

## Legislative Assembly of Alberta

**Title:** Tuesday, April 16, 1996 **8:00 p.m.**  
Date: 96/04/16

[Mr. Clegg in the Chair]

head: **Government Bills and Orders**

head: **Second Reading**

### Bill 31 Business Financial Assistance Limitation Statutes Amendment Act, 1996

[Adjourned debate April 16: Mr. Renner]

THE ACTING SPEAKER: The hon. Member for Medicine Hat.

[The Speaker in the Chair]

MR. RENNER: I'm done. I said it all this afternoon.

MR. DECORE: Mr. Speaker, I rise to speak on second reading of Bill 31. I pulled the list of guarantees and indemnities just to refresh my memory.

AN HON. MEMBER: That was then.

MR. DECORE: Well, that's the speech I'm going to give tonight, in fact: that was then. I get a little bit annoyed when I listen to some of the members of this House saying: "Oh, gosh. The Liberals are spenders. The Liberals want to do this, and the Liberals want to do that." I look at that minister and I look at that minister and I look at lots of people that are in this Legislature tonight who were part of the decisions in caucus that were made to give NovAtel all kinds of authority to give money. [interjection]

Oh, no. The minister of advanced education is saying that I suggested that we should spend more. Mr. Speaker, that's not correct, because I stood in this Assembly day after day and said no: no to guarantees, no to government spending. The minister of advanced education continued going into his caucus and continued to vote for NovAtel to allow them to spend. I don't know how he can sit at his desk and smile there. I want it put on the record today that he thinks this is funny, because it isn't funny. That shemozzle cost the taxpayers of Alberta about \$800 million, Mr. Minister, \$800 million that could have been used very nicely for students in universities and colleges in our province. So please don't smile when you talk about NovAtel, because it's something that hurts the people of Alberta.

MR. EVANS: Point of order, Mr. Speaker, 23(i), (j), (k), (l), and maybe a few others. [interjections]

THE SPEAKER: Order please.

The hon. Deputy Government House Leader.

### Point of Order Imputing Motives

MR. EVANS: Thank you, Mr. Speaker. I appreciate that the Member for Edmonton-Glengarry wants to make his point. I appreciate that he may want to look back into the past instead of looking at the present and into the future. But, you know, he's imputing improper motives here, false and unavowed motives as a matter of fact, when he talks about the hon. minister of

advanced education. The hon. minister of advanced education smiles because he's pleased to be part of this government. He's pleased to see Bill 31. It has nothing to do with him laughing or making fun of the loans that have occurred in the past.

I would ask that he apologize for those comments. I think he's seen the hon. Member for Cardston-Chief Mountain on a number of occasions in this House. He knows he's a very positive guy. He always has a smile on his face because he's always pleased with the job he's doing and the job this government is doing.

MR. DECORE: Mr. Speaker, we're dealing today with an amendment that will prohibit the government from entering into loan guarantees or indemnities. That requires a little review of some indiscretions that ministers, that members were part of. I call them indiscretions because when you waste \$800 million of taxpayers' moneys that could otherwise go to colleges and universities, that's a big mistake. Anybody that smiles about that I think should be recorded for the record. So, Mr. Speaker, I think it's necessary on this point of order to draw the attention to this Assembly and the members of this Assembly to the horrible decisions that were made with respect to guarantees and indemnities. That's the way we'll understand the purpose of voting on this particular Bill.

AN HON. MEMBER: This'll be a tough one.

THE SPEAKER: Order please. We will not have a voir dire or something on this. The Chair is ready to rule. The Chair, listening to the overall context of the hon. Member for Edmonton-Glengarry's peroration, would not call the hon. member to order under the Standing Orders.

### Debate Continued

MR. DECORE: Well, I think we need to talk a little bit more about NovAtel for the record because there were some members of this Assembly who weren't here, Mr. Speaker, when that decision was made. So ministers who are laughing, like that one over there, shouldn't laugh. But there are some people who are genuinely concerned about what happened and why we're voting for this kind of legislation. I think for the record we need to say a little bit about the history of things like NovAtel and the riverboat on the North Saskatchewan River.

Mr. Speaker, the sad part of NovAtel to me was that a minister didn't even know what was happening. I sat in this Assembly and listened to the minister responsible for NovAtel, and when he was asked whether or not he knew why moneys were being spent by a particular California company, he said that they weren't being spent for anything except product sales. In fact, the moneys were being used to build buildings, to pay directors' fees, to pay for some kind of a venture in Chile. It was totally out of control. The system of financial control, the responsibility that the Treasury minister had weren't being effected, weren't being carried out. There was, in my opinion, a gross oversight by the Treasurer in not doing his duty, and the thing just got away and was completely out of control.

I look at some of these other issues. I talked about the riverboat. I woke up one morning, read the newspaper, and discovered that the Alberta government had guaranteed a loan of about a million dollars for the riverboat, and I was quick to note that the NDP said, hurray. The NDP and members of the day who were part of this Assembly . . .

AN HON. MEMBER: Was Stan Woloshyn there?

MR. DECORE: The hon. Member for Stony Plain in fact was there. He was yelling: hurray and hurrah; it was a good thing. Now he's looking as if it didn't happen.

AN HON. MEMBER: Before he saw the light.

MR. DECORE: Well, he saw the light. That's true.

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

**Point of Order  
Clarification**

MR. WOLOSHYN: Mr. Speaker, I don't want a point of order, but I think a point of clarification is indeed invoked here.

AN HON. MEMBER: Citation.

MR. WOLOSHYN: The citation is Edmonton-Glengarry.

My point of clarification is that both the riverboat and the Member for Stony Plain will be around this place a lot longer than the Member for Edmonton-Glengarry. So I look forward to any other misinformation he might want to impart to the House, and he can feel free to continue with his assorted stories.

MR. DECORE: Well, the Member for Stony Plain is quite correct. In fact, there's a nominating meeting in my constituency tomorrow, and I won't be a candidate. So the member is quite correct.

**Debate Continued**

MR. DECORE: That still doesn't take away from the fact that the hon. Member for Stony Plain was part of a caucus, an NDP caucus, at that time that thought riverboat spending was a good idea.

Mr. Speaker, I look down the list and I see Canadian Airlines. This was a more difficult decision, and it happened just before the last election. I didn't hear very many members on the opposite side stand up and say: "No, the government shouldn't be in the business of being in business. We shouldn't be giving guarantees and indemnities." I didn't hear one of them say that. In fact, they were touting a different tune. They said, "Oh no, we have to help Canadian Airlines." The problem is that when you help Canadian Airlines, you have to help a riverboat. When you help a riverboat, you have to help a magnesium company. When you help a magnesium company, you have to help a Bovar. When you help a Bovar, you have to help a lamb processing company. When you help a lamb processing company, you have to have help for a cookie factory.

**8:10**

AN HON. MEMBER: What happened to the cookie factory?

MR. DECORE: The cookie factory. Good thing you asked, hon. member. Good thing you asked, because there are members, all of the members in this House . . . [interjections] Now don't suggest that he's been eating too many cookies. That's not fair.

The point, Mr. Speaker, is that even when the government said that it wasn't going to be in the business of being in business, even when they said they weren't going to be in guarantees and

indemnities, they did exactly that with a cookie factory. The minister of agriculture stood in this Assembly and said: oh, it's something that we have to do; it's something that will create business, and how can you deny the creation of business? Well, I get a little tired – and this is the start of the speech, and really it needs to be interjected during the course of the speech. I get a little tired when I listen to some of my colleagues in this Assembly saying, "Oh, the Liberals want to spend." There's a \$32 billion debt in this province. The Liberals didn't create it; the Tories did.

A big part of the creation of that debt was the nonsense that went on with indemnities and guarantees. Mr. Speaker, it's nice to see something actually come down the line now that will hold Conservatives' feet to the fire and not allow them to give money for cookie factories or environmental dumps or anything else.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Red Deer-South.

MR. DOERKSEN: Thank you, Mr. Speaker. I want to spend a few minutes tonight talking to the principle of Bill 31. One of the key principles of this particular Bill is the repeal of section 74 of the Financial Administration Act, and I want to refer to that Act. Unless you look at the background of what that section says, you don't understand what you're repealing. So I'm just going to read 74(1) of the Financial Administration Act.

In addition to and not in substitution for any other authority that the Crown may have to give a guarantee or indemnity, the Lieutenant Governor in Council, on the recommendation of a Minister, may authorize the giving by the Crown of guarantees or indemnities or classes or types of guarantees or indemnities.

It's that section, or that part – and it carries on, and I don't want to read the whole section – that under the existing legislation gives the Executive Council the authority to make the decision without reference to this Assembly. That's where I find the principle of this Bill. As I understand it, it removes that capability of those decisions to be made without public scrutiny, which is normally required through debate in this Assembly. So that if any decisions were to be made down the road with respect to loan guarantees or Crown corporations which might be in the business of giving loans out, it would have to be brought to the Assembly and debated for all the public to see before that decision was made.

So, Mr. Speaker, I think this Bill certainly moves the yardsticks towards something that was certainly important to me when I campaigned in 1993, because governments needed to be held more accountable for their decisions, needed to be held . . . I just lost my train of thought, Mr. Speaker.

AN HON. MEMBER: We'll help you.

MR. DOERKSEN: We said the government should not be in the business of being in business. Mr. Speaker, like I said, this Act does take us some road down that . . .

MR. HLADY: Down that lonely, lazy river.

AN HON. MEMBER: I think he should start over.

MR. DOERKSEN: I probably should.

Anyway, Mr. Speaker, in addition to that, in this Bill the difficulty we have is that the government is in a number of lending institutions such as AOC, the AFSC, the Treasury Branches, institutions that have been established for some time,

and for the government to extricate themselves out of those situations would do a disservice to Albertans if we were to commence an immediate . . . My fans are leaving the Assembly, so this should speed up the process a little bit.

Included in the Act are a number of other references, for instance – I'm just riffing through the Act – the Government Emergency Guarantee Act, the Feeder Associations Guarantee Act, which say that those Acts must come back before the Assembly to be debated within a specific period of time. This Assembly is going to be a busy place over the next five years, Mr. Speaker, because we will have that public debate about whether in fact some of these Acts that are now outstanding that do guarantee loans or put the government in support of some of these have to be debated here for all the public. It may very well determine that those things are in fact still required, but that will be a decision of this Assembly. It will not be a decision of something held in a room where the public may not have access to the debates that go on.

I think, Mr. Speaker, that the intent of this Bill, which is to remove and to make the government accountable through this Assembly for any loans, guarantees that may come down the road in the future – it's a good Act. It's something that I, like I say, campaigned on, and I'm pleased that we are able to debate and move this Bill forward at this time.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Speaker. A Bill such as this is undoubtedly a good start and is something that I know this party and particularly the Member for Edmonton-Glengarry wanted to see a long time ago. It's unfortunate we couldn't have something like this a long time ago, because while our finances may appear to be in order, a Bill such as this – and I'm not necessarily saying that this Bill has all the features that we would like to see or that I would like to see – if it had been implemented 10 years ago or so, would have certainly gone a long way towards having an even better financial picture than this province has.

You know, Mr. Speaker, that brings up a point. The members opposite often brag about balancing the budget and getting things back on track and how good a job they've done. In some respects, there has been some progress made, but the overwhelming, undeniable fact is that we should have never been in this mess. This province is probably the luckiest province in the dominion of Canada. We've got oil and gas revenues. We've got a segment, our second biggest source of revenue, the oil and gas sector, that doesn't even exist for most of the other provinces to the extent that it does for us. So these last three or four years we find ourselves with what's purported to be an \$800 million unexpected windfall because of oil and gas revenues, and it's probably more than that when you take into account personal income taxes and the like. We should have never been in this mess.

8:20

This Bill covers, in my mind, one aspect of what needs to be looked at, and I'll briefly talk about some of the suggestions I would have for amending this Bill. You know, Mr. Speaker, we go back, and my colleague before talked about NovAtel. That was undeniably a huge boondoggle, and the government of the day, many members of which currently sit on the opposite side, continued to defend what was going on day after day. Even in the

face of certainty that this was going to be a disaster, they continued to ignore it. They continued to deceive Albertans. I use the word "deceive" and I mean deceive, because I was part of that in a roundabout way, watching what was going on and knowing some of the background, and I couldn't believe it. Then we went on to MagCan, and the details of what was going on were held from the opposition as well as, not to mention, Albertans, the very people that supported them. They were hiding the real facts, and the facts were that we were losing huge amounts of money.

Now, why did we get into these deals? Well, we got into them under what the government of the day would lead us to believe – the reasons were that it would diversify the economy, that it would make the economy stronger. History has shown time and time again that governments that give money to businesses are governments that are going to lose money. Oh, there's the odd success story and the odd successful program, and it's advertised to the nth degree, but the amount of money that's lost isn't nearly made back by those successful businesses.

You know, I get annoyed, Mr. Speaker, because the members opposite always talk about how we're the spending Liberals, and they compare us to the federal Liberals, and it gets all fogged up as to what really is happening. They forget time and time again that it was this party – this party – that started back in '88 talking about having deficits. The Treasurer of the day, who was – I might say that I'm almost sorry to say – a chartered accountant, said that there was nothing wrong with deficit budgets and ridiculed the Liberals both elected and unelected for trying to sound the alarms that we had a problem.

One of the biggest areas where we had a problem was in the area of loan guarantees, not to mention that we were building hospitals and landing strips like they were going out of style and all of the other capital expenditures. But that's a whole other discussion, Mr. Speaker. I think we have to reflect on what happened. The biggest tragedy, in my mind, is that the people that perpetrated the financial situation that we find ourselves in . . .

#### Speaker's Ruling Relevance

THE SPEAKER: The Chair hesitates to interrupt the hon. member, but the Chair is looking forward to the hon. member connecting what he's been talking about for the last few minutes to the principles of the Bill that is presently before us.

MR. DALLA-LONGA: Well, sometimes we have to be patient, Mr. Speaker. I do intend to connect it, to bring it in. I do intend to connect it.

MR. CHADI: Tell him you've got 20 minutes.

MR. DALLA-LONGA: I think I've probably used up about five minutes, and we've 15 minutes to do the connecting, but I'm not going to start on that just yet.

#### Debate Continued

MR. DALLA-LONGA: Mr. Speaker, we talk about NovAtel, and we heard the calls come across: that was then, and now is now. Recently we've had another sort of financial disaster that didn't involve loan guarantees or involved only partial loan guarantees, and that was the Swan Hills treatment plant. You know, Mr. Speaker, our biggest problem there probably wasn't the guarantee

that we gave; it was the income guarantee that we gave. That's one of the things that this Bill is deficient in.

AN HON. MEMBER: Sure.

MR. DALLA-LONGA: You see, I'm starting to connect it already; right?

Mr. Speaker, I've had involvement with amendments to the Income Tax Act. You know, the government will bring in an amendment to plug some particular loophole. In this case we're plugging the loan guarantee loophole for all loans over a million dollars, but we haven't talked about the ability to do other things, the ability to lose money in other ways. For example, maybe we don't give a company a loan guarantee. Maybe we give them a revenue guarantee or a net income guarantee. Impossible? Well, I don't think so; we just did it. On a smaller note, how about a series of loan guarantees less than a million dollars, just for fun to see what you can do? How about grants? We haven't even talked about grants. To heck with loan guarantees; let's just give them the money. As we see with a company that's now trying to develop the tar sands, we just gave them the money. As it turns out, Mr. Speaker, we didn't even check into the financial viability of this company. We just gave them the money. One agency just handed them about \$3.6 million. So what about grants?

I'm not sure what this Bill does, Mr. Speaker – and I'm going to get all the rural people – about loan guarantees that are going out in the agricultural community, which by no small means are an immaterial number. There are huge loans out in the agricultural community. I think we have to look at the whole area of our loans in the agricultural community as well. I mean, when I see some of the loans being made in some of those programs – I have people who are rural residents, some of whom even have access to these loans, who even themselves question the loans that they're getting under government programs. It's not just urban people or urban MLAs. There are people even out in rural Alberta that question the money that's being handed out.

You know, Mr. Speaker, one of the things that's a tragedy, that I was beginning to point out, is that this government here never paid for the waste of Alberta taxpayers' money that they caused. Unlike their federal counterparts – we always talk about our federal counterparts. Their federal counterparts weren't as lucky. They paid. They racked up the highest deficit ever for a federal government in one year. That's the government that aligns itself with fiscal responsibility. The highest deficit ever. And that's after bringing in untold – well, including the GST, tax increases. Some of them were hidden, because they closed loopholes and closed various tax shelters and that sort of thing. They weren't as lucky. This government here, Mr. Speaker, was lucky. The problem . . .

MR. ADY: It had nothing to do with luck.

MR. DALLA-LONGA: Well, the member says it has nothing to do with luck. It probably has to do with good politics or deceptive politics; I'm not sure.

Mr. Speaker, business is very important, and we have to support business. Loan guarantees are not the way to support business. We have to create a business environment that they feel comfortable in, that they know what the rules are. Giving them money isn't the answer. Giving them money in any sort isn't the answer. What we have to do is reward success. The problem with this government, Mr. Speaker, I believe, is that it has been

too closely aligned with individual businesses. I think this Bill is deficient in that it doesn't consider all of the ways that we've lost money. Loan guarantees over a million dollars aren't the only way we can lose money.

So I look forward to debating this in Committee of the Whole, where we can maybe strengthen. I applaud the effort that's been done here, but it falls far short of what needs to be done.

8:30

On sort of a related note, Mr. Speaker, if the Premier truly wants to make his mark going into an election, as he's trying to do with this Bill, I think he needs to look at going back – and that was then and now is now, I realize – and looking at all of those people who were responsible for getting us into the mess that we're in and maybe looking at their pensions, some of those people who no longer are in this House but left Albertans with the legacy of that debt and the suffering that we've had for three years.

So with that, Mr. Speaker, I'll conclude my comments and allow some of the other members to speak, and I look forward to discussing this further in Committee of the Whole.

THE SPEAKER: The hon. Member for Edmonton-Manning.

MR. SEKULIC: Thank you, Mr. Speaker. I rise to speak to Bill 31, the Business Financial Assistance Limitations Statutes Amendment Act, 1996. I rise to speak in support of this legislation.

As I was reading through the Blues which line up the comments of the hon. Premier, his comments as to the introduction of this Bill and the fact that it repeals section 74 of the Financial Administration Act, an Act which allowed for large loan guarantees to businesses in the past, I had to wonder, Mr. Speaker, when this province has been under the rule of a Tory government for well over twenty years, I believe, why now, 20 years later, we are looking at removing the government's ability to use public dollars to provide large loan guarantees to businesses. There's just something that's incongruent with that.

Shortly after the first Conservative government came into power in Alberta, I was going through university, and I was under the impression that Alberta was being governed by a probusiness party, a probusiness government, but now, listening to the Premier's comments, he's certainly distancing himself from a Conservative government, a probusiness government that existed in Alberta for 25 years. I'm curious, as the Premier is distancing himself from that government, why he doesn't provide greater detail and description of all the public moneys that were lost when they were gambled by public officials on private enterprise.

Mr. Speaker, so many times when I hear ministers stand and members of the government rise to debate legislation before this Assembly, I hear terms about "market intervention," "social engineering," and "these are all the nasty things that those foreign governments did," like the one in British Columbia, the New Democrat government there, perhaps Saskatchewan, or the former New Democrat government in Ontario. "These are the sorts of things that those governments did." Yet we need not look beyond Alberta's borders to find evidence, a grotesque amount of evidence, in terms of the amount of public moneys that were spilled by market intervention and market distortion, which was planned, engineered right out of this Assembly and without question by the government of the day for the past 20 years, which was Conservative. We need not look beyond the borders of this province to see examples of market intervention, market

distortion, picking winners and losers, because Alberta, unfortunately, is one of the best examples in the country of abuse of public dollars. In fact, I would go so far as to say negligent governing.

At the time when we heard terms like diversification – I think 1971 or '73 was the first time that term really came out – Albertans dearly embraced it because it had a positive overtone. It set an impression that we were future thinking, future oriented. But what followed those 20 years, Mr. Speaker, under that cloak of diversification was in fact the giving away of Albertans' tax dollars. So it was quite the opposite of what diversification as you and I may understand diversification to be, which is in fact an investment looking for security for our children into the future. What we've seen instead is not an investment in our children's future over the past 15 or 20 years but, as I said, a negligent gamble with their present and their future security.

We need not look any further than just the last year or two when a large number of Albertans, all in that age group of I think four and five and six, were denied access to kindergarten if their parents didn't have the financial ability to put them through. Just think of a generation, Mr. Speaker, a whole grouping of Albertans which have suffered. They weren't even around when some of the ministers in this Assembly were gambling public dollars, yet they paid the price in the last year or two. They've been set back against their competitors, be they in British Columbia, Saskatchewan, Ontario, be they in Japan or the U.S. They've been set back by this government all under the cloak at that time of diversification.

So I do support this Bill, but it's important to know what is the cause. What brings the need for legislation or amendments to current Acts? We need full detail, because rational decisions, Mr. Speaker, are based on full information, and if you don't have full information either as a consumer or a legislator, then I would daresay that most often you won't be making a decision that's well grounded. It may be rational, but you're dealing with a limited information set. Too many times, I'm not sure why, there has been a limited information set in this Assembly, and I would think by those hon. members that sat as ministers around the cabinet table and contributed to or cheered on investments in fiascoes such as Bovar. I couldn't bring myself to believe that any minister would have ever done that intentionally knowing that the eventual loss to Albertans would be in the \$600 million, \$700 million range.

AN HON. MEMBER: Five hundred.

MR. SEKULIC: How many?

AN HON. MEMBER: Five hundred.

MR. SEKULIC: Five hundred, Mr. Speaker, is a number I'm being quoted, but we know it's slightly a little more.

Nonetheless, I don't think anyone could have possibly done it intentionally, and having said that, it would help now to have as much information about how those deals transpired, who made those decisions, and how we come to our net position today, which is a net debt position. If someone was traveling through Alberta and looked at all the wealth that we have here, particularly in terms of natural resources, they'd be shocked to hear that we're in a net debt position. They'd just say: "Why? What happened?" Well, Mr. Speaker, that's what many Albertans, never mind tourists, are asking: "Why? What happened?" We do need to know some of those answers.

I take a look at some of the advice and recommendations and

guidance that is offered to us by the business community, Mr. Speaker. I consider Alberta's business community to be very responsible when they're left alone to do business, not when the government intervenes. The Alberta Chamber of Commerce is one particular group. I've met with representatives of their group, and I know the government members have in the past. What do they have to say on government involvement, financial involvement, government's use of public dollars when it comes to business? Well, I'll just give you a couple of lines.

8:40

I don't know if this is the complete document, but I pulled it out of my office. It says, "Creating a Level Playing Field for Canadian Businesses," and of course they're referring, I believe, in an Alberta context. They go:

Where subsidies persist, unsubsidized operations are at a disadvantage. A level playing field for all business activity is essential to creating an economically healthy Canada.

If that was the only principle upon which we based our involvement with business, Mr. Speaker, I think we would have done the right thing and I don't think we'd be in a net debt position today, because business could have provided and I know was at that time providing the guidance to government that it should have lent an ear to.

It goes on to say:

The Alberta Chamber of Commerce recommends that the Government of Alberta . . .

and it makes two recommendations, which I'll refer to as B.4 and B.5.

- B.4 refrain from providing grants, loans, or guarantees that favour specific industries or projects within industries; and,
- B.5 make their opposition to such grants, loans, or guarantees known to the Government of Canada.

I support the Alberta Chamber of Commerce one hundred percent, Mr. Speaker, because that's my kind of thinking, yet today during question period, much to my dismay, one of my hon. colleagues – I can't recall which one it was – asked a question to a minister of the Crown, and that question pertained to the provision of a grant, public dollars, to I believe it was either a company or an industry. Well, just having gone through this, I can tell you one thing: the Alberta Chamber of Commerce as well as myself would have disagreed.

Mr. Speaker, it's there in black and white, and I think most businesses in Alberta think that. They don't want government to intervene financially, and they want government to minimize involvement in terms of their regulatory imposition on them. I think, having said that, I also want to qualify that they understand there is a reasonable amount of regulation that is required. Most important, I guess the underlying theme is that they want a level playing field, and some government regulatory involvement will provide that level playing field.

Mr. Speaker, when it comes to profit, a word very dear, I know, to most members in this Assembly, myself included, and particularly Alberta business, which wants desperately to be very competitive in the international community, they understand that profit is the outcome of dealing with risk. It's the reward for dealing with risk. The private-sector rule I guess can be summarized as: profit is the reward for dealing with risk, unless of course government played a role.

This is where we get back to that government intervention. This is where government assumes part of the risk on behalf of the taxpayers. Well, I don't think ever did any taxpayer, did any voter at the doors give me authority or give any other member authority to assume risk on behalf of a private enterprise which

would gain or reap the benefits, the profits of that risk. Never I don't think in the history of any elected member in this Assembly did a taxpayer, a voter give any member the right to assume risk on behalf of the private sector.

So why, then, is 30 percent of this province's net debt a result of that risk being assumed? Mr. Speaker, although this Bill has come before us now – and I fully commend the mover of the Bill, and I believe it's the Premier – I want to know as all Albertans want to know: if they didn't give their elected officials the right to assume risk on behalf of private enterprise, well, who did? We need to know these answers. If we're to correct a problem, we have to have the problem very well defined.

Mr. Speaker, the Premier this afternoon in his introductory comments stated, "This legislation is unique in Canada. I think it certainly is the first of its kind to be introduced in any Legislature in this country." Although that should be reason to cheer . . .

MR. DUNFORD: Yee-ha!

MR. SEKULIC: There we go. There's a good cheer from southern Alberta, Mr. Speaker. I would cheer myself but I'm not sure how they'd spell it in *Hansard*.

The question that we have is: what was the cause of this legislation coming forward in Alberta versus in other parts of Canada or for that matter at the federal level? What was the cause? Well, it's not because we didn't make bad decisions. It's not because we were totally immune from the need. We had a need in this province. Unlike other provinces a certain government couldn't be trusted. You know, it wasn't the federal Liberal government or the federal Conservative government in Ottawa for that matter. This was a homemade problem, Mr. Speaker. We had to protect ourselves from homemade problems. Once again I commend the hon. Premier for putting in place a safeguard just in case the urge, that Conservative urge, to provide public dollars to private enterprise ever re-emerges.

The Premier went on to make some comments, and he's quite correct here. He says:

Unfortunately the financial failures like NovAtel and MagCan taught us a hard lesson: the Alberta government should not be in the business of being in business.

Then he goes on to say: "Cabinet can no longer risk taxpayers' dollars picking winners and losers." Mr. Speaker, that's where the Premier actually alludes a little bit to the comments that I made, that never has any elected member been given the authority by their constituents to assume the risk on their behalf and with their money. Yet it did happen.

Mr. Speaker, this Bill isn't, I don't think, the entire answer to the problem we have in Alberta, not yet anyway. When I think about what's been restricted in terms of government's ability or this Legislature's ability to provide public dollars to private enterprise, that's only half the issue that we need to discuss. The other part is: what really exists?

DR. PERCY: A point of order, Mr. Speaker.

THE SPEAKER: The hon. Member for Edmonton-Whitemud is rising on a point of order.

#### Point of Order Questioning a Member

DR. PERCY: *Beauchesne* 405. Would the hon. member entertain a question?

MR. SEKULIC: Mr. Speaker, ever practising to be a minister, of course.

#### Debate Continued

DR. PERCY: Would the hon. member describe for us a number of the losses and the significant losses that have occurred that have led to this Bill coming forward in the House? And take as much time as you need to reply.

MR. SEKULIC: Mr. Speaker, I could do what the Treasurer regularly does, and I'm sure he'd start talking about the federal Liberals and the damage that they're doing to Alberta. I would love to entertain that. I will come back to that.

MR. PHAM: You don't know the answer.

MR. SEKULIC: My hon. colleague from Calgary-Montrose says, "You don't know the answer." Mr. Speaker, unfortunately we live the answer. My constituents live the answers of that laugh and of that smile and of the money lost by his government.

Before I go into NovAtel and the two-thirds of a billion tax dollars that we lost on that, I want to just go back to the point that I was making. The point I was making was that this Bill gives us an idea of what has been restricted, and that is good. But what it's missing is: what exists? If you were to ask members of this Assembly, perhaps even the Treasurer, how many different pieces of legislation, how many different programs for grants or loans or indemnification there are or investments or loan guarantees that are possible for government to make, I don't think any member here could list them off.

I know that when I was trying to draft the same piece of legislation that the Premier brought forward, I was able through my own research to come up with a list of over 200 different ways, and I know that I certainly didn't have the resources this government has to dig up all of those different programs by which they can hand out taxpayers' dollars. That to me and that to Alberta taxpayers is the real question.

It's not enough that we say that we're now bringing a piece of legislation forward. Even its title, business financial assistance limitation – limitation, Mr. Speaker. My Bill was titled in the draft form "restriction." Slightly different wording. We have to know what exists, what remains out there. We know that we've captured a portion of the grants and loans and loan guarantee vehicles or routes by which the government can lose public dollars, but we certainly don't have an understanding of all the potential ways by which government can use public dollars to undertake market intervention or market distortion. We still don't have that answer. Until we have that answer, until one of my hon. colleagues across the way or perhaps even the Premier can table that listing, that full inventory of methods by which this Legislature, in particular cabinet, can still, even after this legislation, which I will be supporting, goes through – what other vehicles will there be for government to use to take . . .

DR. PERCY: Point of order, Mr. Speaker, *Beauchesne* 405.

#### Point of Order Questioning a Member

DR. PERCY: I would like to ask the hon. member a question related to the \$2.2 billion that has been lost by this government. First, I'd like to provide some context for the hon. member so he can answer the question fully.

8:50

I realize that the largest loss, I believe, was NovAtel. I believe the loss there was about \$640 million, and I believe that loss consisted of both loan guarantees and some operating losses as well. That I believe was the largest single loss, but the member will have to refresh me in part of my question. Also, as part of that question I would like to ask the hon. member where Swan Hills and the loan guarantee fits in. The question relates to the \$2.2 billion that we have lost in loans and loan guarantees, which this Bill is clearly directed to, and I believe that since the hon. member hasn't discussed these in any detail, it's really incumbent on him to go through the list.

My question then starts off with NovAtel, which I believe was \$640 million. My question then asks as well where the second top 10 sits, which is Swan Hills, which is at least a half billion . . .

THE SPEAKER: Order please.

The hon. Member for Edmonton-Manning.

MR. SEKULIC: On the point of order, Mr. Speaker.

THE SPEAKER: No, not on the point of order.

#### Debate Continued

MR. SEKULIC: Mr. Speaker, respecting that my hon. colleague from Edmonton-Whitemud is quite correct in saying that just in two deals we're talking well over \$1 billion, well, can you imagine how much kindergarten or how many hip replacements for \$1 billion? That's the way to really think about this money. This is programs, and programs for seniors. This is the way we need to think about these dollars that have been lost.

Earlier I quoted the Alberta Chamber of Commerce and put forward some of the recommendations made. [Mr. Sekulic's speaking time expired] I was just getting to a really good point, Mr. Speaker.

THE SPEAKER: The hon. Member for Calgary-McCall.

MR. SHARIFF: Thank you, Mr. Speaker. I'm pleased to rise to speak on Bill 31. As I sat here today hoping to get some words of wisdom from people who've been around here, who've heard many debates in the past, I'm disappointed that people have trivialized some of the issues that have affected and impacted Albertans. Some colleagues of mine here have talked about cookie factories. Some have gone to the extent of talking about the federal counterparts and negligent governments. My understanding is that governance is about decision-making, and this is a democratic system where we come to a House, we debate, we pass legislation.

While I cannot sit here and defend the decisions made in the past, I certainly can look at the future, and I believe that this Bill is looking towards a bright future. It's looking to design a future that's based on some bright ideas rather than some of the projected bleak scenarios that I'm hearing here today.

MR. DECORE: Mr. Speaker, point of order.

THE SPEAKER: The hon. Member for Edmonton-Glengarry is rising on a point of order.

#### Point of Order Questioning a Member

MR. DECORE: Under *Beauchesne* would the hon. member allow . . .

AN HON. MEMBER: *Beauchesne* what?

MR. DECORE: *Beauchesne* 405. . . a question to be put.

MR. SHARIFF: Mr. Speaker, I would like to continue my speech.

#### Debate Continued

MR. SHARIFF: As I was saying, Mr. Speaker, this is an opportunity for us to design our future. Should our future be a bright one or one that's projected to be so bleak? Should our future be based on corrected past experiences or a future based on doom and gloom rhetoric?

Mr. Speaker, as I was door knocking in my riding, many people talked about having a responsible government, having a government that made decisions but also took risks or what I would call advantage of opportunities, but a lot of people told me that they do not want to see a government spending the inheritance of their children. I believe that this Bill is trying to do just that. The past is the past, but I think we have a responsibility to make sure that the future is based on sound principles and sound decisions. I think that this government is doing the right thing. This Bill is in the right direction, and while most of us agree about the principles, I urge you not to go to the rhetoric of the doom and gloom but look at the bright future, because it's really genuinely, truly bright for not only our children but our great-grandchildren. Support this Bill.

Thank you very much.

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

MR. CHADI: Thank you, Mr. Speaker. I feel I wouldn't be doing my duty in this House if I didn't rise to speak to Bill 31. I know that probably everyone in this Assembly tonight would want to rise and speak to it, particularly the individuals that were elected in 1993, that class of MLAs that knocked on doors, particularly the individuals that are new to politics, new to the Legislature like myself.

Knocking on doors. I'll relate my experience to this Assembly, Mr. Speaker, of course as it relates to Bill 31. It wasn't so difficult to be able to talk about the existing government of the day and to talk about the practices, the malpractice that was going on, the gross waste of not only taxpayer money but borrowed money. It wasn't money that we had. It wouldn't be as hard to accept, I mean, if we had the money in our pocket and we blew it, but we had to go and borrow the money to blow the money. That makes it even more unacceptable to all Albertans. I recall knocking on doors in my constituency and talking to the voters, Albertans, and time and time and time again the one thing that kept coming up – not only MLAs pensions. That came up an awful lot. It seemed like every door was MLA pensions. It was with regard to corporations and loan guarantees and loans, particularly companies like Gainers.

Now, Gainers was one that was in the north part of Edmonton, the northeast part. I was elected in the northwest part, but a great many numbers of people that worked at Gainers lived in my

constituency and still do, Mr. Speaker. What was going on at the time was the government had taken over the company from the then owner, Peter Pocklington. I believe that we were into this corporation for something in the range of about \$65 million or \$70 million. That's the amount of money that this fellow, Pocklington, had borrowed from the government through different government departments or the Treasury Branches or however it came about. Nonetheless, there were loan guarantees involved, and we were into it for approximately \$65 million or \$70 million. Well, it seemed to me that it was shortly after we were elected in 1993 that indeed the calculation that took place brought that total to somewhere around \$215 million at the end of the day. Of course, we're not finished because of the environmental factor, and I'd kind of like to talk about that in a moment.

**9:00**

While I was knocking on the doors and talking to those individuals, those Albertans, those taxpayers that were concerned about what was happening with corporations like Gainers, we talked about corporations like NovAtel and Swan Hills and MagCan, but the MagCans of this whole scenario really didn't factor into our conversations because it was more out of our area. I suspect Calgarians had a more difficult time knocking on doors and talking about MagCan than we here in Edmonton.

Knocking on those doors, people asked me, "Why is it that we, the people of Alberta that own Gainers, would actually give money to another company in the province of Alberta, and we'd loan the money by way of either a guarantee or an indemnity of some kind to Fletcher's?" Fletcher's – and I'm looking at the public accounts for 1994-95 – received in the range of \$5 million, and the expiry date on that is the year 2000. Here's a corporation that received funds or indemnities from this government to do competition with us while we owned a similar meat packing facility. So not only did we do competition with this company; we gave them money to compete with us. In doing so, Mr. Speaker, we ended up losing a lot more than the \$70 million that we had loaned this individual, the previous owner of Gainers.

Those losses amounted to \$215 million and counting. We're not over it yet. It's not over yet because there's an environmental liability that appears to be uncalculated yet. I suspect it's probably going to be in the millions of dollars, and I suspect again that this sum of \$215 million that was tossed around in the latter part of 1993 after we were elected into this Assembly will be considerably higher.

To just put salt in the wound for me as a businessman is tax dollars going to compete with me as a businessman. That bothers me a great deal. Continuously throughout the history of the government in this province loaning money to corporations, that's exactly what they were doing. It wasn't so long ago that there was a corporation that had \$200 million of taxpayer money – \$200 million, Mr. Speaker – in a corporation called Vencap at that time. Those funds went into a restaurant. Funds from that \$200 million went to purchase restaurants in Edmonton to compete with other restaurants either on Jasper Avenue or where have you. If I were a restaurateur on Jasper Avenue and government funds were in a restaurant next to me, I'd be infuriated, and they all were at the time.

So when we look at Bill 31, I agree with the colleagues that have spoken here before me and I agree with the Member for Calgary-McCall to a small degree, Mr. Speaker. I'm going to get to that small degree in a moment, but right now I want to agree on one point, and that point is that it's a step in the right direction. Yes, it is, but it doesn't go far enough. It doesn't go far

enough because a million dollars is still something that this government or the corporations that are Crown controlled can loan. Up to a million dollars is still very much part of this arrangement in this Bill.

So, Mr. Speaker, I look at all the different loan guarantees. When I was knocking on doors, again Swan Hills was a corporation that nobody really knew about at that point in time. I must confess that I didn't know much about what was going on with Swan Hills until we started to debate it in the Legislature here, and I was able then to tell my constituents what the real story was. With respect to NovAtel, I'm one that would stand up in this Assembly and admit that I had no idea of the magnitude of the losses incurred by this government with NovAtel. It's still unclear in my mind. I mean, it's so huge that I'm certain there are members in this Assembly that are unclear about what really happened with NovAtel. I almost suspect that the Provincial Treasurer probably doesn't really know what happened with NovAtel.

MR. DINNING: You should read the Auditor General's report. Read the Auditor's report.

MR. CHADI: I was told perhaps maybe to read the auditor's report. I somehow think the Provincial Treasurer never read it either.

In any event, we also have to consider another area. Embedded in Bill 31, of course, takes the ability for the government to approve loans in excess of a million dollars within the Alberta Opportunity Fund Act. This is an area that I want to talk about a little bit, because I still think the amount of money that went into the Alberta Opportunity is far too much. I believe we can get out of this now, and there's no reason for us to continue to advance Alberta Opportunity. There's no reason for the Alberta Opportunity Company to advance loans or loan guarantees under a million dollars or up to a million dollars. I think there's no reason for that.

I believe that we have enough lending institutions. We have one prime one in the province of Alberta, and that's the Treasury Branches. Why on earth do we need another one called the Alberta Opportunity Company doing almost if not exactly the same as what the Treasury Branches are doing? If the Treasury Branches aren't covering it, the taxpayers of this province, along with taxpayers throughout all of Canada, own another one called the Federal Business Development Bank. They've changed the name now somewhat, Mr. Speaker. It's now called, I believe, the Business Development Bank, but they're doing exactly what the Alberta Opportunity Company would do. The mandates are very similar in nature.

MR. DOERKSEN: A point of order.

THE SPEAKER: The hon. Member for Red Deer-South rising on a point of order.

**Point of Order  
Questioning a Member**

MR. DOERKSEN: I was wondering if the member would entertain a question in debate.

MR. CHADI: Absolutely.

**Debate Continued**

MR. DOERKSEN: Mr. Speaker, the member alluded to the fact



that the mandates of the Alberta Treasury Branch and AOC were similar, and I wonder if he'd like to clarify his comments on that, because I think their mandates are quite different. I'd appreciate his response to that.

MR. CHADI: Mr. Speaker, the mandate of the Treasury Branch – and when I talk about the mandate, I talk about it generally. I'm talking about the lending practices of any bank in Canada, whether it's the Treasury Branch or the chartered banks. I mean, they're not all that much different. When you go to the Alberta Opportunity Company, I suspect you need to be turned down from – what is it? – one or two or three chartered banks or lending institutions. Then the Alberta Opportunity Company would come in. But the idea behind it is that it's a high-risk loan. That was the idea behind it initially, the mandate of the Alberta Opportunity Company. Believe me, in the amount of money and the amount of loans that the Alberta Opportunity Company has been putting out in the last maybe five years, there has been very little difference between those and the ones that the Alberta Treasury Branch has been putting out. There is very little difference between the types of loans that are going out in the Alberta Opportunity Company and the Alberta Treasury Branches.

The hon. Member for Red Deer-South looks at me with a frown on his face. I'm wondering if he really knows what is going on within the Alberta Opportunity Company and the Treasury Branches. By the look on his face, I suspect he hasn't got a clue.

So with that, Mr. Speaker, I would like to carry on my debate on Bill 31. Talking about the Business Development Bank doing the same things as the Alberta Opportunity Company – and when I talk about the Business Development Bank, remember that I said it was a taxpayer-owned corporation. This is a corporation owned by us and the rest of Canada. So I would say that when we look at Bill 31, it didn't go far enough. Yeah, it didn't go far enough, because we could have even eliminated some of the areas within the Alberta Opportunity Company.

With respect to the maximum limits of a million dollars, I think it's too much money. When you look at it, you say to yourself, well, really a million dollars in the overall scheme of things isn't a lot of money. But you start adding those millions up, and that's where you end up with the \$2.1 billion or the 2.2 or 2.3 or 2.4 or 2.5 billion dollars or whatever the case is that we've lost over the last 15 or 20 years in this province by being in the business of being in business.

### 9:10

The Alberta Opportunity Company, Mr. Speaker, is really not alone in that area. I look at the Agriculture Financial Services Act, and I know the Member for Red Deer-South mentioned the AFSC in his comments and the restrictions within the lending practices of that corporation. Again, it's no different than what we've now taken away from the Alberta Opportunity Company. A step in the right direction, but nowhere near far enough. I would think that we need to be able to look at that, take it a step further, and reduce those limits. I would hope to think that within the Financial Administration Act, or whatever Act that falls under, the Provincial Treasurer would look at reducing those limits. In this day and age, with all the lending institutions being highly competitive with one another, we don't really need as a government, we don't need as a people to be putting out any further money with respect to these types of corporations. There's no reason for it anymore. If the need arises in the future and we feel that it's appropriate, then perhaps maybe it should come back, but I personally don't see any need for it now and no need for it in the future.

The reason I say that this Bill does not go far enough – and I know the Member for Calgary-McCall said that we should get on with life now, that we should get on with the future, that we shouldn't be bothered with the past. I should refresh his memory with some comments made by some individuals in Alberta, some highly placed individuals within business and business organizations. And it wasn't so long ago when the Premier said, and I quote: now our hands are tied; government is out of the business of loans, guarantees, and investments. Well, that's not entirely true; is it though, Mr. Speaker? When you look at Bill 31, it just says that, yeah, we're not going to give that guarantee or the loans outside of or in excess of a million dollars. That's all we're doing. The Crown corporations are still there, and we're still in business. We're still in business.

I go on further here. It says: but business and taxpayer groups said the law doesn't go far enough. So, Calgary-McCall, with your comments saying let's get on with it, just remember what some individuals have said. Now, these are business and taxpayer groups and business leaders like Brad Wright from the Canadian Federation of Independent Business. He said that this legislation is riddled with loopholes. Riddled with loopholes, Mr. Speaker. Those aren't my words. Those are the words of an individual who is the Alberta director of the Canadian Federation of Independent Business. He says – and I quote – that it is entirely silent on direct government grants to business and on providing infrastructure support for private companies; it makes it harder for the government to get involved in business. And that we acknowledge and understand. It doesn't make it improbable or impossible though. It does not make it improbable or impossible: again the words of Brad Wright from the Alberta chapter of the Canadian Federation of Independent Business.

Let me quote to you from Jason Kenney. Jason Kenney is the president of the Canadian taxpayers' association. He said that the province could still invest directly by passing specific laws to help companies or industries, leaving untouched the billions of dollars provided to the agricultural sector. Of course, during the 1980s and early '90s the government tried to diversify and expand Alberta's economy with loans and loan guarantees to companies such as NovAtel, Magnesium, and Bovar. Again, those loans we calculate to be somewhere in the range of \$2.1 billion. I think they're higher than that, though, because there's an awful lot more money that we still aren't going to be able to get.

Let me get on with another area, again on the principles of this Bill, Mr. Speaker. When I look at public accounts 1994-95 and I look at the area of guarantees and indemnities, I have to mention that we ended up – and I'm not sure of the entire loan guarantee to Slave Lake Pulp Partnership, but it's \$96 million in 1994. In 1995 it was brought down to \$91 million. Here's another example of our taxpayer dollars being in competition with the private sector, which is totally wrong. Now, I know that when I spoke moments ago about perhaps maybe those losses being an awful lot more than \$2.1 billion or \$2.2 billion, it could be substantially higher, because here's almost another \$100 million that perhaps we may not even get. We might have to pay this out.

Why do I say that, Mr. Speaker? Because I have intimate knowledge of the north and the pulp mills throughout this province. There's one that is very close to my hometown, and that is the Alberta-Pacific pulp mill. Now, this pulp mill is one of the largest pulp mills, I believe the largest pulp mill in the world. [interjection] I'm sorry, Mr. Speaker; the Minister of Family and Social Services wants to correct me on something.

MR. CARDINAL: The largest single one. It is.

MR. CHADI: It is the largest?

MR. CARDINAL: Yes.

MR. CHADI: Thank you.

The amount of money from the province: of course we spent money in terms of infrastructure to develop the roads to the site, et cetera; I believe even railroad tracks to the site. There was a fair amount of infrastructure money that was paid by the taxpayers of this province. Today when I look at what's happening with the pulp industry in Alberta, when I look at what's happening with the lumber industry in Alberta – and I talk about lumber because I want to get into that in a minute. I notice that Weldwood of Canada had a loan guarantee. In 1994 we indemnified that corporation by \$234 million alone, again money going to the private sector to compete with somebody else. Nonetheless, let me get back to the pulp industry. Here we have \$91 million in this corporation where we've seen the price of pulp plummet in the last number of months. We've seen it go down to where most pulp companies now – these pulp plants, what they're doing is they've created huge, huge inventories of logs. They have inventories throughout this province today, I'm told – and I'm told this, Mr. Speaker, from very good sources – that the individual companies . . . [Mr. Chadi's speaking time expired]

I have an awful lot more to say, and I do want to talk about it. I hope to be able to complete this at the committee stage.

Thank you very much, Mr. Speaker.

THE SPEAKER: The hon. Member for Edmonton-Highlands-Beverly.

MS HANSON: Thank you, Mr. Speaker. I've been listening with great interest to my Liberal colleagues explain the surprising details of the numerous loan guarantees paid out to businesses during the previous Conservative administration. Believe me, I am amazed and appalled. I didn't realize until I heard all these details tonight. You know, it's a good thing . . . [interjections] Member for Lethbridge-West, come on.

It's a good thing that we have this Bill, that this Bill has been put forward, because it gives us an opportunity to understand just how diverse these loans were and what effect that had on Alberta. So I thought I would give you a little more information. I thought the Assembly would appreciate some more information about this Bill, and I have briefing notes here that are very detailed.

Now, the object of this Bill is to get the government out of the loan guarantee business, but unfortunately the reach of the Bill is very limited. The Bill removes cabinet's ability to approve loan guarantees over a million dollars in all cases. However, all existing loan guarantee legislation outside of that contained in the Financial Administration Act remains intact for up to \$1 million. The Bill makes it necessary for all loan guarantee proposals over a million dollars to come to the Legislature in the form of an appropriations Bill separate from estimates.

AN HON. MEMBER: It's a good thing too.

9:20

MS HANSON: Yes, I think that's a very good thing.

For those Acts already possessing loan guarantee authority under a million dollars, this power remains. However, the particular section of that specific Act dealing with loan guarantees

is subject to review every five years after coming into force in this Act.

There's an interesting background here. As is well known, the Alberta Liberal caucus has been speaking out against government's involvement in private-sector financing for many years. The Tories' inept lending practices and poor business savvy have cost Alberta taxpayers more than \$2.1 billion. This Act does nothing to address those loan guarantees that are still in existence, and that's a surprise to me. I thought it would address everything. There is no retroactivity in this legislation. In essence, the government is protecting itself from itself. Nothing prevents a future government from repealing the legislation. However, to do so would require bringing the new legislation to the Legislature. So really there's not much protection here. The government can still acquire shares in companies as a result of existing loan guarantees. However, it is precluded from doing so in the case of guarantees made after the coming into effect of this legislation. Is that clear?

The Crown indemnification authority is somewhat changed. The ability to indemnify in order to conduct day-to-day business remains, as does the MLA indemnity. Of note, the proposed section 74(1)(b) leaves the government with the capacity to indemnify environmental reclamation; for example, Swan Hills. This is an often hidden exposure that Albertans don't know about. The government told us in a technical briefing that this is necessary to do business. The question remains: how much exposure does this entail? Does this provide the government the opportunity to make sweetheart deals through the back door?

Any future loan guarantee must be brought in the form of an appropriations Bill.

AN HON. MEMBER: Good thing.

MS HANSON: Good thing? Oh, all right.

This Bill must be separate from that which is put forward and passed in estimates. The object of this is to remove the secrecy of loan guarantees, to bring their consideration from behind closed doors.

There are further amendments in this Bill which are of great interest and which, if passed, will affect a number of other Acts. It will affect the Agricultural Societies Act. That's a mandatory review of the section giving the loan guarantee authority every five years. The Agriculture Financial Services Act, concurrent with Bill 19: total loan amount capped at \$1 million; hence there is no reason for cabinet to possess a loan guarantee authority. The Alberta Opportunity Fund Act: mandatory review every five years of the section giving the loan guarantee authority; the total loan capped at \$1 million. The Feeder Associations Guarantee Act: a mandatory review of the section giving the loan . . .

THE SPEAKER: Order. Order please, hon. member.

Is the hon. Member for Edmonton-Roper rising on a point of order?

**Point of Order  
Questioning a Member**

MR. CHADI: Yes, I am, Mr. Speaker. *Beauchesne* 405. I'm wondering if the member would entertain a question.

THE SPEAKER: Hon. member?

MS HANSON: I certainly would, Mr. Speaker.

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

### Debate Continued

MR. CHADI: Thank you, Mr. Speaker. When the member spoke about the Alberta Opportunity Fund Act and the total loan amount capped at a million dollars, I'm wondering if that is something she agrees with. Do you find a level of comfort there when you see a million dollars of guarantees or loans that the Alberta Opportunity Company can give out?

I also want to ask you about the Magnesium Company of Canada and the fact that there was somewhere in the range of \$200 million. I'm hoping you'd have the actual figure of how much the Alberta government dumped into this corporation and that we lost. I hope you have that information, hon. member.

THE SPEAKER: Thank you, hon. member.

The hon. Member for Edmonton-Highlands-Beverly.

MS HANSON: Thank you, Mr. Speaker. Well, as for the Alberta Opportunity fund and the million dollars – no, it doesn't give me much comfort. You know, one reason I ran in the last election was because I was so concerned about the irresponsible mess. It was things like loans of this kind that made me angry enough to run.

Your other question about the Magnesium Company: I do not have the answer to that. I don't have that sort of detail. [interjection] Unfortunately I don't, but thank you anyway.

The Government Emergency Guarantee Act is also affected by this Bill. That gives the government the ability to guarantee a loan in the case of an emergency of a municipality devastated by unforeseen circumstances. It hasn't been used since 1987, and the government can be recalled to do this if not in session. Well, that's a good idea. I think any emergency loan is a good idea.

Then there are the Irrigation Act, the mandatory review of the section giving the loan guarantee authority every five years, and the Livestock and Livestock Products Act, the Oil Sands Technology and Research Authority Act, the Rural Electrification Loan Act. My, this has broad effects; doesn't it? The Rural Utilities Act, the Special Waste Management Corporation Act, and the Treasury Branches Act. Now, with all of this information that we have from this and the necessity to put forward a Bill of this kind, it does remind me, as I mentioned a few minutes ago to the Member for Edmonton-Roper, about why I wanted to become a member in the first place. I recognized that we had to get expenditures under control, and I believed that we could do that in a caring and humane way. Albertans have always been proud that we cared for people who run into difficulty and of our health care and our education system. I believed that when we balanced the budget, we would be strengthening education and strengthening health care and strengthening our social services. Mr. Speaker, that didn't happen. In fact it was the children and the elderly and the sick and the poor who paid the price in this province for the deficit reduction.

Mr. Speaker, we never want to get in a situation of deficit financing again. We have a long way to go to pay off the debt, and I believe this Bill is a step in the right direction, though it may be too little too late.

Thank you.

THE SPEAKER: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. It gives me great

pleasure this evening – I guess it still is evening; it's not morning yet – to stand and speak to Bill 31 as well. This is the Bill which I think every one of us hoped would be the very first piece of legislation that came in after the election in 1993. This is the Bill that basically establishes the kind of approach and philosophy that we heard on a very regular basis during the 1993 election, where everybody was saying that the government has to become responsible, that government has to put caps on their investment in business through either loans or loan guarantees, that they've got to be able to make sure that our economy is built on the strengths that make a free enterprise system work.

Mr. Speaker, we deal with the kind of issues that come about in terms of looking at the kind of Alberta that we want to see in the next few years, that we want to see handed down to our children and our grandchildren, and we have to look at both the opportunities that we give to them as well as the obligations. It was very clear in the election of '93 that people were very concerned and very fed up with the idea that we were going to be leaving to our children and to our grandchildren an obligation that didn't seem to have an end. So they were asking for a government to come into power that was going to be responsible, going to take the initiative and stop putting money into business, stop putting money into loans and loan guarantees, and deal with creating in Alberta an economic system that was based on Alberta's deep-down basic philosophy of a free enterprise, entrepreneurial, initiative-type association.

### 9:30

What we've got now, almost three years later, is the government finally getting around to dealing with the issues that were really the whole focus of the 1993 election. We have to look at whether or not this Bill really does accomplish what the voters were asking for in 1993, what we were dealing with in 1993 as kind of a change of direction for government in Alberta in terms of its approach to business. We have to take a closer look at some of the restrictions that are put on this Bill now, that go through and take out Executive Council's power, the option to provide for loans or loan guarantees in any shape or form beyond the million dollar range. Mr. Speaker, this is a very good initiative. It's the kind of thing that the people of Alberta were asking for. I don't know whether they would have agreed that the million dollar cutoff is an appropriate level to deal with it, but what we've got to deal with is looking at it from the perspective of whether or not this Bill achieves the principles that we were looking for in response to the electorate of 1993, the basic idea that we're going to be dealing with government involved in business, the economic development principles.

Mr. Speaker, I can go on and give you a whole lecture on economic development if I wanted to, but that deals a little bit away from the principle of the Bill here. We have to look at the motivation behind the role of government in supporting business, in promoting business. We have to look at some of the things that have gone on in the past and see whether or not they can still be carried out under the auspices of the Bill that we've got here. We have to deal with how there's going to be control put on the departments, control put on the individual ministries under the auspices of Executive Council.

Now, let's look at a group of small companies that get together. If we have eight or 10 or 12 little companies, they can each come in and get a million dollars from the government. They can each combine together to create an activity which then has funding of \$10 million or \$12 million. So what we're doing is: we still have an opportunity here for, quote, creative company development.

We've got to look at it from the perspective of whether or not we're going to have those kinds of restrictions on the Bill.

I think what we should be looking for in this Bill, as well as the principle of no major megaloads, loan guarantees, is how these can be combined, even if they're starting off at a million dollars apiece. We should be looking for a commitment by this government, a commitment by all of the legislators that are present in the Legislature to pass a piece of legislation that looks at the idea that we want an economic system in Alberta that's competitive on a world basis, that's developed from initiative and entrepreneurship of Albertans.

What we would do is look at the structure of big business around the world. Much of it started off as small business. We need to have the support for business at the very smallest level, at the incubator level, at the how-do-we-develop-a-business-plan level, at levels that are common to the Community Futures program that we have in many of our communities, the business development initiatives, this kind of helping people get ideas. Many of them, when they've got good ideas, have the initiative. They can get the support from the financial community to come forth and bring out a full array of new products, new services, and give us the development that we need in this province. They don't need million dollar loans to do that. They need ideas, they need support, and they need infrastructure. That's how we should be developing our province. We don't have to deal with it even with million dollar loans, Mr. Speaker.

I think we should be looking at whether or not it's even reasonable to expect the Legislature now to pass a Bill that says that a million dollars is acceptable. Mr. Speaker, if we look at the number of million dollar loans that it takes to give us a \$100 million public debt, it's only 100 of them. We've got to deal with the idea of how these things compound on each other. It's much better to have a large number of small businesses out there developing, creating the infrastructure, creating the jobs, and creating the opportunities for Albertans rather than a concentration of equity capital in the hands of businesses that don't really have the opportunity to promote and develop and flourish into functioning parts of our community.

If we look at the idea that some of the loans that were provided in the past were done to kind of diversify our economy, we don't need millions of dollars to help promote diversification in our economy. All we need is a government that's committed to allowing the industry to operate the way it operates in a competitive world market. Look at what we've done in the beef industry in Alberta, Mr. Speaker. There's been a real expansion there. There was some support in terms of international implications through some of the tripartite programs, but they weren't done in the name of loans and loan guarantees. They were done in the name of offsetting international interaction, international impacts that were caused by misguided policy in those countries, just the same as our misguided policies with the loans and loan guarantees that we had in Alberta.

So we've got to look at creating a level playing field, this equity in Alberta, and that's going to give us the economic development we need a lot more than the big megacompanies that end up being ghost towns or skeletons to bad decisions that are left when we have no operating opportunity that arises from them.

We hear a lot of people talk about NovAtel, that a lot of money was put in to develop an infant industry. Well, that is true, Mr. Speaker. When we look at the number of dollars that were put into it, we have spun off some very viable, small industries, peripheral industries as a result of those dollars, but there were a

lot of other mechanisms that we could have used to attract those businesses to Alberta, to attract that same kind of development in Alberta without having to put away the millions and millions and millions of dollars that we put into companies like NovAtel or MagCan.

The impact of loan guarantees has also had a big, detrimental effect on development. When government gets involved in business, it creates an environment where we have uncertainty, where we have people saying: "Well, how deep is that government pocket that this competitor of ours can pull money out of? How deep is that loan guarantee? How far will they go that the government will stand behind them?" We saw that in Gainers, Mr. Speaker. We saw that in Gainers very clearly.

Look at what we had when we compare the hog industry with the beef industry. They're both livestock based. They're both biologically based. They both use feed grains as an input. They both have the same competitive market that they have to deal with when they produce a product. Meat is pork and beef. The consumers look at the relative price between the two of them, and they adjust whether they eat pork or beef on a given week or month or six-month period.

By government putting loans into Gainers, getting involved in some external relationship financing with Fletchers, there was a whole degree of uncertainty as to what we had here as a livestock industry. We look at the beef industry, Mr. Speaker. No, they were not faced with the same level of uncertainty with those government pockets being opened to businesses, and the industry developed. It developed from the potential for export, and it developed also from the potential of processing in the province of Alberta.

So in terms of this Bill, Mr. Speaker, I think we have to look at it from the perspective that it's a great start. It's a really good initiative that comes about from the perspective of getting rid of the loans and the loan guarantees at the megadollar value levels. We want to keep these investments of the government out of that number.

#### 9:40

I don't even think many of us in Alberta – I know I don't – understand what \$500 million or \$600 million is. I can't vision it. I'm just a little guy, Mr. Speaker, when it comes to financial transactions. I look at my bank balance, and when it's got \$1,000 or \$10,000 in it, I think I'm doing really well. When I spent a few hundred thousand on my farm, I thought: wow, this is something that I just can't believe I would even look at, those big numbers. That's just a few hundred thousand, not hundreds of millions. So most Albertans don't understand the magnitude of this kind of finance, and when they deal with it from the perspective of their tax dollars, we've got to make sure that the government stays out of it.

We have to look at basically the idea that as we move to the next generation of business development in the province, it's got to be done by looking at the small, the mid-sized industries that are based on the efficient and effective use of the resources that are in this province. These kinds of industries can be developed on the new technologies that are coming out of the real expansion that we've had in research, in scientific development. Mr. Speaker, we've got to look at the opportunity to bring those new discoveries to fruition here in the province, and that doesn't need public dollars.

We now have in Alberta a real group of entrepreneurs who are willing to take those risks that are associated with new ventures, and they have the risk dollars. Mr. Speaker, we need to deal with

the idea that we have to work collectively as entrepreneurs, as fund-raisers, as risk takers, as a collective population, not as taxpayers. We've got to develop our mechanisms for venture capital to be raised through the stock markets or through venture co-ops, where you buy shares and then these dollars become investable in venture activities. That's the new mechanism, the new generation of growth and expansion and development of new industry. That's the new generation of how we want to leave a heritage to our children: if they're willing to accept the risk, they're the ones who are going to get the gain. We don't want to leave to our children the idea that if you want to take a chance, go get some public money, and if you lose, so what. That's not the kind of attitude that we want to leave. We're seeing that this Bill gets a start in that direction, but a million dollars I think is still much, much too high.

We look at the idea that the Bill also pulls together and brings forth a review of those kinds of establishment support programs that are involved in agriculture, that are involved in a number of the Acts that are amended at the back: the Alberta Opportunity Company, the Agricultural Societies Act, the Agriculture Financial Services Act. It's a really good principle that we've got here in this Bill, that we're asking the Legislature on a five-year basis to review the mandate of those companies. This is the kind of public scrutiny that needs to go into all of these kinds of activities when we get involved in putting taxpayers' money at risk. We want to be able to deal with it from the perspective of saying: "Taxpayers of Alberta, we've reviewed what we're doing. We've looked at how we've spent your dollars. We think those dollars are spent wisely, and we're going to try it again for another five years." So this is a very, very good aspect of this Bill.

There are some very good programs that are being supported in the concept of development, start-up programs, and most of those, when you're dealing with individual activities, deal with very small amounts of money. How much money goes to each one of the individual feeder participants? Mr. Speaker, how much money goes into each one of the loans that are provided to start-up farmers through the Agriculture Financial Services Act? These are the kinds of initiatives that are supportive of transition phases in the basic areas of our agriculture. These are the kinds of start-up processes that are needed to get young entrepreneurs off the mark. Mr. Speaker, they're not millions of dollars. Very few of these people get more than a few thousand dollars or a few tens of thousands of dollars. They end up then taking this and building it into viable contributions in the economy.

If we look at things like the feeder associations Act, this even spreads the risk. It spreads the risk away from the taxpayers by saying that the members in the feeder associations are willing to share the risk on their own, that they're willing to take and put their collective risk ahead of the risk of the taxpayer. They're willing to help each other get started. They're willing to help each other develop the magnitude, the size, and the bargaining power so that they can go to the bank and get a good and effective loan rate, loan conditions so that they can then support their members.

Mr. Speaker, this is the kind of initiative that we should be taking. We don't need million dollar loans and loan guarantees for individual private businesses. It needs to be done on a very small-sized basis, a small entrepreneur basis and through collective initiatives that deal with groups of people in Alberta getting together, assuming the risk, assuming the initiative. When that happens, they're the ones who get the rewards. They're the ones who end up with the new business that makes them proud to be

Albertans, makes them proud to be self-starters, makes them proud to be able to go out and say: we did this. They'll then contribute back to society in a big way rather than writing off these loan guarantees and coming back to the taxpayer and saying: "Sorry; it's gone. We'll try again later when we get a new idea. Thank you."

What we want to do, then, is stop that kind of drain out of the public treasury, out of the general revenue. This Bill goes a long way to it. I think everybody in the Legislature should support the idea of it. I don't think it went far enough, but we have to deal with it from the perspective that it's a good start. Even though it's three years late, Mr. Speaker, it's carrying through on the promises that I think every member in this Legislature made to their constituents in the last election, the commitment that they were going to make sure was part of the mandate and the activities that they were going to put in place when this Legislature took over and started to make policy for the province of Alberta and to be responsible to the taxpayers.

So, Mr. Speaker, I think this is a good start. Let's keep it up, and let's have amendments back in that make it even more in line with what the people of Alberta wanted. I think that if we do that, we'll make sure that all Albertans are proud of us as legislators and that we'll all be back here after the next election.

THE SPEAKER: The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you, Mr. Speaker. It's a pleasure for me to stand in the Assembly and support a government initiative, a rare pleasure. I think Bill 31 moves us in a direction that most of us, if not all members who were successful in the last election, campaigned on. Certainly one of the things that I heard an awful lot about at the doors in '92 and '93 was the extent to which the government had been dallying in business and trying to pick winners and losers as though spending tax money was just like going to the horse races.

The Business Financial Assistance Limitation Statutes Amendment Act is a huge step for government. Accepting responsibility, Mr. Speaker, is one of the first steps that you have to take when you're trying to recover from any particular problem. I see this as a huge acceptance of responsibility on the part of the government to get out of the business of being in business and to stop trying to pick those winners and losers and to stop putting at risk not just hundreds or thousands or millions but indeed billions and billions of taxpayers' dollars.

As we've heard in debate already, Mr. Speaker, we've already risked and lost well over \$2 billion. That kind of bloodletting simply has to stop. Now, this Bill takes us a step there. The Bill certainly gets the government out of the loan guarantee business, but I will say that it doesn't get the government out of the grant-in-aid business for business. That's a shame that it is silent on in fact the business of the government just giving handouts. I'd hate to be that cynical to think that as we get closer to an election, this government would use that kind of a loophole to start providing handouts to their friends or to those who they hope would be friendly at election time.

9:50

The Bill does remove the cabinet's ability to provide guarantees and other kinds of subsidies in amounts over a million dollars, but as we've heard, it does nothing to deal with amounts of less than a million dollars. I'm quite taken with my colleague for Lethbridge-East when he points out the obvious fact that it only takes a hundred of those and you're another hundred million in debt.

I think that we have to look very carefully at the government's intentions and gauge whether or not there is in fact an honest effort here to accept responsibility and to try to change the course of a government that was dizzy – giddy, I suppose, would be better – with its own apparent power to enter the marketplace and intervene in a positive way. If the government was truly interested in changing that course of action, then perhaps we would have legislation before us that dealt with all loan guarantees and not just those of over a million dollars.

I note that there are some half dozen or eight other Acts that have to be amended subsequently should Bill 31 become law. I think, Mr. Speaker, if we look further into this, we'll see that there is other legislation, other regulations, other orders in council that we'd have to take a look at as well. This government's proclivity for handouts is almost unparalleled, and unfortunately, as positive as this Bill is, it doesn't go entirely far enough. It would have been much more to my liking to see the Bill deal with grants, as I said. It would also have been more to my liking if the Bill had dealt with the whole notion of the government providing backdoor subsidies, or perhaps I should say front-door subsidies, in the like of, you know, road paving and rail lines and those kinds of things. I mean the kind of infrastructure support that the government could still pour into some constituencies and on the surface have them not apparently tied to a business, to a going concern. This still concerns me.

When I look at other actions of this government – and at this particular time I'm thinking of the hundreds of millions of dollars, for example, that have been cut out of health care – I can't help but think that if Bill 31 or a law like it had been in place in the days of NovAtel or Bovar, the hundreds of millions of dollars that have been cut out of health care budgets simply could have been paid for. Imagine that, Mr. Speaker. We wouldn't have to have gone through the kind of terrible slashing and across-the-board cuts with the ferocious nature in which they've been pursued by this government in health care if we hadn't lost all that money on NovAtel. One NovAtel, one Bovar would have saved all of that pain and discomfort and suffering and would have allowed the health care system to evolve to a new, more efficient system instead of being hacked and slashed and put at such risk.

It is very apparent that the Premier himself puts a lot of stake in this Bill. The Premier was personally responsible for sponsoring the Bill, for introducing it, and that in my mind gives it a certain political edge as well and an edge that, again, I'm not entirely comfortable with. The Premier would like to be able to say that he's kept yet another promise by introducing this legislation, but it appears, without amendment, to be about half a promise. It will stop us from those large-scale embarrassments, which I daresay would put any politician's political future at risk if they were to enter into them anyway, but it doesn't get us out of the business of all of those back pocket, side pocket, glad-to-know-you kinds of deals, you know, for maybe people that wear the right lapel pin in the shape of some kind of eating utensil.

It concerns me that we don't have an absolute prohibition, and I guess I would be looking to the government, perhaps to the Treasurer himself, to fully explain why these smaller loans, which nonetheless can be just as risky, haven't been addressed in the legislation. Or perhaps even the Treasurer will come forward with some of his own amendments. At least I would hope that there is that much openness on the part of the government that they'll accept these criticisms at face value and take them for what they are, and that is a real genuine concern being voiced on the part of taxpayers who simply don't want to lose billions and

billions of dollars in the future. They don't want their politicians playing favourites and gambling with their money on business ventures, particularly when it becomes apparent that some of those bets are being laid down based on their perceived political payoff, not certainly a monetary payoff. We have to get out of that. We have to get out of it entirely, not just the big ones but all of the multitude of the little ones as well.

Mr. Speaker, I would like to go again on record as reinforcing the fact that the Alberta Liberal caucus has been on record for years and years and years about getting out of the business of being in business. When the hon. Member for Edmonton-Glengarry was the leader of the party, I believe it was really him that we can all credit for putting on the political map in this province the whole notion of fiscal responsibility and integrity and getting the government to start paying as you go and stop trying to borrow against the future and stop trying to pick winners and all too often instead picking losers. So nobody can say in this Assembly or outside of the Assembly that the Liberals are opposed to fiscal integrity or that the Liberals are opposed to a legislative limitation to the ability of a government to provide loan guarantees. Nobody can say that, because it simply wouldn't be true. It is equally true that nobody can say that this Liberal opposition will simply roll over and ignore obvious deficiencies in a proposed government Bill simply because it has a catchy title and it helps the Premier enact one of his electoral promises.

This is a Bill that has considerable merit. It's a Bill, as I said, which gives me the rare pleasure to be positive regarding a government initiative. Unfortunately, it's a Bill that still leaves us wanting, and it leaves us wanting in a way that just makes me question whether or not the Premier and his colleagues are truly committed to getting out of the process that puts taxpayers' money at risk through involvement directly in private business.

So, Mr. Speaker, I look forward to some continuing debate. I hope we'll hear from particularly the Treasurer regarding the issues that I've raised. I would like some explanation, I'd like some clarification, and I certainly would like to be able to vote for this Bill without any qualifications. I'd like to be able to support the government in this initiative. I'd like to be able to go back to the doors in the campaign that is coming up very quickly and be able to say that the government at least stopped this kind of bloodletting of taxpayers' funds.

Mr. Speaker, I look forward to committee and the potential for some positive amendments, and I will yield the floor.

THE SPEAKER: The hon. Member for Calgary-Currie.

MRS. BURGNER: Thank you, Mr. Speaker. Following the interesting debate we've had this evening, I'd like to adjourn debate on this Bill.

THE SPEAKER: The hon. Member for Calgary-Currie has moved that debate be now adjourned on Bill 31. All those in favour of this motion, please say aye.

SOME HON. MEMBERS: Aye.

THE SPEAKER: Those opposed, please say no.

MS LEIBOVICI: No.

THE SPEAKER: Carried.

**Bill 33**  
**Victims of Crime Act**

THE SPEAKER: The hon. Minister of Justice and Attorney General. [some applause]

MR. EVANS: You know, that enthusiastic response to this introduction, Mr. Speaker, perhaps has more to do with the hour than the enthusiasm for the Bill, which I'm sure upon reflection hon. members will agree is a very positive Bill.

The reason for this Bill, Mr. Speaker, is that the government and this minister have watched over time the erosion of a tangible interest and real feeling for the rights of victims. Unfortunately, victims are often the forgotten parties in criminal proceedings, and I don't think that's appropriate. Our government doesn't think that's appropriate, and I daresay I assume that the opposition are going to be equally vocal about agreeing that this Bill is a step in the right direction.

It's a step in the right direction because it enshrines the rights of victims in the criminal justice process instead of them just being contacted, Mr. Speaker, to attend at court, give their evidence, and then really not know much about what's going on in the process, not have much of an opportunity to get their victim impact statement before the court, not have an opportunity to feel that they are a part of the process and can have some healing in this whole process by being involved. That, I think, is really unfortunate, and I think what we're going to try to do in this Bill is to amend that, to give effect to the responsible members of society who oftentimes through no cause of their own are victimized by criminal activity and give them an opportunity to feel more whole after an unfortunate set of circumstances. So I'd say that the overall theme of this legislation, Bill 33, is a recognition and a respect for the victim in the criminal justice system.

**10:00**

Again, Mr. Speaker, what we're trying to do is entrench victims' rights in law and help ensure that victims receive information and assistance at all stages of the criminal justice system. We are attempting to provide a means for victims who feel that the criminal justice system has not treated them in a way that is consistent with the victims' rights principles to bring their concerns forward. Those principles are set out in this Bill. They were agreed to by the ministers of justice of Canada in 1994, and we are now giving that agreement by the justice ministers cause and effect.

In terms of making the existing legislation more effective and more efficient, we are amalgamating the Criminal Injuries Compensation Act, which deals with specific claims for compensation by victims, and the Victims' Programs Assistance Act, which gives resources to groups who attempt to give some emotional solace to victims of crime, amalgamating those two into one collective body to improve the efficiency and effectiveness of the system.

[Mr. Clegg in the Chair]

Instead of having a system in the Criminal Injuries Compensation Act that is quasi-judicial in nature, we are moving to a system that is administrative. We will, through regulation, identify a number of physical injuries that can occur, and there will be a dollar figure attached to those injuries consistent with some of the other jurisdictions in Canada that have this type of legislation. What will happen is that unless an individual either

challenges the amount of the award or the fact of whether an award was deemed to be appropriate or not, the award will be forthcoming. That should speed up the process and reduce the amount of mental anxiety to victims.

We are also conscious that in order to make this process work, we have to have a reasonable amount of funding available. We've looked at the kinds of claims that are coming from the Criminal Injuries Compensation Act, we've looked at what some other jurisdictions are doing, we've looked at the fine surcharge money that is coming to us from the Criminal Code convictions and from convictions under the Narcotic Control Act and Food and Drugs Act, and we've come to the conclusion that we don't have nearly enough money to deal with the kind of index of awards that we are proposing to put into force and effect.

Quite frankly, one of the problems is that the surcharge at the federal level is discretionary. It's not mandatory. We're talking about a mandatory surcharge here on provincial offences, which would complement again the federal surcharge and would complement the moneys we are already receiving through the general revenue fund. Those funds total about \$1.4 million, if my memory serves me correctly, from the general revenue fund and about \$0.3 million or \$0.4 million from the federal fine surcharge, which actually is going down in recent times. So we have to find a way of funding this, and the way that we've decided would be appropriate would be with a fine surcharge. We'll be working on the details of that fine surcharge between now and the fall. Assuming passage of this Bill, we don't intend to implement it until the early part of next year, probably in April of next year.

We certainly want to improve the policy co-ordination within the criminal justice service for our victims' services through this single administrative agency. Again, Mr. Speaker, what we're trying to do is simplify and speed up the delivery of services to victims wherever possible. We believe that this legislation provides us with a proactive approach to meeting the needs of victims in their communities, including the development and the funding of innovative victim programming, and we believe this will create an improved model for providing financial awards to individual victims of violent crime.

I believe this legislation is long overdue, Mr. Speaker, and I would recommend it to the Assembly.

MR. DECORE: A point of order.

THE ACTING SPEAKER: The hon. Member for Edmonton-Glenarry on a point of order.

**Point of Order**  
**Questioning a Member**

MR. DECORE: Would the minister entertain a question under *Beauchesne* 405?

MR. EVANS: Sure. You bet.

**Debate Continued**

THE ACTING SPEAKER: The hon. Member for Edmonton-Glenarry.

MR. DECORE: Thank you, Mr. Speaker. The minister talked about principles having been determined at a ministers' meeting in 1994. I'd like the minister to tell the House whether the principle of surcharging and surcharging in the way the minister is suggesting in this Act was one of the principles that was agreed upon in 1994.

MR. EVANS: No. The revenue source for this particular Bill and for other victims' legislation throughout Canada, hon. member, is not part of the principles. If you take a look at – and I know we're just dealing with the principles of the Bill, but this is a specific question about the Bill. The principles that I was referring to are under section 2 of the Bill. We did take a look, though, at a number of other jurisdictions, and the vast majority of other jurisdictions in Canada that have this kind of legislation have a surcharge on provincial offences.

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

**Point of Order  
Questioning a Member**

MR. CHADI: Mr. Speaker, under *Beauchesne* 405, I wonder if the minister would entertain a question as well.

MR. EVANS: Just a short question, I'm sure, and I'll give a very short answer.

**Debate Continued**

MR. CHADI: Mr. Speaker, it is a short question. To the minister. In his opening remarks I don't think I heard him, or perhaps maybe I misunderstood when he spoke about \$1.4 million. Was that the amount of money that you talked about, the surcharge funding that went into the fund? If that's not the case, could the minister tell us how much money throughout, say, the course of one year would have accumulated in the fund under the surcharging of fines?

MR. EVANS: Well, under the federal fine surcharge it's only about \$0.4 million, so about \$400,000, and it's actually been going down. Now, we've been supplementing our two programs in our legislation by virtue of a GRF, a general revenue fund, appropriation each and every year. We're going to supplement that with a fine surcharge.

THE ACTING SPEAKER: The hon. Member for Edmonton-Glengarry. [interjections]

MR. DECORE: Mr. Speaker, threats. Standing Order 23(h), (i), (j), (k), (l), (m), (n), (o), (p), threats.

Mr. Speaker, nobody can argue with the principle that there should be compensation for victims of crime. This debate is a debate that's well over and I think accepted by Canadians, that there should be compensation. But there are some provisions in this Bill that I'm troubled by. This Bill says that if somebody is injured because of a crime under the Criminal Code, then that person is entitled to make application for certain compensation. It also says that if there's a death, then the dependents of that deceased person are entitled to make a claim under the provisions of this Bill.

**10:10**

Now, it used to be, as the minister has indicated, that we had a fund that had moneys coming in from the federal government – the Food and Drugs Act and the Criminal Code – and there were moneys that were sort of topped up that came from the general revenue fund of the province. What's now happening is that this Act suggests there be a whole different way of topping up, a whole different way of getting moneys. The minister has identified the fact that some \$4.8 million is needed to meet these

requirements; that is, the requirements of an individual being hurt or the requirements of dependents being looked after.

What bothers me in this Bill, Mr. Speaker, is that one of the sections, section 8, talks about the surcharge system. It talks about the surcharge being levied against certain offences that pertain to enactments that are the subject matter of the jurisdiction of this Assembly; so any enactment. If you are shooting geese or ducks and you have to have a licence, that's an enactment that pertains to this Assembly. If you're speeding on our highways in Alberta, an enactment under the Highway Traffic Act, that could well find its way to seeing a surcharge. If you're driving an overweight vehicle, if you're driving a vehicle that isn't registered properly or insured properly – you can go on and on and on and on and think about situations where enactments in the province creating offences would allow for certain surcharges to be placed.

So what we're doing is saying that the citizens of Alberta who involve themselves in these offences are suddenly having to ante up more money. The Bill says not only that the offender has to add more money but that this becomes part of the fine. The minister knows that the fine, if not paid, can well cause the person who doesn't pay a fine to land in jail. So you get a surcharge that's almost like – it's not criminal, and it's not civil; it's sort of somewhere in between.

AN HON. MEMBER: It's `crivil.'

MR. DECORE: It's `crivil.'

Mr. Speaker, you suddenly have the state, through regulations and laws, throwing people in jail because they're not paying the surcharge, which has now become a fine.

Mr. Speaker, the statistics, just as a matter of curiosity: in 1992-93 there were some 5,688 people incarcerated just because they couldn't pay their fines. In 1993-94 there were 5,399. In '94-95 there were 5,095. The cost – and I'm told this is correct, and if it isn't, perhaps the minister can respond – of incarcerating somebody would be greater on a per diem basis or greater overall than going this surcharge route at all. That is, paying for the cost of putting somebody in jail, the meals and having guards and everybody else looking after this individual, processing this individual, those costs are greater and become more burdensome to the state than the surcharge system at all. So why not just leave it that the general revenue fund tops up rather than having to go through this system?

Mr. Speaker, we have two options. You need more money. You either have some sort of a system – and I don't know what other . . . I'm sorry. Maybe the minister can help us and tell us what other methods of money collection or topping up occur in Canada. He's talked about two options: the option before being topping up from the general fund and now the option of topping up through surcharges. Now, what bothers me, Mr. Speaker, is that a further section in the Act says – and it's put in a negative way – that the cabinet can determine which offences not to surcharge, that there are behind-the-scenes dealings in terms of where these surcharges are going to be placed. There's no reference back to this Assembly. In fact, another problem I have with this Act is that there's no reporting back to this Assembly. It says the Treasurer has the responsibility to be the depositor and the administrator of the fund, but there's no requirement to report back, as is usually the case in most places, situations where finances are being collected and utilized. So in a negative way the Act says, "Well, the cabinet can decide which enactments, which offences in those enactments will not be surtaxed."



I suppose if a Minister of Justice didn't like some aspects of gun control – and there are some of those running around in Canada – he could penalize or overly penalize people that need to license guns for duck shooting or not license guns for duck shooting. He could show favouritism here that could be, I think, quite improper and unfair and unjust.

Again no reference back to this Assembly. No ability to say, “Here are some principles by which this Assembly says these enactments should be proceeded with in terms of surcharging and these enactments shouldn't.” Just by the whim of a minister, I suggest – because that's usually the way it comes down – that minister, that man or woman, goes into cabinet and says, “Here's what I want to surcharge,” and the procedure goes that route.

Mr. Speaker, is that the sort of just and equitable way that Albertans like to be dealt with? I suggest it isn't. First of all, Albertans like to know with some certainty what it is they have to meet, and if there are some principles that say these enactments are the enactments that we're going to go and get surcharges on, they can understand that. But if you have something coming out of a secret room, a cabinet room by order in council, I think that's the sort of thing Albertans won't understand, and changes won't be easily known and accepted and acknowledged.

Mr. Speaker, my difficulty is that regulation becomes way too important in this area. I suggest – and I don't think the minister could ever be part of this – that maybe some minister in the future could abuse the situation and show bias by surcharging in an area that he or she doesn't like or likes or whatever. I'd like the minister to help me through that and assure this Assembly that that couldn't be the case and won't be the case. I'd like to know the principles he intends to employ to say that these are the enactments that will be used and these are the enactments that won't be used. It isn't good enough to just wildly say that the cabinet will decide which enactments won't be proceeded with, won't be surtaxed.

Mr. Speaker, nobody can deny the theme that the minister talked about, and that is the theme of respect for the victim. I have no difficulty with the Act when it talks about making sure that victims are properly informed and that victims are treated with respect. We've debated that in this Assembly, and overwhelming support has been given in that area, but, boy, I've got a lot of problems when people start to ask for money and money has to be raised and you have to go and find money and just sort of willy-nilly these decisions can be made.

Mr. Speaker, I think I'll stop there and ask the minister if he wouldn't mind standing up at this moment and addressing some of these issues so that perhaps I can allay some of the difficulties that I've had.

**10:20**

**THE ACTING SPEAKER:** The hon. Member for Edmonton-Roper.

**MR. CHADI:** Thank you, Mr. Speaker. I stand today to speak in favour of this Bill, and initially I really thought, when looking at Bill 33, Victims of Crime Act, that what we were creating here was something very much similar to the motor vehicle accident claims fund. Actually, I was hoping that's what it would in fact be, but in looking at the Bill closer and in listening to the debate and the opening comments by the minister and the Member for Edmonton-Glengarry, I have some serious concerns as well. I mean, a lot of the real meat here has been left to regulation once again.

We just finished debating a Bill in this Assembly tonight, and

that was with respect to limits on loan guarantees and indemnities by this province, but there were specific numbers in there, Mr. Speaker. In looking at Bill 33, I don't see any specific numbers in there. I don't know if there's a limit as to how much – and I don't know for sure, but maybe the minister will enlighten us on whether or not the motor vehicle accident claims fund actually has limits. I know that every time you go to buy your licence plates, a certain portion of that would go towards this claims fund. I know that we in the province of Alberta are now in a situation where we collect surcharges on fines, but those surcharges are limited to, I believe, 10 percent. I'm wondering if we couldn't have included that instead of leaving it to regulation to include a certain figure in here with respect to surcharges, including a certain figure in this legislation with respect to how much the limits imposed would be on the victims of crime fund itself. Rather than leaving it open to regulation, I'd kind of like to know that. I don't see it anywhere in the Bill, and I would hope the minister would comment with respect to the limits that the crime fund would be entitled to give to victims.

I do know though, Mr. Speaker, that the current program called the Crimes Compensation Board certainly was not working. The victims of crime were not being compensated adequately. There was no compensation, as I understand it, for things like pain and suffering. There was compensation for – you know, so-and-so in part of the crime tore my leather jacket or stole my wallet or something to that effect, and there were limits, I understand. I know of a certain case – and I want to bring this to the attention of all members – where an individual was stabbed in the arm and lost the use of that whole arm. The Crimes Compensation Board levied a \$200 award. This is all he received, and that was because his jacket was torn in the course of the crime. There was nothing for pain and suffering.

I'd like to think that embedded in Bill 33 in fact there would be something for pain and suffering, because I believe that's the whole intent of a victims of crime Act. That's what I would like to see embedded in this Act, and I will, of course, be following this in committee to ensure that the concerns of mine and my constituents and Albertans are met with this. I believe this is a great opportunity to make this an extremely strong Bill. It's our duty to do so, Mr. Speaker, and I look forward to being part of that.

So with those comments I'll take my seat, and I'll allow other members.

**THE ACTING SPEAKER:** The hon. Member for Edmonton-Glenora.

**MR. SAPERS:** Thank you, Mr. Speaker.

**MR. DAY:** Howie, two speeches in one night. You're going to be worn out tomorrow.

**MR. SAPERS:** We're up to it, hon. Government House Leader.

Mr. Speaker, Bill 33 is really a continuation of a debate that we've had in this Assembly before. We had a motion in the last sitting that really helped us focus attention on the need to provide services to victims of crime.

I've never been one that's talked about competing rights, Mr. Speaker; that is, one set of rights for the victims and another set of rights for others, including offenders. I think that all Canadians, all Albertans indeed are subject to the same Charter and the same set of rights. But what we really need to do is begin to

provide a focus on the needs of victims of crimes. What is it that victims require to get past the point of being a victim? What kind of help and assistance can the system provide that would allow them to reintroduce that state of balance in their life that they had, no doubt, before they became a victim, most often through no fault of their own?

So I take a look at Bill 33 through that particular lens to see whether or not it meets that test. Does it really begin to address the needs of victims of crime as I've come to understand them? I can recall, Mr. Speaker, meetings dating back to 1984 in which I had the privilege of being involved with both the federal Minister of Justice and Solicitor General as well as, at that date, the provincial Solicitor General to discuss the potential for victims' services in the province of Alberta.

Predating that, Mr. Speaker, I recall being involved in bringing one of the first victims' services programs operating in Alberta to the city of Grande Prairie. I recall during the '80s the discussions about victims . . .

MR. PHAM: Question.

MR. SAPERS: Are you finished, Calgary-Montrose? Thanks.

Mr. Speaker, I recall in those discussions with victims saying that what they really wanted wasn't necessarily to see anything more punitive. They didn't really want to see the system become any more heavy handed or in fact imbalanced. What they wanted was to be recognized particularly for their own loss, their own suffering, their own needs. That hasn't changed since those discussions in the '80s, and it probably hasn't changed since discussions that predated certainly my involvement, the involvement of any member of this House.

But will Bill 33 address that? We've had comments from Edmonton-Glengarry which have led us to question the financial wisdom of instituting a program of surcharges and all the machinery you need and the potential for incarceration when that in fact may become more expensive than just doing the right thing, and that's putting into place services for victims of crime right at the front end. Why not funding either through police agencies or through correctional agencies or through nongovernment agencies? Why not fund right at the front end? Why not recognize those needs as legitimate and as being deserving of program funding and make them entrenched?

Don't make them dependent on the vagaries of a floating fund, of a fund that some years may have enough money in it, other years may not have enough money in it. Don't make it a competitive effort, Mr. Speaker, something this government does all too often as they'll make one set of needs compete against another. They'll pretend, "Well, that's just the business of priorities." That's nonsense. Certainly you cannot say that one set of victims' needs is any more or less important than another. If these are legitimate needs, and if we're going to be directing surcharge money and general revenue money to them, then they must be legitimate across the board and across time. They shouldn't be dependent on a fund that may or may not have enough money in it.

We've had some experience in this province with a floating fund, and the minister is well aware of it, Mr. Speaker. We've seen that while the victims' fine surcharge fund was accumulating, there wasn't a lot of good communication about how to access that fund. I've dealt with many community agencies who tried to access the fund, who put in program applications, who were frustrated by not getting timely responses, who looked at the

balance of the fund and said, "Jeez, there's still money there, but our proposal was turned down," and not getting a clear explanation as to why, programs being funded for a very limited basis. The need is there always. The need doesn't revolve around just a sense of government priorities. The need exists.

Why would we expect, necessarily, that this fund would have a different future than the current funds passed? We need some certainty that the money that goes into any such fund will be used and will be used in a predictable and appropriate way. We need to ensure that community agencies working on the front line with victims of crime will understand fully and recognize the rules of the game and will not be put into a position where they have to compete against one another and try to convince the government that their victim is more deserving than another. We need to make sure that the government is absolutely transparent in its funding decisions coming out of this fund, and ultimately we have to make sure that victims of crime are treated with the dignity that all too often has been lacking in the government's approach to date.

My final comment, Mr. Speaker, is that I think that anytime – anytime – this provincial government demonstrates a greater sensitivity and recognizes the needs of victims of crime is a point in time when we can applaud that sensitivity and those initiatives, but we must be vigilant to make sure that it's not just hollow sentiments, that in fact it's a real effort to address real needs.

[Motion carried; Bill 33 read a second time]

10:30

Bill 26

#### Child and Family Services Authorities Act

MR. SHARIFF: Mr. Speaker, I am pleased to move second reading of Bill 26, the Child and Family Services Authorities Act. This Bill is a direct and positive response to the direction this government has received from Albertans. In November of 1993 the government appointed a commissioner to seek input from Albertans on how to improve the current system of services to children and families. During these consultations more than 3,300 Albertans from 65 communities expressed their views to the commissioner.

The messages from Alberta communities were very clear. They fell into four main themes. One, Albertans said that their own communities have a thorough understanding of the needs of local children and families and that they are in an excellent position to decide on ways to help them. Second, young people in families said that they need to be able to find help at earlier stages before their families reach a point of crisis or breakdown. Third, families also said that services need to be better co-ordinated and integrated so they don't have to search for help from office to office or agency to agency. Fourth, aboriginal people said that they need to have more say in planning and providing services to aboriginal children and families. They said that to be effective, services must reflect the cultures and values of aboriginal families.

As a result of these clear directions from communities the province announced in November of 1994 that it would act on key recommendations made by the commissioner. This led to the current redesign of services which is taking place now in communities across Alberta, using the same geographic boundaries as the health authorities. In just over one year more than 5,400 Albertans have become involved in a grassroots process to plan this new community-based system for helping children and families.

The proposed Act, Bill 26, sets out a process for the formation

of child and family services authorities. These authorities will take on responsibility for planning and delivering services to children and families in their regions of the province. Under this provincial framework communities will have flexibility to adjust or change services that need to be improved within provincial guidelines and standards. At the same time, they will be able to maintain or strengthen services that work well now. This will occur within the requirements of existing legislation and with respect to the four themes of the redesign.

Several important safeguards have been built into Bill 26. This Bill reaffirms the commitment of the government to maintain its overall accountability for services to children and families. The province will continue to be responsible for the legislative framework, providing funding for services, setting policies and standards, monitoring and evaluating the provision of services, and delivering services until such time as the authorities are ready to do so. The provincewide requirements and standards that are being developed in consultation with communities will ensure that children and families will have reasonable access to quality services no matter where they live in the province.

This Bill is one which will enable a child and family services authority to be set up in a region as it becomes ready to take on this role. These authorities do not come into operation as soon as this Bill passes. Rather, there is an orderly and gradual process that communities will follow in order to prepare for this role. This process involves the development of a service plan in each region of the province, the approval of this service plan by the government, upon which basis the authority will be established, the development of a more detailed three-year business plan, the approval of this business plan by government, and the preparation of agreements between government and the authority. These agreements will guide the gradual transfer of responsibility and address any transitional needs.

This Bill does not override other pieces of legislation that have been put in place for the well-being of Albertans. For example, the Child Welfare Act will remain in force. The requirements of this Act will have to be met by the authorities and by the agencies delivering services across the province. The minister remains accountable for ensuring the Child Welfare Act is properly administered. I repeat, the minister remains accountable for ensuring the Child Welfare Act is properly administered. The Social Care Facilities Licensing Act will remain in effect to govern the licensing of day cares and other facilities.

This legislation fulfills an important commitment that this government has made to communities of Alberta. At the same time, it assures Albertans that their government will continue to be accountable for services to children and families. Mr. Speaker, I encourage the members of this Assembly to support this legislation on behalf of our children and our families.

Thank you.

**THE ACTING SPEAKER:** The hon. Member for Edmonton-Highlands-Beverly.

**MS HANSON:** Thank you, Mr. Speaker. Bill 26 is intended to enable child and family service authorities to set up and take on responsibility for planning and delivering services to children and families in their area of the province. The Member for Calgary-McCall has promised that under the Bill the province remains accountable for child and family services and will continue to provide funding, set policy standards, and oversee the monitoring and evaluation of services although it isn't spelled out in the Bill.

My appeal to the House is to put the partisan politics aside and keep one thing in focus as we proceed with the Bill. Our debate will centre on the benefit to children. Many of these children may not be the kinds of children that many members of this House are familiar with or understand. Many of them are abused and neglected and forgotten.

**10:40**

While we're assured, again, by the Member for Calgary-McCall that government accountability, liability, secure funding, and ensuring safety and well-being of children is paramount – and they are critical components for child protection – they are not entrenched in this Bill. While we as Liberals, the Liberal caucus, have been supportive of the initial plan to reform child welfare services under the Lazanik report because it encompassed long-held Liberal values of early intervention, community-driven services, and decreased control for aboriginals, we stated that our continued support was contingent upon the government maintaining full responsibility for children's services. We understand that the Child Welfare Act is still in effect but recognize that in 1986, when that Act was proclaimed, there was only one authority, and that was the government. There were not 17 authorities. Now that we're entering into unknown territory, it is our view that we cannot support the Bill without clearly stated government legal liability.

The reforms, as I mentioned earlier, were announced by Lazanik, and they were based on four principles: the community-based service, the early intervention, which we support, improved services to aboriginal people, and the integration of services. The others seem to be moving along, but there's apparent reluctance on the part of some levels of government that has resulted in the integration proceeding very slowly, and I do believe that that's a very important part of this initiative. It was suggested by Bernd Walter with good reason, and it has also been assumed to be part of this process, but we haven't seen much in the way of action there.

I want to stress that we are not opposed to the concept, but we can't accept it without entrenching important safeguards. There are eight critical areas where standards are necessary. The first one is that the best interests of the child must be paramount, above all else. The Lazanik report was for services for children, and suddenly in this legislation we have children and families, which appears to water it down. The government accountability, responsibility, and legal liability are not included in section 8. They need to be included in section 8. The membership on an authority should be elected, not "appointed by the Minister."

Women's shelters should not be included in the children's authority. There are lots of women who go to shelters who don't have children, and as one staff member of a women's shelter remarked to me the other day, "Since when did women become children?" Really, it's a totally separate service and should be left separate.

The services an authority will be responsible for should be clearly spelled out. The sixth critical area is that the agreements between the authority and the government must state services and funding and responsibilities of both the government and the authority. The next one is that the primary responsibility of the authority should be the safety, security, and well-being of children, period. The statement should not be cluttered up with "families and other members of the community." This Bill should be about children. Why did it get so crowded with so many other interests? I can't understand that. It's as if little tail ends were popped in with it. The authorities have to do more than just

promote the safety, security, and well-being of children. They need to ensure it.

The last real concern we have is that standards must be stated and regulations developed and publicly released prior to the passage of this Bill in the House. I understand that there is a committee working on standards, but we need to see those in order to understand whether this Bill is sufficient. The public are all wondering about it. There's a great deal of public concern about not knowing really where this initiative is going and how much this Bill is going to protect children.

The minister can claim all he wants that the government will be ultimately responsible should a child get hurt, but without assurance in this legislation how can you ensure that? The closest the Bill gets to outlining the government's responsibility is in the preamble, which is a nice symbolic gesture, but it means little in terms of the government being legally responsible. You know, the preamble simply describes the framework, but when it comes to the courts, the preamble doesn't mean legal responsibility. I checked that out today.

Without a clear distinction, Albertans will have little understanding of where public responsibility for children ends and private responsibility begins. Now, that's a debate that we haven't had either publicly or in this House, and I think it's very important to have it before we carry on with this initiative, because we don't have any clear guidelines. That understanding is critical if we are to expect communities to buy into this legislation and take over the delivery. We have to know exactly where one stops and the other begins. I think having the family in this Bill muddies the water to some extent.

Albertans have every right to be skeptical of the government's motives because the regionalization of health care resulted in the complete abdication of government accountability, and we certainly don't want that to happen here. There is little evidence that this will be different from children's services, allowing the minister to walk away from a scandal by stating that it's the region's problem instead of his.

We have also reviewed numerous comments from interest groups, and with your permission, Mr. Speaker, I would like to read a section of a letter from the Edmonton and District Council of Churches. It was sent to the commissioner for children and a copy to myself. It's a long letter, but I'll just read a paragraph or two. This is the Edmonton and District Council of Churches' meeting.

We are concerned that there be more than a provincial framework for services provided to clients, as described in the article in Focus on Children and Families, issue 2, Spring 1996. A concern raised at our meeting was that there be defined provincial guiding principles and high standards which span the various regions. Focusing on the children, women and families served, we are concerned about such issues as:

- client/staff ratio
- response times for critical and for ongoing cases
- visibility of and services provided to the sub-groups now brought together under this umbrella structure, including children with disabilities, abused women, children in day-care, children in foster care . . .

Without strong provincial standards, guidelines and regulations, we are concerned about uneven services across the province.

There is one more little statement on the next page.

Premier Klein's announcement yesterday, that more social workers are being hired by the government due to increased demands on the child welfare system, is a sign for us that there needs to be a more gradual phase in of new service providers.

I thought that was interesting, coming from the Edmonton and District Council of Churches.

We've also had a number of communications from the Alberta

Council of Women's Shelters. The council has been very vocal in speaking about this Bill, and they do not support moving women's shelters into the children's authority, arguing that the authority with a mandate to serve children will have little understanding of needs of abused women without children. Actually, earlier versions of the Bill contained similar warnings from the legislative drafter. I had expected that that part might be moved out, but it hasn't been.

The women's council also argues that there will be no protection should an authority decide that some region doesn't need a shelter, and that sounds like a valid point to me. The decision could be made by people other than anyone involved who might need a shelter. According to the council, given the permissive wording in 1(c), which defines "child and family services" - it says "may include the following" and lists under (iv) "the funding of women's shelters and other safe living arrangements for victims of family violence" - their point is valid. They feel that that "may" rather than "shall" is weak wording.

Another concern that we noted was the Alberta Ombudsman. He has recently stated that he has concerns that the new Bill is not clear if the authorities would be subject to investigations by the Ombudsman, giving Albertans an avenue of recourse should they need to make a complaint. Mr. Johnson told the *Edmonton Journal*: I have some concerns that the service delivery system will not have a proper watchdog function incorporated into it. He also stated that he'd like to see guarantees that individuals running into problems with the children's authority will be able to take their concerns to his office.

#### 10:50

The last group that I wanted to mention tonight was the Alberta Association of Social Workers. They have stated that there should be thorough public consultation before the Bill proceeds, and that's something we had talked about in caucus. The consultation process has so far involved only professionals in various aspects of the current system and not the general public. According to the Alberta Association of Social Workers, they feel that the minister should say very clearly that the buck stops here and put the process in place to ensure that the public gets an opportunity to respond. The director and the association don't oppose moving the services into the community provided there is a clear line of accountability and adequate resources to ensure that children don't fall through the cracks.

The changes outlined in the redesign and devolution of children's services are really immense. We in this House are trying to fix a system that has never served Albertans well. The leap that is planned is so big that it needs to be done in small steps that are tested out as we go. The public needs to understand what we're doing. I think we're going in the right direction, but we need to bring the public along with us - and ourselves, because none of us know where we're going to end up with this. The working groups and steering committees, after a year or more of meeting as volunteers, are still not sure what the eventual destination is, and it worries me that we may be starting on something and putting it in place before we really know where we want to go with it. We don't even have a public consensus, let alone agreement in the Legislature, about, as I mentioned earlier, what the public and what the private responsibility is for children.

What started out to be an initiative by the community for children's services having suddenly become children and family is a concern. People get confused by that, and they're not quite sure whether we're going where we thought Lazanik wanted to go. You know, with all the authorities - and I think it's sound -

the more complex our systems become, the more blurred the lines of responsibility and accountability. They tend to be shuffled until it's sort of lost or buried and nobody knows who's accountable for what. If we can work together and get some amendments to this Bill, we have a good chance of ending up with a children's services system in Alberta that is truly progressive and serves the children and the population well.

Mr. Speaker, those are my comments. I move to adjourn debate.

THE ACTING SPEAKER: The hon. Member for Edmonton-Highlands-Beverly has moved that we adjourn debate. All those in favour, please say aye.

HON. MEMBERS: Aye.

THE ACTING SPEAKER: Opposed, if any? Carried.  
The Deputy Government House Leader.

MR. EVANS: Thank you, Mr. Speaker. I now move that the Assembly adjourn and reconvene tomorrow at 1:30 o'clock in the afternoon. [interjections] Pardon me. I know that members will be still enjoying the aura of the new Lieutenant Governor tomorrow at 1:30, so I'll change that to 3 o'clock tomorrow afternoon, sir.

[Pursuant to Government Motion 16 the Assembly adjourned at 10:55 p.m.]

