

Legislative Assembly of Alberta

Title: **Monday, April 19, 1999** 1:30 p.m.

Date: 99/04/19

[The Speaker in the chair]

head: Prayers

THE SPEAKER: Good afternoon. Let us pray.

O Lord, we give thanks for the bounty of our province: our land, our resources, and our people.

We pledge ourselves to act as good stewards on behalf of all Albertans.

Amen.

Please be seated.

head: Presenting Petitions

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

MS BLAKEMAN: Thank you very much, Mr. Speaker. I am pleased to present today, with your permission of course, a petition from 75 Edmontonians connected with the SOS group who are urging

the Government to increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

Thank you.

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

MS CARLSON: Thank you, Mr. Speaker. I, too, would like to present a petition today with 131 names of people throughout Edmonton who are also signing the SOS petition urging

the Government to increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

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

MS LEIBOVICI: Thank you, Mr. Speaker. I have a petition today as well signed by Edmontonians asking "the Government to not allow private hospitals in Alberta" and to stop Bill 37.

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

MR. WICKMAN: Thank you, Mr. Speaker. I'd like to table a petition with 103 names.

We the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government to increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

That brings it to a total of thousands upon thousands.

head: Introduction of Bills

Bill 28

Alberta Corporate Tax Amendment Act, 1999

MR. DAY: Mr. Speaker, I'm pleased to introduce Bill 28, which is the Alberta Corporate Tax Amendment Act, 1999.

This particular act will be dealing with a number of administrative

items related to corporate taxation and also is harmonizing with the new federal definition of what would be taxed and what is now taxable on federal institution. It harmonizes a larger base, and to make it revenue neutral, it lowers the rate.

[Leave granted; Bill 28 read a first time]

THE SPEAKER: The hon. Member for Grande Prairie-Wapiti.

Bill 34

Partnership Amendment Act, 1999

MR. JACQUES: Thank you, Mr. Speaker. I request leave to introduce a bill being the Partnership Amendment Act, 1999.

The proposed amendment will allow the members of six professions the option to form a limited liability partnership.

Thank you.

[Leave granted; Bill 34 read a first time]

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I move that Bill 34 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: Tabling Returns and Reports

THE SPEAKER: The hon. Premier.

MR. KLEIN: Thank you, Mr. Speaker. It's my pleasure today to table five copies of a letter I wrote to Wayne Gretzky. This letter was written to express our profound thanks to Mr. Gretzky for his "contributions to Canada's national sport over the course of [his] brilliant, unparalleled career."

THE SPEAKER: The hon. Minister of Justice and Attorney General.

MR. HAVELOCK: Yes. Thank you, Mr. Speaker. I'm pleased to table this afternoon five copies of my letter to the MLA for Edmonton-Norwood dated April 14, 1999, responding to Written Question 156.

MS EVANS: Mr. Speaker, today in celebration of national Volunteer Week it gives me great pleasure to table the appropriate number of copies of a booklet entitled Capture Our Spirit, a youth volunteer program introduced by Strathcona county about young people developing caring, co-operative, and responsible problem-solving attitudes and patterns of behaviour through community service.

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

DR. PANNU: Thank you, Mr. Speaker. I have five copies of a document to table today. This document comes from Alberta Education, and it shows that the Calgary public school board is one of the three school boards in the province with the highest student/teacher ratios and the largest class sizes.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Speaker. I would like to table with your permission five copies of a media release dated April 16.

This media release is very important to the health care of this province. The Provincial Health Authorities of Alberta have broken off negotiations with the United Nurses of Alberta.

Thank you.

head: Introduction of Guests

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

MR. AMERY: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of the Assembly 66 students from Bob Edwards junior high school located in the great constituency of Calgary-East. The students are accompanied by four teachers: Mrs. Chau Truong -- Mrs. Truong is the organizer of this tour, and she is also a personal family friend of the hon. Member for Calgary-Fort -- Mr. Jacques Ferguson, assistant principal, Mr. Henry Schellenberg, and Ms Debbie Masson. We're also honoured to have 12 parent volunteers with us today: Mrs. Lorraine Baker, Mr. Nide Castonguay, Mr. John Griffen, Mrs. Nancy Harrington, Mr. Alix Hoffmann, Mrs. Diane Howes, Mr. Robin Hunt, Mrs. Catherine Main, Mrs. Pat Massey, Mrs. Manjit Sahota, Mrs. Tracy Suliak, and Mr. Clarence Williams. With your permission, Mr. Speaker, I would ask them to rise and to receive the warm welcome of the Assembly.

THE SPEAKER: The hon. Member for Cardston-Taber-Warner.

MR. HIERATH: Thank you, Mr. Speaker. I would like to introduce to you and to members of the Assembly Regan Shockey. Regan is attending the University of Alberta and will be returning to Taber shortly for summer employment. I believe Regan is sitting in the members' gallery. I would ask her to please rise and receive the warm welcome of the Assembly.

MS EVANS: Mr. Speaker, today on behalf of my colleague the hon. Member for Clover Bar-Fort Saskatchewan and myself I am pleased to recognize national Volunteer Week, and a pleasure indeed it is this afternoon to introduce to you and through you to all members of the Assembly visitors from the Information and Volunteer Centre of Strathcona County and youth volunteers who are participating the Capture Our Spirit program. We're proud of the program, and the centre's latest success is a competitive and co-operative program with the Hope Foundation. We already have 27 Hope kids training to work at the Strathcona care centre and focusing on capturing the positive spirit of our young people and encouraging them to put it to use in the community.

I'm delighted to introduce Glenda Mumby, who is co-ordinating the week; Barbara Rioux, who is a Capture Our Spirit co-ordinator; and 30 young students from three different schools in the constituency of Sherwood Park. Ten young volunteers from Clover Bar junior high school are accompanied by principal Mr. Roxy Harbourne and Karen Baxter. Another 10 volunteers from F.R. Haythorne junior high school are accompanied by Ms Diane Boyle, and Our Lady of Perpetual Help school is accompanied by Sonja Fillion. They're seated in the public gallery, and I'd ask that the Assembly join in a traditional welcome.

1:40

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

MS LEIBOVICI: Thank you, Mr. Speaker. I, too, have introductions to make this afternoon. They are representatives of the registered nurses and members of UNA's bargaining team, and they're here to watch and listen very carefully to the proceedings of this Assembly. Present today with us are Heather Smith, president

of United Nurses of Alberta; David Harrigan, chief negotiator; Arlene Moreside; Mary Ann Regnier; Gwen Schubert; Trish Genesis; Heather Wayling; Dayle Blake; Tina Bucknell; Dianne Reiser; Jane Sustrik; Pauline Worsfold; and Kris Farkas. If they would please rise and receive the warm welcome of the Assembly.

Thank you.

head: Ministerial Statements

THE SPEAKER: The hon. Minister of Agriculture, Food and Rural Development.

National Soil Conservation Week

MR. STELMACH: Thank you, Mr. Speaker. I rise today to bring to the attention of all hon. members and indeed to the people of Alberta the fact that this week, April 18 to 24, is National Soil Conservation Week. This week was designated in the mid-1980s to increase awareness of soil conservation and to highlight the efforts of farmers, industry, and all levels of government to reduce soil degradation. When this week was first designated and celebrated across this country, the prairies were in the midst of extremely dry conditions and Alberta's soil was being eroded. There was great concern that our ability to produce food was in jeopardy.

Mr. Speaker, many advances have been made in protecting soil from degradation since National Soil Conservation Week was first celebrated. Improvements in seeding equipment have made it possible to protect the soil from erosion while planting crops. Improved weed control methods have reduced reliance on tillage, which was one of the only tools farmers had to kill yield-robbing weeds. Improved grazing systems have reduced overgrazing and erosion on rangelands. Increased awareness among Alberta farmers and ranchers about the importance of maintaining and enhancing soil quality has resulted from many years of work by industry, farm organizations, and the government.

In the agriculture community soil conservation has developed a year-round presence from planning crop rotations to maintaining crop cover at harvest to reducing tillage to protect the soil from erosion. The government of Alberta recognizes the importance of maintaining and enhancing a productive soil resource.

The Alberta environmentally sustainable agriculture program has committed \$5 million annually to reduce our industry's impact on the environment. Through this program \$250,000 per year is designated to assess soil quality in Alberta and to determine what changes are occurring in soil over time.

Although advances have been made in the area of soil conservation, erosion is still occurring. Practices which expose the soil to wind and rain, such as summer fallow, overgrazing, and excessive tillage, are still occurring. Alberta Agriculture and our industry partners are working hard to develop and encourage the adoption of more environmentally friendly farming practices such as direct seeding, reduced tillage, and rotational grazing.

The department is involved in research, extension, transferring new technologies, and providing funds to local groups and municipalities for demonstrations and educational events in an effort to increase adoption of conservation practices.

Mr. Speaker, all of this activity is critically important because Alberta's farmland is the legacy that we will leave our children. One in three jobs in the province is linked in one way or another to agriculture. All Albertans have the challenge to protect, maintain, and enhance our soil resources for future generations.

Thank you, Mr. Speaker.

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

DR. NICOL: Thank you, Mr. Speaker. It's a real pleasure for me today to join the minister in bringing recognition and congratulations to all those Albertans who are involved in protecting our soils.

Mr. Speaker, soil erosion, soil loss comes in three different forms: desertification, erosion from wind and water, and salinization. We in Alberta suffer from all three. I don't want to make it sound like I'm suggesting that diversity is good; in this case diversity would not be a preferred state.

We have desertification in our grazing areas where overgrazing has led to the loss of the trash cover. Farmers and government have responded by putting in place good management practices and good grazing management to help protect that. We've also had the work of the Alberta Conservation Tillage Society to prevent the cropland from suffering from wind and water erosion. They've helped to reduce the number of acres of summer fallow in Alberta and also to increase the trash cover that prevents wind erosion, especially in southern Alberta.

Mr. Speaker, the third type, salinization, is a real issue when it comes to irrigation, and the work of the irrigation districts and the Alberta government in terms of their ability to reclaim a lot of the seepage areas and to promote good water application and good water management in the irrigation areas has led to a real reduction in the salinization in those areas.

So, Mr. Speaker, again I just want to bring greetings and congratulations to every Albertan who is helping to protect our soil. We have to work at this in the future so that we have a good productive capacity for our agriculture to pass on to our next generations.

Thank you, Mr. Speaker.

Wayne Gretzky

MRS. McCLELLAN: Mr. Speaker, I rise today to acknowledge the tremendous contributions of a well-known Canadian to Canada's national sport, hockey. As hon. members know, Wayne Gretzky retired this weekend as a player in the National Hockey League. Over a 20-year NHL career Wayne Gretzky exemplified the very best qualities of sportsmanship, dignity, and fair play in addition to being an electrifying performer who helped bring four Stanley Cups to our capital city.

Mr. Speaker, thousands of Canadians and people from around the world have taken the time to thank Wayne Gretzky for the excitement and pleasure he generated throughout his career. We join in that chorus of gratitude, but I also want to pay tribute to Wayne's unparalleled contributions to the spirit of sporting in general. As minister responsible for sport I have the honour of meeting with many of Alberta's amateur athletes and watching them compete. I've seen firsthand the influence that a positive role model has on the skills, sportsmanship, and self-esteem of young athletes. Wayne Gretzky was the best role model one could imagine for these young athletes. Through his example children and adults alike have witnessed the importance of putting the team first, of giving of your best effort despite the odds, of caring for your body and keeping it drug free, of respecting your opposition and always playing by the rules.

Wayne also demonstrated the importance of family and of respecting one's elders. In a world where professional athletes often become famous because of their contract squabbles and multimillion dollar signing bonuses, Wayne Gretzky became famous because of his commitment to family values and his constant striving towards excellence. As the Premier noted in his congratulatory letter last week, Wayne Gretzky "inspired a generation of boys and girls to take up the game of hockey." On every rink and in every community in Alberta there are girls wearing the famous 99 jerseys, boys

with their jerseys tucked in the side just like their hero. These young athletes aren't just copying a uniform. I heard one amateur coach reflect this weekend that before Wayne Gretzky, coaches often had difficulty convincing their players to pass the puck. With Wayne Gretzky's influence that is no longer such a problem, because he demonstrated that involving your teammates in the play was the key to success.

I suspect that when Wayne has some time to reflect on his brilliant career, this achievement, the achievement of inspiring untold numbers of young people to learn about the true spirit of sportsmanship, will be one that brings him special satisfaction. I also hope that though he has retired as a player, Wayne Gretzky will continue in roles that bring his kindness and generosity to even more young people in the future.

On behalf of the government of Alberta I extend my best wishes to Wayne and his family for a successful retirement, and I thank him for restoring the real meaning of sport for all Albertans and all Canadians.

THE SPEAKER: The hon. Leader of the Official Opposition.

1:50

MRS. MacBETH: Thanks, Mr. Speaker. The Official Opposition joins with the government in acknowledging the career of Wayne Gretzky, the greatest hockey player to ever play our national game and an outstanding person who has carried himself with dignity throughout his whole career. He's truly a person worthy of the term role model for professional athletes, for young aspiring athletes, and for all people in public life. All of us are proud that he built the first chapter of his great legacy in Alberta. He has done more for the city of Edmonton and for this province than can ever be measured.

On a more personal note I will admit that there was a time when I was not much of a hockey fan. I didn't get a great deal out of watching hockey games on television with my brothers, but when I saw my first live NHL hockey game in the Edmonton Coliseum with the Edmonton Oilers playing and Wayne Gretzky right there with them, I was hooked. If I couldn't find him on the ice, I just had to find his jersey tucked into his pads, as the minister has noted.

Gretzky is always making the point that no one player can transcend the game, but if there was one who did, it surely was Wayne Gretzky. This cannot be accomplished through skill and talent alone. For all the goals and the assists that he scored, his qualities as a person are what really made him great. The respect he has for his parents, for his opponents, and for those hockey players who came before him is a testament to his strong character. So is the way he chose to handle the announcement of his retirement. Out of respect for his current team, he did not make a formal announcement until he was back in New York. However, he had made his decision very clear the day previously in Ottawa so that Canadian fans could have a very clear last cheer for their hero. Even though he has traveled the world and now lives in the U. S., Wayne Gretzky remains and always will remain ever so proudly and openly Canadian.

On behalf of my colleagues in the Official Opposition and all Albertans I wish Wayne Gretzky and his family all the very best as he embarks on a new phase of his life. Thank you for all you have done for our national game and for the countless lives that you've touched. Edmontonians and all Albertans are proud of you, and we'll miss you.

Thank you, Mr. Speaker.

head: Oral Question Period

THE SPEAKER: First main question. The hon. Leader of the Official Opposition.

Regional Health Authorities

MRS. MacBETH: Thanks, Mr. Speaker. When this government established regional health authorities, they said that they were arm's-length entities with the ability to make their own decisions. The government implemented what they called an independent method for appointing members, not electing but appointing members, to the regional health authorities. Albertans are now wondering whether their regional health authority is at a disadvantage unless they have a former cabinet minister at the helm. My questions are to the Premier. Now that the Premier has taken hold of the stick, will he confirm that the Calgary regional health authority won't be able to secure preferred funding arrangements outside the agreed formula that applies to all RHAs?

MR. KLEIN: Mr. Speaker, yes, I can confirm in no uncertain terms that the Calgary regional health authority won't receive preferred treatment. Again I say to the hon. leader of the Liberal opposition, what's her problem? I mean, the person we appointed was one of her best friends at one time. I don't know if he is now, but he certainly was.

MRS. MacBETH: Thanks, Mr. Speaker. Will the Premier, then, commit as well that any new funds that are made available for Calgary will be available for all other regional health authorities in this province?

MR. KLEIN: Of course not, Mr. Speaker, and as a former Minister of Health the hon. leader of the Liberal opposition knows well that the pressures in -- well, at that time the pressures from one hospital board to another hospital board were far different. Of course there was disparity in funding. The dollars go where the needs are identified, whether those pressure points are in Edmonton or in Fort McMurray or in Calgary or in Lethbridge or in Medicine Hat or in Red Deer. We have always said that if there are pressure points, we will identify those pressure points. If they can be justified, the resources will be there to deal with them. Again it doesn't matter which city it is.

Relative to the specifics as it relates to any regional health authority, I would have the hon. Minister of Health supplement.

MR. JONSON: Mr. Speaker, as I think everybody in the Assembly is aware, we fund regional health authorities on a formula basis. We are quite open in terms of the basis of that formula. We report in considerable detail in a public fashion in terms of what funds are allocated to each particular regional health authority. So there's a system there, and it's quite open for people to examine.

MRS. MacBETH: Mr. Speaker, how can the other regional health authorities advocate for the people in the communities they represent now that the Premier has replaced those board members who have dared to speak out on their community's behalf?

MR. KLEIN: That's not true, Mr. Speaker. As I indicated last week and very publicly, eventually the buck stops here. We are the sole funder of health care in this province. Yes, we do appoint boards to represent the various health authorities and to become involved in the day-to-day operations of the hospital with respect to setting policy for the administration of their various health districts, but ultimately if something goes wrong and there are problems with administration, we have a responsibility, we have a duty to step in and take whatever action is deemed appropriate.

THE SPEAKER: Second Official Opposition main question. The hon. Leader of the Official Opposition.

Calgary Teachers' Collective Bargaining

MRS. MacBETH: Thanks, Mr. Speaker. I had the privilege of meeting with some very hardworking, dedicated school council representatives from across Calgary last Thursday in Calgary. Parents, teachers, and school boards are frustrated. They are frustrated with the government's lack of commitment to public education, and they are frustrated with the government's failure to communicate with the very people it is supposed to serve. My questions are to the Premier. How is the Calgary board of education supposed to bargain with teachers in good faith when its pocketbook is virtually empty and when this government has stripped it of its ability to access the local tax base?

MR. KLEIN: Mr. Speaker, I'll try to respond to the last assertion. It really wasn't a question. First, I believe that the hon. member believes and agrees with the whole concept of equality. I think she agrees that children in all parts of the province should have the same opportunity to access an educational system that is equal across the province. We had to deal with some of the problems that the leader of the Liberal opposition never dealt with when she was the Minister of Education. There were school districts in this province that could spend up to \$12,000 per student. There were some school districts that simply didn't have the tax base that could spend only the minimum per student grant. That wasn't fair, and that wasn't equitable, and we had to put in place a program that was equitable to all students in this province.

Relative to her first assertion, Mr. Speaker, we have not starved by any stretch of the imagination public education in this province. As a matter of fact, I would remind the Liberal opposition and all others that since 1995 and into the year 2002, we will have spent \$986 million additional dollars, and that represents an increase of 36 percent, an average increase of 6 percent per year, over those years. That's a lot of money.

2:00

MRS. MacBETH: Mr. Speaker, equality is one thing; excellence is what we seek.

Mr. Speaker, what does the Premier say to Calgarians who say that they "strongly object to the [Calgary board of education] and teachers, children and parents being forced into the position of having to choose between a quality public education and reasonable salary requests." What does he say to those people?

MR. KLEIN: Mr. Speaker, I'm not about to get involved in the negotiations. There are processes for that. As the leader of the Liberal opposition knows, the teachers voted overwhelmingly to reject the latest contract offer. That is a matter of negotiation. The teachers' union has put something on the table. The school board has put something on the table. All I can say is that if push comes to shove, we will make all the resources of the Department of Labour available to try to mediate this dispute.

I would remind the leader of the Liberal opposition of what she said in 1988, when she was the Minister of Education. Here's what she said, and this is in response to a question. This is Mrs. Betkowski, at that time, saying:

I would remind the hon. member . . . that it is school boards in this province who negotiate with their teachers, school boards who reach what they believe is a fair rate of pay for their teachers, and it is in no way affected, in my view, by a change in funding, because I think we need only look . . . at strikes which . . . have not occurred frequently in this province and look at times when they have occurred even when grants have been increased.

Well, we're increasing funding to education by over \$900 million, almost a billion dollars.

MRS. MacBETH: Mr. Speaker, let's return to 1999. Does the Premier agree with SPEAK, the Calgary organization Support Public Education -- Act for Kids, when they say that their view is, and I quote, that an "immediate injection of funding is required to address the financial situation of the Calgary board of education"? Their words.

MR. KLEIN: Mr. Speaker, there has been, as I just pointed out, a significant injection of dollars into education. New dollars have been injected into education since 1995 with a further injection this year, a further injection next year, and a further injection the year after.

I would ask this question. They stand up here day in and day out, and they say: more money, more money. Well, I'm just wondering, just pondering: how much more? What is the dollar figure? Give us a dollar figure. Stand up and say how much more and where it's going to come from.

Speaker's Ruling Oral Question Period Rules

THE SPEAKER: Hon members, perhaps, perhaps, perhaps it is time for the Speaker to start ruling out some questions, and he certainly has the authority under *Beauchesne* 409, which says:

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

(1) It must be a question, not an expression of an opinion, representation, argumentation, nor debate.

One almost can conclude that the last set falls into all those categories.

Third Official Opposition main question. The hon. Member for Edmonton-Meadowlark.

Nurses' Collective Bargaining

MS LEIBOVICI: Thank you, Mr. Speaker. Just last week in this Legislative Assembly both the Premier and the Minister of Labour said that opportunities existed for a "mutually agreeable settlement" with Alberta's nurses. The Premier also said that "the buck stops here" when it comes to health care decisions made by regional health authorities. Yet without warning, contract negotiations have been cut off by this government's appointed representatives with calls for a mediator. My question is to the Minister of Labour. Why are this government's appointed representatives hijacking the collective bargaining process by applying for mediation?

MR. SMITH: Well, Mr. Speaker, I don't know exactly what they're doing, because they are the ones negotiating with the United Nurses of Alberta. What we do know is from a news release that was tabled in the House by one of the members famous for his son of Gepetto syndrome that talked about nurses' talks actually being broken off. They're not being broken off. There's absolutely no mention that says they've been broken off. What they say is: employer asks for mediator to help reach agreement.

Certainly, with the people who are in the gallery today, Mr. Speaker, I think there is ample opportunity in the collective bargaining system to have discussions. If one side feels it can accelerate or better explain or help through mediation, then that facility is there and available. I would only ask that perhaps the opposition may want to table their position on this negotiation.

MS LEIBOVICI: Thank you, Mr. Speaker. My second question is also to the Minister of Labour. Given that the application for

mediation short-circuits the collective bargaining process, would the minister agree that if a mediator is appointed, all outstanding bargaining issues from nurses employed in long-term care, in community health, and in facilities will be dealt with by that mediator?

MR. SMITH: Well, Mr. Speaker, firstly, I wouldn't agree again with the preamble that says: given that the mediation process short-circuits collective bargaining. She's clearly asking about the micro details that are pertained to in the agreement, and it's absolutely crystal clear, not only in this House but throughout collective bargaining and the labour environment across Alberta, that the negotiations are taking place. In fact, you can see them by simply going to each party's Internet site. The United Nurses of Alberta's Internet site, which we can dial in through the legislative computer, and the Provincial Health Authorities association: those are the people that are going through the micro agreements.

We've said very clearly the position of the Department of Labour and the position of this government. What we don't hear, Mr. Speaker, is their position on this issue.

MS LEIBOVICI: My last question is to the Premier. Given that the minister does not understand that negotiations are not continuing at this point, is it this government's goal to intentionally fan the flames of nurses' frustrations, causing a strike so that they, the nurses, can be blamed for the crisis in health care that we see today?

MR. KLEIN: Mr. Speaker, that is an absolutely ridiculous assertion. Of course we're not fanning the flames to encourage a strike. It seems to me that negotiation of course is the best way to arrive at an agreement. If you have two sides that appear to be able to come together, then there is nothing wrong with the services of a mediator. This is all a normal part of the collective bargaining process.

I think mediation is a good way to bring people together. Mediators serve a tremendously useful purpose in getting both sides together to see if there's some common ground when the negotiators face-to-face can't reach that kind of agreement. There's absolutely nothing sinister. There is nothing wrong whatsoever about mediation as part of the collective bargaining process.

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

Calgary Teachers' Collective Bargaining (continued)

DR. PANNU: Thank you, Mr. Speaker. Calgary's public schools already have the third largest average class size in the province. The Calgary board of education is facing a projected shortfall of \$20 million on top of an accumulated deficit of \$34.6 million. Meanwhile the Provincial Treasurer wants to speed up giving tax breaks to wealthy Albertans by getting rid of the 8 percent high-income surtax a year ahead of schedule. My questions are to the Premier. Why does the government give higher priority to tax breaks for wealthy Albertans than to the needs of over 100,000 Calgary students and children?

2:10

MR. KLEIN: Mr. Speaker, does the hon. member believe a family income or individual income of \$45,000, \$50,000, or \$60,000 makes a person wealthy? I'm just wondering, because that's when the surtax kicks in. As an MLA I know he makes more than that. As a university professor I think he made a lot more than that, and I don't think he considered himself wealthy.

Mr. Speaker, it's always proven that when you put more money

in the pockets of the people and you distribute the wealth, you create overall a healthier climate and you certainly create the climate for increased economic growth and prosperity. That is precisely what we are trying to do. That also leads to better educated kids. It leads to fewer people on the welfare rolls, and I believe also it leads to a healthier society, a safer society, and a happier society.

DR. PANNU: Thank you, Mr. Speaker. Given that the Premier is concerned about overflowing public coffers and given that he's also concerned about the impasse in the negotiations between the Calgary school board and the schoolteachers, why doesn't he commit real resources for the board to address the real nature of the impasse? Why doesn't he give them more money to do it right now?

MR. KLEIN: More money, more money, more money. I would ask the same question of the NDs as I asked of the Liberals: how much more? They say: more money, more money, more money. I would remind the hon. member again that we have provided more money. By the year 2002 we will have spent nearly a billion additional dollars on education. Does he not think that's a lot of money? Forty-five thousand dollars is not a lot of money, Mr. Speaker, but I believe this hon. member would agree that a billion dollars is a lot of money. I think it is.

DR. PANNU: Thank you, Mr. Speaker. The Premier is saying that he is going to do nothing. How can the Premier justify doing nothing while over 100,000 students in Calgary are likely facing the closing of their schools at the most critical time of the academic year?

MR. KLEIN: Mr. Speaker, allocating an additional billion dollars to education since 1995 through the year 2002 is hardly doing nothing.

Mr. Speaker, I would ask the hon. member -- and he is an honourable member -- to really reflect and start to talk about the things that have happened since there has been a substantial reinvestment in education. I look back at the 12-point program that was introduced last year. That was a very significant program. It certainly was in response to the classroom needs identified by teachers and parents and students. I look at the tremendous amount of money that has gone back into early intervention as it pertains to reading, to make sure that kids can read by the time they reach grade 3.

AN HON. MEMBER: You took away kindergarten.

MR. KLEIN: One of these hon. members over there who has a tendency to talk too much, as a matter of fact to talk all the time, Mr. Speaker, just alluded to: what about kindergarten? What about kindergarten? Full funding has been restored to kindergarten.

I can talk about the extra dollars, significant extra dollars, that have been dedicated to special-needs kids. I can talk about the additional dollars that have been allocated to address the transportation problems as they relate to sparsity and distance. I can talk about the additional money that has been allocated to English as a Second Language. The list goes on and on and on, and I would hope that the hon. Member for Edmonton-Strathcona would be honest enough to go out there and tell the wonderful story that in fact is taking place in this province relative to education.

MR. DAY: Just to supplement, since the member talked about the tax plan and accelerating it, mentioned me, and also made reference to coffers overflowing. Mr. Speaker, it should be very clear that though the price of oil is higher right now than we had projected in the budget, we're only a few days into our budget year. What also

should be very clear: if there's an increased amount of revenues, for whatever reason, beyond what we've projected, that money is not available for operations. Seventy-five percent of it goes to paying down the debt; 25 percent goes to accelerating infrastructure. It does not go to wage increases.

THE SPEAKER: The hon. Member for Calgary-Fish Creek, followed by the hon. Member for Edmonton-Glenora.

Home Invasions

MRS. FORSYTH: Thank you, Mr. Speaker. There have been several articles in the last few weeks about home invasions. In Edmonton alone the media has reported Edmonton's home invasions last year were 13; already there have been seven, and it's only April. One of the most frightening things I can imagine is sitting at home and the horror of having your home invaded by thugs. The Ontario government is apparently lending its support to stiffer measures to deal with this situation. My questions are all to the Minister of Justice. What, Mr. Minister, are you prepared to do about this growing problem?

AN HON. MEMBER: Resign.

MR. HAVELOCK: Well, Mr. Speaker, I'm not smiling about the question, but rather actually the first funny thing she's ever said in the House, I think, from one of the members across the way.

Home invasion, Mr. Speaker, is a very serious public concern. The devastation associated with these criminal acts -- and let's be clear. These are not property crimes but rather crimes against individuals. These offences leave people feeling very unsafe in their own homes, where they should actually feel some degree of sanctuary and safety. We recognize that this is a serious problem.

I recently sent a letter to the federal minister outlining some changes which we would like to see made to the Criminal Code. In fact we've gone so far as to specifically suggest what changes could be made. The hon. member is correct. Ontario has expressed some concern, and Alberta and Manitoba have also expressed concern in that regard in the past. I'd be happy at a later date to table a copy of the letter for all members to take a look at.

MRS. FORSYTH: Thank you. As someone who has had a B and E, the feel of your personal space being invaded can be traumatic at the least. Can the minister explain how home invasion offences differ from other B and Es into residences?

MR. HAVELOCK: Well, Mr. Speaker, in an ordinary break and enter criminals are typically looking for a residence without occupants.

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

MR. HAVELOCK: They can enter quickly and steal items without the risk of being confronted. In home invasions, Mr. Speaker, typically the criminals do not care that the occupants may be at home. They sometimes even target specific people for robbery. They often operate in teams. They confine, they terrorize, and they assault those who are at home, and often they target older people whom they consider to be defenceless. These individuals use terror, intimidation, and violence to basically get what they want. These are serious offences, and that's why we're pursuing it through the Criminal Code.

MRS. FORSYTH: Thank you.

THE SPEAKER: The hon. Member for Edmonton-Glenora, followed by the hon. Member for Airdrie-Rocky View.

Tax Cuts

MR. SAPERS: Thank you, Mr. Speaker. In a cynical attempt to distract Albertans from headlines warning about the potential for a nurses' strike and a looming teachers' strike in Calgary, the Provincial Treasurer has reannounced his maybe, might-just-happen-if-the-stars-are-aligned-properly promised tax cut. Now, my questions are to the Premier. Will the Premier ensure that his Treasurer stops issuing provocative promises of a tax cut while at the same time unionized nurses and teachers and others are all at the bargaining table being told that the cupboards are bare?

2:20

MR. KLEIN: Well, Mr. Speaker, I don't know what planet the hon. member is from, but in this world of Alberta when we talk about tax cuts, people respond pretty positively. I would hardly think that any talk of a tax cut in this province in particular would be provocative.

MR. SAPERS: Thank you, Mr. Speaker. Well, then, will the Premier guarantee that no school board or regional health authority will have to lay off any staff because of underfunding which has come about as a result of a poorly timed tax cut?

MR. KLEIN: Mr. Speaker, again I would remind the hon. member that as the hon. Minister of Energy has just pointed out, a tax cut is indeed a raise. When you have more disposable income in your pocket, you're getting a raise.

The only difference with a negotiated settlement, Mr Speaker, is that the raise goes to everyone, all taxpayers, and it's spread across the province. But relative to assurances that no one will be laid off, no, I can't give that assurance, but I can give the assurance that we will continue to fund those priority areas of health and education in accordance with acceptable high standards. I would remind the hon. member that relative to health we budgeted this year an additional \$400 million. That's almost half a billion dollars. And again I will repeat for perhaps the sixth or seventh or eighth time that our reinvestment commitment to education from 1995 through the year 2002 is close to a billion dollars. That is very, very significant indeed.

MR. SAPERS: Given the Premier's statement about the purpose of a tax cut and wanting to ensure fairness, given that your tax cuts, Mr. Premier, are designed supposedly to stimulate the economy, why did your government decide to eliminate and now accelerate the elimination of the high-income surtax paid by only a few of the highest income earners instead of the .5 percent flat tax, which is now paid by nearly all Alberta taxpayers?

MR. KLEIN: Mr. Speaker, I would repeat that that tax kicks in at about \$45,000 a year, and I would hardly consider people in the \$45,000, \$50,000, \$60,000, even \$70,000 in this day and age to be amongst the so-called rich. These would include the kinds of professionals the hon. member is talking about. It would include teachers. It would include nurses. It would include police officers. It would include firefighters, welders. There are many, many people. As a matter of fact the majority of workers in this province, I would suggest, are in precisely that wage bracket, and it would benefit those mid-income wage earners, who I think would be absolutely delighted to have more money in their jeans.

MR. DAY: There should be some things which I hope are being

noted here, Mr. Speaker, because this particular surtax is one of a number of taxes which we could accelerate the removal of. If this caucus, as I'd said in the budget speech, decided to do that and if the resources were there, that's one of a number of taxes that could in fact be accelerated. I find the discussion quite amazing because on the one hand we heard, not often but rarely and mostly before the budget, that the surtaxes weren't right because they were deficit elimination taxes, the deficit's gone, and we should get rid of them. As soon as we announce that we're going to get rid of them, they leap up and say: why are you getting rid of them? So, you know, they're a little schizophrenic on this approach, and most Albertans would benefit.

But I want to make it clear, Mr. Speaker. The hon. Member for Edmonton-Glenora talks about some reannouncement. Last week a reporter wandering down a hallway said: hey, is the government caucus still onside with looking at accelerating the plan if there's an increase in revenue? I said: yes, that was the story. I guess what I should've said is: I'll have to check with Howie to see if he'll be upset about me saying that. So I'll do that.

The other thing, Mr. Speaker, that is very important -- and I close with this idea. For every dollar of raise a nurse gets, for every dollar of raise a teacher gets, unfortunately Paul Martin and I will take 40 cents of it, but for every dollar that they get of a tax reduction, they keep 100 percent of it.

THE SPEAKER: The hon. Member for Airdrie-Rocky View, followed by the hon. Member for Edmonton-Riverview.

Advanced Education Tuition Fees

MS HALEY: Thank you very much, Mr. Speaker. I had the opportunity over the weekend to meet with a group of university students from my riding, and they asked if I would ask the Minister of Advanced Education and Career Development the following questions. In light of the latest indication of an increase in tuition fees for the fall of 1999, could the minister please advise us: when will the postsecondary institutions reach a ceiling or cap on tuition fees?

MR. DUNFORD: Mr. Speaker, each institution operates as an autonomous entity, so there's going to be quite a range. While I don't have the numbers in front of me, I think the range would be from a low of about 17 percent at Fairview College to I think where the University of Lethbridge and perhaps Mount Royal College are almost at the 30 percent cap as we speak. The most recent news items, though, have been about both the University of Alberta and the University of Calgary. I believe they're at somewhere around 25 to 26 percent, so it would be a few years yet before they would reach the cap.

MS HALEY: My second question to the same minister, then, is: is that ceiling or cap always going to be a moving target?

MR. DUNFORD: Mr. Speaker, there is no question that when it was just administered as a policy by the minister of advanced education, yes, I think "moving target" might be an appropriate identifier for it, but I would just point out to the hon. member and all of the hon. members here in the House that now that we have a legislated cap, it's really up to us. So whether or not it ever moves from the 30 percent would be a matter of legislation being required to be amended. That of course then would come back to us the representatives of the people for debate. So it would now be done clearly in the open, and I think that's a responsible way to do it.

MS HALEY: Well, according to what the minister just indicated, at the high end they're paying 25 to 26 percent, at the low end maybe 17 percent. Could the minister please advise these students why they in fact do not make up that same component on the board of governors that sets these tuition fees?

MR. DUNFORD: Well, Mr. Speaker, we believe very strongly that there has to be more to the makeup of a board of governors than just what contribution they might make. I would point out and I believe that most members would agree that representatives of faculty associations would be important, representatives of nonadministrative staff would be important, as would administrative staff. Technically, then, under those terms they are not contributing in any way in terms of the revenue of the institution.

Now, I could deal with that question from an indirect standpoint. I don't think there's any question that the high calibre of the faculty that we have in our postsecondary institutions here in Alberta does attract students and thus tuition to our institutions, but to use that narrow focus of just you're making a contribution of, say, 30 percent, therefore you get 30 percent on a board -- we have to do more than that and have to appoint members for more reason than that.

Child and Family Services Authorities

MRS. SLOAN: Mr. Speaker, there are more problems in Calgary. The Calgary child and family services authority has recently told three organizations providing long-term treatment foster care that despite their excellent results, their contracts will not be renewed as of April 1, '99. The decision was directly influenced by the CEO. Calgary is the only authority in the province which will no longer provide this type of treatment. It seems it hasn't taken long for the inequity among children's authorities to take hold. My questions are to the Minister of Family and Social Services. Where will children requiring treatment foster care in Calgary now be placed?

DR. OBERG: Thank you very much, Mr. Speaker. The Calgary Rocky View child and family services authority roughly six or eight months ago did a study. They looked at the type of children that were being treated in treatment foster homes versus regular foster homes. It then became their conclusion from this study that there was no difference. There was no difference in what was being treated in the treatment foster home versus the normal foster home.

2:30

What they did, then, is they put it out for tender as to what foster homes would be contracted out from the child and family services authorities. They went through a very significant tendering process and subsequently tendered out to certain agencies. The number of foster home placements is exactly the same now as it was a year ago. There was absolutely no reduction. The one problem has been that there are three agencies that did not win the tender. What then happened is that the parents from these three agencies have now transferred to other agencies.

MRS. SLOAN: Mr. Speaker, how can the minister say that he will allow the placement of high-needs children into general foster care when what they require is specialized treatment and care?

DR. OBERG: Mr. Speaker, I actually have the report here. The Calgary Rocky View authority took a very comprehensive look at the whole issue of treatment foster care. They then concluded, as I've stated already, that there was very little difference in the population served by regular foster care and the population served by treatment foster care.

Subsequently what they did, Mr. Speaker, is increased the price of foster care homes and decreased the cost of treatment foster care homes.

MRS. SLOAN: Well, thank you, Mr. Speaker. What does this say, Mr. Minister, about your commitment to this Assembly that equitable standards would be in place across the province, that in every authority children could expect to receive the same level of service? You're now telling this Assembly that there is no specialized foster care in the Calgary authority.

DR. OBERG: Mr. Speaker, obviously the hon. member across the way has a listening problem. What I stated is that the children in Calgary are continuing to be looked after. I have ultimate faith in what the Calgary Rocky View family and child services authority does for its foster children and will continue to do for its foster children. Just because they found a different way to do things, just because they found a flexible community decision-making process, this member doesn't like it.

THE SPEAKER: The hon. Member for Edmonton-Mill Creek, followed by the hon. Member for Edmonton-Ellerslie.

Small Business Taxes

MR. ZWOZDESKY: Thank you. Mr. Speaker, the Treasurer's recent Talk It Up; Talk It Out survey yielded thousands of responses from concerned Albertans who indicated that tax cuts were definitely among their main priorities. In fact this was reinforced at the recent meeting in Edmonton of the Alberta chambers of commerce, which I happily attended with the Premier and other MLAs and ministers. Since the small business sector is the largest economic generator that provides the most jobs for Albertans, I think it's time that we directly review the corporate taxes which that sector is paying. So my questions are to the hon. Provincial Treasurer. With the changes that are going on in other provinces, will the Provincial Treasurer start by telling us where Alberta's small business tax rate stands in relation to other provinces?

MR. DAY: Well, Mr. Speaker, when you're doing a tax comparison, you have to take in the whole waterfront when you look at taxes and what's being assessed at different places along the tax front. Alberta's rate directly on small businesses is 6 percent. B.C. is 8 and a half percent now, and they've said that they're going to lower theirs, I believe, to 5 and a half by July 1. There's actually a couple of provinces that are even lower than that. A couple of Maritime provinces, I believe Nova Scotia and I think Newfoundland, are in at 5 percent, but all of those provinces, both the Maritime provinces and British Columbia, have a number of other taxes related to small business that we do not have in Alberta. So a person has to do an entire comparison.

At 6 percent we also have a much lower fuel tax, of course, which affects a lot of businesses. We don't have a general capital tax, which many other provinces do on small businesses. We also do not have a payroll tax, another tax which many provinces have on their small businesses. So on the one small laneway on the tax racetrack, if you want to look at it that way, that particular one, 6 percent is where Alberta is, 8 and a half is where B.C. is, and they're going to lower theirs, I believe, to 5 and a half on July 1.

MR. ZWOZDESKY: Mr. Speaker, Alberta businesses also want to know what the Provincial Treasurer's plan is to keep the Alberta small business tax as low as possible, as competitive as possible, and

as influential a factor as possible in terms of encouraging more small business development here in our province.

MR. DAY: Mr. Speaker, we're keeping some basic commitments to Albertans and to those not just who want to start a business here in Alberta but in fact people from other provinces who want to come here and also start a small business. We're going to keep a commonsense regulatory regime. We're going to be very aggressive continually about paying down our debt and reducing our costs. The more a government can reduce its own costs, the less they need to tax people and businesses. So those commitments are going to be very clear. Anything related to the input cost of business is constantly being looked at.

For instance, in discussion with the Minister of Labour he could tell you about the excellent, very competitive, in fact in many cases the lowest rates we have for workers' compensation. I could tell you, Mr. Speaker, that one business that I was talking to, not recently, that was actually situated in Vancouver was thinking of moving to Alberta and actually made the decision to move to Alberta because our Workers' Compensation Board rates were so much more reasonable than British Columbia's. So there's a number of things that have to be taken into consideration. We're going to maintain our commitment, keep our costs down, and that way we can keep taxes down both to people and to businesses.

MR. ZWOZDESKY: Thank you, Mr. Speaker. As part of those commitments just enunciated, I'm hoping the Provincial Treasurer will commit to reviewing the Alberta small business tax rate, the corporate income tax rate for small businesses, with a view to actually reducing it. If so, how soon? When, Mr. Treasurer?

MR. DAY: Mr. Speaker, the chambers of commerce of our province have always led the way in terms of initiatives related to business. They've got some good discussion points on the table which they've brought to us, both the Alberta chamber and chambers from around the province. So we're listening carefully to those folks, to the Federation of Independent Business, and other groups. Small business is really where it's at in terms of the economic generator of employment in this province. We will constantly be looking at what we can do to make sure the picture is better, and in terms of the very big picture, the Premier maintains and continues to say quite rightly that the only way taxes are going in Alberta is down.

THE SPEAKER: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Calgary-East.

Seismic Drilling Holes

MS CARLSON: Thank you, Mr. Speaker. Members of the Alberta Surface Rights Federation are worried that improperly filled seismic holes allow pollution to contaminate the groundwater in aquifers, a very real concern especially as these holes are often located in roadside ditches or low-lying areas. The government is undertaking a study to determine if contamination is occurring, but in the year since the study has been announced the only accomplishment has been to identify the study area. Will the Minister of Environmental Protection please tell us when the completion of the study will occur?

MR. LUND: Mr. Speaker, the fact is that the federation was invited to be a part of the study, so I take it that they're the ones that are wanting to know when the results are going to be out. Maybe the hon. member should ask them when they anticipate it'll be com-

pleted. I'm not sure of the date, so I would have to take that question under advisement and get back to the hon. member.

MS CARLSON: Mr. Speaker, as the federation and many other people have been asking for this study to get under way in a rapid fashion and the minister clearly doesn't understand what's going on there, perhaps he can answer this question: will the minister require that all seismic holes be completely plugged from the bottom with bentonite and with soil on top as requested by the federation and requested in this House previously, not just the current three feet that they do?

MR. LUND: Mr. Speaker, in the preamble to the hon. member's first question she mentioned surface contamination. The fact is that all holes have to have a plug 18 inches below the surface. As far as plugging all the way from the bottom of the hole, that is one of the things that will be determined through the study, whether in fact it is necessary. I think it's also important, Mr. Speaker, to recognize that seismic activity has been going on in this province for over 50 years, and the number of contaminated wells that have been brought to my attention as it relates to seismic is zero.

2:40

DR. WEST: Mr. Speaker, the minister of environment has just very adequately answered the question, but I stand up on behalf of the oil and gas industry and the 50 years of tradition that we've had and say that making a mountain out of a molehill in front of the public on a question like this is totally irresponsible.

MS CARLSON: Well, Mr. Speaker, perhaps the Minister of Environmental Protection will want to pay attention to the people in Niton Junction who have had seismic holes flowing through for 10 years or longer. Will the minister at least ban the drilling of seismic holes and ditches as these waterways are likely to convey contaminants: fertilizers, pesticides, roadside salt, and oil wastes? This matter has been brought to the minister's attention repeatedly over the years. Repeatedly.

MR. LUND: Mr. Speaker, I stand by my earlier comment. I haven't had one person tell me or show me that their well in fact has been contaminated from seismic activity. I have on more than one occasion asked the people that have made these comments to give me a location, to give me a name. We would love to find them.

We believe that one of our most precious resources in this province is the water; groundwater is among those. It's one of the most precious resources we have. In my home area we're so fortunate to have good water. I know what it means to have good water. Seismic has been going on in and around our farm for over 50 years -- over 50 years -- and we don't have one sign.

THE SPEAKER: The hon. Member for Calgary-East, followed by the hon. Member for Edmonton-Centre.

Children's Services

MR. AMERY: Thank you, Mr. Speaker. The Avenue 15 is Calgary's only emergency youth shelter. It's operated by the Boys and Girls Club. Recently the media reported that the shelter is fighting for its life due to changes in the funding it receives from the Calgary Rocky View child and family services authority. My question is for the hon. Minister of Family and Social Services. With the reduction in funding, how does the minister expect this agency to provide services to Alberta youth on an emergency basis?

DR. OBERG: Thank you very much. Mr. Speaker, as a general rule, our department funds on a per capita basis. The number of people that utilize a specific program are the number that are funded. I believe that with Avenue 15, what the issue becomes is more programmatic funding. However, I will certainly endeavour on behalf of the hon. member to take a look at this funding, to sit down with him and go over the funding, and perhaps he can see what the issue is. If there is an issue, we'll act on it.

MR. AMERY: Thank you, hon. minister, for that commitment.

My second question is to the hon. minister responsible for children's services. Given that fund-raising is more difficult to do now, what structures do you have in place to help agencies such as this get funding in place and in the right place?

MS CALAHASEN: Thank you. As a matter of fact, Mr. Speaker, our government funds the authorities to ensure that they continue to fund those contracts they feel are necessary and make sure that the community is involved. They also make their decisions based on the best interests of what the community needs and what the child and the family require but also on the regional services plan as well as the business plan, which I think is an important part when we're looking at how community agencies can access funds. There are a lot of innovative fund-raising strategies that are available. In fact, I want to commend the member for some of the work that he's been involved with in looking at people who are interested in funding agencies of this nature.

MR. AMERY: Thank you. Mr. Speaker, again to the same minister: what guarantees do agencies such as this one have that their funding won't be arbitrarily changed without notice?

MS CALAHASEN: Well, Mr. Speaker, first of all, the regional authorities are responsible for making sure that they communicate with the communities, that they work with the agencies within their region to make sure that they don't fall through the cracks. I believe that as they work through, anything arbitrary or random should not occur, that that kind of information should continue in terms of communication with those agencies and the regional authority.

THE SPEAKER: Hon. members, seven hon. members have indicated their desire today to participate in Recognitions. We will begin with the process of Recognitions, beginning with the hon. Member for Calgary-McCall, in about 30 seconds from now.

During that interim, might we briefly revert to the introduction of visitors?

HON. MEMBERS: Agreed.

head: Introduction of Guests

(reversion)

THE SPEAKER: Okay. The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you very much, Mr. Speaker. I'm very pleased today to introduce to you and through you to members of the Assembly 13 young adults from the target native youth program. They are sitting in the public gallery along with their group leader Ms Mabel Morin. I would ask them all to please rise and accept the warm and traditional welcome of the Assembly.

Recognitions

Khalsa Celebration

MR. SHARIFF: On April 17 some 10,000 Sikhs from all over

Calgary congregated in northeast Calgary to celebrate the 300th anniversary of the founding of the Khalsa Panth. The celebrations began at the Dash Mesh cultural centre, a Sikh temple in northeast Calgary, where the mayor of the city of Calgary, His Worship Al Duerr, officially opened the parade.

Five Sikhs in their traditional costumes and in bare feet led the congregation parade to the Prairie Winds park, where the official ceremonies were held. The chief guest at the event was the Premier of the province of Alberta, the Hon. Ralph Klein. My colleagues the hon. members for Calgary-Cross and Calgary-East were also present with me in representing our province. On behalf of all of my colleagues I wish to extend to the Sikh community of Alberta very happy greetings on this special occasion. I also wish to congratulate the organizing committee for a successful and well-planned event.

I also wish to take this opportunity to recognize the first Sikh to be elected to this Assembly, our colleague the late Harry Sohal, as well as the only current Sikh in this Assembly, the hon. Member for Edmonton-Strathcona.

Thank you.

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

Edmonton City Basketball Championship

MS CARLSON: Thank you, Mr. Speaker. On March 25, 1999, the senior girls' basketball team at St. Clement's junior high school achieved a first for the school by winning the city championship in basketball. In a nail-biting, nerve-racking finish the girls prevailed, 31-30, over St. Kevin. Congratulations to the team members, managers, and coaches.

The team members are Amy DeGuzman, Virnell Walker, Stephanie Reyes, Melissa Schaub, Tabitha Simkin, Michelleine Aquino, Cheryl Banzon, Tiffany Zaharuk, Courtney Rosborough, Andrea Plouffe, Michelle Tria. They were assisted by managers Laura Beier, Chelsey McPherson, Samantha Ursaliak; the assistant coach, Heather Watson; and the coach, Mr. Buddy Mauricio. The team was honoured the next day at a spontaneous rally in the school, which they tell me made a New York ticker tape parade look like a nonevent.

Congratulations to St. Clement's.

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

Khalsa Celebration

MRS. FRITZ: Thank you, Mr. Speaker. This past Saturday I, too, was deeply honoured with the Premier and members for Calgary-McCall and Calgary-East to take part in the Sikhs' 300th anniversary of Baisakhi, which was held in northeast Calgary. This is when Khalsa, the brotherhood of the pure, was created. As you heard, over 10,000 people from the Sikh community participated in a procession, which was incredibly beautiful, colourful, and filled with an intensity of Sikhism spirit and joy at the celebration of meditation, hard work, charity, justice, and equality, which are fundamental principles of the Sikh community.

On behalf of our northeast communities I, too, thank the many, many volunteers and organizers of the Sikh community who spent countless hours in making this event such a tremendous success.

Mr. Speaker, in memory of our former colleague Dr. Harry Sohal, MLA for Calgary-McCall, I ask members of the Assembly to join me in wishing our friends and members of the Sikh community a renewal of faith, peace, prosperity, and joy in their year-long celebration of the 300th anniversary of Baisakhi.

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

2:50 Jasper Place Gateway Foundation

MR. SAPERS: Thank you, Mr. Speaker. The Jasper Place Gateway Foundation is a dynamic group of community members. The foundation was incorporated on May 2, 1997. The membership includes community groups and businesses and individuals who live or work in or near the area between 170th Street and 147th Street and 107th Avenue and 95th Avenue in the west end of Edmonton. It includes the communities of Glenwood, Britannia Youngstown, Canora, West Jasper Place, Sherwood, Grovenor, and Crestwood. All of these communities encircle Stony Plain Road.

It's a very exciting mix of people who are interested in making positive things happen. The objectives of the society are

- a) to promote the Jasper Place Gateway Foundation area as a preferable area to live and do business
- b) to promote and foster a good relationship between the citizens and businesses in the area
- c) to improve the physical environment of the area
- d) to promote and encourage community events in the area
- e) to involve, support, and assist citizens and business to accomplish positive change in the area
- f) to raise funds to assist the foundation in achieving its objective.

The foundation just celebrated the grand opening of its office on Stony Plain Road. My congratulations go to president Susan Roberts and co-ordinator Kevin Peterman.

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

Habitat for Humanity

MR. CAO: Thank you, Mr. Speaker. Today I rise to recognize the organization Calgary Habitat for Humanity, its committee membership and all volunteers and contributors. The objective of Habitat for Humanity is to provide decent, affordable homes for families who could not otherwise afford to buy a home of their own. Each family contributes at least 500 hours of sweat equity, working to build their own house and others. The owner will buy the house with an interest-free mortgage from Habitat. Each year 75 to 80 families apply to join the program. Habitat can only accept the ones most in need. The number is limited not by the number of volunteer contributors but by the amount of land available.

I only have time to mention a few of many volunteers and contributors, such as David Neal, Terry Cade, Charles Jamieson, Paul Cameron, Jack Dickson, Bill Toner, Joni Rabena, and particularly the Hopewell Development Corporation, who donated land. These people and many valuable volunteers had built in Calgary 20 homes by the end of 1998 and six more in 1999.

I would like to ask the House to join me in thanking Habitat for Humanity and congratulating the proud owners of the homes.

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

Lions Worldwide Induction Day

MR. GIBBONS: Thank you, Mr. Speaker. I stand with pleasure today to recognize an event that I attended and spoke at on Saturday, April 17, 1999, which was the International Association of Lions Clubs, District 37B, second annual Lions Worldwide Induction Day. This inspiring event was graciously hosted by the Northgate Lions Club from my constituency at Elizabeth Seton school. There were 157 members being inducted in 36 clubs with their sponsors. The clubs represented on the list were 13 member clubs from Edmonton, Athabasca, Barrhead, Busby, from many other towns in Alberta and from as far away as Yellowknife, Northwest Territories.

There were many able speakers, including the district governor, Dr. George Bevan; past district governor Bill Bissonnette; and past chairman Harold Grace, who gave a very interesting talk entitled *Lionism and the Needs of the Blind*. The principal of the host school, Dave King, spoke on the implementation of a new program called *Lions Quest*, the safe and caring schools project, which is basically a conflict management program for kids. Mr. Wade Bearchell presented an informative talk on *Lions and the Canine Vision* program.

I know we all respect the commitment and dedication that the members of the Lions Club bring to their community. Mr. Speaker, any organization that chooses a motto such as *We Serve* deserves all of our admiration and appreciation.

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

Provincial Soccer Championships

MR. HERARD: Thank you, Mr. Speaker. I'm honoured to recognize excellence in my community of Willow Park/Maple Ridge. Congratulations to the Willowridge U-11 boys' soccer team, who won a gold medal in division 4 at the provincial soccer tournament held in Calgary March 20 and 21, 1999. Congratulations to coaches Peter Wacko, Dan Thompson, and Brian Brown. Team members include Jeremy Brown, Dexter Chen-See, Daniel Churchill, Edward Clarke, Mitchell Dow, Elias Edlund, Daniel Limneos, Michael McGuire, Andrew Miller, Matthew Mills, Shaun Northover, Michael O'Brien, Scott Taylor, Graham Wacko, James Hemming, Hunter Boulware, and Anthony Metcalfe.

Mr. Speaker, not to be outdone by the boys, the Calgary Celtic Soccer Club won a gold medal in the under-15 girls division on the same day. Five of those players came up through the Willowridge soccer program, including Lois Bennett, Stephanie and Michelle Hoogveld, Raeanne Miller, and Katrina Holmquist.

Well done, Willowridge.

THE SPEAKER: Hon. members, before proceeding to Orders of the Day, we have a minimum of four and possibly five points of order. So let's proceed with the first one initiated by the hon. Member for Calgary-Buffalo.

Point of Order Insulting Language

MR. DICKSON: Thank you, Mr. Speaker. I'm referring to an exchange that took place between my colleague the Member for Edmonton-Meadowlark and the Labour minister. My authorities are Standing Orders 13(1), 23(j), and *Beauchesne* 486(1). The Minister of Labour in the course of a response referred to the son of Giopetto. Now, he was clearly referring to a tabling by my colleague for Edmonton-Gold Bar, who had tabled earlier a media release from the United Nurses association decrying the fact that the provincial health authorities of Alberta had broken off negotiations. That tabling had happened earlier in the daily Routine.

When the Minister of Labour referred to the son of Giopetto and went on to speak further, it was clear that his allegation -- I think there's not a member in the Assembly that's not familiar with the story of Pinocchio. Even the Justice minister, I'm sure, has read that before. The allegation in this case was clearly that the Member for Edmonton-Gold Bar, my colleague, is untruthful and, what's more, is habitually untruthful.

Now, in the memorandum you had sent around prior to the commencement of the session, on page 7 you list a number of instances where the word "liar" was out of order; on page 12 a

number of references to not telling the truth. Now, it seems to me, with the greatest respect, Mr. Speaker, that the allegation in the comment made by the Minister of Labour may have been cleverly dressed, but the pith and substance of it was an allegation which is clearly unacceptable against any member of this Assembly. I'd ask you to deal with that allegation, that one of my colleagues was not truthful and is habitually untruthful.

MR. HAVELOCK: Well, Mr. Speaker, I've taken a look through *Beauchesne*. To begin with, Gepetto and also Giopetto, which is a word that I'm not familiar with, are not unparliamentary according to the record.

MRS. McCLELLAN: Or son of.

MR. HAVELOCK: Or son of -- whatever -- or any combination thereof, Mr. Speaker.

All I would suggest is that the Minister of Labour was expressing, albeit rather colourfully, that he did not agree with the hon. member in the member's interpretation of the facts with respect to the particular issue which was outlined in the media release. In fact, I think that during the past few months there have been a lot of disagreements between the Minister of Labour and the Member for Edmonton-Gold Bar regarding their interpretation of, for example, the pine shake issue.

So, while colourful, I don't feel it was so offensive that there should be a point of order on this matter. People say things in this House all the time to perhaps evoke a response, and this one tended to evoke a response. I don't see how it can be a point of order. In fact, the opposition is guilty of saying many more things which are much more offensive than that which was uttered by the Minister of Labour.

3:00

THE SPEAKER: Hon. members, there was no question raised by the hon. Member for Edmonton-Gold Bar today, and what the Blues indicate is that there was a question that was addressed to the Minister of Labour. I quote: "Why are this government's appointed representatives hijacking the collective bargaining process by applying for mediation?" Then the hon. Minister of Labour responds:

Well, Mr. Speaker, I don't know exactly what they're doing because they are the ones that are negotiating with the United Nurses of Alberta. What we do know is from a news release that was tabled in the House by one of the members famous for his son of Gepetto syndrome that talked about nurses' talks actually being broken off. They're not being broken off. There's absolutely no mention that says they've been broken off. What they say is: employer asks for mediator to help reach agreement.

I think -- and certainly with the people who are in the gallery today, Mr. Speaker -- there is ample opportunity in the collective bargaining system to have discussions. If one side feels that it can accelerate or better explain or help and assist through mediation, then that facility is there and available. I would only ask that perhaps the opposition may want to table their position on this negotiation.

When one looks at the black and white of the text, one certainly does not get the inflection and the body language and the whole series of other things that one necessarily may get by hearing the words themselves. So it's difficult for the chair, I guess, in just looking at this, just looking at the black and white, to even know that there is a member from Edmonton -- well, if there's a member suggested, the member is suggested by the hon. Member for

Calgary-Buffalo. There's certainly no allegation here by any particular member.

Let's move on to the second point of order. The hon. Member for Calgary-Buffalo.

Point of Order Oral Question Period Rules

MR. DICKSON: Mr. Speaker, the second one. I'm just knocking the dust off my Standing Orders; it seems like a long time since we've been dealing with points of order.

The exchange between the hon. Member for Calgary-Fish Creek and the Minister of Justice was one that dealt with home invasion. The first question I had noted seemed like a perfectly appropriate question to be asked. The later question, however, was one that was not urgent, as required by *Beauchesne* 409(5), and solicited a general opinion, which is contrary to *Beauchesne* 409(3). It was not seeking information within exclusive knowledge of the Minister of Justice or the exclusive knowledge of his department. The Minister of Justice is not some kind of a general commentator on criminal matters generally. He's here to defend, explain, justify decisions of his office, of his department.

The question about the consequence of home invasions, while it certainly may be of interest to Albertans, doesn't meet the more rigorous standard that's set out in *Beauchesne* and in the authorities and in your own practice. It was very much more the kind of conversational question one might ask the Minister of Justice when you find him in the hallway, hardly the kind of question that ought to take up the precious time of question period.

Thank you.

THE SPEAKER: The hon. Member for Calgary-Fish Creek on this point of order.

MRS. FORSYTH: Thank you, Mr. Speaker. In response to what the hon. member is saying, I said in my second question:

As someone who has had a B and E, the feel of your personal space being evaded can be dramatic at the least. Can the minister explain how home invasion offences differ from other B and Es into residences?

Now, I'd like maybe the hon. member to explain to my constituent who has had a B and E and to someone I talked to in Edmonton who faced a home invasion that it isn't a matter of urgency for them. It is clearly an urgent matter to them. I'm not a lawyer, like the hon. member, and I'd like to get the difference myself between home invasion and B and Es. My constituent and the person I talked to in Edmonton and actually myself, Mr. Speaker, we consider it an urgent matter.

Thank you.

THE SPEAKER: On this point of order, the hon. Member for Edmonton-Norwood.

MS OLSEN: Thank you, Mr. Speaker. I just might also suggest that the information that was being sought today is in fact available. It doesn't need to necessarily be sought out here. It's available in this book called the Canadian Criminal Code. It lists very nicely an offence grid here along with that, and for the members' information, up to life imprisonment for break, enter, and commit an indictable offence.

Thank you.

THE SPEAKER: The hon. Deputy Government House Leader on this point of order.

MR. HAVELOCK: Yes. Thank you. A few points I'd like to make, Mr. Speaker. The hon. Member for Calgary-Fish Creek I think quite appropriately indicated that this was an urgent matter. I'd like the hon. Member for Calgary-Buffalo to explain to those who have actually had people break into their homes that it's not an urgent matter to be discussed in the Legislature. It has a significant impact on people. It undermines their feeling of safety that they have in their homes. [interjections] Hon. members, I listened to you make your argument; I'd expect the same courtesy back. Thank you.

Secondly, Mr. Speaker, there was an issue raised regarding opinion. Well, I did not in any way give an opinion with respect to the second question. What I was doing was simply describing the general characteristics associated with these types of offences, and we have that type of information through the department.

On the third point: it's actually information that is not that readily available. Certainly one can read the Criminal Code if they so desire. I doubt if there's a Criminal Code in every residence in Alberta. Secondly, Mr. Speaker, the Criminal Code provisions do not quite often spell out exactly what the characteristics are of the offence. It varies from home to home. It varies from event to event. I think this was a legitimate question. It's a shame that the hon. member didn't ask her final question, because I could have provided even further information regarding this very serious matter.

I really don't believe there is a point of order here at all, and hopefully you'll rule the same. Thank you.

THE SPEAKER: Well, let's back up on some of the points, from the last one to the front one. The hon. Deputy Government House Leader indicated it's a shame that the hon. Member for Calgary-Fish Creek did not raise her third question. There's no way in the world that the chair would know how many questions any particular individual would want to raise. I certainly hope that if there had been discussion between two hon. members prior to the House meeting this afternoon, then perhaps it would've been the time at that time to ask and get the answers to the questions and not come back into the House and say: well, we've got one, two, three questions. I hope we're not scripting things. Point number one.

Point number two with respect to this matter. In particular, the hon. Member for Edmonton-Norwood participated in this discussion. What is very, very clear is that there are 82 additional hon. members in this House, some who are professional in a particular area, most who are not in that particular area. The great diversity of backgrounds in this Assembly is really one of the things that makes this Assembly so unique. Not everyone here is a former police officer. Not everyone here is a legal authority. Not everyone here is an educator. Not everyone here is a farmer. People come from different backgrounds.

So it's certainly within the purview of hon. members to raise questions that they believe are of significant importance to their particular constituents. That's their job and their responsibility. It's not to be expected that every member would have an answer to every conceivable question on every conceivable topic. So in terms of someone picking up a legal book that may be of particular interest to one particular member, it's not expected that all the other 82 members in the Assembly would also carry with them in their briefcases all of that particular kind of information on a day-to-day basis. It becomes very, very subjective with respect to what's considered urgent or not urgent.

The hon. Member for Calgary-Fish Creek has interjected on this particular point of order and pointed out very sincerely that in her view this was an urgent matter. It's not the chair's position to determine whether or not it is urgent. If that subjectivity comes into play, I can assure you that there will be no questions in the Legislative Assembly that will meet the test that we currently have in our

Standing Orders and in *Beauchesne* in terms of recent presentations of questions.

That being two points of order, now the hon. Member for Airdrie-Rocky View on a point of order.

Point of Order Decorum

MS HALEY: Thank you very much, Mr. Speaker. There are two citations for my point of order. The first is our Standing Order 13(4)(b): "When a member is speaking, no person shall . . . interrupt that member, except to raise a point of order." My level of frustration gets a little high from time to time when the Member for Edmonton-Riverview constantly interjects, even up to and including today, when in an attempt to answer her own question from the Minister of Family and Social Services, she was interjecting over top of his answer.

I sit over here, on this side of the House, as well. I would very much appreciate being able to hear ministers' responses to questions, and all too frequently this is something that doesn't occur, particularly in the first four or five questions of the day where the Premier or one of the other cabinet ministers would be answering a question from their leader. I find it rather frustrating, and I would hope that there would be a way to bring that situation under control a bit.

3:10

The second citing would be under *Beauchesne* 1 where it says: "to enable every Member to express opinions within limits necessary to preserve decorum and prevent an unnecessary waste of time." I think that one of the problems or side effects of the interjections is the fact that answers tend to get longer, people get more frustrated on both sides of the House, and there just tends to be a general breakdown in the decorum here. I feel that we should rise above that in some way in this Assembly.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Riverview on this point of order.

MRS. SLOAN: Thank you, Mr. Speaker. I'm pleased this afternoon to rise and speak to the point of order raised by the hon. Member for Airdrie-Rocky View. I would share the hon. member's frustration with respect to question period. It is difficult day after day to come and ask questions and not get any answers. That being said, I take great pride and concert a great deal of effort in formulating questions that comply with *Beauchesne*. I would cite 409(1) through (12), particularly *Beauchesne* 410(5), which cites: "The primary purpose of the Question Period is the seeking of information and calling the Government to account."

In all respects, Mr. Speaker, I believe my questions have adopted those. We do not always see on the government side the same level of sincerity in responding to those questions and providing answers, acknowledging that at times it is very frustrating to not get the level of accountability that we would like in this Assembly.

With respect to interjections, I think if there is a rule to be made in this Assembly relative to interjections, it is somewhat unfair, Mr. Speaker, for a member to single out a particular member when interjections have become something that are issued by members on both sides of the House, not solely members of the opposition. So in that respect, if there's a ruling to be made, I think it's that all members should attempt to abide by decorum in debate and in question period and attempt to strive to achieve the principle of question period: to provide information and ensure accountability to the citizens of this province.

Thank you.

THE SPEAKER: The hon. Deputy Government House Leader.

MR. HAVELOCK: Yes. Thank you, Mr. Speaker. I'll be very brief. I concur fully with the comments by the hon. Member for Airdrie-Rocky View.

I guess a couple of things I'd like to say in response to what the Member for Edmonton-Riverview stated. She expressed some degree of frustration that she's not getting any answers. Well, the point is: she's not getting the answers she wants. I think that cabinet members make every effort to try and provide information in this House. Quite often the hon. member asks her questions in a provocative way. In fact, in the past we've seen the hon. member ask questions, make allegations, and when those allegations are determined to be untrue, she does not withdraw them. So I have very little sympathy for the hon. member's position because, quite frankly, the way she asks for information in this House is very provocative. She tries to evoke debate. Quite frankly, if that's the way she's going to behave, she has to expect to get a little bit back in return.

I think it's absolutely fair, Mr. Speaker, to go after a couple of the members of this House. For example, in the past I know that the hon. Member for Spruce Grove-Sturgeon-St. Albert has had the honour of being named by you on at least three or four occasions because she is constantly interrupting.

MRS. SOETAERT: No, not named. Never named.

MRS. SLOAN: You're mistaken.

MR. HAVELOCK: How is that inaccurate?

MR. SAPERS: Never named.

MR. HAVELOCK: Oh, I'm sorry.

You did mention the hon. member, and you did actually refer to her riding, that she should not be making such constant interruptions. The Member for Edmonton-Riverview does the same thing day after day. So if they're that sensitive and don't wish to have the issue raised, then there's a simple solution: be quiet through question period.

THE SPEAKER: The hon. Member for Calgary-Buffalo on this point of order.

MR. DICKSON: I'd make this point, that we're not talking about the questions posed by the Member for Edmonton-Riverview. I thought we were addressing interjections. I thought that was the subject of the complaint.

The point I was going to make. One looks at Standing Order 13(1). Mr. Speaker, you've been to far more parliaments than I have, and I suspect there's not a parliament in the Commonwealth in which one does not find a well-aimed barb from a member of one caucus being directed at a minister or an opposition member. I suggest that the real question is one of finding a balance. I think if you, Mr. Speaker, were to insist that there be no interjections, this would be the most sterile, dull, and least representative forum you could ever find, and I know you would never want to achieve that. I think the challenge is one of finding a form of balance where we all respect the rights of each other to be able to pose questions and respond to questions.

I think what happens -- and I'm encouraged in this thought by the last speaker, the Minister of Justice -- is that sometimes the well-aimed barb hurts, and I understand that. It's not much fun if

you're having to defend a position that sometimes is tough to defend and is something that most Albertans would find questionable. But the point is maintaining that balance and that equilibrium.

I'm in a unique position, Mr. Speaker. I sit between the person who raised the question and the member who's been cited, and I had no difficulty this afternoon hearing any of the questions asked or any of the responses afforded.

Thank you.

THE SPEAKER: The hon. Member for Calgary-McCall on this point of order.

MR. SHARIFF: Mr. Speaker, I just want to add to this debate because I, too, as a member of this Assembly am really frustrated. The only reason I'm rising to add to this debate is because the hon. Member for Calgary-Buffalo indicates that in sitting next to the hon. Member for Edmonton-Riverview, he was not affected by the interjections. Sitting on this side of the House, I'm really affected by those interjections. I would hope that everyone -- and this is not necessarily pointing out one member -- in this House would observe the decorum. There are lots of guests that sit in the galleries, and the message that we send to our children is miserable, terrible. I hope everyone learns from this exercise.

Thank you.

THE SPEAKER: Hon. members, the point raised by the hon. Member for Airdrie-Rocky View had to do with her inability, as I understand it, to always hear what was transpiring in the House as a result of interjections that might come from time to time. The chair certainly agrees that it would be rather sterile to eliminate all sorts of comments during a question period. But it's moderation by which it must be dealt with. There is a considerable difference between offering from time to time or periodically a well-aimed barb and the constant nattering and chattering that goes on which prohibits other hon. members from hearing what is transpiring.

If we have the opportunity to have earned the right to come here, earned the right to raise a question in the Legislative Assembly, then surely one of the great responsibilities that we all have, surely one of the things we normally would do would be to hear the response. I mean, why else would one want to get up in the morning? Why else would one want to put on their finest duds and threads and appear and stand up in the Legislative Assembly in the province of Alberta, on television, raise a question of urgent importance, and then not listen to the answer? I don't know what would motivate such a person to do such a thing.

Now, it's certainly not the right of the chair to try and suggest what does transpire or why people do certain things that they all have their certain rights to do, but it is the job of the chair to deal with decorum in this Assembly. There are some certain ways in which this can be dealt with, and of course one is just to be very, very determined in applying all of the rules literally. I think I already indicated and responded to that a little earlier this afternoon on another point of order, that really in terms of many of the questions -- well, of course the questions lead to the responses -- many of them don't fit the rules of the Standing Orders and the rules of *Beauchesne*. However, there's some flexibility, I guess, in terms of dealing with some of these things.

After just going through some -- what? -- nearly 25 days in budget debate, it still astounds the chair to hear questions dealing with the budget and clarifications and everything else with respect to it. I would have thought that for the last 25 days, a constant amount of time had been spent in committee and outside of committee and in this Assembly itself in dealing with it.

3:20

So the point has been made. The point has been very, very well made. All individual members can look into themselves to see whether or not it's a requirement of their job to constantly natter and to constantly chatter and constantly provide interjections. If hon. members would really want to see the way this place can operate, I would like you to avail yourself of a video that was done of an event that happened only several days ago in this Assembly, on Friday, when 83 grade 10 students participated in this House. It was televised provincially, everything from 9 o'clock in the morning to noon and from 1 o'clock to 3:30. It included not only the question period; it offered a discussion on bills.

These young people have taken the role of being an elected person much into the future. Few if any of their questions were more than 30 seconds in length. Few if any of their responses were more than 30 seconds in length. Everyone used absolutely proper decorum. There was no name-calling, no catcalling, no nattering, no chattering. It was a wonderful thing to experience. It's amazing how many phone calls my office received on Friday saying: wow, what's happened here? It was a very, very remarkable event.

So, hon. members, decorum is very important. Now, if hon. members would like this to continue the way it is, then the chair is going ask the three House leaders to meet over the summer and, if this perhaps is an impossible situation for some members, to actually then look at a different configuration of the House so that hon. members can listen attentively. There's nothing magical about the current configuration of the House at all, other than the fact that normally one side is the government side, the other side the opposition side. There is nothing magical about any other configuration in the House. If the government wants to move the chairs up in the centre here, right in here, and get all that side and have all the government members on that side and clearly isolate, if that's agreed upon -- or you can move one set of desks farther away from where the chair is and put the other opposition party in the centre. Those are all options in configurations that can be done so that we can maximize the attentiveness of all hon. members in the House. That certainly is an option.

So thank you for raising this. Thank you all for participating. You've heard the responses to it.

Hon. Member for Calgary-Buffalo, I think you indicated in a note to me that you weren't going to pursue the third point of order.

MR. DICKSON: That's correct.

THE SPEAKER: Okay, sir.

Well, then we have to hear from the hon. Member for Grand Prairie-Wapiti on a point of order.

Point of Order Decorum

MR. JACQUES: Thank you, Mr. Speaker. The Member for Airdrie-Rocky View essentially brought up the same item I was going to with regard to decorum and, more particularly, interruptions. Unfortunately, the only thing I would like to add is that I happen to be one of the few members in the House that has a hearing impairment. I wear hearing aids. I also wear this device as much as I can in the House. I'm finding it extremely difficult in question period, despite having this in my right ear, to have the ability to listen. I'm not getting into the debate of what was said, what he said and she said and on and on. All I'm asking of all members, on both sides, particularly the opposition, is that if they could minimize the amount of interjections, this member in particular would be very appreciative of that.

Thank you, Mr. Speaker.

THE SPEAKER: Well, I think it's a valid point, again, and it has to do with our ability to hear. It's one thing with our ability to speak, quite another thing to do with our ability to hear. Perhaps if we could hear, then all of us would be in a better position to comprehend.

head: Orders of the Day

head: Private Bills

head: Second Reading

Bill Pr. 1

National Bond Insurance Corporation Act

THE SPEAKER: The hon. Member for St. Albert.

MRS. O'NEILL: Thank you, Mr. Speaker. I move second reading of Bill Pr. 1, the National Bond Insurance Corporation Act.

I would encourage all members of this Assembly to support this bill since its intent is to legislate the opportunity for yet another company to operate with strong financial roots based in Alberta.

THE SPEAKER: The hon. Member for St. Albert to close the debate?

[Motion carried; Bill Pr. 1 read a second time]

Bill Pr. 3

Consumers Insurance Company Act

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

MS BLAKEMAN: Thank you, Mr. Speaker. I move second reading of Bill Pr. 3, the Consumers Insurance Company Act.

Now, this bill has been recommended by the Standing Committee on Private Bills. Members in the Legislature may wish to comment on the bill, and I do encourage members to enter into debate if they have any questions. I understand there was limited questioning in debates in the Standing Committee on Private Bills.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Speaker. I'm going to have a few words. Some people would describe my speaking style as wooden, but I'm going to continue anyway.

It is a pleasure to speak briefly this afternoon to Bill Pr. 3. Also, my remarks are concerning Bill Pr. 1. As a member of the Private Bills Committee I welcome each interested group that appears in this Assembly to apply for an incorporation. I listen with interest and it is my observation that all members of the committee listen with interest to all presentations.

An insurance company at this time must be incorporated by a special act of the Legislature. An insurance company is a very important financial institution dealing with and for consumers of Alberta. All the consumers in this province are directly involved with financial regulations and the governing of these regulations in the operation of insurance companies. Through Private Bills the participation of elected members of this Assembly is also very important. The extremely important details of insurance should remain under the scrutiny of this committee. Once again, I can emphasize, Mr. Speaker, that this committee comprises all members of the Assembly, whether they be government members or private members.

When we talk about Bill Pr. 3 and any other insurance incorpora-

tions that have occurred to this date, I believe that this Bill Pr. 3 could be a signal of this government's intentions for the future of health care in this province. Albertans have been forced to rely more heavily on private health care insurance coverage as a result of this government's decision to promote the interests of private, for-profit health care in this province, and they've continued to download costs onto individual Albertans. The Private Bills Committee is a necessary legislative institution. It is here to protect Alberta consumers now and well into the future.

Thank you, Mr. Speaker.

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

MR. DICKSON: Thank you very much, Mr. Speaker. You know, I very much share the sentiment expressed by my colleague for Edmonton-Gold Bar. I know that there is a move to eliminate this process where insurance companies come in through the process of private bills, but I can't help but think that this is important. When one looks at the report of the National Forum on Health, which is now about two years old, and at other kinds of analyses of the proliferation of health insurance companies and health insurance products, I think the question is begged or is invited: what is the impact of these kinds of developments on a strong public health system?

As has often been said too many times in this Assembly, the public health system, that Canadians cherish and that Albertans cherish, is not going to be ended with one clean, bold, high-profile stroke. It truly is the death of a thousand cuts. If it is not members in this Assembly and it's not this forum that is constantly vigilant to determine, when an initiative comes forward, like another insurance venture which will be offering a range of health insurance -- if it's not this body asking the question, "What is the impact going to be on the bigger public health care system?" then who will do it? The Minister of Health may well volunteer that he's the fellow to do it. Maybe it's the superintendent of insurance. Ironically, I think it's the superintendent of insurance that I've heard speak highly of the value in requiring a fledgling insurance company to in fact go through this process.

3:30

The other thing I'd say is that I've had the benefit of reading through *Hansard* when the Private Bills Committee attempted to address some of these questions. I salute the members of the committee for raising those concerns, but I have to express a bit of a concern. [interjection] I think we're going to be losing the Minister of Energy soon, right after Wayne Gretzky. Oh, no; he's still with us, Mr. Speaker. I thought he was waving good-bye. Whether the Minister of Energy is with us after the next election or not -- and I sure hope he is, because this would be a duller place without him. When the committee reviewed Pr. 1 and Pr. 3, it appeared to me that there was precious little respect for the need for a rigorous examination of the plans of the proponents of the bill.

I certainly acknowledge and respect my colleague for Edmonton-Centre for doing her job as a constituency representative in bringing it forward. But because she's done her job well in terms of putting the bill forward, that doesn't relieve the rest of us of our responsibility to do our job to make sure that we're asking the kinds of questions that Albertans expect to be asked. Although it's not fair, not being a member of that committee, I expect that Private Bills Committee to be not doing kind of a rubber-stamp process but in fact to be taking that long, hard look at these kinds of bills.

Those are the very general concerns I've got. This is second reading. We're talking about the bill at the principle stage. I

certainly want to associate myself with the wisdom that I heard from my colleague for Edmonton-Gold Bar and want to encourage members to never start treating these kinds of things as routine. Insurance companies are one of the biggest economic factors in the private sector. We see that kind of problem as the minister is crossing the t's and dotting the i's on his new health information bill, that we're waiting anxiously to see further iteration of. I know he's alive to the significant role played by insurance companies. These are all reasons why I think it's important that we look at these things very carefully. I still have some questions that haven't been fully answered. I'm hopeful other members are going to have a chance also to look at the *Hansard* from meetings of the Private Bills Committee.

Those are the comments I wanted to make, Mr. Speaker. Thank you very much.

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

MS GRAHAM: Thank you, Mr. Speaker. As chairman of the Standing Committee on Private Bills I feel that it is incumbent upon me to address some of the remarks made this afternoon by the Member for Edmonton-Gold Bar and the Member for Calgary-Buffalo. In that regard I would suggest that it's quite improper to suggest that there is something improper in the petition and now the bill of those proponents of the Consumers Insurance Company Act. To suggest that these individuals, the principals of this company, are up to something that they shouldn't be I think is highly improper.

The role of the Private Bills Committee and the members on it is to look at the petition which comes before it and to determine, in the case of an insurance company, whether or not the requirements of the Insurance Act have been met, and this the committee did. Certainly Bill Pr. 3 complies with the Insurance Act, and to suggest that the people behind this bill are up to something they shouldn't be I think is highly improper and not something that any member of this Legislature really ought to be doing. The role of the committee, as I mentioned, is to look at what is being put forward, to compare that to the Insurance Act. If it is in compliance, then it is our duty to recommend to the Legislature that the bill proceed, and that's what happened in this case.

To go on, as the Member for Calgary-Buffalo did, and suggest that the government is also up to no good in trying to make the procedure for the incorporation of insurance companies a more straightforward procedure is again, I think, very improper. One will see, when Bill 25 is debated, that certainly there are safeguards in place -- actually the safeguards are stronger than they were before -- to ensure that before a licence is granted to an insurance company, due diligence has been done on the plan of the insurance company. There must be a business plan. The character and background of all of the principals of an insurance company must be looked at, and this is what the superintendent of insurance does. I'm surprised that the Member for Calgary-Buffalo isn't aware of this, because I know he's usually very thorough, as is the Member for Edmonton-Gold Bar, in looking at the contents of all bills.

I did want to bring this to the attention of those members and to just make it very clear that the Standing Committee on Private Bills certainly did not conclude that there was anything improper being suggested by or behind Bill Pr. 3. Those are my comments.

THE SPEAKER: The hon. Member for Edmonton-Centre to close the debate?

[Motion carried; Bill Pr. 3 read a second time]

head: Government Bills and Orders
 head: Second Reading

Bill 29
Securities Amendment Act, 1999

THE SPEAKER: The hon. Member for Olds-Didsbury-Three Hills on behalf of the hon. Member for Calgary-Mountain View.

MR. MARZ: Thank you, Mr. Speaker. On behalf of the Member for Calgary-Mountain View I'm pleased to rise to move second reading of Bill 29, the Securities Amendment Act, 1999.

[Mrs. Gordon in the chair]

The amendments that are before the Legislative Assembly today represent another important initiative of this government to ensure that our capital market continues to attract and encourage investment in Alberta by providing for a regulatory framework that is responsive to the needs of both industry and investors. Responsibility for securities regulation in Canada, unlike in most other industrialized nations, is provincial rather than federal. It is increasingly common, however, to find that securities transactions cross not only provincial borders but national borders as well. This globalization of capital markets often results in a buyer in one jurisdiction dealing with a purchaser in a second jurisdiction and completing the trade through an exchange or market located in a third jurisdiction. The recently announced proposal to amalgamate the Vancouver and Alberta exchanges to establish a national junior exchange illustrates how connected our markets have become and the sort of fundamental rethinking that these cross-border relationships require.

3:40

The development of global markets has highlighted the need for a flexible regulatory environment and consistency in securities legislation. Substantial progress has been made in all Canadian provinces and territories in the development of a regulatory framework administered by securities regulators and based on mutual reliance, harmonization, increased use of common or compatible technology and enhanced resources, and timely and flexible rule-making by leading securities commissions, including Alberta's. This regulatory framework offers the public a level of efficiency and consistency that might be expected from a single regulator by dealing with a single lead regulator when filing a prospectus or an application for exemption relief or an application or registration in more than one jurisdiction. In order to maximize these efficiencies, we need to go further in harmonizing securities legislation across Canada.

The primary focus of the amendments before us today is to update, clarify, and harmonize provisions of the Securities Act with securities legislation across Canada. This will ensure that the commission is positioned to operate effectively within the current context of our capital markets. Securities legislation must address and balance the needs of both industry and investors. These amendments are designed both to enhance the flexibility of securities regulation for business and to expand investor protections.

I wish to highlight several amendments, beginning with one that will significantly enhance investor protection. The first amendment is an extension of statutory rights of action for damages and rescission currently available to a purchaser against an issuer and others for misrepresentations contained in a prospectus and for misrepresentations contained in other offering documents; specifically, offering memorandums used in private placement offerings. At present these rights are usually provided by contract between

issuer and investor. The amendment would upgrade those rights and broaden the remedies available to investors who are misled by offering memoranda.

The second amendment I would like to highlight is the introduction of an administrative penalty that would enhance the commission's remedial powers. The ability to levy an administrative penalty sanction will give the commission increased flexibility in fashioning a sanction appropriate to the circumstances when dealing with serious breaches of securities legislation. These administrative penalties will be paid into a fund to be established by the commission for the education of capital market participants and cannot be used to fund the day-to-day operations of the commission.

The third amendment will expand the remedial powers of the court to include the power to order that a violator of securities laws compensate investors who have been harmed, give up the profit from the wrongdoing, or pay punitive damage in appropriate circumstances. The commission's role will be to make application in appropriate circumstances to the court for remedial action to address inappropriate actions or harm to investors in the Alberta capital market.

A number of amendments will reduce the regulatory burden on issuers and registrants by removing obsolete provisions, expanding automatic exemptions to eliminate the need to make formal applications to the commission for common or uncontentious exemptions, clarifying administrative roles and procedures, eliminating inconsistencies in the legislation, updating terminology to reflect market developments, and bringing provisions, such as those dealing with broker registration, into harmony with other jurisdictions.

Madam Speaker, I believe these amendments will enhance securities regulation in this province and beyond by providing a regulatory framework that is both flexible and responsive to the needs of both industry and investors and ensuring that our capital market is fair, efficient, and conducive to capital investment to the advantage of all Albertans. I ask for the support of the members in second reading of Bill 29, the Securities Amendment Act, 1999.

Thank you.

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

MR. SAPERS: Thanks, Madam Speaker. At the outset of my remarks on second reading of Bill 29 I want to go on record as thanking the sponsor of the bill, the Member for Calgary-Mountain View, for making himself available to myself and staff when it comes to the intent behind the bill, as well as the staff of the Alberta Securities Commission, who were very responsive to requests for information and in fact continue to be very helpful to this member personally as I find my way in the world of securities in this province. So I do appreciate the assistance that we've been given.

Bill 29 I think is positive legislation in many respects. We do have some concerns that we're going to be addressing, particularly in committee, Madam Speaker, but I think it's important to spend just a minute or two talking about how we got here. As the hon. member who was just introducing the bill was saying, we're on the eve of a number of changes here in Alberta, in fact right across the country when it comes to capital pools and stock exchanges. Of course I have my money, no pun intended, on the fact that the junior exchange is going to be located in Calgary. At least I'm hoping that announcement will come sooner than later.

Now, the object of Bill 29 is to reduce costs and the regulatory burden to the investment community in Alberta and to reflect the best practices already in place in other provinces as security commissions across the country move towards increased harmoniza-

tion, mutual reliance, and co-ordination in the regulation of capital markets. The proposed amendments are designed to allow the commission to respond in a more effective and timely manner to changes in capital markets both in and outside of Alberta and to meet the commission's primary goals and objectives as enunciated in the 1999-2002 business plans. These goals are, firstly, to improve the regulatory environment; secondly, to improve enforcement; and thirdly, to maintain its working relationship with industry, other securities, regulatory authorities, regulators, financial institutions, and of course government.

The highlights of Bill 29 are to extend civil liabilities for misrepresentation in offering documents to include the statutory rights of rescission and damages, including a power to impose an administrative penalty of up to a maximum of \$100,000 per occurrence in the case of an individual or \$500,000 per occurrence in the case of a company. Proceeds from administrative penalties are to be paid into a special fund which will be used to enhance the Alberta capital market. The last highlight I'll mention is that the bill would expand the remedial power of the court to enforce compliance orders by the commission by ordering such things as compensation, restitution, and payment of general or punitive damages in the event of a violation of the act.

Madam Speaker, I think that all investors in this province would want to rely on legislation and regulation put into force by its government regarding the safe investment of their hard-earned dollars. Some particular junior exchanges across the country and in other jurisdictions as well have had a bit of a checkered reputation, and it only takes one sensational instance of abuse. It only takes one headline-making occurrence, and we can all feel the jitters. Alberta unfortunately has had its share of those infamous stock promoters and businesspeople who would run afoul of the rules and, unfortunately, take innocent investors' moneys with them. Luckily there hasn't been more than a handful, but a handful, I suggest, is enough to gain experience and learn our lessons and come up with ways to do a better job.

Madam Speaker, the work of the Securities Commission I don't think can be overstated in its importance. The fact that it's probably not well known by most Albertans may in fact be a testament to how it carries on its duties in a way that gets the job done, for the most part, and without much fanfare.

Now, as I said before, Alberta Liberals support the intent of the amendments concerning Bill 29, although we do have some quibbles. It is important that the Securities Commission continue to review rules, policies, and legislation to ensure that the commission operates within the context of current and of course anticipated developments within our capital market. This is increasingly important as we work in a global economy and we move in Canada towards these harmonized capital pools.

Extending the statutory right of damages for misrepresentation in an offering memoranda, expanding the scope of remedial powers to the court to include compensation or restitution in payment of general or punitive damages as a means of ensuring compliance with the act, and provisions to prevent market manipulation involving securities are all consistent with the objectives of enhancing consumer protection and maintaining a high level of investor confidence in Alberta capital markets.

3:50

Madam Speaker, I can recall it wasn't so long ago that there was a businessperson in Alberta that was promoting private hospitals and private health care and had been doing so initially through a private placement and then eventually ended up with a company that was trading publicly. I remember looking at one of the memoranda that

was issued in terms of an offering, and because it was a private placement, it didn't have quite the same rigour attached to it as it would have if it had been a placement through the Alberta Securities Commission on the stock exchange.

Nonetheless, as I was reading through this offering, I was struck at one point by the list attached to it of people as having provided expert advice and consultation to the project. Because I, of course, was very skeptical about the merits of this initiative, it being a bid to own and operate hospitals in places like Islay and Galahad, I made it my business to investigate a little bit further. I remember phoning up the people that were listed in this memorandum and saying: I'm very surprised to find your name listed; I wouldn't have thought you would have been a proponent of this kind of project. When I explained to them the project and named the project, they were equally amazed. In fact, to a person they said: please send me a copy of that; I have no idea what my name is doing in that document; I never endorsed it; I never said it was a good thing, never said I wanted to see it happen.

Now, the good news is this particular scheme evaporated, and I'm happy that it evaporated, but there are other schemes just like it. I think the more rigour we put into ensuring the merits of what is offered to the public, the better we'll all be served and the better the business climate will be in Alberta.

Bill 29 will see provisions to give the commission the authority to recognize quotation and trade reporting systems; the requirement to grant registration to an applicant unless there is reason to refuse; permitting holders of securities, other than corporations, to participate in dividend reinvestment plans without the necessity of seeking a commission order through other distributions, such as return of capital or capital gains to be applied to the purchase of securities; and to reduce the number of applications to the commission by issuers on the exchange who are trading in securities as consideration for mining claims or oil and gas rights. These are all consistent with the principle of providing a responsive and flexible regulatory environment conducive to capital formation. I think this is particularly timely in Alberta, Madam Speaker.

Expanding the coverage of the certificate of a prospectus to include both promoters and guarantors of that prospectus and eliminating the use of a securities exchange takeover bid as an automatic means of obtaining reporting, issue, or status will enhance disclosure and transparency and create greater incentives for capital formation in the province of Alberta.

The importance of a healthy, effective capital market in Alberta in stimulating economic growth and job creation and investment cannot be underestimated or understated. Capital in the amount of \$9.7 billion was raised through prospectus offerings, mutual funds, and private placements in Alberta during the last fiscal year. This represented approximately 8.8 percent of the total capital raised in Canada and was up from the \$7.3 billion raised in 1996-97.

Bill 29 leaves many issues for regulation- and rule-making, in particular as noted in section 196. While we recognize that the use of rule-making and regulation-making has resulted in an Alberta Securities Commission that is flexible and one that can accommodate changing market conditions and we do applaud the move towards harmonization and integration of capital markets across Canada, we need to ensure that the use of regulation- and rule-making is conducive to a climate of ensuring that the public and stakeholders are informed and are provided with an opportunity to provide input. We recognize that the Alberta Securities Commission has been very accommodating in seeking input from stakeholders, and we are hopeful that this open and accountable approach will continue. Of course, we'll be doing everything in our power to make sure that those things which should be in the legislation will be moved to the

legislation and that only those areas that are safely left in the hands of regulation-making will be left to the regulation process.

We recognize the merits of augmenting the enforcement powers of the commission through the addition of a power to impose an administrative penalty as being consistent with the move towards greater flexibility and harmonization.

We do have some questions about the administrative penalties. We note that the proceeds of the administrative penalties would be paid into a special fund to be used to enhance Alberta capital markets and not to cover the costs of administering and enforcing the act or operating the commission. We, however, need to ensure that there is full disclosure and accountability for the disbursement of the funds and that there is some means to measure performance in enhancing Alberta's capital markets.

Madam Speaker, we would be interested in obtaining more information on how the funds from the levy of administrative penalties will be allocated and whether the Alberta Capital Market Foundation will be involved in any manner. We note that the purpose of the Alberta Capital Market Foundation is to generate ideas and programs that improve the Alberta capital market and to seek ways to improve the education of investors so that they will be better prepared to take responsibility for their financial futures. I would hope that we will be able to see more detailed business plans consistent with the new income that will be flowing to the foundation for that purpose.

I look forward to continued debate on Bill 29 through the comments of my colleagues at this stage and particularly through the exchange that we will no doubt be engaging in during committee on Bill 29. Once again, Madam Speaker, my thanks to the staff of the Alberta Securities Commission for making sure that members of the Official Opposition are up to speed on proposed changes.

Thank you.

THE ACTING SPEAKER: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thank you, Madam Speaker. Just a couple of queries or thoughts with respect to Bill 29 while we're dealing with it at second reading. I think it's very exciting, the prospect of a new national junior exchange, hopefully one that's going to be headquartered in Calgary. That's, I think, something that all Albertans should be very pleased with, and we hope that materializes.

When I look at Bill 29, I'm not altogether clear how much of this is driven by needs that have been identified by the Alberta Securities Commission and people in the securities industry in the province of Alberta and how much of it with a view to harmonizing our rules with those in other provinces as preparatory work to the new national junior exchange. When the acting sponsor of the bill spoke, I didn't hear him address that. I'm hopeful that before we get too far down the road with the bill, he'll go through and he'll identify which provisions in here are necessary to do that harmonization with other jurisdictions for purposes of creating that national exchange. The reason I ask is that I want to make sure that the things we're doing are going to enhance protection for Alberta investors. That's of far more important value to me than doing something simply for the sake of harmonization.

In terms of looking at Bill 29, there's some contextual information that we haven't been provided, and that relates to this administrative penalty levy, which is a really interesting wrinkle in this bill. I think my colleague from Edmonton-Glenora had touched on this, the Alberta Capital Market Foundation. What role are they going to play with respect to the funds generated from the administrative penalty?

I also have this concern or question. The administrative penalties

are pretty substantial. We're talking about a maximum of \$100,000 per occurrence in the case of an individual; \$500,000, half a million dollars, in the case of a company. It seems to me odd, Madam Speaker, that all of those funds would be dedicated, if you will, to this special fund to enhance the Alberta capital market and none of them would go to the administration of the act and the mother act, the Securities Act. That seems like a curious thing to me, and I'd ask the mover to provide some explanation in terms of why it was determined that those administrative penalties would only go into a single fund, why none of them would be accessible for the administrative costs of the Securities Commission.

4:00

The other concern that jumped out at me when I looked at this was the very expansive regulations section. This would be the new, proposed section 39, where it starts on the bottom of page 21. Section 39 amends section 196, which is the regulation provision. We have a major expansion of the regulation powers, and this would be something, Madam Speaker, that is sufficiently significant that it ought to be referred to the Standing Committee on Law and Regulations. I ask the mover of the bill: what arrangement has been proposed to deal with that?

I didn't indicate at the outset, but my intention would be to vote in favour of the bill. I think it responds to an anxiety on the part of the Securities Commission to do some streamlining and some updating of our securities legislation, and that's very positive. Nonetheless, there are some questions.

The provision for information-sharing capabilities with other regulatory agencies inside and outside Canada. One of my questions has to do with Bill C-54. I wonder, Madam Speaker, how this is going to fit in when Bill C-54 is passed and we have this national legislation dealing with the protection of privacy, and that would include the privacy of investor information. Here we have an act that's providing for wider sharing of that information, and the province of Alberta, through the ministers of Justice and Labour, has done, in my view, very little to ensure that Albertans know what's in Bill C-54, to engage Albertans in that debate, solicit their input. Here we're going ahead and we're dealing with broader sharing of personal investor information, and where are the safeguards and where is the protection? So I'd say to the Member for Olds-Didsbury-Three Hills: how are we going to deal with those things?

Now, there's some discussion that confidentiality might be provided to the commission in the same way as information gathered in the course of a commission investigation, but it just seems to me that with the advent of Bill C-54 we need some clearer sense of how personal data, personal information is going to be affected.

That also brings up the issue that has to deal with the European Union privacy directive. Madam Speaker, since that directive came into force in 1998, we see a very weak, limp response from the government of the province of Alberta, and since we export about \$700 million worth of products and services to western Europe, I continue to be distressed that the province doesn't seem to be addressing that very quickly. That may be somewhat collateral to Bill 29; nonetheless, I think Alberta businesses would want to know what this government is going to do.

The other query I had. The powers of the executive director seem to be expanding. That may not on its face be a bad thing. I don't know. Perhaps the sponsor of the bill can tell us whether this mirrors the kind of power that the comparable officer would have in other jurisdictions.

Moving the prescribed lapse date from the act into the rule-making authority of the commission. This is 97(2.1) and 196(k). There seems to me to be two competing values. The one is some

greater flexibility, which is where this bill takes us, but the other competing value is some certainty and some ability to be able to reference information in a statute. I get a little bit nervous when I see more delegation of important decisions to be done by way of regulation and to be done outside this Chamber, partly because those decisions don't attract the kind of notoriety that they ought to.

The question with respect to section 187 and the powers dealing with self-incrimination are interesting. The provision so it deals not with just evidence under oath but also evidence given by way of a statutory declaration or an affirmation is fine. The provision dealing with self-incrimination, though, is somewhat different. Is there any reason for it other than trying to make it more congruent with what exists in other provinces?

Another thing. I noticed a futures contract. If you look at sections 1(b) and 1(h.01), you see a very broad definition, Madam Speaker, of futures contract by way of definition. I guess the definition may be somewhat narrower. I'm trying to understand again the reasoning for this. I haven't had an opportunity to put this to the Securities Commission, but I do have this question in terms of the definition of the contract.

The regulation-making power in section 196. I've identified my concern there.

Just in wrapping up, I'd say that there continues to be a need identified by my colleague from Edmonton-Glenora, and I'd just reinforce it. There has to be some means to measure performance. If the goal is to enhance Alberta's capital markets -- and for Pete's sake, who would disagree with that, Madam Speaker? That's a pretty important objective. We have to be able to measure performance, and that usually means access to some accountability information. I don't see that being addressed on the face of Bill 29. So I'm interested in responses to those questions too.

I'm not sure how much more debate we're going to hear to Bill 29, a bill which, as I indicated, is probably a positive step forward but one that I think has some unanswered questions. So if this bill should happen to get second reading today, then at least I'm hopeful that we'd be able to get some responses before we get to the committee stage.

As always, Madam Speaker, thank you very much for your kind patience.

THE ACTING SPEAKER: Hon. Member for Olds-Didsbury-Three Hills, do you wish to close debate on behalf of the Member for Calgary-Mountain View?

[Motion carried; Bill 29 read a second time]

4:10

Bill 25 Insurance Act

THE ACTING SPEAKER: The hon. Member for Calgary-Lougheed.

MS GRAHAM: Thank you, Madam Speaker. It is certainly my pleasure this afternoon to move second reading of Bill 25, Insurance Act.

This bill is the result of extensive work by government officials in Treasury and Justice in consultation with stakeholders over the course of the past five years. I'd like to take this opportunity to recognize the dedication of the various industry groups and the assistance that they gave to the Insurance Act rewrite process, which began in 1993. The local provincial groups include the Independent Insurance Brokers Association of Alberta; the Insurance Bureau of Canada, prairie region; and the Canadian Independent Adjusters' Association, Alberta branch. The Alberta Insurance Council, which

is the regulator of insurance intermediaries, also played a significant role in this process. The national insurance associations which assisted with the rewrite are the Canadian Life and Health Insurance Association and the Canadian Association of Insurance and Financial Advisors, which was formerly known as the Life Underwriters Association of Canada.

Madam Speaker, Bill 25 represents a comprehensive review and rewrite of Alberta's Insurance Act. The current act, which dates back to 1915, has had many amendments over the years, but substantially it has remained fundamentally unchanged. Given the scope of the project of the rewrite in that the Insurance Act contains almost 900 sections, it was necessary to tackle the rewrite in two stages. The first stage deals with the financial regulation of insurers and the market conduct regulation of insurance. The second stage, which will be just as complex as the first, will encompass those parts of the current act that set the rules governing certain insurance contracts, such as automobile insurance, fire insurance, and life insurance, to name a few. Part 5 of Bill 25 incorporates the existing rules for insurance contracts and has been, as I say, incorporated without change, but they will be subject to a thorough review in the second stage of the rewrite, which should begin later this year. Basically, in a nutshell, the first stage of the rewrite is reflected in Bill 25 with the exception of part 5, as I described.

I would now like to address the policy considerations behind Bill 25 and some of the broad principles of the bill. Bill 25 modernizes Alberta's insurance legislation, with the overall objective of enhancing consumer protection. It will facilitate a competitive marketplace for insurance products and services and at the same time eliminate overlapping regulation between federal and provincial regulators. The new Insurance Act will at the very least be comparable with legislation governing financial institutions from other Canadian jurisdictions. It will provide an environment conducive to the development of the insurance industry in Alberta. More importantly, it will benefit insurance consumers in Alberta and wherever in Canada that Alberta-incorporated insurers operate.

The key objectives of the rewrite reflected in Bill 25, Madam Speaker, are as follows: firstly, the modernization and harmonization of insurance legislation with other Canadian jurisdictions to make the legislation relevant to the current marketplace and to reduce regulatory duplication; secondly, to remove regulatory barriers in the distribution of insurance and the use of consumer disclosure to facilitate competition; thirdly, the enhancement of market conduct rules to maintain both discipline and fairness in the insurance marketplace; and fourthly, to provide the insurance regulator with effective regulatory tools to ensure compliance with the act.

On the first objective of modernization and harmonization. Given that the current Insurance Act is outdated, it was necessary to evaluate the current financial sector marketplace and its evolution and to closely examine contemporary financial sector legislation. In doing so, it became clear that the current act does not adequately cover the full scope of today's insurance marketplace. Also, it does not provide contemporary corporate governance regulation and processes for Alberta-incorporated insurers when compared to our own Alberta financial sector legislation as found in the Business Corporations Act and the Loan and Trust Corporations Act.

Madam Speaker, having regard to the need to make changes to our insurance legislation together with the objective of harmonization of this legislation, it was decided to adopt as a model for the corporate governance provisions the federal Insurance Companies Act and Alberta's Loan and Trust Corporations Act, both of which are relatively new pieces of financial sector legislation. In the case of market conduct regulation, however, there is no existing model that is suitable for Alberta, so it was necessary to develop new rules to

achieve the objectives of modernization. This is where the input of the various industry groups was so important and so integral to the development of the new provisions.

On the topic of corporate governance, in that most insurers doing business in Alberta are operating in other provinces and territories as well, it was seen as being necessary to harmonize our legislation with that of other Canadian jurisdictions to reduce duplication of regulations and thereby reduce regulatory costs and ultimately the cost of insurance to consumers. To this end Bill 25 will provide for the following. It will provide for the incorporation of provincial insurers -- that is, Alberta-incorporated insurance companies -- by letters patent issued by the Lieutenant Governor in Council, similar to the process used for federal insurance companies and Alberta trust companies. This eliminates the current process of incorporation by a special act of the Legislature, which can delay the incorporation of new Alberta insurance companies and cause them to forgo business opportunities.

I'll just say this for the benefit of the Member for Calgary-Buffalo, whom I'd be happy to sit down with and go over the new process for the incorporation of insurance companies. The incorporation by a private bill was stage 1 of a two-stage process for the enabling of insurance companies to conduct business in Alberta. Stage 2 involves the licensing process, which is handled by the superintendent of insurance, who does a very thorough due diligence on the business plan and the background of the proponents of the new insurance company. So for the benefit of the Member for Calgary-Buffalo I'd just like to assure him that our process here in Alberta is seen as being very archaic. We are one of the last jurisdictions in North America to disband the private bill process, and I think everyone here will agree that it's long overdue and the new process will be very beneficial.

Our new bill will also give provincial insurers natural person powers similar to those for federal insurers, credit unions, and trust companies. Broader corporate powers will allow provincial insurers to compete on a level playing field with insurers operating in Alberta but who are incorporated in other jurisdictions. It will also prescribe a minimum capital test for provincial insurers. This test will be harmonized with other Canadian jurisdictions to facilitate mutual acceptance of insurers by all jurisdictions and, again, eliminate duplication of regulatory financial reporting.

The second key objective of the rewrite, as I mentioned, is to enhance competition. A competitive marketplace serves the consumer best with respect to product, service, and price, and a competitive marketplace should be one where buyers and sellers are on an equal footing and where there are no unnecessary barriers to entry. To facilitate competition, Bill 25 is proposing to remove regulatory barriers and implement certain disclosure requirements that will help put insurance consumers and industry on an equal basis in the marketplace.

4:20

Some of the barriers to competition I'd like to address, Madam Speaker. In many cases these regulatory barriers are anti-competitive, and they benefit industry without any clear benefit to consumers. With this in mind, the following barriers are being removed by virtue of Bill 25. Firstly, the current prohibition against insurance companies and agents providing sales inducements and incentives, for example smoke detectors and theft alarms, to clients who purchase fire insurance will be removed. It is felt that such restrictions do not apply to other financial institutions and there is no rationale for them to continue to apply to insurance companies.

Second, the regulation governing the licensing of agents and adjusters which restricts insurance agents and adjusters from

engaging in occupations other than insurance will be repealed, except where such other occupation would place the individual in a conflict of interest position. This, Madam Speaker, is an unnecessary restriction against new agents coming into the business and does not provide any guarantee to the consumer that the agent or adjuster is competent.

Thirdly, insurance agents will be allowed to represent more than one agency provided they disclose this to the consumer. This, Madam Speaker, will allow a person who owns more than one agency to move staff between the two agencies.

On the issue of consumer disclosure, Madam Speaker, an informed consumer is a prerequisite to a competitive marketplace. Consumer disclosure requirements empower the consumer by providing them with better knowledge about the product, the cost of the product, and the relationship between the seller and the issuer of the product. The following measures are being proposed in Bill 25 to enhance consumer disclosure.

Number one, all insurance intermediaries will be required to disclose if they receive compensation for the sale of insurance. Certain limited insurance products are now being sold through nontraditional suppliers such as car dealers, travel agents, and banks. Consumers need to know if the person or organization selling insurance to them is receiving compensation for the sale in order for the consumer to make an informed decision about it.

Number two, insurers will be required to tell their clients when the insurer pays a claim to a third party on behalf of the client. This has never been done before or been required by legislation, and it is intended to prevent surprises about premium increases, in some cases up to a year later, when the policy comes up for renewal.

Number three, the privacy of clients' personal information is a very important issue and needs to be addressed, given that the networking of financial products is now a very commonplace thing. There will be the ability to make regulations governing how insurers and agents share or use clients' personal information.

The third key goal of the rewrite was consumer protection, as I mentioned. With the marketplace becoming more complex, with new products, new players such as deposit-taking institutions now selling insurance, and new marketing techniques, it was clear that legislation needs to be flexible in order to be effective to deal with the issues and problems that are now coming to light. In many cases one rule cannot fit all, so the rules in order to be effective need to recognize the different circumstances. The scope of insurance regulation needs to be expanded to encompass the new players, and also new market conduct rules are needed to ensure discipline and fairness in the marketplace.

Given the complexity of the insurance product and the level of knowledge of most consumers, there is a need for rules that would ensure consumers are treated fairly. Bill 25, Madam Speaker, strikes a good balance between respecting the rights and responsibility of industry and consumers by implementing the following new rules.

Deposit-taking institutions and car dealers who enroll individuals in creditors' group insurance plans will now be licensed on a corporate basis and will be restricted to a limited range of products. Their employees will not have to be licensed individually but will now have to be trained to sell the limited range of insurance products that such institutions are now selling. As well, employees of insurers who adjust claims, that being staff adjusters, will now have to be licensed to ensure that they are qualified. Those employees who adjust certain types of minor claims, however, will be exempt. As well, an insurer that sponsors an agency's licence and an agency that sponsors an employee for a licence will have to screen applicants to ensure that they are suitable as to their character in order to receive a licence. As well, regulations will prohibit insurers and

agents from using tide selling or deceptive practices in the sale of insurance. Regulations will also prohibit claims and underwriting practices that are unfair or unreasonable. Lastly, insurance agents and adjusters will have to carry errors and omissions insurance to cover their negligence and, as well, contribute to a fund to cover the fraudulent acts of their peers.

The last topic I will address, Madam Speaker, is enforcement, because the proposed legislation could not achieve its intended objectives if it did not include appropriate enforcement powers. In that the new legislation does give insurers and intermediaries a fair amount of flexibility in how they operate, there is a corresponding greater responsibility on them to ensure their compliance with the law. Bill 25 has the following provisions that ensure that there are sufficient powers and means, including intermediate measures, to effectively enforce the act and ensure compliance. This is achieved by granting the minister the power to appoint examiners to investigate matters under the act and to conduct special examinations of provincial insurers, also by providing offence and penalty sections to deter illegal conduct, including the ability of the minister to impose fines prescribed in regulation for minor infractions instead of having to prosecute through the courts, and that more serious offences which are prosecuted through the courts be subject to fines of up to \$200,000, a very substantial increase in the overall amount of the fine.

Madam Speaker, this is an overview of the principles of Bill 25 and some of its provisions, which we hope will improve the insurance marketplace for Albertans and which will be necessary for the regulation of the insurance business in the 21st century. Those are my comments on second reading.

THE ACTING SPEAKER: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Madam Speaker. It's a pleasure this afternoon to rise and say a few things about Bill 25. I support the intent of Bill 25 in principle, but before I go any further in my remarks, I would like to thank the hon. member who introduced this bill and the superintendent of insurance and his staff for their time in a very informative briefing we had last week.

This is an extensive piece of legislation. Part 5, of course, is going to come along at a later time, and it will be very important not only for members of this Assembly but for consumers across the province that we have a very close look at the new developments regarding part 5 of this act.

The modernization of financial regulations governing the operation of insurance companies and the establishment of clear market-conduct rules for the distribution of insurance products are important steps towards maintaining the standards of proficiency and competency, increased disclosure and transparency of operations, and enhanced protection for the consumer.

4:30

We all appreciate the efforts of insurance industry stakeholders in working together to bring forward this legislative initiative, Bill 25. It is our understanding that Bill 25 has been the product of extensive consultations with insurance industry stakeholders. I believe, as the hon. Member for Calgary-Lougheed stated, these discussions started in 1994. The proposed legislation is a recognition of the changes that have taken place within the financial services sector in Canada over the past decade and the expectation of further innovations in the future. As noted in the report of the Task Force on the Future of the Canadian Financial Services Sector, also known as the MacKay report, the advent of new technologies and new modes of insurance

distribution have altered the way in which the insurance industry does business, and it is necessary that legislation reflect that reality.

This bill is the first phase of the review of the Insurance Act. Now, I spoke earlier -- but I think we need to emphasize this -- about the second phase, dealing with insurance contracts, that will begin, I believe, in September. The forthcoming review of insurance contracts will be an extremely important subject for all Albertans, as I said before, and could be a signal of this government's intentions for the future of health care in this province.

Over the past six years Albertans have been forced to rely more heavily on private health care insurance coverage as a result of the government's decision to promote the interests of private, for-profit health care in this province and download costs on individual Albertans. I spoke earlier about this, and I'm sorry if hon. members of this House misinterpreted my comments, but they're here and they're very important for the future of all Albertans. Albertans need to be closely involved in the phase 2 review of the Insurance Act to ensure that the government does not use the review as an opportunity to dismantle public health care in Alberta. This, Madam Speaker, is where the Private Bills Committee comes into play. The importance of it is significant, and it cannot be diminished by allowing more regulation by a minister in this province and more regulation of such a significant industry as the insurance industry.

In this respect, with the insurance industry we -- and I speak of all my colleagues -- are somewhat concerned by the lack of public or consumer input into the review of the Insurance Act so far. The Consumers' Association recently pointed out that the government refused to consider paying for market research to examine the attitudes of consumers towards the marketing of insurance products. This is unfortunate, given that the objective of Bill 25 is about enhancing protection of the consumer. We know that in some areas of consumer legislation in this province, homeowners have been let down, and we don't want to see this happen again. We certainly don't want to see this happen again. It is my understanding that the Alberta Insurance Council has been conducting market research of consumers' attitudes towards various insurance issues, and I would be very appreciative if the government would release these survey results as soon as possible.

Now, we must recognize that the insurance business has evolved over the years into a relative state of complexity, and this would make it extremely difficult for consumers to comprehend. The hon. Member for Calgary-Lougheed spoke about this in her remarks. In working with the insurance industry, I believe the government must play a more visible role to ensure that the interests of the general public are more reflected in the consultation process. A strong consumer voice is instrumental for a strong and responsive insurance industry in Alberta.

While Bill 25 takes important steps to deal with such issues as tide selling and perception of lack of disclosure, the Consumers' Association, for one, has noted a number of other issues that need to be addressed. They are the claims process for credit and travel insurance products, extended warranties, the renewal process, limitations on claims, privacy of information, and effective dispute mechanisms. We are hopeful that these consumer issues will be brought to the table as part of the phase 2 review of the Insurance Act by ensuring that the public is at the table.

It must also, Madam Speaker, be acknowledged that the insurance industry has taken positive steps to respond to the interest of consumers, such as the production of policy handbooks for example. The Consumers' Association makes a number of other useful recommendations. They are more information on fault charts and their impact on premiums, renewals, and claims; inclusion of information that provides a step-by-step claims process and mecha-

nisms for dispute resolution; insurance company interpretation of pre-existing conditions; statistics on claims refusals and justifications for claims refusals; statistics on renewal refusals and the reason why; establishment of an arm's-length board -- perhaps it could be one-half industry and regulators and one-half consumer groups -- to conduct research on specific issues in the area of insurance.

The consultation process and consumer awareness would be enhanced if all insurance policies and legislation concerning insurance were stated in plain language. It has been suggested that the definition of plain language be extended to include clear, understandable insurance mathematics. The public would be informed of the effects of various factors on current rates and the effects on future rates. In automobile insurance policies, for example, the policy could state what effect the accumulation of driver demerit points on a driver's licence will have on renewals.

It has also been suggested by a number of stakeholders that given that there are a number of important issues that will be addressed through regulation, it would be preferable to assess the elements of Bill 25 only when the complementary regulations are available. We would tend, I think, to agree with these stakeholders.

The future role of the Alberta Insurance Council, or the AIC, within the context of Bill 25 also must be addressed. The Alberta Insurance Council's primary role is to establish standards for insurance intermediaries and market insurance products to provide a fair marketplace for consumers and provide consumers with a facility to lodge complaints regarding the marketing of insurance and handling of claims in Alberta.

Now, it is my understanding that there is a proposal to move the Alberta Insurance Council from a delegated authority to full self-regulation and to allow for an expansion of the council's role into such areas as consumer awareness and education, the development of increased levels of agent education and licensing, and enhancement of its responsibilities into such areas as marketing practices of companies and unlicensed marketers, as well as some regulatory authority in insurance company compliance issues.

Given that deposit-taking institutions such as banks, credit unions, and ATB are being permitted under the act to hold restricted certificates of authority, there are questions as to whether these deposit-taking institutions will have representation on the AIC and what impact that will have on the AIC's mandate. Perhaps the sponsor of the Insurance Act, Bill 25, can explain what changes are contemplated to the Alberta Insurance Council's mandate if there is a decision to move towards self-regulation.

There are a number of other specific issues contained within Bill 25 that have been brought to our attention in discussions with stakeholders, and I would be very grateful for some explanation from the sponsor of the bill or from the government.

4:40

Now, there are a number of issues that have come forward. Madam Speaker, I would like at this time to briefly discuss the issue of disclosure of compensation. Many industry stakeholders believe that the source and method of compensation should be disclosed, not the amount of compensation. They believe that the regulation-making power with respect to compensation disclosure is far too broad. A great number of identifiable costs, including costs of sales and marketing, administration, and taxes, are used to calculate the premiums paid by policyholders. Sales commissions are only part of the costs.

Some stakeholders have suggested that clients will not benefit from knowing the amount of personal compensation which a company pays an agent. That is because the basis for the agent's compensation and the obligations to pay the cost of doing business

out of that compensation vary greatly from company to company in accordance with the arrangements set out in the agent's contract. Stakeholders have suggested another idea. This is in section 511. They would like to see the following wording: the source, method, and nature of compensation that an insurance agent may receive related to a contract of insurance. The government has suggested, I understand, that the disclosure of compensation is a useful mechanism for informing consumers of the cost of insurance and the independence of the intermediaries.

Now, another issue that has been brought to our attention is the idea of sole or primary occupation. I would like to also briefly talk about this. Licensing regulations will no longer restrict insurance agents from engaging in other occupations except where the other occupation places the agent in a position of conflict of interest. It is my understanding that the government believes that a prohibition against insurance agents from engaging in other occupations is anticompetitive and a barrier to new agents entering the insurance business. Some stakeholders, Madam Speaker, are concerned, however, that the full-time, sole occupation provision has been removed. This is a particular concern as it pertains to level 1 licensed insurance agents. Stakeholders believe there is a need for a beginning agent to master a foundation of knowledge and skills and that consumers have the right to advice and service from a provider who is fully committed to satisfying the needs of clients.

Alberta practitioners may not be able to obtain reciprocal nonresident licensing opportunities in other jurisdictions that continue to adhere to the full-time, sole occupation rules. Some stakeholders, whenever we've talked to them, have recommended that Alberta licensing regulations uphold the sole occupation requirement for level 1 insurance agents and provide that the regulator may suspend, revoke, or refuse to renew a licence if, during the term of the licence, the level 1 agent has breached the condition of sole occupation. Some other stakeholders believe that a list should be established of prohibited occupations that are deemed to expose a client to the risk of undue influence. These precluded occupations could include professional advisers such as doctors, dentists, lawyers, accountants, mortgage brokers of credit-granting institutions, and full-time government employees.

Another issue of concern that has been raised as a result of the stakeholder consultations, Madam Speaker, is the whole concept of mandatory continuing education in the insurance industry. There is no provision that I see in the act, in Bill 25 here, for mandatory continuing education. The needs of consumers demand that knowledgeable, dedicated, and competent financial advisers provide the required level of service. Given the increased diversity and complexity of financial services, practitioners should be current in their knowledge and skills and must continually upgrade their knowledge and skills to remain current.

The Alberta Insurance Council is apparently opposed to mandatory continuing education. The Alberta Insurance Council believes that suspension or requalification can be used in cases where incompetency is demonstrated. The cost of mandatory continuing education will be borne by consumers and agents, and access to courses would be very difficult for rural agents. The government believes that forcing insurance agents to keep up to date with new products and practices is not acceptable. I understand that they believe insurance agents should be required to meet tougher preclicensing requirements.

However, all Canadian jurisdictions with insurance councils either mandate continuing education requirements or plan to implement them. British Columbia requires continuing education. Saskatchewan requires, as of January 1, 1999, continuing education. Manitoba is expected to introduce mandatory continuing education later on this

spring. Ontario now requires continuing education. Quebec I understand will require it next January. Nova Scotia appears to be prepared to adopt the requirement. Some 48 U.S. states have continuing education requirements.

Now, I would be very grateful if the hon. Member for Calgary-Lougheed could indicate whether there was a possibility that Alberta practitioners should be excluded from reciprocal nonresident licensing arrangements with other jurisdictions because of different proficiency requirements.

There are other concerns, as I said before, and questions that I have regarding this legislation. I think we need to have a look at sections 465 through to 497 and talk about the financial guarantees or the errors and omissions insurance, the E and O insurance. Madam Speaker, businesses and individuals that hold a certificate of authority "must meet the requirements respecting financial guarantees set out in regulations." A compensation plan will be established through regulation to govern the fraudulent activity of an agent that is not covered by an insurer or a designated representative. The meaning of fraudulent activities for the purposes of the plan, eligibility for payment under the plan, and the amount of assessments that members will be required to pay into the plan will be established by regulation. Bill 25 will prescribe coverage for fraudulent acts of an agent as a required extension of basic errors and omissions insurance policy.

I'm very disappointed, Madam Speaker, to hear that my time is up. This is an extensive piece of legislation, and I look forward to hearing debate from all sides of the House. As the hon. member said, since 1915 this has been governing the insurance industry in this province and it's a substantial piece of legislation. I believe that if we all take a keen interest in this, we will have a better insurance industry in this province.

I thank you and all members for their ears. Thank you.

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

MR. GIBBONS: Thank you, Madam Speaker. I'm pleased to stand today to speak to Bill 25, the Insurance Act. Bill 25, the proposed new Insurance Act, represents the rewriting of the Insurance Act with the exception of part 5, governing insurance contracts. The bill is a result of five years of consultation. As we can see by the size of the bill book, it is a very extensive item. It is five years of consultation with industry stakeholders.

The modernization of the financial regulations of insurance companies and market regulations of insurance in the province must be beneficial to both the industry and the consumer. The rules governing the financial operation of the insurance companies are designed to maintain the solvency of companies that write insurance by ensuring sound management practices so that the policyholders are adequately protected from the negligence of poor management.

4:50

The Insurance Act was passed in 1915, and although there have been some transitional amendments in the Financial Institutions Statutes Amendment Act in 1996, this is the first major rewrite of the act in 84 years. The insurance industry, along with other financial institutions, has changed dramatically in that period of time. The new Insurance Act must put in place a comprehensive, effective program to protect consumers against corrosive tide selling as well as a system to ensure that consumer concerns are addressed in a manner which will not erode the consumer's trust or confidence. In the future -- and I am sure of this -- when insurance companies will have this trust and confidence of Alberta consumers, then we'll

know that this bill was well drafted. Our province is becoming increasingly more complicated, and insurance is a necessity to provide financial security to families and individuals.

Madam Speaker, we must briefly examine the major elements in this proposed new act and determine which sections reflect changes that may not be in the best interests of the insurance business or the consumer. A new procedure will be introduced to incorporate insurance companies at the direction of the provincial cabinet. Currently by law insurance companies are not permitted to be incorporated under the Business Corporations Act. An insurance company must be incorporated by a special act of this Legislature.

The idea behind this is that the insurance company is a very accountable financial institution carrying out transactions with consumers in Alberta. Anyone who is interested in forming an insurance company must come to the Legislature to get permission to form the entity. After the entity is formed, the superintendent of insurance issues a licence to the successful petitioner. Under the new Insurance Act petitioners will no longer have to go to the Private Bills Committee to seek incorporation.

This committee is one of the last functional all-party parliamentary committees left in this Legislature. This is further proof that this government has a significant interest in government by regulation. We cannot continue to bypass the legislative process. This incorporation through regulations from the minister's office is another assault on democratic principles. Will Albertans concerned about large, secretive American for-profit health insurance companies have advance notice of their intentions to incorporate in this province? I think not. Incorporation by regulation provides no warning to Albertans. This minister has enormous power through these regulations, and the potential for abuse of this process may be too great for the government that wants to encourage more private health care and insurance to give notice. We avoid the use of the term health insurance by conveniently describing it as sickness insurance. Is this so we do not alarm the already suspicious public?

Some will say that the use of regulation-making authority is an efficient method of dealing with an aspect of an industry which is constantly changing. I cannot support this provision on incorporations. The Private Bills Committee is an effective body to inform the public and all other interested parties of any petitions to be incorporated before they are implemented. Every Albertan knows this government's fascination with private health care. The sale of private health insurance is a certain practice we need to monitor.

We have noticed and watched a number of enterprises appear before the Private Bills Committee during the last two years, and I see no need at the present time for the removal of a special act of this Legislature to incorporate insurance companies. Erosion of the legislative process in this province must be stopped.

The new Insurance Act will also open the debate in the financial service industry on who offers what insurance products to their customers. All members of the Assembly must question whether this act will answer consumers' concerns regarding banks and insurance companies. Banks have always offered a limited range of insurance products to their customers. These products protect customers and their families by guaranteeing payment of a mortgage or a debt, depending on the circumstances. Banks do not design or underwrite group insurance products but only distribute them from insurance companies who let the policy terms and administrators to claim. Will this continue to be the case in the future?

The new Insurance Act will apply to all insurance companies operating in this province. This includes entities underwriting, selling policies, and conditions for the product that the banks are permitted to sell to customers over the counter under the federal Bank Act. The Bank Act specifically authorized that the bank may

provide and offer advice about certain insurance products, including group insurance products, as part of the business of banking.

It is interesting to note that in section 452 of Bill 25 the minister may issue a restricted insurance agent's certificate of authority to a business that is a deposit-taking institution. Does this section restrict banks in their exercise of insurance activities authorized under the Bank Act?

The Canadian Association of Insurance and Financial Advisors, which is the CAIFA, has been since 1906 the national professional association of life insurance agents and brokers in Canada. Two thousand Alberta members write the vast majority of life and health insurance policies in this province. This association is committed to protecting the interests of consumers in their products and services. They protect consumers by properly training insurance professionals. Insurance agents are instructed to conduct their business practice at the required standard of competence. Licensing regulations will no longer restrict insurance agents from engaging in other occupations except where their occupation places the agent in the position of conflict of interest.

We know life insurance is a complex financial product. The policy owner or their dependents may not experience the impact of flawed sales until it is too late. For an agent starting out in the business to develop a solid foundation of knowledge to provide advice and service to the customers, perhaps restrictions should be maintained in the interests of consumer protection. I agree with the insurance industry when they say that it is essential to provide insurance agents with a concentrated period of sole occupational experience at the commencement of their careers and to be dedicated to mastering the essential principles and practice of their chosen occupation. A beginning agent cannot become sufficiently competent working in financial security part-time. Formal training and practical experience will prevent unintentional negligence.

I understand that the security regulations of Alberta and other jurisdictions require full-time occupation in financial services, with limited exceptions, as a requirement for listing as a sales representative. Insurance products, as I have stated previously, are at least as complex as securities and mutual funds and, I am told, are frequently more complex. There are no good reasons why part-time individuals can sell variable insurance contracts investing in segregated funds but would be required to work full-time in the financial service to be able to sell mutual funds, a similar but generally simpler product.

Consumers in this province, once again, deserve equal degrees of professional commitment from the providers of all types of products. The Canadian Association of Insurance and Financial Advisors inaugurated a mandatory education program in 1992 for its members who become qualified and use the title of designated chartered life underwriters. Commencing in the year 2000 for all association members under Bill 25 are the proposed duty of care provisions for insurers and designated representatives of insurance. Agencies will be required to implement screening procedures to ensure their agents are suitable and knowledgeable and to prevent misconduct by agents selling on their behalf. Insurers will have a duty to care only for the agents they sponsor. Designated representatives will have a duty to care for the individual agents. An agency hires the sponsor. The duty to care regime will not be prescribed. Industry standards will be reviewed as the benchmark.

5:00

Has the importance of consumer protection been overlooked here? Continuing mandatory education for all life insurance agents will safeguard the needs of consumers. The establishment of reasonable procedures as outlined in section 416 must be explicit. We can't let consumers in this province be let down again.

Madam Speaker, I commend the Member for Calgary-Lougheed for bringing this forward. I hope that she will take note of some of the questions, and I take my leave.

THE ACTING SPEAKER: The hon. Deputy Government House Leader.

MR. HAVELOCK: Yes. Thank you, Madam Speaker. I'd like to move that we adjourn debate.

THE ACTING SPEAKER: The hon. Deputy Government House Leader has moved that we now adjourn debate. Does the Assembly agree with the motion?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed? Carried.

Bill 32

Assured Income for the Severely Handicapped Amendment Act, 1999

THE ACTING SPEAKER: The hon. Minister of Family and Social Services.

DR. OBERG: Thank you very much, Madam Speaker. It's certainly a pleasure to stand up today to speak to Bill 32.

Madam Speaker, as you know, Bill 32 tends to put forward some changes for the Assured Income for the Severely Handicapped Act. What I would like to do today is a couple of things: first of all, go through the amendments and list them and list the reasons for them; second of all, I'd like to go through the process that has been held to date as to what is happening with the assured income for the severely handicapped; and thirdly, if there is time, I would like to read some of the letters that have already been tabled in this Legislative Assembly that are for the Assured Income for the Severely Handicapped Amendment Act, 1999.

First of all, Madam Speaker, I would like to point out to the members of the Assembly, if I can find the bill here, that the first change in this act is to add a preamble. As you know, the act did not have a preamble up until this amendment. We feel it is extremely important that as a government we put forward our goals in any disabled program, and that is what is included in the amendment in the preamble. I might also add that the preamble has been vetted with several of the disabled community, and they are very much in favour of it.

If I may, I will just read some of the preamble.

Whereas persons who receive handicap benefits under this Act want to be full participants in society;

Whereas individuals, families, communities, business, labour and government share responsibility for taking action to eliminate barriers to full participation by and to maximize the independence of persons who receive handicapped benefits;

Whereas the Government of Alberta is committed to providing access to employment training programs and services to persons who receive handicap benefits who wish to enhance their ability to become employed;

Whereas the Government of Alberta is committed to providing financial assistance to persons with severe handicaps whose resources are insufficient to meet basic needs; and

Whereas the Government of Alberta is committed to balancing the needs of persons who receive handicap benefits with accountability to the taxpayers of Alberta . . .

Madam Speaker, we feel that this is a very all-encompassing preamble and that it sets the direction that will come in the future

when this government will be forging ahead on programs for the disabled.

The second point that we will be enacting in this new act is that all AISH applicants and current recipients and their spouses will be asset tested. Asset testing would be required for both initial and ongoing eligibility for the program. There are regulations that will describe asset exemptions, although in this act the asset exemptions are listed at \$100,000 plus a person's primary residence plus a person's primary vehicle.

We feel that this is more than generous. One of the issues of any program that this government needs to put forward is that the needy are the ones who should benefit the most from it. As you've heard me say numerous times in this Legislature in question period, I feel and the people that we have talked to feel that \$100,000 certainly -- certainly -- errs on the side of being highly generous as opposed to cutting off. Anyone who has \$100,000 in the bank plus a primary residence plus a car potentially could have benefits in the area of \$250,000 to \$300,000. It can hardly be imagined by myself, Madam Speaker, that someone with those kinds of assets would need \$855 per month in order to live. Interest on \$100,000 alone would amount to potentially \$7,000 or \$8,000 or \$9,000 a year. So that is the reason we have brought in the asset testing.

Madam Speaker, at this time I'd just like to read a letter that I received from an Irene Minchau from Millet. I am the guardian and trustee for Gertrude Hirsikorn, an AISH client.

Speaking on Gertrude's behalf, we are very pleased with the proposed changes to AISH. Not all the changes would affect Gertrude, such as job training or getting a job, as she is too handicapped. We are grateful for higher benefits and particularly for all the medical benefits which our government provides. We agree with the asset limit of \$100,000.

Madam Speaker, also you've heard me in this House allude to a questionnaire that was put out and the subsequent results that came back. There were 1,010 people that responded. Of those 1,010 people who responded to the 1-800 line that went out to every AISH client, 595 actually made comments to the program; 200 in specific mentioned asset testing and the \$100,000 limit. Of those 200 95 percent were in favour, or in other terms 190 were in favour and 10 were against. We feel that this is good support for an initiative that I feel is going in the right direction.

Madam Speaker, the third thing that we are doing is authorizing that a director may provide access to an array of employment training programs and services on a voluntary basis to enhance a recipient's ability to become employed, as well as provide health benefits to AISH recipients or spouses and their dependent children. Also the director may terminate, suspend, or vary benefits if an AISH recipient does not avail herself or himself of assets to which he or she is entitled, as well if an AISH recipient's spouse does not avail herself or himself of either income or assets to which he or she is entitled.

Madam Speaker, one very important point in this legislation as we go through it is that it must be remembered that every decision that a director makes under this act is appealable to the appeal panels and subsequently on to the Court of Queen's Bench if they do not feel it has been interpreted properly.

Section 13 on page 8 of the act, Madam Speaker, suggests that the minister may make regulations respecting the assets of the recipient and the recipient's spouse that are exempt, partially exempt, or not exempt, and there are several other things that we may well be able to do.

On section 13, Madam Speaker, what is proposed is that we are putting in a clause respecting the provision of financial benefits in accordance with family composition and family size. I would've

liked to have been more specific with this, but unfortunately there are a lot of complications and a lot of implications to deal with when it comes to financial benefits and family size, the least of which is dealing with the federal government on on-reserve natives and how that is funded. I feel that it will take us probably longer than the October 1 implementation date to bring this forward, so we have put it in the legislation only in the broadest of senses, and hopefully we will be able to nail it down more as we talk to the people involved.

5:10

There are several other consequential amendments that are in here that are not really to do with the act. One is deleting the reference of the Social Care Facilities Licensing Act in section 1(c)(iv) and, basically, some AISH clients' living facilities, which are not required to be licensed under the Social Care Facilities Licensing Act. Section 4(3) is re-establishing the original intent of the act by stating that a person cannot receive an AISH benefit if he or she receives or is qualified to receive a monthly old age pension under part 1 of the Old Age Security Act.

Madam Speaker, that sounds like we are limiting people, but in actual fact what we are doing is: if people are able to have the old age pension, then they will not receive AISH. There is a group of people, basically sponsored immigrants, who must be sponsored for 10 years before they can receive old age pension. What this allows us to do, if they are indeed severely handicapped, is to continue to pay them the AISH benefits over the age of 65. Up until now, we have not been able to do that.

I feel that this legislation is a tremendous step forward. I feel it's legislation that has been a long time in coming. This act has been there for more than 20 years, and I feel that it's something that's extremely important.

As a point of interest, Madam Speaker, on the asset testing I'd just like to read something from the *Edmonton Journal*. As everyone in the Assembly knows, the *Edmonton Journal*, if anything, tends to be somewhat left-leaning as opposed to right-leaning. What they have said, if I may, is that if the government introduces asset testing, which it should, the bar should be a generous one, that applicants should be permitted to keep a very sizable nest egg, something at least equal to the \$100,000 trust fund that Ontario allows its disabled applicants. So as you can see, we have indeed listened.

MR. DICKSON: A point of order.

Point of Order Questioning a Member

MR. DICKSON: I'm wondering if the minister would entertain a brief question with respect to the bill he's been introducing and discussing.

THE ACTING SPEAKER: Hon. member, will you please answer the hon. Member for Calgary-Buffalo?

DR. OBERG: Madam Speaker, unfortunately my House leader has told me not to. I would love to do it, but the time is short, and that is what question period is for as well.

Debate Continued

DR. OBERG: So, again, as I was stating, these changes to the AISH Act have been well looked at. The asset testing, which is perhaps the most contentious, has been something that has been talked to. The groups have been listened to, and we have subsequently brought it forward.

Madam Speaker, one thing that I may just very quickly add is that, unfortunately, back in January, there was a draft of the potential AISH document released. At that time the asset testing limit was set at \$5,000 for new clients and \$20,000 for existing AISH clients. As you well know, the process that we go through in our caucus is that it is vetted numerous times, and through that vetting it has come out that the asset testing will be \$100,000.

I'm sure the Liberal opposition will be bringing forward a study that they brought out. Unfortunately, that study was done on the premise of \$5,000 for asset testing for new AISH clients and \$20,000 for existing AISH clients. It's very unfortunate. Again, I'm sure they'll be standing up in here and talking about their study, which unfortunately did not have the proper guidelines in it, did not have the proper AISH tests in it.

So, Madam Speaker, I feel that this is a huge step forward. I feel that a lot of the agencies, such as the agencies I've tabled letters on already -- the Alberta Association for Community Living, the Brain Injury Association of Alberta, the Provincial Mental Health Board, the Canadian Mental Health Association -- are all in favour of this. I would urge the Legislative Assembly to pass this bill as quickly as possible so we can get on with the much more serious job of implementing changes to the AISH Act that will make this the number one disability act in Canada if not in North America.

With that, Madam Speaker, I would move second reading of this bill, and I would also adjourn debate.

SOME HON. MEMBERS: No.

DR. OBERG: I'll adjourn debate then.

THE ACTING SPEAKER: The hon. Minister of Family and Social Services has moved that we now adjourn debate on this bill. All in favour of this motion please say aye.

SOME HON. MEMBERS: Aye.

THE ACTING SPEAKER: Opposed?

SOME HON. MEMBERS: No.

THE ACTING SPEAKER: It's carried.

The Deputy Government House Leader.

MR. HAVELOCK: Yes. Thank you, Madam Speaker. Before adjourning to this evening, I'd just like to make it clear for the record that any minister who feels compelled to answer a question is certainly entitled to do so and does not have to take any direction from me in that regard.

I would, in any event, like to move that the House do now stand adjourned until 8 this evening when we will reconvene in Committee of Supply.

THE ACTING SPEAKER: Does the Assembly agree with the motion by the hon. Deputy Government House Leader?

SOME HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed?

SOME HON. MEMBERS: No.

THE ACTING SPEAKER: Carried. The Assembly stands adjourned until 8 tonight when we will meet in Committee of the Whole.

[The Assembly adjourned at 5:17 p.m.]

