottle of whiskey for the same amount of money somebody could buy it for in Fort Chipewyan. I say to you that what we've got here is a situation where the government of Alberta subsidized freight for alcohol but neglected to subsidize freight for simple things in life like milk for children. A sack of potatoes, for argument's sake, had to be sold for \$10 in Fort Chipewyan.

#### **Point of Order Repetition**

MR. RENNER: Point of order.

MR. DEPUTY CHAIRMAN: Point of order, Medicine Hat.

MR. RENNER: Mr. Chairman, I cite 23(c), repetition. This member gave almost an identical speech four hours ago, and the reason I know that is because I took notes on what he was saying because I spoke after he did. The points he's making were made four hours ago. I think you should instruct this speaker to come up with some new material, and I'll be happy to respond to his new material.

MR. DEPUTY CHAIRMAN: Well, thank you. Hon. Member for Edmonton-Roper, that was a good point of order. I know you are going to get into new material and you are going to get on to the amendment to the Bill. If you don't, I will just cut you off and go to the next speaker.

MR. CHADI: I will speak with respect to the amendment, sir. The amendment says that we shall consult any affected municipality, and Lord knows there are many affected municipalities across this province. Now, when I spoke earlier – and I'm speaking again today as I've got 20 minutes to make my point, Mr. Chairman. Please allow me the opportunity to do so, because I sat silently here for everybody else to get off the amendment and digress from the amendment and make their points. Points of order were called time and time again from this side of the House, and all of a sudden you're finding it okay to rule me out of order. I don't think that's very fair, and I want that to be tabled.

#### Debate Continued

MR. CHADI: Now, with respect to the amendment, sir. When we have municipalities that have some sort of effect in their areas, particularly in rural parts of the province where they don't somehow get the news quickly enough – sometimes it doesn't happen in their municipalities like it happens around the bigger cities because the bigger cities somehow seem to know about what's going on a lot sooner than smaller areas do – I suspect the best thing we could have done as a government is consulted. We should have gone out and should have been to these municipalities prior to the establishment of liquor stores, letting them know that this is what's happening. Privatization took place without anybody knowing. I mean, the MLAs in this House did not realize what was going on. The very employees that work for the ALCB didn't know what was going on. How on earth do you expect people in Spedden, Alberta, to understand what was going on in terms of liquor store privatization? So when we talk about consultation, that's what we're referring to here, Mr. Chairman, and clearly that's what has to happen. We have to consult with the different municipalities and advise them that this is what's happening.

Those are my comments for now. Thank you very much.

MR. DEPUTY CHAIRMAN: Thank you.

The hon. Member for Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Chairman. When we come to discuss this amendment, I speak strongly in favour of it. Rather than repeat some of the arguments I made earlier, much earlier, let me take three tacks on this amendment to try and convince my hon. colleagues on the other side why this is a friendly amendment. It can only do them good. It will get them out of the box that they're in.

First, this is a government that has said that it's against subsidies. It has said this extensively. Part of the reason that we have this amendment is that it says "consult." To follow up on my colleague for Edmonton-Roper's comments, if you were to ask a municipality, "Do you want subsidized the transportation cost of beer to a particular area, or do you want foodstuffs?" what do you think those communities would say? They would say subsidize the essentials, if you're going to subsidize anything, or don't subsidize at all. But no, flat rate to get it out there. You know, distance doesn't matter when it comes to booze, but when it comes to essentials, it does. So I would like to see a little consistency, and consultation then is the essence of consistency, because you find out what people really want, rather than shoving it down their throats like this government is doing: you will take this beer at this flat rate, regardless of where you live.

#### Point of Order Repetition

MS HALEY: A point of order, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Point of order.

MS HALEY: Standing Order 23(c), repetition. This is the same one. We had it last night along with the charts and the graphs, and frankly I don't want to hear it again.

DR. PERCY: With due respect, Mr. Chairman, I did not make these arguments last night.

#### Debate Continued

DR. PERCY: Also, I am putting it very specifically in the context of consultation and the need then to inquire from far-flung communities in our province about what they really want. I think if they were asked do they want a subsidy, they would say, "No, let the market determine the price." So with regards to consultation and the cost of transportation of alcohol products, we think communities should be consulted, because those are scarce dollars. We have a 2 and a half billion dollar deficit, and I surely think all Albertans would say, "Is it essential to subsidize the costs of distributing liquor?" They'd say, "No, it isn't." It should bear the market price to get it there, because after all we allow the market to . . . [interjection] Oh, excuse me. He moved to have his point of order.

#### Point of Order Repetition

MR. DEPUTY CHAIRMAN: Calgary-Shaw.

MR. HAVELOCK: Thank you, Mr. Chairman. I believe the hon. Member for Three Hills-Airdrie, if I'm not mistaken, asked for a point of order and a ruling with respect to repetition. I think the members on this side of the House have been extremely patient throughout this entire debate, and I think it's incumbent upon you to make a ruling with respect to repetition. I don't believe that hearing the same argument over and over, albeit from different mouths, is adding to this debate.

MR. N. TAYLOR: Speaking to the point of order, if I may.

MR. DEPUTY CHAIRMAN: No. Sit down.

Hon. Member for Calgary-Shaw, since 1986 we have always in this House been very lenient on repetition. However, it does get to be boring when you hear the same speech. I know the Member for Edmonton-Whitemud will not be repeating anything he said before.

The hon. Member for Edmonton-Whitemud.

DR. PERCY: Thank you for that vote of confidence, Mr. Chairman. To my hon. colleague from Airdrie-Three Hills, I'm . . .

MS HALEY: Three Hills-Airdrie.

DR. PERCY: Three Hills. My apologies. I will not engage in repetition, at least repetition that you would not find of interest.

#### Debate Continued

DR. PERCY: The other issue that I want to address, and I have mentioned it before – and this is only in passing, Mr. Chairman – is that of the business plan. The reason I mention the business plan is because of the issue of consultation. What a business plan would do is set out time lines and a time frame under which the government in the process of privatization would allocate these licences. Had this been done in a way that had given, say, a nine-

month time line or a six-month time line, it would have been possible then for the municipalities to get their planning boards in order with regards to where they think they might run into problems. So the consultation that we referred to here in section 5 is really, then, again meant in a friendly spirit to try and set up a mechanism to get the right set of signals from the government to affected municipalities. We think it's important, and we suspect that this is just the first of a number of subsequent privatization initiatives.

### 11:20

As I say, I will support Bill 12. I will vote for Bill 12, but I want to see it improved and even better, Mr. Chairman. I think it would be better if it set out the rules of the game in terms of consultation. The private sector, as subsequent privatization initiatives come forward, would say: "Gosh, we know there's a fair set of rules. Gosh, we know things aren't going to change as we go along. Gosh, we know we're not going to lose our bonds."

[Mr. Tannas in the Chair]

Thus I would think, then, as we look at the issue of consultation, it behooves me, just to summarize my argument before I sit down, to say that consultation is linked to the issue of transportation cost and what far-flung municipalities in our beautiful, great province would want. So we would like Albertans to be heard. With regards, then, to the distribution of retail stores, I think municipalities would like to be heard and to hear in advance the rules of the game.

Now, I have not talked nor do I believe any of my colleagues have talked about zoning and warehouses. They have talked about zoning and retail stores, but I don't believe they've touched the very important topic of zoning and warehouses. So I would like to focus on that for just a few minutes. I won't repeat anything I said about retail stores or anything else. With regards to a distribution network of warehouses from the perspective of municipalities and consultation, that brings up a different set of issues. That brings up issues of safety, these large vehicles zooming backwards and forwards carrying alcohol to the far-flung reaches of this province. It brings in issues of safety for our children. It brings in issues of safety for our seniors as they cross the roads. So I would think consultation would have been very important with regards to the issue, then, of zoning for warehouses. Again, there's a particular set of vehicular traffic associated with warehouses that we don't run into with retail stores. I think this is an issue that would have been best dealt with through consultation so that the rules of the game would have been set up with regards to which roads could be used to get to warehouses, where we're going to have them located, what type of grid might emerge, and how might we ensure that the roadways . . .

MR. N. TAYLOR: Hazardous booze routes.

DR. PERCY: I hadn't thought of hazardous booze routes. I'm shocked that I hadn't thought of that. I thank my hon. colleague for Redwater.

I think these are issues that would have been best dealt with through consultation, Mr. Chairman. I know that this is a government that puts a high premium on openness and accountability and discussion. One cannot repeat and have it viewed as repetition the slogan: he listens; he cares. We hear it often, day in, day out, from members on the other side, so surely we're allowed on this side to use the same repetition that our

colleagues on the other side use with great licence. Now, on occasion, though, I would argue that they don't listen and they don't care.

### Point of Order

#### Referring to a Member by Name

MR. SMITH: Sir, point of order.

MR. CHAIRMAN: Calgary-Varsity has a point of order. Would you give us the citation and a moment to look at it?

MR. SMITH: It's Standing Order 23.

MR. CHAIRMAN: Standing Order 23, hon. member, is one that's composed of quite a few sections, so the relevant section, please.

MR. SMITH: It's not allowed to call members by their first names. I heard the hon. member refer to the Minister of Health as Shirley.

MR. CHAIRMAN: I think the hon. member's point of order may be, on a fine point, technically correct but perhaps could be overlooked by any free-minded member of the House.

### Debate Continued

DR. PERCY: I really do believe that this issue of zoning of warehouses really does require much greater discussion with regards to the importance of consultation with municipalities. Certainly people who buy homes on roadways that suddenly are turned into thoroughfares for these trucks coming in, picking up their 25 cases of liquor, then going off to the far-flung areas of the province is of concern to many people. Certainly with regards to wealth and value, the increase in traffic, for example, will lead to a decrease in property values. It'll immediately be capitalized in the value of these homes. The price of land on these roads will fall, and in fact what the hon. minister will be doing is decreasing the wealth and economic well-being of a number of Albertans simply by failing to consult with municipalities so that they can get their roadways . . .

MR. WICKMAN: Even Vermilion?

DR. PERCY: Even Vermilion. Brooks, I believe, is in particular danger, given the density of the retail outlets in the inner city of Brooks. Certainly I fear, then, as I think of these trucks whizzing down the road, that . . .

MR. CHAIRMAN: Hon. members, I hesitate to interrupt Edmonton-Whitemud, but we do have a wreath ceremony that's going to be conducted out in the rotunda very shortly. I would propose that we get unanimous consent to recess for as long as it takes to carry out that important ceremony and that we would ring the bells and give approximately two minutes to get back here or until we get a quorum, at which time we would invite the hon. Member for Edmonton-Whitemud to conclude his remarks on the amendment.

May we have unanimous consent, then, to recess for as long as it takes?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Carried.

We stand recessed until the bells. Thank you.

[The Assembly adjourned from 11:29 a.m. to 12:02 p.m.]

MR. CHAIRMAN: I'd like to call the House to order. Order please. Would the hon. members please take their seats.

#### **Chairman's Ruling Relevance**

MR. CHAIRMAN: I think there are a few things that we need to address before continuing this day. We have been debating for 16 hours and will continue debate for some hours yet. During the wee small hours of the morning and even the later hours of the morning, the Chair exercised considerable leniency in letting hon. members speak – presumably speak from the heart. We did not call relevancy to the extent that we will now do so. We will now do so in the interests of parliamentary discourse so that we are able to get on with the business of the House. I hope that everyone will co-operate in that.

Because we are going to be venturing on in the afternoon, we're going to have a great many guests. So from time to time I will be interrupting the hon. members when requested to do so to ask for unanimous consent to revert to Introduction of Guests. I'll also be occasionally interrupting the flow of debate by drawing to the attention of the gallery that this section is the Committee of the Whole, which is an informal session of the Legislature. The diagrams that you have will not necessarily be consistent with the people that are going to be sitting in the chairs. Members are free to move about the Chamber, to speak in whispers, to have coffee and juice, which normally are not allowed, and to visit with one another. So very often you will see members of either party going to the other side to visit with their colleagues.

With that in mind, with your co-operation and with the co-operation of the Whips of Her Majesty's Loyal Opposition and Her Majesty's government, we trust that we will be able to get through whatever remains of this part of Tuesday. It is not Wednesday in this House. It is still Tuesday for parliamentary reasons that we don't need to get into at this moment. We're still on the session that began last night, Tuesday, at 8. We're still there.

#### **Debate Continued**

MR. CHAIRMAN: With that in mind, we will call upon the Member for Edmonton-Whitemud, who was interrupted in his debate. On the amendment, Edmonton-Whitemud, please.

DR. PERCY: Thank you, Mr. Chairman. I appreciate the guidance that you have offered and your suggestion to focus specifically on the amendment, and I will do so.

The amendment deals specifically, then, with consultation with the affected municipalities, and it deals then with the issues of warehousing, the establishment of liquor stores, et cetera. The hon. Minister of Municipal Affairs has brought up the very important issue of our international trade agreements in GATT and compliance with those. One issue of fundamental importance in terms of consultation with the municipalities is the issue of ensuring that environmental restrictions or particular bylaws, et cetera, at the municipal level in fact do not violate our obligations under GATT and in any way discriminate, for example, against American tin cans or beer, et cetera. So I appreciate his bringing this to the fore, because this is an important element of this Bill. This amendment, then, with its provision of requiring consultation would ensure, Mr. Chairman, that any type of restrictions at the local level that would somehow make it more costly for one type of container as opposed to another in terms of the collection, the return for recycling – this would allow the minister to consult and

ensure that that would not occur, which in terms of ensuring consistency of our international trade links I think is of very great importance. This amendment, then, would allow and give the minister that ability to focus and hone in on this and ensure consistency.

I think it's an important issue that he has brought to the Legislature. We have seen, Mr. Chairman, how in Ontario, for example, the provincial government there has in fact mischievously used environmental regulations and warehousing costs to discriminate against nonprovincial beer or beer of origin from the United States and thereby jeopardized our trade relationships. This Bill and its requirement then for consultation would give the minister the free hand that I know he relishes.

MR. CHAIRMAN: I hesitate to interrupt you again, having done it so many times. I would like to get unanimous consent to revert to Introduction of Guests, who are now disappearing.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Carried.

MR. CHAIRMAN: Lethbridge-West, for the record anyway.

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

MR. DUNFORD: Well, thank you, Mr. Chairman. My guests are still in the gallery. They're seated in the members' gallery, and I would like to introduce through you and to the Members of the Legislative Assembly a young lady by the name of Rana Walter and her mother, Mary Lynn Walter, and Shelby Macleod. If they would stand and receive the warm greetings of the House.

#### head: **Government Bills and Orders** head: **Committee of the Whole**

#### **Bill 12** **Liquor Control Amendment Act, 1993** (*continued*)

MR. CHAIRMAN: Thank you, Edmonton-Whitemud, for your patience and understanding.

DR. PERCY: Thank you, Mr. Chairman. I had had a fine line in this argument to ensure consistency with the amendment and tying it in with the learned arguments of the hon. Minister of Municipal Affairs. I had it tight and tightly integrated. In light of the fact that I don't think in the time left to me I could in fact improve upon the argument I had provided, I would like to move that we vote on the amendment.

MR. CHAIRMAN: The hon. Member for Edmonton-Whitemud has moved that we now vote on the amendment. Are you ready for the question?

HON. MEMBERS: Question.

MR. CHAIRMAN: All those in favour of the amendment as proposed by St. Albert. Just so that we know, it is amendment A, amending section 5. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: All those opposed, please say no.

SOME HON. MEMBERS: No.

[Several members rose calling for a division. The division bell was rung at 12:10 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Abdurahman	Henry	Soetaert
Beniuk	Kirkland	Taylor, N.
Bracko	Leibovici	Vasseur
Bruseker	Massey	White
Collingwood	Mitchell	Wickman
Dickson	Percy	Yankowsky
Germain	Sekulic	Zwozdesky
Hanson		

Against the motion:

Ady	Fritz	McFarland
Amery	Gordon	Mirosh
Black	Haley	Oberg
Brassard	Herold	Paszkowski
Burgener	Hevard	Pham
Calahasen	Hierath	Renner
Cardinal	Hlady	Severtson
Clegg	Jacques	Smith
Coutts	Jonson	Sohal
Dinning	Kowalski	Stelmach
Doerksen	Laing	Thurber
Dunford	Lund	Trynchy
Evans	Mar	West
Fischer	McClellan	Woloshyn
Forsyth		

Totals: For - 22 Against - 43

[Motion on amendment A lost]

MR. CHAIRMAN: Hon. minister of advanced education.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Are you ready for the question?  
The Member for St. Albert.

MR. BRACKO: Thank you, Mr. Chairman.

MR. ADY: I was recognized, Mr. Chairman.

#### **Chairman's Ruling Decorum**

MR. CHAIRMAN: Hon. members, if you'd just bear with me. If you're going to speak when called, I would appreciate if you'd remain standing. We also have a number of other members who are standing, and it's very difficult to tell whether we are standing visiting, standing with some other intention in mind, or standing for speaking.

I called the name of the minister of advanced education.

MR. ADY: Thank you.

#### **Point of Order Amendments**

MR. N. TAYLOR: A point of order, Mr. Chairman. I believe there's an amendment on your desk that was distributed.

MR. CHAIRMAN: Yes. [interjections] Whoa. I'll carry on the . . .

MR. N. TAYLOR: Well, I may be wrong too, but I thought it was.

MR. CHAIRMAN: No. You're quite right, hon. member. There is an amendment that is placed for the courtesy of the Table, and members presumably have it. It has not been moved, and at such time as the hon. member stands in his place and is recognized and moves it . . . [interjections] I know, but we have a give-take, give-take. So it was Edmonton-Whitemud; now it is this side, as long as there's someone there to debate. Right?

Minister of Advanced Education and Career Development, we now have a school here. So partway through your endeavour, once the member communicates with me, we might revert to Introduction of Guests. They'll be coming and going all day. Minister of advanced education.

#### **Debate Continued**

MR. ADY: Thank you, Mr. Chairman. Let me assure you that I have no intention of moving this amendment that's landed on our desk, another frivolous amendment that's been put forward by the Liberals to waste some more of our time.

Mr. Chairman, let me be clear. I understand that I now am free to speak on Bill 12.

SOME HON. MEMBERS: Right.

MR. ADY: Thank you.

So based on that, I would like to speak on that. Over the past 16 hours we've all sat here and listened to repetition and distortions and stories told and innuendos made to the point that we now find ourselves finally back to talk about Bill 12. Over that time we've learned that we don't know exactly where the Liberals will be at any given time. Early on in the session and in the election campaign they were all for privatization; they loved privatization. When we announced we were going to privatize liquor sales, that was a fine thing in principle. Now all of a sudden they don't like privatization because they think they've found some avenue to talk about that's going to get them some political support. We could go on about how they don't know where they're at. When the Premier announced he was going to go on his Asian tour to sell Alberta, that was a good move. I saw the print of the hon. Leader of the Opposition saying: I think we do need to sell Alberta. The water hadn't even settled behind the boat when . . .

#### **Point of Order Relevance**

MR. GERMAIN: Point of order.

MR. CHAIRMAN: Hon. member, you have a point of order. Citation please, Fort McMurray.

MR. GERMAIN: Yes, sir. Based on your earlier comments and the much cited 459, I believe it is, you had indicated that you would be curtailing the nonspecific, nonresponsive debate, and speaking of the Premier's visit to China is indeed nonresponsive in my submission, sir.

MR. CHAIRMAN: The point has been made, hon. minister, about relevance. I'm sure you're going to speak to the Bill.

### Debate Continued

MR. ADY: Mr. Chairman, I certainly am. The hon. members across the way have stood in this House during the last 16 hours complaining vehemently because the Premier is out of the province and not here to listen to this wonderful debate that they're bringing forward about privatization of liquor sales in this province. Now all of a sudden I'm out of order when I start talking about the Premier being away. After all, how does this work? I have a little trouble with that. Now the Premier – and I was just coming to that when I was interrupted by the hon. member across the way – is supposed to be here. We don't need to go sell Alberta all of a sudden. He should be here to listen to this drone on for 16 hours about how bad privatization is of liquor sales in this province. I don't understand that.

The privatization of liquor sales in this province has to do with reduction of cost of government. It has to do with that, and that's what we're talking about here today. The hon. members again were out there in the campaign: we have to reduce expenditures. Now we bring in privatization of liquor sales which will reduce government expenditures. Where are we? We can't reduce this. I would hate to be the Provincial Treasurer and try to balance a budget on the cost reductions that the party across the way has introduced in this session. I haven't heard any. All it has been is: spend some more, spend, spend, spend. We had a party over there. I remember them. They were over there, and they're gone now, when they brought forth that philosophy. Spend, spend, spend. There has been no support for any cost reduction proposals that we have brought forward in this session. I don't remember one. It's all been: "That won't do. Don't cut health care. Don't cut your expenditures in the liquor sales, as put forward in this Bill. No, don't cut that. Don't cut education." Just balance the budget and do it with a magic wand, I guess.

We've heard them get concerned about the fact that we haven't consulted. Well, really, let's talk about that.

MR. CHAIRMAN: Thank you, hon. member, for interrupting your speech so that we could ask the committee: could we have unanimous consent for the introduction of special guests?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Carried.  
The Member for Calgary-McCall.

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

MR. SOHAL: Mr. Chairman, to you and through you I would like to introduce 175 students from O.S. Geiger school in Calgary. The visitors are accompanied by parents and teachers. Since the gallery can only accommodate 132 or so, these visitors will be seated at various times during the hour. Now I would request the visitors to rise and receive the traditional warm welcome of the Assembly.

head: **Government Bills and Orders**  
head: **Committee of the Whole**

**Bill 12**  
**Liquor Control Amendment Act, 1993**  
(*continued*)

MR. CHAIRMAN: Hon. minister to continue.

MR. ADY: Thank you. One point further on the issue of cost reductions that are part of this Bill. I'm talking to the Bill. Down

in my constituency the Liberals run an ad every week in my local paper. It says: we all know we have to have cuts, but not this way. What way then? Then you criticize the hon. Minister of Family and Social Services because he keeps asking for your plan. I'd like to see you print something in my local newspaper that talks about a plan. I guess it's a Liberal advertisement. The name in there has been attributed to the Liberal Party, so I guess that advertisement gets attributed to your party.

AN HON. MEMBER: And taxpayers' dollars to do it.

**12:30**

MR. ADY: And probably taxpayers' dollars. I don't know how it works.

Mr. Chairman, earlier on in the debate we heard something about how we were forcing . . .

**Point of Order**  
**Clarification**

MR. HENRY: A point of order, Mr. Chairman.

MR. CHAIRMAN: Edmonton-Centre, you have a point of order?

MR. HENRY: Under Standing Order 1. There's an accusation, Mr. Chairman, and if I'm misinterpreting, I apologize to the speaker. I had a hint of an accusation that public funds were being used to buy ads in his local newspaper, and I just wanted to clarify that those are not public funds.

MR. CHAIRMAN: Hon. member, I don't see the relevance of Standing Order 1, drawing attention to what you're speaking about.

MR. HENRY: Well, it says that we should look in the rest of the book.

MR. CHAIRMAN: Well, that certainly is a shotgun clause.

In that case, hon. minister, would you continue to debate the Bill.

MR. ADY: Let me be very clear. When that was shouted from among the members, this member said: I don't know if that's the case or not. So I'm not on the record as having made that accusation that there were public funds used to do that. As a matter of fact, I rather doubt that they are public funds, in fairness to the party. I do like to be fair in my statements.

### Debate Continued

MR. ADY: Now I'd like to talk about something else that has been brought up: repetition. We've had a lot of repetition, so I'd like to introduce a new dimension to this that hasn't been talked about, believe it or not, in the past 16 and a half hours. It has to do with the accusation that we weren't consulting and that there was a need to consult. Well, I think we need to bear in mind that in our province today there is a statute on the books that gives municipalities the ultimate authority over where liquor stores can go. Do you know that I live in a municipality that has utilized that statute and we have no liquor stores in my municipality? It's called the local option. Now, if the government has that on the books, there has certainly not been any initiative on the part of the minister to bring in legislation to repeal that and take away that opportunity from municipalities to say, "You will not have a liquor store." No, the minister is not saying, "MD of Cardston No. 6, as soon as we can get legislation in, we're going to take

that authority away from you and we're going to bring in some liquor stores and put them on every corner." Not so. The minister is not advocating that. If a municipality wants no liquor stores, they don't have to have any. That includes the great metropolitan city of Edmonton, the capital of our province. Think about it.

Frankly, all that anyone has to do is bring in a petition and cause a plebiscite, and they can switch it either way. It can go either way. If they're dry today, they can bring in a plebiscite, have a vote, and here we go. If they have liquor stores and want them out, here we go. But, you know, I haven't had one call. I would wonder if the hon. minister has had any calls from municipalities saying, "Hey, we're going to bring in a plebiscite to have liquor stores taken out of our municipalities." I don't think so. I haven't heard about that, and I haven't heard about my municipality wanting to bring one to change the circumstance that prevails there.

Mr. Chairman, I think we need to bear in mind that we have always worked closely as a government with our municipalities. They know that the doors of this government are open to them, and if they've got a problem with some of the things we do, we hear from them and we listen to them. Not only that, we're out there. We're in touch with those municipalities one by one. Never once have I heard of this government pushing something on to municipalities. The hon. members across the way cannot cite a time when we have forced something on municipalities, with the possible exception of perhaps a reduction in some grant. But I'm talking about a policy or a program: not so, not so.

Mr. Chairman, I wanted to make that point particularly about the local option that exists. So the amendments that have been brought forward by the hon. members across the way are red herrings. They're smoke screens. There is not an issue out there among municipalities, and to this day as we stand here in this Assembly, every municipality has to give a business permit to permit a liquor store to be opened in a particular location. Are we in there meddling in that? I think not. I don't think so. We're not telling them, "Yes, you must have one here," or "You must not have one there." That's within the purview of the municipality.

#### **Point of Order Relevance**

MR. COLLINGWOOD: Mr. Chairman, a point of order.

MR. CHAIRMAN: Point of order, Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Chairman. Citing *Beauchesne* 459. I'm enjoying the comments by the hon. minister, but I think it's perhaps a little bit too little too late. I also wanted to participate in the debate on the first amendment, but apparently we've already voted on the first amendment. So your comments, it appears to me, relate specifically to the amendment that we've already discussed. So perhaps they're out of order.

Thank you.

MR. KOWALSKI: Same citation, 459. I know that the hon. Member for Sherwood Park is new to this Assembly, and I know he missed most of the activities of the last 16 hours, but when this debate on a Bill is under way, Mr. Chairman . . . [interjections]

MR. COLLINGWOOD: Mr. Chairman, I'm rising on a point of order.

MR. CHAIRMAN: You can't have a point of order on a point of order.

MR. COLLINGWOOD: Thank you for that ruling, Mr. Chairman.

MR. CHAIRMAN: You were speaking to the . . .

MR. KOWALSKI: On this point of order, Mr. Chairman. For the elucidation of all members of the Assembly, particularly those who had the privilege of being elected for the first time in 1993, when we have debate on a reading stage of a Bill, the whole Bill is open for debate and all parameters with it. It's not as restrictive as it might have been with respect to an amendment that has one line and a few words associated with it. I just wanted to help the hon. member feel a little more comfortable in the Assembly.

MR. WHITE: Another citation, sir, 23(f), and it reads, "debates any previous vote of the Assembly unless it is that member's intention to move that it be rescinded." Well, in this case there was a vote taken, sir. There was a vote taken not moments ago. Does the member not recall that? It's specifically the rules that we have in this House, along with every other rule of any parliament in the world that I'm aware of. That's all American, all British, all South African citations: all of them. You cannot revisit a vote. Now, the member certainly doesn't know all the rules of the other Houses nor is he expected to. However, there are some fundamental principles involved here, and just because one hasn't sat for years and years and years upon one's duff in this Assembly does not mean one is not aware of the rules, as my hon. colleague from Sherwood Park certainly knows.

MR. CHAIRMAN: Thank you, Edmonton-Mayfield, for your addition. I did make a ruling on that exact point some hours ago. The ruling was that you can refer to a previous vote as long as it's on the Bill that you're discussing. So you can refer to the vote or the decision or the discussion of second reading when in committee, third reading, when out of committee. That ruling has so far stood, and I think there are good and cogent reasons for that. If you recall, on many occasions when in Committee of the Whole and similarly in Committee of Supply, we have had people give answers to questions on something even after it has been discussed and voted on, and those have been accepted. So on that narrow interpretation of it, hon. member, we've allowed the comments such as have been made by the hon. minister of advanced education.

Now, on the more substantive point made by Sherwood Park on relevance, I would caution the minister to please avoid discussion of the amendment. Shortly, when we have an amendment, we're going to reverse ourselves and caution everybody to be on the amendment. But right now for this window, we are in fact, while the minister of advanced education is here, on the main Bill and allowed by tradition in this Assembly fairly wide range within the parameters of the Bill. So that's the reason for those two rulings. With that, we would invite the minister of advanced education to continue discussion on the Bill.

MR. ADY: Thank you, Mr. Chairman, and thank you for the very sage advice and direction that you've given to the House on the so-called point of order that has been raised.

If I may just speak to that in some manner. Certainly when amendments are brought into this House, they are brought in in an attempt to influence the direction of a vote on the substantive Bill. Although they have been voted, it becomes a component of the debate.

12:40

**Debate Continued**

MR. ADY: I would like to conclude my remarks by saying that these amendments are not meaningful. They're not there for a

valid purpose. They are there for the purposes of the members across the way. So, Mr. Chairman, I would like to ask all members to support this legislation, support the vote in favour of it, and let's move forward and take care of the business of the day.

MR. CHAIRMAN: St. Albert.

MR. BRACKO: Thank you, Mr. Chairman. It's very interesting. I was at the AUMA and talked to delegates from across this province, from the north to the south, from the east to the west. I've given this information before. You know, when I talked to them, they had been talked to by the government, by Municipal Affairs. They were told from above a week or a few days before what was going to happen, and I guess that's what they call consulting.

Another mayor from one of the cities in this province who worked hard for the Premier and the present government asked to meet with one of the ministers. It was verified again and again, and they said no, always found an excuse. Finally this minister's secretary asked if this mayor was calling her a liar and hung up on him. This is what's happening across the province to the different members I've talked to. So what we have is the ability to have a simple process, the previous one.

At this time, Mr. Chairman, I'd like to move a second amendment. Section 6 under B is amended by adding the following subsection (3), which becomes 3.1:

Notwithstanding subsection (3), the Corporation shall not be obliged to cease operations in any existing leased Liquor Store where the cessation of such operations would lead to losses to the Corporation that could reasonably be offset or minimized by the continued operation of the facility until such a time as the lease expires and during such operation the Corporation shall continue to attempt to dispose of the asset at fair market value.

Speaking to the amendment as follows. We've looked at \$115 million worth of stores, of properties. The market value is \$115 million, but they're attempting to sell it at \$50 million, a loss of \$65 million. So far to date, with the latest information we have, 10 properties are said to be sold. That is 5 percent of the different properties. If they close the stores down that they didn't sell, as the amendment suggests shouldn't happen, we could lose a lot of money.

In the first place, anyone knows the law of supply and demand, even elementary students. The more supply you have, the price goes down. Any real estate company – and it also happened in Municipal Affairs. They did not put all the houses on the market. They've sold off a few at a time so they got more money for it. To put 204 stores out at once is inviting disaster, inviting the loss of millions of dollars of taxpayers' money. For this reason this amendment is needed: to minimize the loss to Alberta taxpayers. We've seen enough losses over the years, and I'm not going to go into that. This is a stopgap method until we can maximize the sales of these properties.

Thank you.

MR. CHAIRMAN: Okay. Grande Prairie-Wapiti, I have you on the list.

MR. JACQUES: Thank you, Mr. Chairman.

MR. CHAIRMAN: On the amendment.

MR. JACQUES: Yes, sir.

MR. CHAIRMAN: Thank you.

MR. JACQUES: I will speak specifically to the amendment, Mr. Chairman. With your indulgence, however, I think it's important that we review very briefly the sequence of events that started on September 2 and hopefully will be concluded very shortly. On September 2 there was a very clear announcement with regard to the issue of privatization, and there was a very clear announcement with regard to the plan. In that plan statements were made with regard to the disposition of properties. If I may quote, sir, one sentence:

ALCB properties will also be made available for purchase, through the public tender process, co-ordinated by Alberta Public Works, Supply and Services.

That process continued and indeed is reflected in the amendment which has been introduced pursuant to section 6 of Bill 12.

I think it's important, Mr. Chairman, that we know specifically what the amendment is applying to. Section 6(3) of Bill 12 refers to, and let me quote:

If the Corporation is a party to a lease with respect to premises on which the Corporation operates a liquor store and the lease provides for terminating the lease, discontinuing the use of the leased premises, discontinuing the occupation of the leased premises, parting with possession of the leased premises, or release from performing any of the terms, covenants or conditions of the lease pursuant to an Act of the Legislature, the Corporation shall

- (a) terminate the lease, cease to use or occupy the leased premises or sublet, assign or grant a concession or licence for any interest in the leased premises for any reasonable use,
- (b) part with possession of the leased premises, and
- (c) be released from performing the terms, covenants and conditions under the lease with respect to those premises.

Subsequent to the announcement that was made on September 2, which clearly in plain, simple language tabled a plan with this Assembly and for all Albertans with regard to not only the privatization in terms of the retail liquor process but also a very clear plan with regard to the disposition of properties, be they real in terms of properties that were owned or properties that were leased.

Furthermore, Mr. Chairman, in the industry update of October 1, which was a report to this Assembly and was also a report to all Albertans – again let me quote from that:

The tenders on ALCB properties closed September 30, 1993. A total of 629 offers/proposals were received. The tenders will be open, registered and assessed, between October 1 and 4, 1993. On October 5, 1993, the Board will be able to determine the level of interest in purchasing ALCB properties and how those properties will fit into the larger Retail Liquor Store network. When combined with the applications for new Retail Liquor Stores – [for example] purpose built (new construction) free standing stores, and conversion of existing space, the ALCB will have a very good indication of how the initial phase of the new private sector retail network will look – i.e. existing ALCB sites, new construction on new sites, conversion of existing (non-ALCB) commercial properties.

12:50

Furthermore, Mr. Chairman, a further industry update was provided to the Legislature and to all Albertans dated October 21, much shorter, under the subject of sale of ALCB properties.

The proposals received on ALCB properties have been reviewed by Alberta Public Works, Supply and Services and recommendations have been made and accepted on a significant number of the properties. Properties that are sold for liquor retailing purposes will be listed and forwarded to manufacturers/suppliers/agents.

Subsequent to that date, there have been numerous questions asked of the minister in this House. He has been forthright, has tabled pertinent information in reply to questions regarding the number of dispositions in terms of leases.

What this amendment attempts to do is to further make a relatively simple process complicated. There is provision within Bill 12 to dispose of properties. Quite clearly, the approach that has been taken to administer the sale of those properties, including leases, has been to maximize wherever possible the benefit, particularly as it related to any stores, be they leased or be they owned, into retail outlets that private enterprise may be interested in. Indeed, Mr. Chairman, that is why – and it was noted very clearly – the date of September 30 was set for the submission of all tenders.

The Bill itself speaks very clearly in discretionary terms in section 13.1(2), where it states that

the Corporation is not required to establish, maintain or operate liquor stores and, as soon as reasonably possible, the Corporation shall cease to operate and maintain liquor stores and cease to use or occupy any premises for the purpose of operating or maintaining a liquor store.

The key words in that section: “as soon as reasonably possible.” Again, quite clearly, in the privatization scheme we did not want to get into a situation nor expect private enterprise to get into a situation where they indeed are on a competing basis with a store controlled by the ALCB that could possibly be down the block or across the street.

So what we have is a plan for reasonable disposition, a plan that is not a fire sale, a plan that allows for subletting if indeed other uses of those leased properties cannot be readily sold off to somebody else. I think the amendment, Mr. Chairman, is an attempt to cloud, to obscure what is a relatively simple and straightforward plan in terms of its objectives, in terms of its measurements, and in terms of its execution.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Chairman. Speaking specifically to the amendment. First of all, I want to say that I'm delighted to be able to participate in the debate on this amendment to Bill 12 and certainly to all of the aspects of the Bill, as the debate has continued over many hours, notwithstanding that we are still on Tuesday afternoon.

I want to start my comments by saying that I take umbrage with statements made by many members across, including ministers of the Crown, who have suggested in this Assembly that we are putting forward amendments as a stalling tactic, as a filibuster. What we have done, Mr. Chairman, is put forward amendments which we on this side believe are going to improve the legislation that we are debating.

[Mr. Clegg in the Chair]

Now, Mr. Chairman, you'll recall that just a few moments ago we recessed from this Assembly, and the purpose of our recess was to participate in a Remembrance Day ceremony. The purpose, of course, of the Remembrance Day ceremony and the reason that we set aside November 11 is to honour Albertans, to honour men and women and to honour Canadians who gave their lives – gave their lives – so that we could participate in debates such as this in Assemblies such as this.

#### Point of Order Relevance

MR. JACQUES: Point of order, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Point of order, hon. Member for Grande Prairie-Wapiti.

MR. JACQUES: Mr. Chairman, under *Beauchesne* 459, the Chair of not many minutes ago was very explicit in terms of his expectations with regard to the debate on this amendment, that all comments would be directed to the amendment. I hope that I took that advice seriously and debated in terms of the Chairman's ruling. I would ask that the same ruling be applied to the member who is speaking.

Thank you.

MR. DEPUTY CHAIRMAN: Just on that point of order, I have to apologize. I have just taken over, so I haven't heard the debate. I will watch very carefully that you do stick to the amendment, hon. member.

MR. HENRY: Now, don't let him tell you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: No, no. I wouldn't do that.  
Hon. member.

#### Debate Continued

MR. COLLINGWOOD: Thank you, Mr. Chairman. I appreciate your comments that it is important and necessary that we stick specifically to the amendment. Of course, the statement in *Beauchesne* is clear that when we involve ourselves in these debates, the reason that we have to follow clearly the rules is so that we can move along in a debate process and have full and fair and adequate and competent debate on both sides of the House without having to get sidetracked on other tangents and other topics. It's specifically because of rules like that that we have to appreciate the democratic process, and we have to appreciate that our ability and our opportunity to participate in this debate is something that is important to my constituents. My constituents do not believe that I stand here to participate in this debate for the reason many of the members opposite have said, imputing false or unavowed motives as to the reason. The reason that I'm standing in this Assembly and participating in this debate is because I believe that the amendments we are putting forward are cogent and worthy of debate, and that's exactly what we're doing here, Mr. Chairman. We are not here to delay the proceedings. We are here to participate in debate. If members opposite didn't want us to participate in debate . . .

MR. DEPUTY CHAIRMAN: Hon. member, specifically on this amendment or you'll be losing your turn.

MR. COLLINGWOOD: Thank you, Mr. Chairman. That's exactly what I was getting to, specifically on this amendment. The amendment put forward is intended to bring some reason specifically to section 13.1 of the Act and section 6 of the Bill.

I heard some time ago the Minister of Municipal Affairs stand up and state very eloquently and very vehemently that you can't legislate common sense. Well, Mr. Chairman, as I read this Bill, that's exactly what this Bill is not doing. What this Bill says is that if a corporation is a party to a lease, then the corporation shall terminate the lease. Now, if that termination results in significant losses of taxpayers' dollars – and again I do want to reiterate: taxpayers' dollars. They are not their dollars; they're taxpayers' dollars. It's inappropriate to legislate the termination of the lease and lose tax dollars. It makes common sense to allow these stores to continue to operate under their leases and not lose taxpayers' dollars. Well, what they've done is put in legislation that prevents common sense from prevailing. It's absolutely ridiculous. In fact, I'm not sure if it's ridiculous, ridiculous-er, ridiculous-est, or all three. Quite possibly it's all three.

1:00

You know, Mr. Chairman, the height of hypocrisy is for members opposite to suggest that you can't legislate common sense. Yet the Provincial Treasurer stands in this Assembly and defends to the hilt the Deficit Elimination Act. The Deficit Elimination Act legislates balanced budgets. Well, it seems to me common sense, to most Albertans – I know it's not common sense . . .

**Point of Order  
Relevance**

MR. JACQUES: Point of order, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Point of order, Grande Prairie-Wapiti.

MR. JACQUES: Again, Mr. Chairman, I cite *Beauchesne* 459, more specifically the comments of the last two minutes by the hon. member with respect to the amendment before us. I find no relevance.

MR. DEPUTY CHAIRMAN: Well, you are exactly right, hon. Member for Grande Prairie-Wapiti, and I can't either.

If you don't get to the amendment in the next minute, you will lose your turn.

MR. COLLINGWOOD: Thank you, Mr. Chairman. I appreciate those comments. You may recall that I've in fact cited specifically subsection (3), and I believe the amendment makes reference to: "section 6 is amended by adding the following after subsection (3)," and now we're talking about (3.1). So we're talking about a change to the provisions of subsections (3) and (3.1). That's what this amendment will do.

I have been speaking specifically to section (3.1), the amendment, which will then alter to some extent what section (3) purports to do. You'll recall that what section (3) purports to do is to put in legislation that makes absolutely no sense whatsoever. What the amendment does, Mr. Chairman, is try to bring some reason and some common sense back into the Bill. So I will continue to speak on the amendment.

**Debate Continued**

MR. COLLINGWOOD: We are talking, Mr. Chairman, about common sense, and I believe that legislating common sense is actually what this debate is all about in terms of the amendment. As I was saying, the height of hypocrisy of members opposite is to suggest that you can't legislate common sense when the Provincial Treasurer defends the Deficit Elimination Act, which has to legislate balanced budgets because members opposite can't do it otherwise. They don't know how to put in a balanced budget. That's what we're talking about; we're talking about the nonsensical statement by the Minister of Municipal Affairs, who says that you can't legislate common sense.

Mr. Chairman, I'm hoping that we are not going down that path, because there are many things that many Albertans would prefer to do through a privatization model or simply saying that we support free enterprise with no interference from government. I would certainly hope that we are not starting with this process here going down that path. There is certainly going to be room for legislative involvement, for legislative regulation, and certainly some controls in that aspect.

So, again, Mr. Chairman, I'm hoping that we are not attempting to head down that path with this legislation. I have said and

many of my colleagues have said in this Assembly that we are not opposed to the process of privatization. We are waiting for government to get out of the business of being in business. This is a step in the right direction. I understand from the Minister of Municipal Affairs that it's only taken them 70 years to get to the point of trying to get out of being in the business of business, specifically with respect to liquor stores.

What I might add, though, Mr. Chairman, is that, at least in my opinion, you can't legislate morality. That's what the Alberta Liquor Control Board is and, very soon to be, was: an attempt to legislate morality. No. This should be in the private sector. There's no question it should be in the private sector, and I think many of my colleagues have indicated that that's in fact the case. When we put forward amendments with respect to this Bill, what we are attempting to do is to improve upon the Bill that has come forward. That's exactly what we're attempting to do with the first amendment that was presented in this Assembly on this Bill – that debate went on for some time – and certainly that's what we're intending to do with this second amendment that's being put forward by the hon. Member for St. Albert.

Mr. Chairman, this whole process of privatization, this whole process of whether or not we close these liquor stores that have leases, as is stated in subsection (c)(3) – which is the amendment proposed by the hon. Member for St. Albert, which is an amendment to add a section (3.1). With respect to those, those should have been part of a consultation process, and it's really unfortunate that this process, that's now coming forward by way of an amendment as an attempt to improve on the Bill, was not part of a consultation process where communities and constituents of all members here may have said: "Why don't you go slow on this? Why don't you phase these out? Why don't you allow these leases to expire on their own?" I heard the hon. Member for Grande Prairie-Wapiti suggest that they didn't want liquor stores competing with private business, but from the comments made by the Minister of Municipal Affairs, I wonder why. According to the Minister of Municipal Affairs, we want knock-'em-down, drag-'em-out, dog-eat-dog kinds of free enterprise in this province, and I can't understand why any licensee wouldn't want to go head to head with ALCB, if that's the kind of privatization model we're looking for.

The difficulty, of course, though, with the privatization model put forward is that as we move to privatize these stores and close the existing ALCB outlets, which you'll note is specifically referring to the amendment, what happens with that process is that the privatization model suggests to anybody who wants to come and participate in that that the government is saying: I'll sell you my business, but I'm also going to sell the same business to the next person and the next person and the next person and the next person. What you do is you end up diluting the marketplace, and of course you're going to pit each of those businesses against each other to compete. There's no question about that. That's what the whole free enterprise model is all about. The difficulty with this one, Mr. Chairman, is what the Minister of Municipal Affairs had said previously in this debate. He said that unequivocally there will not be an increase in consumption by an increase in accessibility of liquor. In other words, there is no increase in sales. What's happening, then, in this process where we sell off all of the ALCB outlets and we require under section (3) of the Bill that each of the ALCB stores that's under lease has to close, which we're attempting to improve upon by the amendment – just so we're clear on that. What that does is it says to anybody who wants a licence: "You can have a licence, and I guarantee you that your market will not increase. I can absolutely guarantee that going into a private business, you are going into a private business

where your market cannot increase. I guarantee it; you will not increase your market share.”

Again what's happening is that because of the way this privatization model is working, a liquor store can open up here and then another one can open up a few doors down, and another one can open up a few doors down, and they're all competing for the same market. Ultimately what's going to happen is that those liquor stores are going to compete head-on. We know the market isn't going to increase. They're all going to be fighting for the same market share, and sooner or later you know what's going to happen. Some of those stores – we know this already from the comments by the Minister of Municipal Affairs – are going to fail. We want some of those stores to fail in the privatization model. Now, what happens when some of those liquor stores can't make their lease payments, can't make their payroll payments, can't make their product payments? Where are they going to sell this liquor? Well, I think they'll find someplace to sell that. They'll sell it to minors; they'll sell it to persons under the influence – anything to stay in business. In private enterprise what you have is free rein; you go and you sell your product and may the best man win. It doesn't matter in terms of ethics, Mr. Chairman.

**Point of Order  
Relevance**

MR. JACQUES: A point of order, Mr. Chairman.

1:10

MR. DEPUTY CHAIRMAN: Point of order.

MR. JACQUES: Mr. Chairman, again I cite *Beauchesne* 459, specifically relevancy, specifically the amendment which specifically refers to “leased Liquor Store” and provisions thereto. Certainly the comments of the hon. member again for the last three minutes have not been on the topic.

MR. COLLINGWOOD: Mr. Chairman, speaking to that, I'm sorry that the hon. Member for Grande Prairie-Wapiti hadn't listened to my just previous comments, because what we're referring to is an improvement under the amendment that will assist the provision under subsection (3), that requires the leased stores to close. We're talking about who's out there selling product. My comments have been in relation to who's out there selling product.

So on that, Mr. Chairman, I'll let you rule on that particular point of order.

MR. DEPUTY CHAIRMAN: Okay. I'm not totally understanding this amendment, obviously, if you're on the subject all the time. However, I'll try and pay more attention to make sure that you do continue on with the amendment.

MR. COLLINGWOOD: Thank you very much, Mr. Chairman. I again appreciate your comments and your direction.

**Debate Continued**

MR. COLLINGWOOD: The point I was trying to get at, Mr. Chairman, in speaking directly to the amendment, is that the amendment will assist in allowing the corporation not to be compelled by legislation to close the stores that are under lease. That's the whole point of the amendment: to not require the corporation to close the stores that are under lease. It's a buffer to the marketplace. What we're going to have in the privatization model as proposed is the entire closure of all ALCB outlets including the leased premises, and we will allow through the

privatization model private enterprise, private business, to take control of this product and this market directly, totally, unequivocally. All I'm suggesting is that in that privatization model, which could be to some extent buffered by the amendment, speaking directly to the amendment, that process should be looked at, and the amendment should be looked at. The point that I'm making is that if we are satisfied and the Minister of Municipal Affairs is satisfied that there will not be an increase in consumption by an increase in accessibility, that there will not be an increase in the market, we will in fact have societal problems with the greater accessibility, not because people are buying more but because all of those companies, all of those businesses are out there competing for the same marketplace and they will sell their product to whoever is prepared to buy it. That's the whole basis of a free enterprise market: you'll sell it to whoever is prepared to buy it.

Now, we've been told that there will be inspectors. Mr. Chairman, you'll recall that a few days ago in this Assembly one of the members opposite raised in question period a concern from his constituents. I believe it was Calgary-Varsity, but I'm not positive. I believe the concern that was raised was: with the increase in the number of licences that are going to be issued and the number of retail outlets that are going to be opened, what has the minister done with respect to increasing the number of inspectors who will be able to in fact police these outlets? My recollection is that the minister said that, yes, increasing the number of inspectors is something that they'll have to look at but haven't looked at yet. They're going to give away all the licences, and then later on at some point, presumably, they'll look at having some more inspectors come on to help police all of these . . .

**Point of Order  
Relevance**

MR. RENNER: A point of order.

MR. DEPUTY CHAIRMAN: The hon. Member for Medicine Hat.

MR. RENNER: I stand on a point of order. Again, *Beauchesne* 459. Again the speaker is not relevant to the question at hand. He is proposing a very excellent argument to the Bill itself, and I would be very happy to debate the Bill with him on this argument that he has right now, but this argument has nothing to do with whether or not the government is going to continue to stay in the retail business. If he wishes to debate this Bill, I would encourage him to move the question on the amendment. We'll vote on the amendment, and then we can get into this debate on the bigger picture.

MR. DEPUTY CHAIRMAN: On the point of order, I have been listening very carefully for the last minute or two, and although it might be a little shady in that area, I believe the member has referred to that.

Hon. member, you only have a very few seconds left, so would you continue.

MR. COLLINGWOOD: Thank you very much, Mr. Chairman. Again I appreciate the comments. I am trying to debate specifically on the amendment. Again, I felt I was speaking directly to the amendment.

**Debate Continued**

MR. COLLINGWOOD: Mr. Chairman, the last point is that, again, previously in debate today on this Bill the Minister of Municipal Affairs did indicate that inspectors will now be the parents of people who they want to make sure aren't using those

stores at 2 o'clock in the morning, and I hope that isn't going to be the increase in the number of inspectors that had been referred to in question period.

Mr. Chairman, in conclusion, all I'm saying is that members opposite, all members of the Assembly should appreciate that the intent of this amendment to add a further section, (3.1), is to allow the existing leased stores to continue to operate so that taxpayers do not lose money specifically by the legislation as it stands in this Bill to require the leased premises to close at who knows what loss to the taxpayers.

On that note, Mr. Chairman, I would ask all members to vote in favour of this amendment, and indeed I would call the question.

1:20

HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: Question has been called. Ready for the question? All those in favour of amendment B as proposed by the hon. Member for St. Albert, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY CHAIRMAN: Opposed, if any, say nay.

SOME HON. MEMBERS: Nay.

MR. DEPUTY CHAIRMAN: The amendment is defeated.

[Several members rose calling for a division. The division bell was rung at 1:22 p.m.]

[Mr. Tannas in the Chair]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Abdurahman	Hanson	Soetaert
Beniuk	Henry	Taylor, N.
Bracko	Kirkland	Vasseur
Bruseker	Leibovici	White
Chadi	Massey	Wickman
Collingwood	Mitchell	Yankowsky
Dickson	Percy	Zwozdesky
Germain	Sekulic	

Against the motion:

Ady	Fritz	Mirosh
Amery	Gordon	Oberg
Black	Haley	Paszkowski
Brassard	Havelock	Pham
Burgener	Herard	Renner
Calahasen	Hierath	Rostad
Cardinal	Hlady	Severtson
Clegg	Jacques	Smith
Coutts	Jonson	Sohal
Doerksen	Kowalski	Stelmach
Dunford	Laing	Taylor, L.
Evans	Magnus	Thurber
Fischer	Mar	Trynchy
Forsyth	McClellan	West
Friedel	McFarland	Woloshyn

Totals: For – 23 Against – 45

[Motion on amendment B lost]

MR. CHAIRMAN: Are you ready for the question?

HON. MEMBERS: Question.

MR. CHAIRMAN: Okay. Grande Prairie-Wapiti in conclusion.

MR. JACQUES: Mr. Chairman, in view of the very substantial, overwhelming, in-depth debate that we've had on Bill 12, I call the question, sir.

[The sections of Bill 12 agreed to]

[Title and preamble agreed to]

MR. CHAIRMAN: The hon. Member for Grande Prairie-Wapiti.

MR. JACQUES: Thank you, Mr. Chairman. I would move the reporting of Bill 12 when the committee rises.

[Motion carried]

MR. CHAIRMAN: The Hon. Deputy Government House Leader.

MR. EVANS: Thank you very much, Mr. Chairman. I now move that the committee rise and report.

[Motion carried]

[Mr. Speaker in the Chair]

MR. WICKMAN: Mr. Speaker, did you have a good sleep?

MR. SPEAKER: That I did – bright as a daisy.  
The hon. Member for Highwood.

MR. TANNAS: Mr. Speaker, I wish to inform you that the Committee of the Whole has had under consideration for some time certain Bills. The committee reports the following: Bill 12. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

MR. SPEAKER: Does the Assembly agree with the report?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? So ordered.

head: **Government Bills and Orders**  
head: **Third Reading**  
(continued)

**Bill 12**  
**Liquor Control Amendment Act, 1993**

MR. SPEAKER: The hon. Member for Grande Prairie-Wapiti.

MR. JACQUES: Thank you, Mr. Speaker. I would move third reading of Bill 12.

**Point of Order**  
**Oral Question Period**

MR. SPEAKER: The hon. Member for Calgary-North West is rising on a point of order?

MR. BRUSEKER: Yes, Mr. Speaker. I'm rising under Standing Order 7(1), looking at the ordinary Routine of the day and noticing that we are at approximately our usual time for question period. While I know we want to continue with the debate, I am requesting that the House revert to Oral Question Period, which is the normal event at this time of the day.

MR. SPEAKER: The hon. Deputy Government House Leader on the point of order.

MR. EVANS: Thank you very much, Mr. Speaker. We've had a considerable amount of time to contemplate this motion by the opposition. I believe it would be useful to review a number of the standing orders. Firstly, Standing Order 4(1) refers to the business of the Assembly not being concluded and then provides for a process to continue on. Clearly the business of the Assembly has not been concluded. We began last evening at 8 o'clock, and we have continued with government business since that period of time.

I would refer you as well to Standing Order 7(1) which talks about "the ordinary daily routine business" of the House and certainly does talk about an order. We quite clearly are not at that stage, because we are still under the business of the Assembly which has not been concluded. Further, I would refer you to the precedence of business in Standing Order 9(1) and (2) which refers to: the authority of the government when we are dealing with Government Bills and Orders is to determine the precedence at which and the sequence of which government Bills and orders are to be dealt with. As was announced by the Clerk, we have now moved to Bill 12 in third reading.

Finally, I would refer you to *Erskine May* at page 239 which talks about prolonging the business of the day beyond the ordinary hour of business on a next day. I would remind hon. members that we are still dealing with the business from Tuesday, and until such time as there is a motion for adjournment which is accepted by this Assembly, we continue to debate issues and the government orders and government Bills that began on the Order Paper Tuesday evening at 8 p.m.

MR. SPEAKER: Well, the Chair is thankful for the representations made by both members, but the Chair has to say that the hon. Deputy Government House Leader has given a rather good summary of the applicable law here. That reference from *Erskine May* at page 239 really does – for the benefit of all members, the Chair will read that rather short paragraph.

If a sitting on any day should be prolonged beyond the hour of meeting on the following day . . .

That has certainly happened; we are now past the normal hour of meeting for Wednesday.

. . . no independent sitting can take place on that day; and . . .

Of course, the Routine for any day is an independent sitting. It is really impossible to start Wednesday's business in the ordinary manner.

. . . the House rises when it has disposed of the business of the sitting prolonged from the previous day. The House has been prevented from meeting for this reason on twenty-three occasions in the past at Westminster. If we had some standing order that said that we had a different rule, well, then we would follow that different rule, but in this particular case our Standing Orders are silent on this area. So we, according to our Standing Orders, follow the precedent set at Westminster. Therefore, the Chair has to rule against the hon. Member for Calgary-North West.

1:40

MR. BRUSEKER: Mr. Speaker, maybe I didn't make myself clear. What I was asking for was unanimous consent to have a question period. I'm not debating . . . [interjections]

MR. SPEAKER: Order please.

That is certainly a valid request, and the Chair will now ask: is there unanimous consent to suspend the previous business and move to Oral Question Period?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed?

SOME HON. MEMBERS: No.

MR. SPEAKER: Well, there is no unanimous consent.

MR. MITCHELL: I rise under Standing Order 7(5), Mr. Speaker. Owing to the fact that today is the last day of the week and on Thursday opportunity therefore won't exist to be told what will happen next week, I wonder whether I could ask the Deputy Premier what he is proposing for business next week. Of course, that will give us some pretty clear indication as to when he's going to adjourn debate today.

MR. SPEAKER: I think that should be on the basis of unanimous consent also, because that is a variation from what we've been doing.

MR. MITCHELL: The Deputy Premier responded before.

MR. SPEAKER: Well, that's the Deputy Premier. This is the Assembly. The Orders of the Day are really what's been called, and to vary from that, the Chair feels that it's only proper to ask for unanimous consent to allow the Deputy Premier to hear that question and make the reply, and only that business.

Is there unanimous consent to allow the Opposition House Leader to ask the projected order of business and for the Government House Leader to reply to that before returning to the Tuesday Orders of the Day?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?

Hon. Opposition House Leader, you may ask your question.

head: **Projected Government Business**

MR. MITCHELL: Mr. Speaker, I appreciate the opportunity to ask this question. We would very much like to know what exactly the Deputy Premier has in mind for the House to debate next week. I would like to assure him that we are more than happy to return next week and the week after and the week after that. In fact, we have people lining up to ask questions on New Year's eve, because there are issues here that we feel need to be addressed properly.

Thank you.

MR. KOWALSKI: Mr. Speaker, I'm going to rise above that. The last 16 or 17 hours have certainly shown what can happen when children want to play.

Mr. Speaker, we have now arrived at a situation where on the Order Paper we have the following pieces of legislation. We have

now moved out of Committee of the Whole and into a third reading category with Bill 8. This has now gone through third reading. It was about 5:30 this morning. We have Bill 12, which has now gone into a third reading stage.

The order of business for the government will be the following. We will be calling third reading on Bill 12, third reading on Bill 21, and then we'll be calling Bill 10 at second reading. We will be progressing in that order.

As the Government House Leader has been saying for days, Mr. Speaker, we will be returning on Monday, because it is impossible to get through second reading, committee, and third reading stages on a Bill, and Bill 10 is at that stage. We never were in a position to be any other place but to come back on Monday, and I've stated that publicly for well over a week now to anyone who's asked, Mr. Speaker. So there should be no miscomprehension about that whatsoever. I hope I've been very clear about that.

All of the matters on the Order Paper have now been dealt with. The government passed its budget, all forms of the budget, last night. We don't have to deal with those again. We have dealt with all other aspects, and we're down to three privatization/downsizing of government initiatives, Mr. Speaker, in response to the overwhelming interests of the people of Alberta.

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

**Bill 12**  
**Liquor Control Amendment Act, 1993**  
*(continued)*

MR. JACQUES: Mr. Speaker, I would like to move third reading of Bill 12.

MR. SPEAKER: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Speaker. It's only appropriate to say a few brief comments to conclude the concerns that we see in this Bill. One is the corporation: who is the corporation, how is it made up, how are the positions filled, what is the power of this corporation? Secondly, the social costs that will be there: the increase for some groups in society of the crime, family violence, and so on. Third, it would be nice to see the cost analysis to some sort of plan that will show us exactly where we're going. We know where we are now. Where is its going to take us? Those are the three points I wish to make.

Thank you.

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

MR. DICKSON: Thank you very much, Mr. Speaker. I'm pleased to have a chance to make a few comments with respect to this particular Bill in third reading. Just to put it in a bit of a perspective, it was interesting that when we were going through this matter in committee, we heard ad nauseam representations from the Minister of Municipal Affairs in terms of what a federal Liberal government or a federal Liberal Prime Minister may have done decades ago. Given the minister's keen interest in history, I thought it might be useful to put to him a different kind of historical context, something that's a little broader.

You know, Mr. Speaker, it was March of 1912 in Calgary when the Progressive Conservative Party in this province had their annual party convention. You know what was of interest? The newspapers of the day reported as being of particular interest the fact that there was a Mr. Hiebert, a Conservative member of that

First Legislature, who on the one hand was the first Albertan to advocate on the floor of the Legislative Assembly the prohibition of the sale of intoxicants. With the kind of ambivalence that we sometimes come to expect from members opposite, he then within the space of a month and half was the Conservative MLA that advocated government liquor stores. It's interesting when you see that sort of flip-flop and that type of ambivalence. It just struck me as being an interesting reference point when we're looking at this particular Bill at this stage. The Alberta temperance and moral reform league turned out to be strong supporters of the Conservative Party at the time.

I just want to say, Mr. Speaker, that with respect to this Bill as we now look at it in third reading, we still have this problem where we still see ambivalence on the part of the government, a government which through its ministers and through its members professes a unique kind of competence, a particular kind of insight in terms of how the free market works, yet what we see is a Bill that has flaws. We see a lack of involvement of municipal governments. Despite all the protestations that we've heard over the last long number of hours on this Bill, it still seems evident that the competence that the Minister of Municipal Affairs and his colleagues want to claim, as if it were some kind of a proprietary characteristic, still eludes them. We still have a piece of legislation that is flawed and simply doesn't address the privatization issue as fully and as cleanly as we'd like.

So those are the observations I wanted to make, Mr. Speaker. Thank you.

*1:50*

MR. SPEAKER: The hon. Member for Edmonton-Meadowlark.

MS LEIBOVICI: Thank you, Mr. Speaker. Members may still question why we spent the last 18-plus hours on this Bill, and quite basically it's because it's a bad Bill. There are many unanswered questions and unresolved issues. These were raised by our leader, the hon. Member for Edmonton-Glangarry, on September 2, 1993, and they are: one, that all money raised through the sale of outlets and real estate should be applied to the debt; two, that the social consequences of this move need to be addressed through increased and beefed-up education and consultation programs; three, that the government must not repeat the wine store fiasco; four, that ALCB employees must be treated fairly and humanely; five, that employee groups must be allowed to bid for stores; and six, that taxpayers must be assured that there will be no net reduction in provincial income as a result of the sale.

Since then there are other issues that have cropped up, and I'll list them briefly: the issue of wholesaling and warehousing, the issue of agency stores with its question as to whether government is or is not in the sale of alcohol, the requests by the municipalities that have been coming in requesting a moratorium on this whole process, the potential increase in prices to consumers of up to 36 percent, the issue of freestanding stores versus that of stores that are being given licences that are part of an existing establishment, such as pizza parlours.

We have asked for a moratorium in the past in question period. This government has said no. We've asked for consideration of the ALCB employees with regards to successor rights and rights of part-timers. This government has said no. The Minister of Municipal Affairs has said that common sense can't be legislated, and you're right. The fact remains that this Bill defies any definition of common sense, and therefore we have given reasoned arguments and reasoned amendments. It's apparent, however, that this government does not care and does not listen.

This government keeps asking for our advice daily in question period. We hear: give us the advice. Daily we provide it. I will attempt one more time to provide an outline of a plan that we would have looked at had we been in government in terms of our treatment of an area such as this. One, we would have looked at consulting with Albertans; two, we would have had a business plan; three, we would have made sure that there were no losses of dollars to the revenue at this point in time or in the future; four, we would have guaranteed humane treatment of the employees; and five, we would have made sure that municipalities had prior time to look at the implications of having liquor stores within their municipalities.

I'd like to conclude that we have understood quite well the implications of this Bill, and we know it is a flawed Bill. However, this government has chosen to not care or listen.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Speaker. Just a few comments speaking to third reading of this Bill. As previously indicated, the rigorous debate that took place in Committee of the Whole for a number of hours earlier today and yesterday was an attempt by all members of the Assembly to debate the worthiness of the Bill and the provisions of the Bill that could use some improvement. In the vote I did vote for the privatization of ALCB; I did vote in favour of this Bill. Many of us on this side do support the privatization of ALCB. In fact, it appears that it's about 70 years overdue. The only concern is that the amendments that had been put forward in debate were attempts by members on this side to bring some improvements to the plan and to make this transition from a government-owned enterprise to a privately owned enterprise smoother and to make it fairer for all Albertans.

We will have to accept from the debates that we've heard about this Bill, Mr. Speaker, that we will in fact lose money on the privatization. Apparently that is something that we should come to accept as being one of the joys of free market enterprise. Now, let's again recognize that the money that's being lost is taxpayers' dollars, nobody else's dollars. Taxpayers are losing money. That's the joy of the private and free marketplace. We have now given up a \$400 million or \$500 million industry in terms of profit to the government. The ALCB provides to the government about \$400 million profit a year. We have now decided that we don't want that money anymore because it's important to allow private enterprise to take over.

I expect what Albertans will find is that, for example, specialty items will be less available, less accessible to them because many of the stores will not be able to afford to stock those specialty items. Albertans can also probably expect, Mr. Speaker, that prices will increase on liquor products that they wish to purchase through the privatization process.

Again, what we attempted to do in the debates that we undertook earlier today, that some members opposite decided to participate in, and the reason that we brought forward those amendments on this particular Bill was to attempt to make some improvements on the Bill as it had been presented. I know, Mr. Speaker, for some members opposite it's a very hard concept to grasp that members on this side of the Assembly are here to engage in debate, to put forward new ideas, and to have a full debate on those issues. I'm hoping that we'll be able to do this again in the very near future.

Thank you. Those are my comments.

MR. WHITE: Mr. Speaker, I rise to speak on this matter, not that my colleagues haven't spoken very well on the matter and fairly fully and completely. I only leave one consideration with the government. This matter was dealt with in too much haste. There's no question about that. By way of example, just being very brief, I'll point out one such place. [interjection] Speaking through you, Mr. Speaker, to the member that's doing more talking than listening, this matter has to do with the disposal of some Crown assets of a store that was on 106 Street. Now, if one wanted to maximize the value of those highly specialized items from a wine store, one would say that there would be someone in the market. Now, you disposed of those assets for dimes on the dollar long before the government let anyone know as to who was going to receive the locations or if their applications were even considered.

Now, this member, having traded the odd horse and the odd automobile, knows that you establish a market before you put the goods on the market. This is a really simple piece of business, really simple. If you have somebody that wants to buy it, then you can get a half-decent deal. If there isn't anybody to buy the equipment, then obviously you'll get a much less advantageous arrangement for the government. It's very, very simple. The government may throw it off as such a minor and insignificant item, but I can tell you that the beautiful, beautiful oak work that was paid for by taxpayers' dollars was squandered, absolutely squandered. That equipment is long gone. It's probably moved now to Saskatchewan or somewhere else where it actually had a market at the time. It just did not make any sense whatsoever. This is just full speed ahead, wild west, up and shooting and just firing at everything that moves, and not really taking the time to consider as to how to say ABC in a proper business plan. That is wrong. No one would do it in their own business. This government should not allow one minister to do that in their name.

Thank you, Mr. Speaker.

2:00

MR. SPEAKER: The hon. Member for Bow Valley.

DR. OBERG: I have sat here for the last 18 hours listening to this discussion in Committee of the Whole, and I would like to summarize quickly some of the arguments I have heard from the hon. Liberal opposition. I would start in the area of access. There have been approximately four hours of discussion on access to liquor, yet in the summation on third reading, one of the members across the way specifically pleaded that specialty items would not be as available to people. I don't get this reasoning, Mr. Speaker.

During this last period as well there have been papers brought forward that, when dissected, have absolutely no scientific basis and yet are called scientific papers. They are discussion papers. We have seen economic policies that are espousing monopolies for liquor stores. We have seen free enterprise policy put forward by the people on the other side that would deny free enterprise practices in that they would say, "I'm sorry; no business can move in down the street." I'm just appalled by the reasoning that has been going on over the last 16 hours. I think what we have is a classic case of a filibuster and nothing but.

Thank you, Mr. Speaker.

HON. MEMBERS: Question.

MR. SPEAKER: Is the Assembly ready for the question?

[Motion carried; Bill 12 read a third time]

**Bill 21**  
**Agriculture Financial Services Act**  
*(continued)*

Moved by Mr. N. Taylor that the motion for third reading be amended to read that Bill 21, Agriculture Financial Services Act, be not now read a third time but that it be read a third time this day six months hence.

[Adjourned debate on amendment: Mr. Smith]

MR. SPEAKER: The hon. Member for Calgary-Varsity.

MR. SMITH: Well, thank you, Mr. Speaker. You know, it probably takes less time to drive from Manyberries, Alberta, to Keg River, Alberta, in the extreme north. However, once you embark on that journey and once you complete that journey, you have indeed accomplished something, unlike what I think the last 18 hours have resulted in. As a matter of fact, if this group were paid on piecework, we would not have made any money in the last 18 hours.

AN HON. MEMBER: Move third reading.

MR. SMITH: Do you want me to do that?

It's indeed with great pleasure, Mr. Speaker, and some instruction that I am prepared to move third reading of Bill 21, the Agriculture Financial Services Act.

Thank you, Mr. Speaker.

MR. N. TAYLOR: Mr. Speaker, you'll have to refresh my memory.

MR. SPEAKER: I think the hon. member has participated at third reading.

MR. N. TAYLOR: Wasn't there an amendment to the hoist on the floor, or is this just the hoist?

MR. SPEAKER: The hon. Member for Redwater would close debate on this matter if he spoke now.

MR. N. TAYLOR: This is on the hoist?

MR. SPEAKER: No, on the amendment.

MR. N. TAYLOR: I believe there's an amendment to the hoist lurking somewhere. Okay. I'll get out.

MR. SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. I'm speaking to the amendment that has been passed around in regards to this particular Bill.

MR. SPEAKER: Order please. Just so the hon. member knows what is before the Assembly – the Chair realizes there has been a break in the proceedings since this matter was last before the Assembly – we are on the amendment proposed by the hon. Member for Redwater to give this matter a six-month hoist. That is the matter we are discussing.

MR. KIRKLAND: Thank you, Mr. Speaker. It was my intention to speak to that particular amendment. I speak to it because we look at the Bill and do not see the urgency required in this

particular state, and I think it deserves more study. Section 56 has caused some concern, and those opinions and thoughts have been conveyed and brought forth. The amendment itself speaks, as I say, to delaying the actual implementation of it. Our concern initially was that there was a 100 percent guarantee, as we read that Bill. We had a concern about that 100 percent loan guarantee, so we wanted to go back and restudy that particular issue, of course. That's why we asked for the deferral or the delay in it.

If I recall the discussion correctly, the hon. Member for Redwater had suggested that this removed the protection of a farmer's right to consumer and corporate affairs legislation, and he had a concern about higher interest. The hon. minister of agriculture stated that the intention really was to accommodate lower interest rates. I don't think we ever clarified that in anybody's mind at this particular point. I have a great deal of respect for the hon. minister of agriculture, who has been forthright and open with me in attempting to describe exactly what was intended here and describe it as a pilot project. I take his assurance for that, but unfortunately I don't extend that assurance to the entire side opposite. My suspicious nature has a tendency to set in in this particular matter. I understood it was a pilot project, but I don't think that precludes the fact that we could have very clearly identified exactly the percentages he clarified outside this House. Therefore, I think that amendment is timely until such time as we can write those particular percentages into the Bill, and I would draw comfort and support that Bill. As long as the percentages are clearly defined – they're very wide open to interpretation here – those amendments certainly would not cause any harm to the Bill, and the clarity of the Bill would not be jeopardized.

The Bill certainly has fairly good intentions. There is no question in my mind that we're looking at efficiencies by combining two boards and two financial institutions. I did have a concern. Rumour in the industry itself was that we were really attempting to cover up a problem that existed in one of them by combining the two. But I'm going to stay focused on the positive aspect of it and not worry about that particular problem, because I'm sure that ultimately will surface, if that's the case, and we'll deal with it another day.

Focusing on that efficiency, we look at the government's claim that we'd like to consolidate and downsize and certainly provide more efficiency to all aspects of government. I certainly see the intent in this Bill. There's no question that's the case, but section 56 does cause us a large degree of concern. That 100 percent loan guarantee unfortunately has cost this province millions and millions of dollars, into the billions.

I'm sure the Assembly will recall that the Liberals put forth a motion asking that we enhance our rural development, in essence. That was defeated. I see this as a step toward attempting to enhance rural development, and undoubtedly we need that. They have struggled for years attempting to enhance it. The convenience addressed in this Bill of one-stop shopping I would support. I think that's very desirable.

When we combine two boards, I see the efficiency there. That, again, I would tell you is desirable. Though it seems I'm leaning very strongly to the Bill – I do in most aspects – there's just that one nagging concern. That's why I take it back to the amendment and support of the amendment. Undoubtedly we do have some areas here that have to be clarified. When we look at it and scrutinize it very closely, we can do that quite nicely. I think that if we did that, we would find full support for the Bill on both sides of the House. This spirit of co-operation we spoke about at the beginning of the Assembly certainly on occasion has leaked across this wide alley we have between the two of us. I'm

encouraged by that particular co-operation and like to think that it will continue.

**2:10**

The intention really is to provide a mechanism to attempt to encourage that development in the rural area. I think it's laudable. I think it's very similar to what the Liberals proposed in an agricultural policy as I campaigned throughout Leduc. When I put that community bond issue to the 160 farms I visited in attempting to acquire some knowledge and expertise in this area, it was received warmly. It wasn't rejected. I don't misunderstand the intention. I think the hon. minister has given me some clarity as to what was really intended. Unfortunately the Bill doesn't provide that in the clearest of terms we would like to see. Hon. minister, if it was a small amendment that would bring assurance, you would have, I'm sure, all on your side in this particular matter. Perhaps it's the nature of this particular body we deal with; that is, suspicion that creeps into everything that comes from the other side. That, I think, has crept into this particular situation as well. It's unfortunate, because I think your intentions are good and the Bill's intentions are good. A small bit of refining can be done if we send it back to a situation of study or have a closer look at it to see if we can come up with some better wording. To get away from that step that appears to take us to 100 percent of a guarantee would draw, as I indicated earlier, a lot of comfort from this side and a lot of support from this side.

When we look at the Bill and what it can do for the rural area, as I understand it, this guarantee really is only on a percentage of dollars invested. If I recall the comments earlier – and it's been a couple of days – 90 percent of the coverage would be if the local investors raised . . . If I recall correctly, it was 90 percent of the funds. [interjection] That's right; it was 25, 30, and 35. Okay; I appreciate that clarification.

Certainly as I indicated in the conversation I had with you, I think that is a move in the right direction. As I indicated earlier, I take assurance from you that's where we would like to go. I think we can clearly define it there. In fact, if it doesn't work or it's a pilot project that doesn't work, then we can revisit that Bill at that particular time. A little bit of uncertainty has been created as a result of that 100 percent loan guarantee that has caused concern on this side of the House. I would ask the hon. minister if there's a way for him to perhaps introduce a friendly amendment here to ease it so we can get on with the business of the day and support it wholeheartedly on this side. I would suggest that that would be a very good step, and I think you will hear comments from this side that allude to that as well.

I have a very large rural population in my constituency, and those I've touched base with on it would not argue with what I'm saying here, that the intention is good. It's innovative, and I think that's an important step for the rural community itself. If in fact it is modified very slightly to eliminate that uncertainty, you will get my support.

I will turn the floor over to hon. members on this side that would like to expound a little further on the matter, and maybe in fact he can elaborate on what I've said.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Sherwood . . .

MR. COLLINGWOOD: Thank you, Mr. Speaker. I'm pleased . . .

MR. SPEAKER: Sorry. He was up first.

MR. COLLINGWOOD: Thank you, Mr. Speaker. I'll step down.

MR. SPEAKER: The hon. Minister of Municipal Affairs.

DR. WEST: I'd just like to make a few comments on this Bill, Mr. Speaker, as it relates to community bonds. I can't support the amendment that is before us, because again it's a Bill that has good intentions as far as the development of some rural initiatives, small business and development within smaller communities of Alberta. I, too, have the concern, as voiced just recently, that this is a loan guarantee, but I understand and have assurance from the minister that there are three pilot projects that will be taken forward, hopefully. I would hope that in study of that we consider the fact that perhaps the loan guarantee, depending on what that's set at, because I believe there is some flexibility but it can go up to a hundred percent – that we consider not going to those levels of loan guarantees.

I think that no doubt we want development, we want small business to develop in small communities, but there must be that coverage of risk to the taxpayers of Alberta. There must be that initiative by those communities and those investors to put some of their hard-earned cash into these businesses up front. I can share the concerns by all members of this House on loan guarantees. I have taken a strong position against loan guarantees, and I will stand on that and continue to stand on that. The communities made reference to this, the counties and MDs and other organizations, when we did our rural initiatives study, when the Hon. Ray Speaker brought that forward. They had recommended that some tools or some policy like this be brought forward. I understand Saskatchewan had trouble in some communities with this. I hope we study that. I ask the minister to also study that as we initiate the policy and regulations behind this Bill and move forward so that we can see many of our communities share in some of the economic growth that's coming.

There is no doubt there's economic development coming in the province of Alberta. This is the place to do business in the future. When I talk to my friends and relatives in Ontario, they're absolutely astounded at what's going on down there, one of the worst recessions. They say, "Boy, it's good to see a positive direction like what's going on in Alberta." This Bill initiates hope for many communities that there is an economic future coming. As I've said before, other people are watching Alberta. This is going to be the place to be in this decade and into the 21st century. All we ask is that we pull government's role back and allow the private sector and self-initiative to take the forefront.

So I'll support this Bill in its content, but I do have a caveat on it: when it goes forward, we look at the lowest possible exposure that we have to take on any form that might equate to a loan guarantee.

MR. SPEAKER: The hon. Minister of Agriculture, Food and Rural Development.

MR. PASZKOWSKI: Thank you, Mr. Speaker. I'd just like to share a bit of information which has been brought forward by the hon. Member for Leduc. I think it will be interesting to the entire House. That basically is the concept of the Alberta local opportunity bond. Certainly this has come about from the Minister's Council on Local Development, which the Hon. Ray Speaker had commissioned. I believe it was in 1990-91. He traveled through 24 communities throughout the province and made some very specific recommendations. One of those very specific recommendations was the concept of the Alberta local opportunity bond.

I'll try and give a bit of detail as to how it's envisioned that it should be struck. The bond purchasers, who basically are the stakeholders, would be Albertans and Albertans only. The project owner would be the businessperson who needs to raise money from other people for a business start-up or expansion which the project owner would own and operate. The community would be any rural community in Alberta, and basically that would be any community other than that being a city in Alberta. The bond issuer of course would be the new organization that would be commissioned as a result of Bill 21. The process that would be incorporated – the first process would be to do three pilot projects. Obviously, there have been various processes used throughout North America. Our neighbour to the east, Saskatchewan, as the hon. Member for Vermilion-Lloydminster has alluded to, had some mixed results. Part of the problem that was identified was that the equity relative to the exposure wasn't sufficient and the leverage was considered to be too high. Their equity relative to exposure is far less equity than what we are anticipating. What we had anticipated was that the three pilot projects would allow us the opportunity to develop a program that indeed would suit the needs of Albertans.

We developed three criteria, as the hon. Member for Leduc had mentioned. The 25 percent equity would come with an 80 percent loan guarantee or promise to pay. The 30 percent would be 90 percent, and then the 35 percent equity would be 100 percent guaranteed. Now, this is a fairly high equity ratio. The leverage is not considered to be that high, so it is our feeling that indeed the risk exposure is not that high. It allows the local communities to benefit from a program that doesn't exist today. It allows the local communities to take pride in developing a need within the community that they themselves have identified, and they themselves will work with the owner-operator of the facility. It's their own local money that comes into this project. So the basic plan is to have the community involvement in the project, and the community itself would assist in the development of this project.

I hope this is of some help to the discussion.

2:20

MR. SPEAKER: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Speaker. I'm pleased to be able to participate in the debate on this particular Bill and with respect to the hoist amendment. I think this particular aspect of division 3 of Bill 21 that we're debating is probably a classic example as to when and why a hoist amendment should be brought forward. This Bill – and it's really just this provision of this Bill – needs some time to be taken back, to be looked at, to perhaps rework part of the provisions proposed in division 3, and to maybe come back and look at it one more time. I really do believe we have to move slowly on this and think about some of the concerns that have been raised with respect to the local opportunity bonds.

Mr. Speaker, the arguments put forward in debate by the hon. Minister of Municipal Affairs I concur with entirely, but what he has convinced me of is that because we don't know where that level should be, because we need to consider further what those levels should be, other than not more than 100 percent, we should stop the process, we should back up, and we should think further about this. From his very eloquent arguments I'm satisfied more than ever that it's important that members on both sides of this Assembly accept this hoist amendment.

With respect to the concept here of the local opportunity bonds and the comments from the hon. Minister of Agriculture, Food and Rural Development, again I tend to agree with most of what

he has said about finding opportunity for local businesses to flourish in rural Alberta. The difficulty we have – and we have said it repeatedly – is with provision 56 that allows for the 100 percent loan guarantee. I think all hon. members have recognized that this becomes – and there are other provisions in division 3 – the real sticking point in getting this Bill moving along. That's the reason why the hoist amendment was presented.

While we have engaged in some debate, members on both sides are prepared at this point to agree – although there are some exceptions – that the amalgamation of those two entities should be completed in the necessary consequential change to legislation. My understanding is that in fact the amalgamation has already occurred, and we're really simply now legitimizing the process to some extent. I know that at least those two departments are now working out of the same facility and are certainly well on their way to the rationalization of their operations. So from that aspect of the Bill, from I guess, in essence, the guts of the Bill, there doesn't seem to be any real hurry in getting this piece of legislation through.

The real difficulty with this is that we're trying to push this through without taking some time to think about what this division 3 has done. You know, I don't want to be left in terms of approving a Bill which I intend to do on those two aspects, but to have this brand-new third aspect introduced into the Bill as some underlying way of getting something through, in a Bill that is otherwise just fine, well, I think runs contrary to what most members of this Assembly agreed that they would fight for once they came into this Assembly. What we all agreed to when we came into this Assembly was that the government would get out of the business of being in business and the government would certainly get out of the business of loan guarantees. What this does is put the government right back in the business of loan guarantees.

I certainly hope that this isn't an attempt to stick at the back of the Bill a 100 percent loan guarantee and hope that it goes through without anybody noticing. Certainly people are noticing, and certainly Albertans are noticing. Members opposite, your constituents are noticing that you are now proponents of 100 percent loan guarantees. I think it is a perfect opportunity, Mr. Speaker, for us to use the hoist amendment to stop the Bill here at third reading, to have it come back six months hence, and to allow all members on both sides of the Assembly to go back to their constituencies and talk with their constituents, ask them: do you think we should be getting back into 100 percent loan guarantees? We'll have them come back in six months and tell us what the answer is to that question.

There are other provisions of division 3 that cause a great deal of concern. The definition section in section 54 does define "corporation" and refers to corporation as "the Agriculture Financial Services Corporation." Interestingly, Mr. Speaker, the definition goes on to say:

and includes any other corporation that is an agent of the Crown in right of Alberta and that is designated by the Lieutenant Governor in Council [government, Executive Council] as a corporation that may issue local opportunity bonds.

Well, that obviously causes some concern as well because the definition has now been expanded. Not corporation or any other corporation, Mr. Speaker, but ". . . Corporation and includes any other corporation." How many corporations are there?

The second concern that I have is – well, the essence of this of course is to raise money from the public. If we look specifically at the provision in section 55 of Bill 21, it specifically says, "The Corporation" – and I guess that means any other corporation – "may issue bonds for the purposes of raising capital from the

public for an eligible business." Now, in this province for many, many, many years if you wanted to raise capital from the public, there was a process. There's a very lengthy, restrictive process that every business in Alberta has to go through if it intends to raise capital from the public. That process, Mr. Speaker, is found in the Securities Act and the Securities regulations.

What happens in the Securities Act and the Securities regulations? Anybody who wants to raise capital from the public has to go through a process of writing and subjecting a prospectus to the scrutiny of the Alberta Securities Commission. The requirement is that that prospectus shall contain full, true, and plain disclosure of all material facts relating to the entity that intends to raise money. Why does that happen? It happens to protect the public.

What we've got here now, Mr. Speaker, is a cumulative effect that exposes Albertans to some difficulties in the normal course, in the normal process of raising capital. First of all, when we go to section 57, that section says:

Subject to the regulations . . . under this Act, the Securities Act does not apply

- (a) to the Corporation,
- (b) to any of the activities or operations of the Corporation with respect to local opportunity bonds, or
- (c) to the issuing, selling, purchasing, holding, resale or redemption of local opportunity bonds or to any other matter respecting local opportunity bonds.

There is no process involving the Securities Act. Well, we know that the Securities Act is there to protect the public. So I guess what this is saying is that we don't have to follow the rules that protect the public and in fact we can say to the public: trust us.

AN HON. MEMBER: No.

MR. COLLINGWOOD: Well, it looks like they're saying "trust us," because the Securities Act isn't going to apply.

Now, we've got in section 56 a 100 percent loan guarantee. Not only do we have a 100 percent loan guarantee, but we have none of the usual checks and balances that the Securities Act provides to all Albertans and to anyone who wants to raise capital in this province. So they don't even get the benefit of a prospectus to invest in the local opportunity bonds, and those local opportunity bonds are in essence 100 percent loan guarantees of the company.

2:30

Now, for those two reasons, Mr. Speaker, all members should take the time in support of this amendment to go back to their constituents and ask: is it okay if we get into the process of local opportunity bonds, take your money away from you and not be subject to the Securities Act like every other business in the province is subject to? We'll ask that question around our constituencies and see if all those who respond come back to the Assembly through their member and say: "Yeah, that's okay. Go ahead and take my money. It doesn't matter if it's subject to the Securities Act like every other business in Alberta that wants to raise capital."

The other curious and certainly I think disturbing thing is that as I've indicated, in the proposed section 57 it says, "Subject to the regulations . . . the Securities Act does not apply." If we now move over to section 59, we see that

the Lieutenant Governor in Council may make regulations . . .

- (q) prescribing which provisions, if any, of the Securities Act and the regulations under that Act apply with respect to local opportunity bonds.

So the law will be that "subject to the regulations . . . the Securities Act does not apply," but that leaves the government, the Lieutenant Governor in Council, the Executive Council, to decide

which provisions, if any, of the Securities Act will apply. Sorry, Mr. Speaker; not good enough. Let's have the Securities Act apply if we're going to do that. I can't support a proposition that says: we'll decide which of the provisions of the Securities Act, if any, apply; trust us. Sorry; can't do it. On behalf of my constituents, I simply cannot accept that kind of provision contained in this Bill.

With other attempts at privatization there have been prospectuses. The most successful share offering in Canada, the Telus offering, was done by prospectus with full, true, and plain disclosure of all material facts to all Albertans who wanted to participate in that.

As I've said, Mr. Speaker, I think this is a classic example of when a hoist amendment should be brought forward. I think it's a classic example that allows members through this provision that we have built into the Standing Orders, that we've built into a democratic process, to just stop for a minute, just stop and think about what it is we're doing, go through all the aspects of the Bill. The amalgamation of two entities into the agricultural financial services corporation probably will receive approval and acceptance from most members of the Assembly and can proceed. The real difficulty, of course, is in division 3. Let's stop and think about this for awhile. Let's agree with the hoist amendment, and we can come back and look at this again in six months time.

Mr. Speaker, what I would do is encourage all members of the Assembly to support the hoist amendment, go back to their constituencies and find out what the constituents think about the 100 percent loan guarantees in the local opportunity bonds.

Thank you, Mr. Speaker. Those are my comments.

MR. SPEAKER: The hon. Member for Edmonton-Beverly-Belmont.

MR. YANKOWSKY: Thank you, Mr. Speaker. I, too, want to speak to Bill 21 and the hoist amendment. Now, I am certainly not against agriculture, as I personally have a little farm. I don't work it myself. It is rented out. I know just what farmers are going through.

MR. N. TAYLOR: It's in Smoky Lake too.

MR. YANKOWSKY: No, not quite Smoky Lake.

This Bill is a smoke screen to build yet another corporation, an agency of the Crown building another bureaucracy with employees who are well paid with generous fringe benefits and so on. Then we have a board that's going to be appointed by the minister. Also, the minister indicates that there will be loan guarantees or a minimum of loan guarantees. I hope it holds true, but the track record certainly leaves this open for question.

Section 11 of the Bill has that most scary part of all because it says, "Subject to the approval of the Minister," and we must help the minister steer away from any potential danger, especially where tax dollars are involved. Here a corporation as described would have the power not only to dole out but also to collect, take in dollars. The Auditor General has consistently expressed concern about some of these Crown corporations. He's warned the government in his NovAtel report. I'm quoting the Auditor General's report 1991-1992, referring to page 13 and page 72. We need more prudent management of taxpayers' tax dollars.

I speak in favour of the hoist amendment. Let's take a little break and take a good look at this Bill and the amendment before we proceed. I want to ask each and every member to consider the amendment as proposed by our Member for Redwater very, very carefully, and I ask you to vote for the amendment.

[Two members rose]

AN HON. MEMBER: He spoke earlier.

MR. SPEAKER: One intervention per stage.  
The hon. Member for Edmonton-Avonmore.

MR. ZWOZDESKY: Thank you, Mr. Speaker. I want to make a few brief comments here as well insofar as this particular Bill is concerned. Let me just say at the outset that it's really been a hard day's night, but in the interest of justice and good service, I rise again, this time on the amendment to Bill 21.

My hon. colleague from Edmonton-Beverly-Belmont has hit on a couple of points which I want to just elaborate on, but before I do, I want to make sure I'm clear on what's happening here. I think I am. I understand that yet another agency of the Crown is in fact going to be created here, and I have some concerns in that regard because this corporation is being set up for the purpose of lending funds or what we might call giving out funds or what others might call government giveaways. It seems to me, Mr. Speaker, that we've had quite a legacy of that in the past, and those of us who were on the doors in May and June took it from all sides in both ears from the taxpayers who clearly felt that enough of that shenanigan was enough.

Unless I am missing something in the Bill here, it seems to me that there's the potential or perhaps the direct statement here that would suggest that the government is again going to be stepping into the same quagmire, and I don't understand that. I don't understand why they would be doing that, having heard many, many times from the hon. Provincial Treasurer as well as the hon. Premier and the hon. Deputy Premier – they have told us on numerous occasions that they want to get out of the business of being in business. Being in business would mean lending money with the hope of recouping some of it and so on through bonds and whatever other forms of financial vehicles are available. I wonder in what sort of amounts these moneys might now be going out. Are there some parameters here that would help me to understand exactly the answer to that question?

Along with that, Mr. Speaker, if this is such a good idea, what would the criteria be that would accompany it that would give taxpayers that level of comfort they would need to in fact be able to understand the logic such as it is or isn't in this particular legislation? Quite frankly, I don't see the logic on quick perusal, and I've gone through it therefore a second and a third time to try and understand it, to try and follow the pattern of thinking that would even lead up to this kind of Bill being brought forward, especially at this particular time. We are in the first sitting of the first year where we have an opportunity to in fact change the method of operating and to get away from that dreaded of all scenarios that is spelled N-o-v-A-t-e-l. It sounds like a cheer.

2:40

AN HON. MEMBER: What's that spell?

MR. ZWOZDESKY: What's that spell? Nov-A-tel.

So we must be very careful as we review these pieces of legislation. Surely that's not just the job of this side of the House. It's got to be something that we all buy into if we are going to truly deliver on making those kinds of changes in the way government operates. It surely should bear some further explanation and some responses, which I frankly don't see documented here anywhere. I don't see the ceilings, I don't see the criteria, and I'm not sure what the basis for this legislation is, given those comments.

I refer specifically, as I said I would, to the comments my hon. colleague from Edmonton-Beverly-Belmont alluded to wherein he suggested that on page 13 of the Auditor General's report from the year ended 1991-92, the annual report to the Alberta Legislature reads – and this is brief:

The report included five recommendations to the government aimed at helping to prevent future loss of public funds by improving accountability processes.

I think inherent in that comes the incumbency on the government to act prudently in the first place in the discharge of those funds. I would argue and I think I would be given good, strong, and wide-ranging ledge on any mountain in the Rockies to stand on when I say that we do have a history of very, very bad money management when it comes to lending money in this province. Surely that can't be forgotten that quickly. I mean, that particular iron is still warm. Who has forgotten about NovAtel or MagCan or Ski-Free Marine or Skimmer or the riverboat, Mr. Speaker, just to name a few? I have 30 of those examples, as I'm sure you have seen.

This is not to chastise unduly. I think this is a well-founded caution. Should members opposite feel it necessary to thank me for raising this for their attention, I would welcome their thanks, because the Auditor General's comments should never be taken lightly. I know they don't intend to do that, but sometimes in the haste of doing what they think is good and prudent business on their part, they can on occasion overlook some of these excellent recommendations which the Auditor General and his staff have worked hard to provide to this Assembly. Why has the Legislature been provided with these recommendations, Mr. Speaker? Because there were problems and because he sees a way of fixing them. This is not a fixing of problems. This is a continuation or a re-creation, or at least there's good potential for that.

I know there are honourable intentions behind this Bill, as there are with all Bills the government brings forward. There are good and honourable intentions there. I would just like to see them adhered to. The other comment which the Auditor General did make on page 72 – and this refers specifically to an agricultural corporation, specifically the Alberta Agricultural Development Corporation for its year ended March 31, 1992. It reads:

The Corporation reports interest accrued on non-performing loans in a way that does not comply with generally accepted accounting principles.

I don't think that bodes too well. I see the potential for the same kind of thing happening here, Mr. Speaker, and I would like to do whatever I can to help the government forestall the possibility of them risking any criticism whatsoever with any Bills but in particular with regard to Bill 21. We must protect, if we can, not only the taxpayers' money, but we must also on occasion stand up and protect Executive Council because they sometimes need help from our side as well as from their own back benches. When the potential for these kinds of pitfalls arises, I think we have to speak out lest they wish to be put at risk and also risk even more the wrath of taxpayers.

I found it interesting when we were in the middle of our very long night – you might call it the longest day – yesterday that the hon. Member for Calgary-Varsity in speaking to this particular Bill had mentioned with his excellent eloquence, which I am quite enjoying, that he thought the debate we were engaging in here was perhaps not the wisest expenditure of MLAs' time, and consequently the taxpayers' money insofar as reimbursing MLAs for that time wasn't being used as judiciously and prudently as it could be by pursuing such a debate. But whereas our time here is valuable and it's costing some money to stay here, it's done in the interest of flushing out some principles that we all ran on

regardless of political stripe. In fact, what we're trying to do is to point out some potential difficulties for their re-evaluation so that in the end millions of taxpayers' dollars can be saved or, perhaps, not put at risk. That's what the debate is all about. However, I would say to the Member for Calgary-Varsity that I did enjoy his analogical trip throughout Alberta and all the points, from Wandering River to wherever else it was, that he took us. It was, in a word, a very wonderful and eloquently stated example.

SOME HON. MEMBERS: It was moving.

MR. ZWOZDESKY: It was a moving experience to be sure.

Now, here we have in this Bill a corporation that is described as having the power to not only dole out the moneys which the government could provide to it, but it also has the ability to receive moneys from its management of the funds vested in its trust by the government. Within those sections there are what they refer to as "corporate powers." Those corporate powers give it a rather wide-ranging freedom to use this money and to account for those expenditures – let's call them "investments" – to only one single person, that being one minister. I think that as honourable as that minister is, this surely must cause him to worry at least a little bit that all that pressure is being put on him to evaluate, single-handedly almost, the performance of such a corporation. Now, that would cause me a great deal of concern given again, as I say, Mr. Speaker, the track record of the past.

So I would hope that some of these comments are being registered and that some of these comments will be taken to heart as members opposite seek some form of support from this side of the House for Bill 21. In sum, it's not timely or, from my point of view, Mr. Speaker, a proper move at this time given the track record of money lending we've had in the past short while at least, and certainly going back even as far as 1986, and it is certainly not the kind of future I would like to see us take with regard to doling out taxpayers' dollars. It's a gamble with the future. It's again government getting into the business of being in business. I would encourage, therefore, that everyone stop, reconsider all these points and, if they so wish, even not support Bill 21.

On that, I would conclude my remarks for the time being.

MR. SPEAKER: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Speaker. It's been a very interesting discussion, debate for Bill 21. Bringing the two boards together looks like a very positive step, a step forward where money could be saved and eliminate duplication of services in areas, whether it's administration or management or staff. That part we'd look forward to. We know that the biggest concern, though, is the loan guarantees. We know what our residents have said to us. We know what the attitude towards the guarantees in the past has been. We hear this continuously. They say, "We sent you here to make sure those do not happen again, to keep a sharp eye on what is happening, and you'll be accountable to the residents if this does not take place." So it would be with great difficulty that we'd be able to support this. We would need more information. I know it's been discussed, and some of it has been given on the amount of loan guarantees. When it says up to 100 percent, if that also includes interest on that money, it could be a large amount. It would not be acceptable to my constituents.

2:50

I also realize that it's an urban constituency. I also realize, and my constituents realize, the need for rural development. They know that economic development right through the province

benefits all Albertans, and if one part of the province is suffering, the whole province suffers. We need, of course, to be involved in rural development, to take the steps needed to do whatever we can without getting involved financially to a great extent. There may be a certain amount at times. With this we also need to look at what needs to be developed in different areas. You have different areas competing for the same thing, and when you have that, the companies will fight over the cheapest place to go. That doesn't always help Alberta as a whole when they can play one against the other.

We also need to look at the different parts of Alberta and see what is best in development. Is it economic? Is it rural? Is it tourism? Is it services where you would have medical services, education, and so on? We need to know this. We need to know how it would work.

Again, we strongly support rural development, strongly support the various parts of the province. As we have heard in the past from different members from different areas in the province, it's a terrific learning experience for all of us to see the needs, the concerns. I have listened very carefully to the Member for Lesser Slave Lake about the needs there. I also know that they do have some development, and they're looking forward to making that an even better aspect of their area. We know that in the north and in the south, different parts, we need to utilize the – I was going to say "talents," but that's in human beings – resources, I guess, is the word I'm looking for, of that area: the natural resources, the people of that area working together to develop an overall plan.

I know that a great deal of work has been done in the tourism area across this province. They worked hard and made some substantial gains in different areas: fishing in some areas, hunting. They can continue this area. However, the Bill is ambiguous in certain areas. Clause 56, I believe it is, is a great concern to us. We would like more time to get the wording proper, to look through and see that the taxpayer will not be stuck again on more loan guarantees. I know that's the concern of members on both sides of this House: that the loan guarantees of the past do not come up again. We've all campaigned on this. We all want to make sure it doesn't happen.

So with this, Mr. Speaker, I thank you for the time. In conclusion, I do support the hoist on this. A six-month delay is not going to make a big difference. In fact, it could tighten things up and could make it an excellent Bill in that not only certain areas would benefit from rural development but all Albertans would benefit. Thank you.

MR. SPEAKER: The hon. Member for Redwater to close debate.

MR. N. TAYLOR: Thank you, Mr. Speaker. I will close this off, I guess, this part of the evening anyhow. It's going to be rather a test of skill. I think if anybody over there heckling really wants to get the best of me, now's the time to do it. I think I'm a little slow on the corners, but we'll see. On the other hand, I might still be equal to their speed. We'll see.

Mr. Speaker, the Bill splits itself into three. The first part, the merger of the ADC with the hail insurance – I don't have much support in my caucus when I say to abolish the ADC. As a matter of fact, I think I'd probably have more support over in their caucus. I would ask them in this hoist, that I hope they will accept, that they also look at that, because the government has just a little over a billion dollars in that, \$1.03 billion I guess it is, according to the Alberta heritage savings trust fund. Now, if you got out of ADC, dissolved it, took that money, you could pay a billion dollars of your debt, which is not an insignificant amount.

You could pay down roughly 5 percent of your debt if you got rid of ADC.

It's an ideal time. I might mention to the Minister of Municipal Affairs – he's usually fairly alert on these things – that ADC has what they call “good papers.” They have loans averaging probably 7 to 9 percent. As you know, money is way down, so large banking institutions – I think you could tranche it, as they call it, t-r-a-n-c-h-e, and sell the paper off to a number of institutions, not dissimilar to what you did with Alberta Mortgage and Housing, and get out of the business and let free enterprise reign, although the government may want from time to time to interfere with the farming community. I suppose they could always do that with subsidizing interest or giving accelerated write-downs on the depreciations. There are a number of conventional ways to do it rather than have one billion simoleons, as Damon Runyon would say, all tied up in our agricultural community out there, when I know it can be replaced. I would mention that to the minister. Don't let the ADC bureaucrats tell you that it can't be. They're naturally going to tell you that they have a pearl of great price, great wisdom, and consequently . . . [interjection] I'm sorry. Well, at least it was a pearl of great price and not scattering pearls anyhow.

Mr. Speaker, the ADC could be looked at very, very carefully when we do the hoist. I think if the minister, who's a very sincere soul I believe, got a little outside financial advice, he might be surprised in that he could unite his back bench and at the same time pull off a good deal.

I've already talked about merging it with hail insurance. I still don't like the idea as a farmer that if I collect any hail insurance, I've got to go to the guy I owe money to to get it. The guy that owes money is going to just net me out on the bank account and say: “Sorry, old Nick. You've got hail insurance, but we need all the money on your loan payment.” I'd rather get my insurance and then fight with the banker as to what I was going to pay him. That maybe always works out.

There is the issue of looking after wildlife. I assume that was the furry kind out there rather than Liberals, Mr. Speaker. I suppose they might be just as good at doing that as anything else, although right now throughout rural Alberta there is a great deal of anger with the government for its predator program, as they call it, and how they look after it. Those furry little critters can eat your haystacks and your chickens and everything else, and you have to go through more bureaucracy and permits and waiting time to do the critter in than you would if you were trying to invade Russia. It's just a very difficult thing indeed to do. The Bambi syndrome seems to run rampant through the department of environment so that you can't touch anything out there that's soft and cuddly.

3:00

Nevertheless, we go on to loan guarantees, and here, Mr. Speaker, I'm torn between duty and ambition. I mean, my ambition is, of course, to see us be in government. There's nothing I'd like better than to say nothing about the loan guarantees and the set up and watch these people trip over themselves when they're out there. The other thing, of course, is out of a sense of duty – I guess that's what I'm elected for – I think I have to apprise the government that they're on very dangerous and slippery ground. When the Minister of Municipal Affairs, who is a person of action but not often of insight, can spot that it's wrong and say that he is against it too, you have to wonder. Mind you, Boswell or Johnson – I don't know which said which – said that there's nothing that clears the mind like the thought that you're going to be hung in the morning. I think that may be one of the

reasons why the minister was able to spot in this Bill his nemesis or the end of his career, because 100 percent guarantees were floating around.

Now, I know the minister of agriculture – and I have a great deal of faith in his sincerity. I don't think he'd ever do a mean thing in a hundred years. But trusting a bureaucrat or trusting the government to not give 100 percent guarantees when the law says you can and not go out into foolish schemes when the law says you can stretches the bounds of credulity. There's no government that should be allowed that kind of a free rein. To be allowed to loan up to 100 percent of a guarantee is a recipe for disaster.

I've done business in many places of the world, Mr. Speaker, and there's nothing much worse than operating in an area where governments have loan guarantees. What you get is not only the one that springs obviously to mind of the bureaucrats helping their friends or politicians – those are the obvious ones; those don't happen that often – but you do get a sterilization, you might say, of the business climate in that area. If they find that there's business guaranteed loans out, for instance, in fox farming or maybe canola plants or whatever it is, all the rest of the competitors take off. They don't want to go into an area where they know they are competing against free money and people that are up to no risk.

In the whole description – and the Minister of Municipal Affairs put his finger on it quite accurately – there seems to be no limit to how big the project should be, how much each individual should put into it. We have the nebulous type of Oklahoma guarantee, we used to call it, Mr. Speaker. That's the type where one oilman says, “Don't worry; you can always trust me,” as he slaps your hand going out the door. You don't have any written paper. We have this kind of an Oklahoma guarantee, you could call it, from the minister that he won't do anything as stupid as what the Act says he has a right to do.

Well, that's a funny way of running business. I mean, if he indeed does not want to and doesn't intend to do what the Act says he can do, we should take it back and amend it, and I challenge the Minister of Municipal Affairs to move that amendment. I will only be too glad to second it and vote for it if he will amend that Act so that the guarantee is way down to the 25, 30 percent category, number one, and that no project can be more than, say, a quarter of a million dollars, number two. Then I think we're talking sense.

The hon. minister of agriculture says that it has to be Albertan owner operated in a rural community. Well, to me that's Pocklington building a packing plant in Picture Butte. It fits perfectly, doesn't it? Not only that; he knows how to shave this government. He'd whisk out the old towel and have it around you. You'd have the whole thing, the guarantee. It would be all done for you. In no time flat you would have a plant out in a small community. On the other hand – again I could be challenged with duty and ambition – you might want to put a canola plant in Smoky Lake. That would tempt me, Mr. Speaker, that would tempt me. But I would stand up for principle. You can't buy me with a canola plant. How about two?

We go on from there. I guess the summation is plainly this: to pass legislation on the guise that we really didn't know what we were doing, that you can trust us, that we won't be as stupid as the writing says it is, that after all we're not going to do that is just beyond common sense. It shouldn't be. You have to admit that this section of the Bill crept in without anybody looking it over. I think you'd do yourselves a favour, you'd do us a favour if you voted for the hoist, came back again in the spring with it done, or let the Minister of Municipal Affairs structure it. I trust him. I trust him. I'd almost sign a guarantee that he put together because

I know it'd be fairly good. The guarantee that's on that paper now is enough to scare anybody. [interjections] Mr. Speaker, I'm having trouble with my caucus. I thought I had them whipped into line. Somebody told me years ago in politics that it's not the enemy on the other side, it's the ones behind you that give you the trouble.

Mr. Speaker, I think that sums it up. I can't make any more logic. It's got to be taken back. There's no logic in leaving it there.

Thank you.

MR. SPEAKER: Having heard the amendment proposed by the hon. Member for Redwater and the debate that ensued, all those in favour of the amendment, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The amendment fails.

[Several members rose calling for a division. The division bell was rung at 3:10 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Abdurahman	Germain	Percy
Beniuk	Hanson	Soetaert
Bracko	Henry	Taylor, N.
Bruseker	Kirkland	Vasseur
Chadi	Leibovici	White
Collingwood	Massey	Yankowsky
Dickson	Mitchell	Zwozdesky

Against the motion:

Ady	Fritz	Mirosh
Brassard	Gordon	Oberg
Burgener	Haley	Paszkowski
Calahasen	Havelock	Pham
Cardinal	Hierath	Renner
Clegg	Hlady	Rostad
Coutts	Jacques	Severtson
Day	Jonson	Smith
Dinning	Kowalski	Stelmach
Doerksen	Laing	Taylor, L.
Dunford	Magnus	Thurber
Evans	Mar	West
Fischer	McClellan	Woloshyn

Totals: For - 21 Against - 39

[Motion on amendment lost]

### Point of Order

#### Hoist Amendments

MR. KOWALSKI: Mr. Speaker, the rules of Parliament are indeed very fascinating at times and very interesting at times. *Erskine May, Parliamentary Practice*, 21st edition and *Beauchesne* and the precedent of this House as well lead me to believe that in the event of the defeat of a hoist motion, there's an automatic call for third reading of the Bill. That being the case, I would now ask

for the implementation of the precedent of *Erskine May* and *Beauchesne* and the tradition of this House in terms of proceeding to a call for the vote on third reading of Bill 21. The rules, it's my understanding, are very clear, and I'm sure that the Law Clerk would advise the Speaker of the proper citation and in fact the tradition of this House with respect to such a hoist motion. It would seem to me that it would now be appropriate to move to that step.

MR. SPEAKER: The Chair is prepared to hear an argument against the suggestion of the hon. Government House Leader. Before doing so, the Chair would like to point out to the Assembly that that suggestion is based specifically on the Standing Orders of the Westminster Parliament but that this has happened in this Assembly and was done specifically with respect to Bill 36 at the time it dealt with that Bill 36. Whatever the name of the Bill was, I'm not sure, but it was on June 20, 1991. So it wasn't that long ago that this matter was put. So there is a precedent for this in the Assembly. The Chair would entertain an argument on the other side, but the Chair certainly is disposed to accepting the suggestion of the hon. Government House Leader based on the previous practice of the House.

MR. BRUSEKER: Well, Mr. Speaker, just speaking to the point of order that was not cited and merely text-waved around by the hon. Deputy Premier. I did not hear a citation from the Deputy Premier giving a specific location.

MR. SPEAKER: Just for the hon. member's assistance, this could be found with reference to *Beauchesne* 670 and *Erskine May*, page 475.

MR. BRUSEKER: Mr. Speaker, what we're looking at there is reasoned amendments. If I could just perhaps draw the Speaker's attention a little further up the page of *Beauchesne*, there are three types of amendments that are referred to in that particular section 666. The amendment that was just under consideration was a hoist amendment, a six-month hoist amendment, I might add, by the hon. Member for Redwater, which is significantly different from the reasoned amendment that is referred to. So, again with reference to this particular issue, while there was one reference that was cited of a particular precedent that was set in 1991 on a Bill, Bill 36, I would respectfully suggest also that there were probably other numerous incidences where hoist amendments have in fact not directly led to a debate or a vote being taken immediately thereafter, that allowed for debate to continue.

Mr. Speaker, I think that perhaps given the ambiguity of the research right now, the lack of a clearly-defined authority, the lack of reference from either the Deputy Premier or - no disrespect intended, Mr. Speaker - no clear, as far as I can tell, reference from Parliamentary Counsel, it seems to me that it would be rather presumptuous at this time to leap to a conclusion to support that we suddenly have a vote on this Bill, which we still feel to be a very important Bill that we would like to speak to more yet, unless of course some agreement can be arranged otherwise.

I would not support the point of order put forward by the hon. Deputy Premier that we now have the vote at third reading.

MR. MITCHELL: Mr. Speaker, I'd like to add that owing to the importance of this critical ruling at this juncture in the debate, in fact not only are the hoist and the reasoned amendment very clearly distinguished in *Beauchesne*, it is the reasoned amendment which then is considered to be, if defeated, an automatic call for a vote on third reading. That is to say, the two are distinguished

and the third reading ruling applies only to reasoned amendments. That is exactly the same distinction that occurs in *Erskine May*. In fact, if I could draw the Speaker's attention to page 474 in *Erskine May*, "Six (or three) months' amendment," it is not seen to be upon its defeat an automatic call for a vote on third reading. Quite the contrary. The reasoned amendment, again in *Erskine May*, is distinguished in that way.

I should also point out that, as we know, in this House the Standing Orders dictate, and if they don't, then *Beauchesne* and *Erskine May* do. We don't have a Standing Order that of course addresses that. I would argue as well that for any precedent where the hoist – and it could have been a reasoned amendment in the June 1991 precedent that you mentioned. But for any precedent that would indicate what the Deputy Premier is arguing, I know from my own experience in this House that we would find a precedent that would indicate the contrary.

Owing to the importance of this ruling and the tiredness of most of us here, I'm wondering, if the Speaker is uncertain to any degree, whether we could ask him to rule on this on Monday.

SOME HON. MEMBERS: No.

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Mr. Speaker, I'd like to bring up a couple of points. I don't know how good they'll be. Working as an amateur lawyer has always got me into trouble. *Beauchesne* 731 says:

When an Order of the Day for the third reading . . . is called, the same type of amendments which are permissible at the second reading stage are permissible at the third reading stage. "The same type of amendments" – plural.

MR. SPEAKER: The Chair doesn't want to argue with the hon. member, but this rule that is being advanced is applicable both to second and third reading amendments.

MR. N. TAYLOR: All right. Then let's go on from that one if you've blown me out of the water on that, but I'd just leave it there with you to maybe let it grow a little on its own and flourish.

3:30

The second is 732, Mr. Speaker. This is just an interesting shot. I don't know if it will work. It says:

It is only when there is a motion in amendment proposed and debated at the report stage that there cannot be two stages on the same day.

Now, my understanding is that we were done out of question period because we were in the same day. Don't get me wrong. We're in two calendar days difference. How can we lose our question period because we're in the same day and then turn around and allow both? It was just reported yesterday.

MR. SPEAKER: The hon. Deputy Government House Leader.

MR. EVANS: Thanks very much, Mr. Speaker. I believe we must look at parliamentary tradition in determining the next step to take after defeat of the hoist amendment by the hon. Member for Redwater. I think as we do, it will become abundantly clear that the purpose of individual amendments, whether they be on the opposition side or on the government side, is to deal with parts of a Bill and that a hoist amendment or a reasoned amendment – let's stick to the hoist amendment – is to say that there is a fundamental flaw to the Bill, and rather than deal with particular

provisions, we will remove that Bill from debate for a period of time, whether that's a three-month or a six-month period of time.

The amendment by the hon. Member for Redwater states that there will be a six-month delay in dealing with the Bill. Again I think the principle that has applied in the past – and I believe the same principle was applied by this Assembly in 1991 – is that once the opposition proceeds with a hoist amendment, they are talking about the Bill generally. They have then lost the opportunity, Mr. Speaker, to go back and deal with specific provisions in that Bill. They have taken the last step in a number of opportunities that they have, in this example, at third reading stage to discuss and suggest changes to the Bill and in point of fact have said that there is a fundamental concern; therefore we wish the Bill to be taken off the Order Paper. I believe the logic of that is very, very well known to many hon. members in this House. I believe it is an appropriate position to take, and I believe there is no alternative but to now move third reading of this Bill.

Thank you.

MR. MITCHELL: Mr. Speaker, could I answer that point?

MR. SPEAKER: The hon. Opposition House Leader.

MR. MITCHELL: The hon. deputy House leader has made quite a leap in logic. To say that a hoist means that a Bill is fundamentally flawed is fundamentally flawed. The fact is that a hoist can mean that a Bill is fundamentally flawed, or it can mean that the Bill hasn't been given sufficient time for adequate consideration, so it needs six months to be reconsidered or considered for the first time or reviewed properly or to be assessed against potential consequences.

At best the member's argument is weak, and at worst, Mr. Speaker, I would have to argue that it simply is inapplicable. It certainly, based on the weakness of its logic, wouldn't overrule very, very clear distinctions outlined in both *Beauchesne* and *Erskine May* between hoist and reasoned amendment and distinctions between their consequences for a third reading vote call.

MR. DAY: The citations are abundant, Mr. Speaker, in terms of what the other deputy House leader has said. Reflecting back also to the Member for Redwater, which I don't usually like to do, in this particular instance if we can reflect as far as reading at one stage or two stages and how many in a day, *Beauchesne* 732 is clear, especially when it's talking about ". . . the report stage is not a reading stage, the House can have the adoption of the report stage and third reading on the same day." The Deputy Government House Leader was also quite accurate in the description of the meaning and reasoning for a hoist. It also says in 731 that these apply: any "type of amendments which are permissible at the second reading stage are permissible at the third reading stage." It goes on in 734. It is very clear. It says, "The third reading stage of a bill is not directly connected with any provision of the bill." So, clearly, the hoist amendment being defeated leaves us with no option whatsoever but to call for the question on third reading.

MR. SPEAKER: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Speaker. Because of the uniqueness of this debate and the uniqueness of the last two days, I wonder if I might speak to this matter. Although I recognize and admit my own inexperience in this House and its rules, I'll struggle on.

Now, last night, in fairness to the members of Her Majesty's opposition, while we were debating the hoist, we also sought and obtained suggestions and advice and discussions with Parliamentary Counsel, and I recognize that Parliamentary Counsel is one of the Table officers. However, had there at any time been a suggestion that we could not proceed further in the event of an unsuccessful hoist, we might well have applied at that time to amend the debate. We may well have done that.

If we read along further in *Beauchesne*, and we come down the line, just carrying on the line of 735 – and I'm grateful to the members opposite for getting me to the right page; I'm always suspicious when people stop reading in midparagraph – it says, "An amendment may not be a reasoned amendment and at the same time attempt to recommit the bill," which seems to me is a two-fold task in one amendment. A two-fold task in one amendment, Mr. Speaker, leads me to conclude and submit to you with the greatest of respect that you would not need that provision if you could never have any other amendment following a hoist. The fact that you cannot have them combined must by inference mean that they can appear separately. If you go further in section 737, it indicates that "a bill may be recommitted to a Committee." That section stands alone and does not appear to depend on what type of debate or motions have gone on previously.

I would be concerned about all of those, coupled with the unusuality of the day, and I'd appreciate your direction and ruling on that, sir.

MR. SPEAKER: The hon. Member for Edmonton-Centre.

MR. HENRY: Thank you, Mr. Speaker. I've listened with great interest to the points being made by both sides of the House. I need to point out to you that we recognize that the Chair is the institution, and while individuals move from that Chair, whether it be the Speaker or the Deputy Speaker, we still are dealing with one Chair. I recognize that. I'm just framing that, because if I can with respect, sir, outline that in the last close to 20 hours of debate in this Legislature, the individual who occupies the Chair has been switching back and forth. What that has done for members such as myself, frankly – the interpretations of the rules and the flexibility have varied from one to the other. For instance, if I can be clearer, the example I would like to use is – and very much speaking to the need for you to rule that there is precedent, and I believe there is precedent, if we had time to provide that research – that after the hoist amendment, there is need for a third reading debate.

Mr. Speaker, I saw over the last 20 hours of debate extremes: from one extreme where the Deputy Premier was permitted to come in and talk to a very narrow amendment and talk about some poll results that were in the newspaper today and some historical facts that had nothing to do with the amendment.

MR. SPEAKER: Order please. [interjections] Order please. The Chair would urge the hon. member to stay with the point that is before the Assembly and not be going off onto what has happened in committee, because as far as the Chair is concerned, what the hon. member is talking about are things that happened in committee and not in the Assembly.

3:40

MR. HENRY: Thank you, sir. With respect to what happened in third reading, it is my recollection that when I was speaking to the hoist amendment, I was given very specific direction that I very much had to speak to the reason for the hoist, that I was not permitted to speak to other matters that one might normally raise

at third reading, particularly some measures of the Bill that I think perhaps were in the right direction and some positives. All that I was allowed to do by the Chair, sir, was to speak specifically to why this Bill should be hoisted. To cut off debate at this time would be denying me the opportunity, because at second reading I did raise a number of questions. I used that opportunity to raise questions with the minister in hopes of getting some information so that I could make a more informed decision at third reading. I respectfully submit that I have not had an opportunity to debate this issue at third reading because of the interpretation of the Chair. I was told to stick specifically to the issue of the hoist and not to the issues that one would normally deal with at third reading. For that reason I suggest that we do need to go ahead with third reading debate of the Bill.

MR. SPEAKER: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Speaker. I would also like to just make some comments on this. Again, not being as familiar with the rules of the Assembly through *Beauchesne*, I will make an attempt to make some comments about this.

I note, Mr. Speaker – and I thank you for your direction – *Beauchesne* 666, which specifically and clearly indicates that "there are three types of amendments that may be proposed" at either second or third reading: the hoist amendment, the reasoned amendment, and the referral of the subject-matter to a committee. I'd suggest that that indeed indicates that the hoist and the reasoned amendment are not indeed the same amendment, that they are separate and distinct and have separate and distinct consequences.

I then, Mr. Speaker, refer to *Beauchesne* 731. What that indicates to me is that "the same type of amendments which are permissible at the second . . . are [also] permissible at the third." We then go to 737, and what that does, to follow up on the hon. Member for Fort McMurray's comment – there is then an entitlement that any member can move an amendment to the third reading motion. Now, if the Deputy Government House Leader is correct, that would preclude the entitlement of any member under *Beauchesne* 737. There is an entitlement given to each member under 737. When we combine or look collectively at *Beauchesne* 731 and *Beauchesne* 735, where we acknowledge and accept through *Beauchesne* that "an amendment may not be a reasoned amendment and at the same time attempt to recommit the bill," it means that each of these are indeed separate and distinct and can each follow their same path and one does not overlap into the other because of the entitlement under *Beauchesne* 737, a member is entitled to move to recommit the Bill.

Again, as I say, if the Deputy Premier is correct, I would lose that entitlement, as would every member in this Assembly. So I would suggest to you, Mr. Speaker, that the conclusion drawn by the hon. Deputy Government House Leader is not correct and that in fact we are not forced by *Beauchesne* to move in the direction of immediately calling the question on third reading.

Those are my comments. Thank you, Mr. Speaker.

MR. KOWALSKI: Mr. Speaker, the rules of parliament have evolved over centuries, and there are reasons why there are certain rules for certain things. We're talking about a hoist amendment, and there is something rather peculiar about a hoist amendment. First of all, if one studies *Erskine May* and one studies *Beauchesne*, they will find that in essence many of the words that are used with respect to the interpretations include such words as the word "now" in the amendment, the hoist amendment, and secondly, there is a time frame given for the amendment.

I won't go into the history of the development of parliamentary democracy with respect to that, Mr. Speaker, but I would refer the Speaker once again to *Beauchesne* 672 and other citations that would come in in terms of the definition, beginning on page 200 of *Beauchesne* with respect to the hoist, the reasoned amendment, and the referral of the subject matter to a committee. Most important of all is *Erskine May, Parliamentary Practice*, 21st edition. I would refer the hon. Speaker to page 476, to the section dealing with such questions on amendments:

When both a 'six (three) months' amendment . . . are put down . . . it is for the Speaker to decide, in accordance with his powers.

On the previous page, Mr. Speaker, it is very clear: "if this question is negatived" – and that's the word – "the main question is put forthwith under Standing Order No 60(2)." That has been the tradition and the implementation of this House with respect to hoist amendments because of the peculiar nature of the writing of the amendment and the call for the amendment. It has been the tradition of the British House of Commons, which is the Mother of all Parliaments, and it has been the tradition of the Canadian House of Commons.

Just as recently as 1991 this matter was before this House, and I had the unique position of being in exactly the same kind of chair as I am today, and we went through exactly the same kind of arguments. The Speaker ruled as per the request that I have put forward. It is very clear in *Erskine May* that it be treated differently than other types of amendments because of the peculiar nature of calling for a delay, and the purpose of an amendment, in essence, is to change some aspect of a Bill, not to stall the democratic right given to a government and earned by a government to advance its agenda in the best interests of the people of its environment.

Mr. Speaker, those arguments, the ones in terms of the precedents of this House, the citations that have come from *Beauchesne* and the citations coming out of *Erskine May* are very apparent, and I would now ask, sir, that the question be called on third reading of Bill 21.

MR. SPEAKER: The hon. Member for Edmonton-Meadowlark.

MS LEIBOVICI: Thank you, Mr. Speaker. I quite appreciate the history lesson as to the traditions of this House. I would like to point to sections 666, 668, and 670 in *Beauchesne*, where it states quite clearly that there are three types of amendments. One is the hoist. The second is a reasoned amendment, and the third is really not the subject that we are speaking about. It's also quite clear that the two amendments are different. A hoist amendment is not the same as a reasoned amendment, and I would urge the Chair to consider that in terms of the research that the Chair will be doing in the next little while.

Thank you.

MR. SPEAKER: The hon. Member for Edmonton-Mayfield.

MR. WHITE: Thank you, sir. We've heard a lot about the citings, and we've heard from the hon. Deputy Premier about the history of this particular item. He started off by saying something to the effect that the rules are in place in order to move the business of the government along. That in fact is the case, and a lot of the rules are good, but throughout every text you'll find, every learned author on the matter . . .

SOME HON. MEMBERS: Citation.

MR. WHITE: Sir, one cannot make arguments when there is this frivolous . . . [interjections] The entire volume, sir, all elements. Citation 666 to 700.

MR. SPEAKER: Order please. The Chair is not being critical of the hon. Member for Edmonton-Mayfield. The Chair is being critical about the noise in the House.

The hon. Member for Edmonton-Mayfield.

MR. WHITE: Sir, there's the history of democracy in these rules, and they're developed for a long, long period of time. We all recognize that. All the elements within the book are designed to do two things: move the business along with all the speed that is necessary in order for a government to do their business but always guarding on the possibility that an error can be made. That is the reason all of these rules give the opposition a certain amount of leeway to do a number of things, not unduly stall any piece of business.

Now, I say to you, sir, that all we're talking about here is one day. All this side is asking for is that you delay your ruling until such time as it can be fully researched, until perhaps Monday. That is all we're asking, because we do not have the knowledge and certainly the opposite side is arguing all on one point. When a judgment is to be made and there is a possibility of an error, in my view, one would be made on the side of postponement in order to get a true and good picture. That is the way all justices work either in the criminal system or in parliamentary law, sir.

3:50

SOME HON. MEMBERS: Question.

MR. SPEAKER: There's a question before the House all right. The question is: when is the Chair going to rule? The buck appears to have stopped here.

As was pointed out earlier, there is a precedent in our Assembly that after the hoist motion has been made – and several hon. members on both sides of the House were present here in 1991 when that happened. The Chair was here at that time, and the Chair does not recall a large debate over that procedure. It was accepted by the Assembly at that time. The Chair is going to rule that the hoist motion will be the last dilatory motion made because there's going to be a vote on the stage of the Bill after that motion in this Assembly, but the other reasoned amendments and recommittal motions will not foreclose a hoist motion. So that is going to be the precedent in this House. We're not going to overturn our previous precedent. Just for the guidance of all members when they're planning their tactics, they will use the other two types of motions prior to using the hoist. The hoist will be the last one, because there has to be an end at some stage to everything. That will be the final straw.

So at this time we will call for the vote on third reading of this measure. Before doing so, the Chair also wants to respond to the hon. Member for Edmonton-Centre when he was complaining about not being able to make the points he wanted to make. It's up to each group in the House to decide when they want to propose amendments. Certainly there's an opportunity for the broadest possible debate under third reading before any amendments are put on the floor. But when amendments are put on the floor, then the debate should be on those amendments. It's up to the opposition to decide when it's going to start these types of amendments, reasoned or otherwise or whatever. Up to that point there are just the normal restrictions, and that's within your control. But when amendments do come forward, then new rules apply relating to those amendments.

That is the ruling of the Chair.

**Debate Continued**

MR. SPEAKER: The question will now be called on third reading of Bill 21. All those in favour of third reading will please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed will please say no.

SOME HON. MEMBERS: No.

[Several members rose calling for a division. The division bell was rung at 3:57 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Ady	Fritz	McFarland
Brassard	Gordon	Mirosh
Burgener	Haley	Oberg
Calahasen	Hierath	Paszkowski
Cardinal	Hlady	Renner
Clegg	Jacques	Rostad
Coutts	Jonson	Severtson
Day	Kowalski	Smith
Dinning	Laing	Stelmach
Doerksen	Magnus	Thurber
Dunford	Mar	West
Evans	McClellan	Woloshyn

Against the motion:

Abdurahman	Hanson	Sekulic
Beniuk	Henry	Soetaert
Bracko	Kirkland	Taylor, N.
Bruseker	Leibovici	Vasseur
Chadi	Massey	White
Collingwood	Mitchell	Yankowsky
Dickson	Percy	Zwozdesky
Germain		

Totals: For – 36 Against – 22

[Motion carried; Bill 21 read a third time]

**4:10**

MR. KOWALSKI: Mr. Speaker, events do move fast in this Assembly, and dramatic things do take place in this Assembly.

Pursuant to Motion 21, the Assembly will now adjourn to recess the first session of the 23rd Legislature, Mr. Speaker, as per the motion approved already by this Assembly.

MR. SPEAKER: Order please. The motion before the House is that the Assembly adjourn pursuant to Motion 21 previously adopted and that we now call it 5:30.

[The Assembly adjourned at 4:11 p.m.]