

Legislative Assembly of Alberta

Title: **Monday, May 4, 1992**

2:30 p.m.

Date: 92/05/04

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

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

Amen.

head: **Introduction of Visitors**

MR. HORSMAN: Mr. Speaker, I would like to introduce to you and through you to the Members of the Legislative Assembly His Excellency Baron de Vos van Steenwijk, ambassador of Netherlands. The ambassador is accompanied by his wife, the Baroness de Vos van Steenwijk, as well as Baron van Aeerssen, Holland's consul general based in Vancouver, and by Mr. Dootjes, the honorary consul based in Edmonton, and Mrs. Dootjes.

Alberta and the Netherlands have had long and friendly and mutually beneficial relations, and on trade policy issues the Netherlands has traditionally been a strong and influential free market advocate within the European community. The Netherlands is also an important source of investment capital for Alberta and constitutes a major export market for Alberta products. There have been a number of successful and productive co-operative activities undertaken in recent years between Alberta and the Netherlands including the attendance of Dutch business executives at the Spruce Meadows Equestrian Centre during the Masters event to participate in trade and investment sessions on business opportunities between Alberta and the Netherlands. We've had many other discussions relative to economic and scientific co-operation, and as members know, there are many citizens residing in our province who trace their origin to the Netherlands.

I would ask that His Excellency and the delegation accompanying him now rise in the gallery and receive the warm welcome of the members of the Assembly.

head: **Tabling Returns and Reports**

MR. MAIN: Mr. Speaker, I have a couple of annual reports to table with the Legislature: the Alberta Library Board's 13th annual report, for the year 1990-91, and the annual report from '89 of the Historical Resources Foundation.

MR. KLEIN: Mr. Speaker, last week the hon. Member for Edmonton-Jasper Place alluded to my mentioning NIMBY as it related to the proposed Pine Lake landfill. I would like to table with the House today the NIMBY game. It's designed for students in grade 7, so I'm sure the hon. member will be able to understand it. [interjections]

MR. SPEAKER: Order. [interjections] Order. That's enough.

head: **Introduction of Special Guests**

MR. SPARROW: Mr. Speaker, it's a pleasure to introduce to you and through you to the Members of the Legislative Assembly a group of grade 10 students from Christ the King school in Leduc. These grade 10 students are accompanied by Nattalle Tessier and

are seated in the public gallery. I would ask that they rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. It's my pleasure today to introduce to the Members of the Legislative Assembly 24 students from Elmwood elementary school. They are accompanied by Mr. Ken Kellough, their principal, and Mr. Garth Knudsen, the grade 6 teacher. I would ask that they rise in the gallery and receive the welcome of the Members of the Legislative Assembly.

head: **Ministerial Statements**

Education Week

MR. DINNING: Mr. Speaker, it's quite appropriate that there would be two visiting school groups, because this week is Education Week in Alberta, a once a year opportunity to focus the spotlight on our schools and to focus on the several success stories in education in Alberta. This year's theme is: You are What You Learn. It reinforces the fact that what you become in life is largely a result of what you learn or what you have learned both in school and through family and community experiences. I want to thank the thousands of students and staff and volunteers who have given their all to organizing this week's celebrations.

The spotlight this year goes beyond our schools, Mr. Speaker. It's on the vital role education plays in our nation's ability to compete and the very strength of our economy today. Indeed, education is essential to the health and well-being of our society and all of its citizens.

We have much to celebrate in education today in Alberta, and the acclaim is not just the proud boasting of a government responsible for education. The recognition comes from respected organizations like the Economic Council of Canada, the Conference Board of Canada, the Alberta Chamber of Resources, and the province's Chamber of Commerce. It also comes from the many teachers, students, and parents who experience success in our education system.

Mr. Speaker, we have much to celebrate, but we also have much to do to ensure that our young people continue to receive the best possible education. Our government's action plan on education has a strong orientation towards results, spelling out clearly what we want schools to achieve, providing them with all of the resources available within the taxpayers' means, and then accounting for the achievement of results. Through that orientation, we believe that Alberta's system of education will continue to improve.

Our schools this week are humming with celebration activities, so I encourage you, Mr. Speaker, all members of the Assembly, indeed all Albertans to participate in this year's Education Week events.

MR. MARTIN: Mr. Speaker, I'd certainly join the Minister of Education in celebrating Education Week. If I may say so, I believe that education in the broadest sense will be one of the major issues that we face in the 1990s going into the year 2000. When I say "in the broadest sense," I'm talking about public education, which is important, and advanced education, which is important, but a whole new area dealing with retraining, re-education, and how we tie that into the economy is going to be a major challenge for this government and also the federal government.

Now, Mr. Speaker, it's legitimate, I believe, to have a debate about the curriculum, and I notice now that a lot of people are saying, "Well, they do it better in Germany, they do it better in Japan, or wherever." I caution people about taking an oversimplified approach to this simply because you can't holus-bolus change one educational system into different cultures. There are differences, and I worry that we'd be so much into that debate that we wouldn't worry about some of the other students. I'm thinking specifically – I represent the inner city – that we have a lot of problems just dealing with hunger in those schools. It is well documented that you are not going to learn if you're not being fed the proper food and nutrition. We can't forget that aspect of our education.

I know the minister often likes to talk and say that it's not only dollars – and I do agree with that to some degree – but clearly dollars are going to be important. I say to the minister that we shortchange ourselves over the long run if we aren't keeping up in terms of educational dollars. What's been happening is that more and more has gone down to the local taxpayers. We see a proliferation of user fees; we see some cutbacks in services, especially in rural Alberta. So I think the dollars are important.

I conclude, Mr. Speaker, by saying again to the minister and to the government that this probably will be one of the most important issues of the 1990s, and it's a very legitimate debate to have.

Thank you.

head:2:40

Oral Question Period

MR. SPEAKER: The Leader of the Opposition.

Bench Insurance Agencies Ltd.

MR. MARTIN: Yes, Mr. Speaker. Last Friday the Minister of Consumer and Corporate Affairs admitted some errors in advice that the Alberta Insurance Council gave to John Vandeborn on the legitimacy of the policy he had with Bench Insurance. Now we find that Mr. Vandeborn was called on April 21 by an official of AIC and informed that AIC may have checked with the wrong insurance company. Apparently AIC may have called Dominion of Canada general insurance instead of Dominion Insurance Corporation. Now, this comedy of errors might be funny if the consequences weren't so serious. Clearly AIC has been incompetent in this case. My question to the Minister of Consumer and Corporate Affairs is simply this: has the minister been able to determine if AIC even checked out the right company?

MR. ANDERSON: Mr. Speaker, we have gone through with AIC the various events and investigations that they've carried out related at all to Bench Insurance. One of the difficulties is that the specific circumstance that the hon. leader speaks of was an oral question and oral answer, so the records going back a couple of years with respect to that aren't very precise in what they show. They do indicate that the information received was that the policy was valid. We're still waiting for the insurance company itself to try and find in their records any evidence of what transpired from their perspective. We will continue to search all available sources.

I would only say that I'd appreciate it if the hon. leader could be more specific about his preamble, where he talked about a comedy of errors with respect to that, because I'm not familiar with other incidents where a mistake may have been alleged on the part of the Alberta Insurance Council.

MR. MARTIN: Mr. Speaker, I said that in this case it's clearly a comedy of errors. I take it by the answer that we're not even sure if they dealt with the right company.

An affidavit, Mr. Speaker, filed with the Court of Queen's Bench by Dwayne Bennett of Bench Insurance, which I now file with this Assembly, suggests that at least one other insurance agency has administered claims on its own in contravention of the Insurance Act. My question to the minister is simply this: given the Bench fiasco, how can Albertans be assured that other insurance companies are not operating in the same fashion?

MR. ANDERSON: Mr. Speaker, with respect to the Bench Insurance matter, it is now abundantly clear that a crime was likely involved in the incident that took place. I would like to be able to guarantee all citizens of the province that no crime will take place in the future, as we would like to do with regards to thefts or other crimes under the Criminal Code that might take place, but I can't do that. I can only say that we will continue to act as quickly and as responsively as the information that we're given allows us to do and that as we carry out those responsibilities within the government and the Insurance Council we will set down stringent rules that tell citizens who may break the law that they will suffer as a result.

MR. MARTIN: Mr. Speaker, that's frankly not good enough. We know what's happened with Bench Insurance. The minister's alluded to that. We can't even find out where the policies are.

The point is that in this affidavit they're saying that there are other insurance agencies that could be acting in the same way, and the minister just doesn't know. This could be a much bigger issue than Bench. My question to the Minister of Consumer and Corporate Affairs is: will the minister now agree to conduct a very thorough investigation of all such agencies in Alberta to assure consumers that their insurance policies will be honoured in the event of a claim?

MR. ANDERSON: I'm not sure as to the last part of the hon. leader's remarks, but with respect to Bench Insurance or any other insurance agency, the hon. leader should be aware that there are some 1,600 agents in the province of Alberta. Unless we have at least 1,600 individuals who are enforcing the laws, sitting over each particular agent, I can't guarantee to the hon. leader or to other Albertans that there won't be one of those who is breaking the law. I can say that anybody breaking the law will be dealt with quickly and clearly.

If there's information that the hon. leader has or that citizens in Alberta have, we would like to pursue that quickly and thoroughly.

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

MR. MARTIN: Yes, Mr. Speaker. We've got to do better than that because there could be others out there.

NovAtel Communications Ltd.

MR. MARTIN: My questions are to the minister of technology, Mr. Speaker. Last year the minister announced NovAtel's 1990 financial results on March 14, 1991. Now, we're already into May of 1992, and this government has consistently refused to release NovAtel's 1991 financial results, obviously because of its need to hide bad news from Albertans. We know the news is bad because a note dated November 21, 1991, in the latest public accounts says, and I quote: NovAtel "has incurred significant losses" since December 31, 1990. It's time for this government to come clean

on this matter. My questions to the minister are these: just how much has NovAtel lost since December 31, 1990, and can he be a little more specific than "significant losses"?

MR. STEWART: Mr. Speaker, the 1991 audited financial statements from NovAtel are being undertaken by the Auditor General, and when we receive them, we will file them in due course in the House.

MR. MARTIN: Let's get into that, Mr. Speaker. I ask the minister this: isn't it true that the NovAtel audit is delayed because this government is in a dispute with the Auditor General over adjustments that he says are needed in the NovAtel books?

MR. STEWART: I know nothing with respect to the allegations the hon. leader is making. The Auditor General, in fulfilling his responsibilities in a very responsible way, I'm sure will file the documents with us at such time as he's completed his audit, and in due course we'll file them in the House.

MR. MARTIN: Mr. Speaker, the minister should check if he doesn't know. That's exactly the case. There's a problem with the books.

My question to the minister is simply this: isn't it true that the government wants to put the best possible light on the losses while the Auditor General wants the report to be accurate? That's what this is all about.

MR. STEWART: Mr. Speaker, I'm sure that any report from our Auditor General will be accurate.

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

International Offices

MR. DECORE: Thank you. Mr. Speaker, the government has broken its promise to balance budgets for the people of Alberta. Our provincial debt is now seen by Albertans to be sky-high, and all of us see that the government has no plan to pay that huge debt off. My first question to the minister responsible for FIGA is this: will the minister explain and justify the economic criteria for closing down the trade office in Los Angeles but leaving the one in New York open?

MR. HORSMAN: Mr. Speaker, that question was raised the other night in the estimates of the Department of Federal and Intergovernmental Affairs and is in *Hansard*. I would remind the leader of the Liberal Party that last year an extensive report was prepared and tabled in the Assembly and widely made available to Albertans on the activities of the foreign offices.

The step was taken with respect to Los Angeles primarily because it was an office that had less expenditure. It was the smallest in terms of Federal and Intergovernmental Affairs' expenditures, in the neighbourhood of \$110,000 a year, although of course there were costs associated with it in other departments. That was one of the reasons, and because of the proximity of Los Angeles in terms of air service for the various departments of government that utilize that office as opposed to the proximity of New York. It was a difficult decision, not one that we wanted to make but indeed one that under the economic circumstances was felt to be warranted.

2:50

MR. DECORE: Mr. Speaker, when the expenditures of Los Angeles are deducted from the total expenditures for these foreign

offices, Albertans can see from the budget documents that an increase of 25.5 percent has been given to all of the other foreign offices. In light of the fact that we have a \$2.3 billion deficit, Mr. Minister, how does the minister justify this extraordinary expenditure increase?

MR. HORSMAN: Well, perhaps the hon. leader, who asked me in a letter for some information – that letter will be replied to in detail. I'll fax him a copy, and perhaps I could fax him a copy of the *Hansard* record as well. I would, however, since his party moved in those estimates to eliminate all foreign offices, wonder what on earth he's asking questions like this for today.

Also, I could point out to him once again that during the 1991 fiscal year, 581 Edmonton companies were served by our foreign offices, yet his party wanted to eliminate that service to those Edmonton companies, let alone over 2,000 Alberta companies that were served in the course of the last fiscal year.

MR. DECORE: Mr. Speaker, the answers that the minister has given to me in a letter and to members of this Assembly are that he can't justify the cost/benefit analysis, that you can't do that. Now, I wish the minister would be truthful and answer these questions and show Albertans, explain to Albertans, Mr. Minister, why there is a 25.5 percent increase in the offices for London and Tokyo and Hong Kong and so on and so forth when you're supposed to be looking after the taxpayers' best interests and saving money. Why don't you do it?

MR. HORSMAN: The leader of the Liberal Party is taking acting lessons or something for his supplementary questions.

The fact of the matter is that there has been an adjustment made during this current budget year for the increases that are necessary for locally retained staff, and I repeat locally retained staff, not Albertans who are sent to serve in those foreign offices. Those have been factored in to this year's budget by reason of the fact that in previous years those issues had been dealt with by special warrant. It is the aim this year not to bring in special warrants to deal with those locally retained staff salary increases.

In addition to that, and if the hon. leader has not yet read the information which has been supplied to him, I would also point out that rather than going by way of special warrant to deal with foreign currency fluctuations, those are factored in to this year's costs of the foreign offices, and that accounts for the increase that has been shown relative to the operation of the foreign offices.

All of these, of course, Mr. Speaker – I beg your indulgence – are matters which are properly dealt with during the course of estimates of my department, and the reply, in a detailed way, of course will eventually be faxed to the leader of the Liberal Party.

Speaker's Ruling Repetition

MR. SPEAKER: The Chair has a difficulty with lines of questions that seem to be repeating questions that have really been raised in estimates in the last number of weeks. That's really not what the purpose of question period is. The Chair will go back and examine the record to see what was asked. It's very difficult seeing as how the Chair of question period is not the same Chairman as that of estimates.

Speaker's Ruling Reflections on a Member

MR. SPEAKER: The other problem that arose, though, is that in *Beauchesne* 409(7):

A question must adhere to the proprieties of the House, in terms of inferences, imputing motives or casting aspersions upon persons within the House or out of it.

The Member for Edmonton-Glengarry was clearly inferring that the minister was not telling the truth, and really that's not part of the procedure of any parliament, especially this one.

The other thing that occurs is *Beauchesne* 494, and I direct Edmonton-Glengarry to read that as well and perhaps think about being much more circumspect in some of his comments.

The Member for Cardston.

Constitutional Reform

MR. ADY: Thank you, Mr. Speaker. My question is to the Deputy Premier. Having served on the Select Special Committee on Constitutional Reform, I am aware of how adamant Albertans are about the necessity for a full triple E Senate in Canada, and our committee report reflects that very clearly. I understand that at the ministerial constitutional meetings in Edmonton last week there were some discussions about the very essential equal portion. Could the minister give the House an update on those discussions?

MR. HORSMAN: Mr. Speaker, the circumstances regarding the current round of constitutional discussions are somewhat difficult to follow because in our agenda we are dealing with things in a somewhat piecemeal manner. The discussions last week were only able to deal in part with one of the Es in our proposal, which is the subject of equality. That was discussed at some length but not concluded. I was encouraged during the course of that discussion to find that several provinces other than Alberta are moving very strongly in support of that equal E in the proposal.

I must point out in that respect that we still face a considerable number of hurdles to overcome. The government of Ontario has expressed grave reservations about that. We don't know what Quebec might be prepared to do, because they are not at the table. We do know that within the federal Parliament itself there is grave concern on the part of the federal House of Commons relative to an effective, equal, and elected Senate.

So we have not arrived at any conclusion on that issue. Alberta maintains a strong position in support of a full triple E Senate, and, Mr. Speaker, we will continue to advance that. We are building strength towards achieving the goal that this Assembly asked us to perform in 1985, again in 1987, and throughout the course of the select committee's hearings. That is what we are doing, and we are doing it on behalf of Alberta and Canada.

MR. ADY: Mr. Speaker, the next round of ministerial meetings will be held in New Brunswick later this week, and I understand that tomorrow our Premier will be meeting in Edmonton with Premier Bourassa from Quebec and you, Mr. Minister, will be simultaneously meeting with Quebec Minister Rémillard. Does the minister anticipate that the third E, that of being effective, will receive some discussion on these two occasions, and could he advise something of the position he'll be putting forward on that issue?

MR. HORSMAN: Mr. Speaker, I think it's extremely important that those questions are dealt with, and we indeed expect that in the meetings which will take place in Saint John, New Brunswick, on Wednesday of this week, we will turn to the effective E. That of course will be raised along with the other aspects of Senate reform tomorrow during the course of our meetings with the government of Quebec representatives who will be here.

3:00

I think it's extremely important to note that the government of this province, as supported by the select committee report, as supported by the votes of this Assembly unanimously on two occasions, supports comprehensive Senate reform. We are not prepared to give up the triple E for an effective E or to give up the effective E for the equal E. They have to fit together. It is a package we are advancing. I'm not going to move from the position that Albertans have told us. We want to see true comprehensive Senate reform, and I'm not prepared on behalf of Alberta to trade off one against the other. That is a firm position that this Legislature twice unanimously has told us they want to see. It's in our select committee report; it's there. I will on behalf of Albertans advance the cause.

MR. SPEAKER: Edmonton-Belmont, followed by Edmonton-Gold Bar.

Summer Employment Programs

MR. SIGURDSON: Thank you, Mr. Speaker. The current rate of unemployment for Albertans between the ages of 15 and 24 is 15.5 percent. Last year at this time it was 13.8 percent, and in 1990 it was 11.6. This morning I drove by the hire-a-student office on 109th Street and saw literally hundreds of students lining up looking for work, necessary work that they're going to require so that they can return to postsecondary institutions this fall. The plight of the unemployed, especially unemployed youth, has been exacerbated by this government's policy of contributing to unemployment. I would like to ask the Minister of Career Development and Employment: what hope, if any, can the minister offer young people who are seeking the possibility of summer employment?

MR. WEISS: Well, Mr. Speaker, I'm surprised that the hon. member, who is an Official Opposition member and is critic of my responsibilities, would stand in this Assembly and say that he "drove by." I would have thought that he would have stopped and assisted me in pouring coffee for the students at 6:30 this morning, serving them goods and talking to them all and encouraging them.

AN HON. MEMBER: Answer the question.

MR. WEISS: Yes, let's get to answering the question. I'm very pleased with the support that is being provided by hire-a-student offices in this province of Alberta. This was the kick-off day in Edmonton. Some 7,205 students were assisted this last year. We anticipate that there will be that same number if not more than last year. Just to give you an idea, Mr. Speaker, some 13,000 responses have already been made through the telephone hot line information services. We anticipate that some 3,400 students alone will be helped through our summer temporary employment program, with some \$10 million that's being provided to assist, the only program like it in Canada that's there to offer that assistance. I think there's great hope and great student involvement and great student interest in lining up and being there this morning to show their keenness and . . .

MR. SPEAKER: Thank you. [interjection] Thank you.

MR. SIGURDSON: Mr. Speaker, while the minister may have offered coffee, I am sure that the students would have preferred it if he had offered some jobs. Perhaps tomorrow he would like to offer a sweetener and say that STEP has been increased by the

amount of money that was cut back two years ago. I would ask the minister to undertake to go back to cabinet and ask his colleagues around the table for increased funding to bring back the STEP funding to the point of 1989-90 funding so that students will have the opportunity to work this summer. Will the minister undertake to do that and report back to the Assembly?

MR. WEISS: Well, Mr. Speaker, if the hon. member had been listening Friday morning when we had an opportunity to speak to the Assembly with regards to our estimates, no, we didn't have time for all questions, but one specifically we did have time for. That was to answer and talk about partnerships, the partnerships that work in conjunction with municipalities, the provincial government, and the federal government and with industry. That's what's taking place with the summer temporary employment program and the students to assist them in getting a job. I believe that there will not be the need he so indicates because of the uptake we had last year and the same funding maintained for this year.

MR. SPEAKER: Edmonton-Gold Bar.

Social Assistance Policy

MRS. HEWES: Thank you, Mr. Speaker. Last week the Minister of Family and Social Services claimed that while the absolute caseload is still growing, 10,000 cases are being closed each and every month. Now, before the minister gets too carried away with this, we need some more information. My first question is: how did we get these clients off welfare? How many of them found permanent jobs? Or were they abandoned or disqualified? How did we get them off?

MR. OLDRING: Mr. Speaker, none of them was abandoned. Obviously a number of circumstances help people to get off our programs. Obviously the majority of them were able to find jobs.

MRS. HEWES: Well, Mr. Speaker, we don't know whether those jobs are permanent jobs or whether those people are going around again. [interjections] We don't know if they have jobs, Mr. Minister.

Are we to understand from the absolute number that 10,000 new cases are coming on each month? Is that the other side of this coin?

MR. OLDRING: Mr. Speaker, it's interesting that they seem to take such exception to the suggestion that people are getting jobs. I know that it seems to be a kind of unusual solution for the members opposite, but we on this side of the Assembly believe that that's the alternative the majority of our caseload would like. We're working very hard with them to make sure that those opportunities are there.

As it relates to the overall caseload, Mr. Speaker, yes, our caseload, as is the case in other provinces, continues to grow as a result of a number of circumstances: the changes to UIC, the mess that the Liberal government left Ontario in, and the mess that the NDP government has added to that particular situation. Ultimately we can't create jobs in this province as quickly as those folks are driving them out of Ontario, try as we may. Last year over 14,000 jobs were added here in Alberta. The last five years it's been over 100,000 jobs in Alberta. We can't keep up to the damage that those two governments did in Ontario.

MR. SPEAKER: Red Deer-North, followed by Stony Plain.

Provincial Tax Regime

MR. DAY: Thank you, Mr. Speaker. We heard last week that two independent national tax audits have revealed that a family of four living in an Alberta city pays approximately \$4,000 less in all taxes and fees than a family living in a city in NDP Ontario. That gap, that \$4,000 difference will now get even larger since the NDP there have hit the working people of Ontario with yet another tax increase. My question to the Provincial Treasurer is this: in light of Liberal and NDP demands here in Alberta that tax increases are good for the economy, will the Treasurer monitor over the upcoming budget year the economic effects of the NDP strategy of raising taxes on working families compared with the Alberta government's strategy of lower . . .

MR. SPEAKER: Thank you. [interjection] Thank you. [interjections] Thank you. Thank you.
Provincial Treasurer. [interjections]

MR. JOHNSTON: Mr. Speaker, I understand the sensitivity, as it's now been placed squarely on the agenda of the socialist parties across the way. Particularly in the context of Ontario I think you can make some sharp comparisons between the policies adopted here in Alberta and outlined in our own budget announcements and the policies taken by the socialist government in Ontario. I might note by way of a footnote that we look forward to the budget in Saskatchewan, which will be coming down on Thursday.

Nonetheless, I first of all make two points. As I have said before, all governments in Canada are struggling with the size of their deficits, but the formula adopted by the province of Alberta was as follows. We thought it was important that we do something to instill confidence in the minds of Albertans, of the taxpayers. Now, we just heard criticism across the way from both parties here a few minutes ago saying that we have to do something to get the economy going, to get people back at work, to allow jobs to be created. We think that our formula, which puts the economic dollars in the hands of Albertans by tax reduction, is in fact a much better policy than that adopted by the Ontario NDP government, which increased the taxes for small Ontarians, first of all, by grabbing the federal tax reduction, which they had for about a month and a half, and then adding additional personal taxes to those people in Ontario. I don't think that's the way I'd proceed, and here in Alberta we think that's the wrong way to go.

3:10

MR. DAY: Well, we look forward to the outcome of that analysis.

The supplementary. The federal government has followed a suggestion by Premier Getty to lower federal personal income taxes, but we've heard certain provinces aren't allowing the benefit of that federal break to flow through to its citizens. Will the Provincial Treasurer clarify for us whether the federal income tax break is being allowed to flow through to Albertans along with the provincial tax break, or is it being skimmed off as in other provincial jurisdictions? [interjections]

Speaker's Ruling Parliamentary Language

MR. SPEAKER: It wasn't directed in a personal sense. "Skim" was directed in a collective sense. That was what I was trying to point out to Edmonton-Belmont the other day. Thank you.
Provincial Treasurer.

Provincial Tax Regime

(continued)

MR. JOHNSTON: Mr. Speaker, as I've already said in the first part of my comments this afternoon to the Member for Red Deer-North, in the case of Alberta we are not at all taking back for Alberta coffers any federal tax increases which were announced by Mr. Mazankowski in his budget, and in fact we have gone in just completely the opposite direction. We have reduced the personal income taxes in Alberta, which not only gives back to Albertans the federal reduction but also adds to it the Alberta credit to the average taxpayer in this province to the extent that in 1993 the combined impact of the federal and provincial income tax cuts for the people of Alberta will mean that over \$200 million will go back into the pockets of Albertans, allowing them to make judgments and choices as opposed to governments.

Mr. Speaker, in the case of the Ontario budget, there is an interesting comment that I think I should read into the record. Here is the way in which it was said directly from their budget document:

Combined federal-Ontario personal income taxes for individuals earning less than \$53,000 will be no higher in 1993 than they are now, as a result of this budget.

What that fails to point out is that the Ontario government is capturing the federal tax reduction.

MR. SPEAKER: Stony Plain.

Education Policy

MR. WOLOSHTYN: Thank you, Mr. Speaker. During the ministerial statement the Minister of Education told us that he's going to focus on education this week, and I'm very pleased to hear that. As a result of schools focusing on education as a year-round process, the Economic Council of Canada stats reported that Alberta compares favourably to the rest of the country in education, but we all know that a lot more can be done. The minister's Achieving the Vision report, however, claims that one in three Alberta students entering grade nine do not graduate from grade 12 within five years. The minister also acknowledges that many dropouts end up on social assistance, 92 percent of those as a matter of fact. Given that the minister has already committed to punitive actions against school boards, which are supposed to help students stay in school, what new positive programs will the minister provide to boards to help reduce the high number of dropouts?

MR. DINNING: Well, Mr. Speaker, first of all, the funding that goes to school boards provides them with the provincial funds that are necessary, taxpayers' dollars, to run programs that meet all students' needs. As well, we're developing career and technology studies programs, we have integrated occupational programs, we're working with the federal government on their stay-in-school initiative, we have funding for community schools, and we have high-needs funding for the four school boards in Calgary and Edmonton. The list goes on to quite some length. I know that the hon. member and I spoke about this during my estimates, and if he'd care to designate Education for further budget debate on Wednesday, I'm sure that we could even go longer and into more detail along that very long list.

MR. WOLOSHTYN: Mr. Speaker, while Alberta talks, Saskatchewan has introduced programs. Manitoba has introduced programs.

However, the Economic Council also points out, as many others have, that far too many students come to school poorly prepared to learn. We know that dropouts in the 14 to 18 age group can be significantly reduced by implementing early intervention programs at the elementary and preschool levels. What specific initiatives has the minister taken to involve the departments of Family and Social Services and Health along with Alberta Education in the creation and funding of early intervention programs in Alberta schools?

MR. DINNING: Well, Mr. Speaker, that funding is there and available to school boards to offer those kinds of programs. The hon. Minister of Family and Social Services and I have met a number of times with promoters of the Head Start program, and we believe that that is the right way to go. We're providing some seed funding, perhaps not as much as we would like.

The hon. member is absolutely right that those first years of development for a child and for his or her family are fundamental to the longer term outcome of that child's success in education and, in fact, in life. I see a number of initiatives growing out of communities across this province, certainly not any grand Alberta master plan which is a case of one size fits all communities. Instead I see a number of very positive, locally developed initiatives. The minister and the Minister of Health and I are trying to create a more positive environment so that those communities coming together, defining the problem, coming up with solutions, and asking for relief or a waiver of rules or regulations or other obstacles that get in the way of those locally developed programs, that we stand ready to assist those school districts . . .

MR. SPEAKER: Thank you, hon. minister. [interjection]
Thank you.

Edmonton-Jasper Place, then Westlock-Sturgeon.

Pine Lake Landfill Site

MR. McINNIS: Thank you, Mr. Speaker. The Minister of the Environment tabled an amusing simulation today which he calls NIMBY, a waste management board game. Well, sometimes the game is played for real among people who must pay the costs themselves, who have real lives and real concerns. With respect to the Pine Lake landfill, a matter I raised last Thursday, the local Development Appeal Board ruled that the proposal "was apparently based upon erroneous ground water flow estimates provided by Alberta Environment." Now, I can't find in this game where Alberta Environment provides erroneous information, but I wonder if the minister's had time since last Thursday to find out who in the department collected this erroneous data and why it was provided and what corrective action he's taken.

MR. KLEIN: Well, Mr. Speaker, I would like to have the hon. Member for Edmonton-Jasper Place submit to me the piece of paper from which he quotes, because my department officials have gone through the ruling of the Development Appeal Board and can find nowhere in the ruling of the DAB a statement that alludes to my officials being erroneous in their assessment of the proposed Pine Lake regional landfill site. My officials stand by their assessment. They're good hydrogeologists. They are very, very competent people. They went in not once but twice to do hydrogeology on the site, and they stand by their report that was submitted to the Public Health Advisory and Appeal Board.

MR. McINNIS: Mr. Speaker, I would like to file three copies of the document and direct the minister's attention to paragraph 6, which has the quote that I just read into the record. It also refers to a "lack of cooperation or action on the part of the government authorities involved." The Development Appeal Board has no jurisdiction but recommends that these "concerns with the process . . . should be addressed politically." I'd simply like to ask the minister if he's now prepared to address a new process for landfill approval in the province, or is he going to spend his time making and playing games?

MR. KLEIN: Well, Mr. Speaker, the game was designed for the hon. member obviously.

Aside from that, Mr. Speaker, the Development Appeal Board is a locally appointed board. Someone on that board may have an opinion that differs from the opinion of the experts.

MR. McINNIS: Four hydrogeologists.

MR. KLEIN: Well, we have hydrogeologists in our department. Is the hon. member questioning the integrity of the officials in the Department of the Environment? Is he questioning their integrity? I would like him to stand up and say that he is questioning the integrity of good thinking, honest people in the Department of the Environment. I suspect that's what he's trying to do, Mr. Speaker. [interjections]

MR. SPEAKER: Order. [interjection] After question period. Westlock-Sturgeon.

3:20

Gainers Inc.

MR. TAYLOR: Thank you, Mr. Speaker. There's every evidence that this government continues to squander money on Gainers. Last week the government refused a question on the Order Paper asking for the costs of executives of Gainers commuting between residences in Toronto and Edmonton. To the Provincial Treasurer: can the minister tell the House what it is costing the taxpayers of Alberta to support this high-cost, PetroCan style of living?

MR. JOHNSTON: Mr. Speaker, I think the Member for Westlock-Sturgeon has either answered his own question or has given us an indication of how to deal with it. If in fact he wants that kind of detail, it should be on the Order Paper. If it's on the Order Paper, then he's out of order himself.

MR. TAYLOR: Point of order, Mr. Speaker, on that one.

I'll go on to the second question without even trying to answer your statement. Could the minister tell the House how much money we have put into Gainers over the last calendar year?

MR. JOHNSTON: Mr. Speaker, first let me say that what the government has done in the case of Gainers, so we have a fairly good understanding of where we are right now on this issue, is take a company which went through a very disastrous strike in 1986 and rebuild it, ensuring, first of all, that over 1,100 jobs in the city of Edmonton and across Alberta were saved, not adding to the unemployment that some of the socialist members talk about but building the strength of the company to ensure that the jobs are there. A remarkable change has taken place inside that company as it has now identified new markets and achieved new markets, allowing several things to happen while those jobs are maintained: expanding value added in the province of Alberta and ensuring that the agricultural producer who produces hogs has a

place to really market his production, not just shipping the pigs outside of the province, as the opposition would do, but having value added in this province.

Secondly, Mr. Speaker, as we committed at the time when it was necessary for us to move against the former owners of the Gainers company, we in fact have brought that company along a long way. It's now a viable entity. It's got a new identity. It's diversified its markets, as I said, and the government has set about to ensure that we continue our last commitment; that is, to make sure that it's sold back to the private sector. Now, that's happening right now. If my numbers are right, there are four different groups looking at Gainers, inquiring as to whether or not it can be acquired by the private sector because of its valuable nature to this province, its valuable nature to the people of Alberta, and that is ongoing.

Now, that's what's happened, Mr. Speaker. It's been a rocky course to some extent. That company has had a checkered history, but it's back on stream, added value, and important to our economic diversification.

MR. SPEAKER: Calgary-Millican.

Bow Valley Development

MR. SHRAKE: Thank you, Mr. Speaker. Last month we had the NDP Member for Calgary-Mountain View attacking the development of a very major alpine golf resort in the Canmore corridor, and then in answer to some of my questions, the minister pointed out the massive benefits of this project, and everything seemed okay. Now, this month we've got another NDP member attacking this major tourist project, and it's an Edmonton member, the Member for Edmonton-Jasper Place. My question to the minister: if we shot down this five-star hotel and golf resort project, what would be the loss to Alberta, especially the Calgary region, in jobs and dollars for services and materials and taxes?

MR. SPARROW: Mr. Speaker, in several questions today we've discussed the need for jobs. The loss of jobs in this project would be massive. During construction alone over 3,000 person years of employment are anticipated, and during operation there would be 660 permanent jobs. As far as the loss of materials and services to Calgary and region, throughout the whole province it would be \$161 million worth of construction lost, not counting the spin-off of the multiplier effect. Also, I would like to note that the province would lose about \$11 million in tax revenues during construction, not counting municipal losses and/or federal losses.

MR. SHRAKE: Well, Mr. Speaker, in spite of what the NDP says, I think Albertans, especially Calgarians, support a good tourism industry. I really think somebody should read this little booklet here. There's some pretty good stuff about that project.

I have a supplementary question for the minister of tourism. If the Canmore Alpine golf course was not approved, what do we lose in terms of tourists and tourist dollars over the next years and years?

AN HON. MEMBER: Just a ballpark guess.

MR. SPARROW: Mr. Speaker, this is not a ballpark guess. Thousands of tourists would not come. The calculations on the project show that new tourists brought to Alberta would spend approximately \$57 million, and the loss of the tourism impact would mean that another 1,600 jobs would be lost with a direct loss to the government of Alberta of about \$7 million in taxes

because of that tourism spending. So not only would we lose those potential new tourists, but we'd lose direct tax revenue. Again, the revenue direct to the federal government and municipal government would be higher than the \$7 million that we would lose.

MR. SPEAKER: The Chair apologizes to the Minister of the Environment for having to do sign language to ask him to stay. However, there's a purported point of order coming from Edmonton-Jasper Place, plus another one from Westlock-Sturgeon.

Point of Order Reflections on Nonmembers

MR. McINNIS: My Point of Order is under Standing Order 23(i). I also refer the Chair to *Beauchesne* 484(3). During this question period and also the one last Thursday the minister accused me of trying to impugn the reputation of people in the department. I would simply submit that the facts are these. Hydrology estimates were provided by Alberta Environment. The local people, realizing that putting a landfill in the watershed of a recreational lake may not be a genius notion, hired hydrologists of their own, Dr. Grant Garvin and also Dr. Archibald Stawker and Dr. Bob Nowak, at their own expense. That caused the county Development Appeal Board to commission their own hydrology reports by Golder Associates, which is a major private firm working in the area. So that is in total four different assessments of Alberta Environment's data which were provided. It's as clear as day in the Development Appeal Board ruling that the hydrology estimates provided by Alberta Environment were found to be erroneous groundwater flow estimates.

I think it's legitimate to ask in this House who's responsible for that and what the minister is doing without impugning anyone's integrity and without having mine impugned as well.

MR. KLEIN: Well, Mr. Speaker, it's quite obvious from the press release that was issued by the hon. Member for Edmonton-Jasper Place last week that indeed he was trying to impugn somebody's reputation, whether it was mine or members of my department. He made the allegation that I personally was promoting this site. I can assure you that neither me nor members of my department are promoting this site. We go in and we do an honest examination from a scientific point of view of the hydrology of a proposed landfill site. We present that evidence to the authorities that ultimately have the decision-making responsibility, and we leave it at that.

I would point out in the paper submitted by the Development Appeal Board, upon which their ruling is based, and I quote:

The Board was also concerned that the original proposal, as opposed, was apparently based upon erroneous ground water flow estimates provided by Alberta Environment. The later investigations by Golder & Associates established that there was an error and resulted in design changes.

Our people say there wasn't an error. This is a matter of one firm countering the evidence of another firm, which is very, very common in areas where there are disputes before adjudicating bodies.

3:30

MR. SPEAKER: I'm sure hon. members have listened quite tentatively – that, too – as well as attentively to both Edmonton-Jasper Place and the Minister of the Environment. Once again, it just points out the difficulty we have in rising in question period in that sometimes we get a bit carried away with our emotions and with our concern for the issue. So the Chair just regards this as

an interesting exchange, and I'm sure all hon. members will take due care and attention with the comments that they do make in the House, especially when it relates to persons who are outside of the premises.

Point of Order Declining to Answer a Question

MR. SPEAKER: Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. My point of order comes up with respect to the Provincial Treasurer's answer to an oral question earlier. It's under 416(2). It says quite clearly: "nor can the question be replaced on the Notice Paper." The question I asked today was what some of the top employees at Gainers receive with respect to commuting back and forth between their homes in Toronto and Edmonton. It was on the Order Paper as number 160 on April 30, and the question was not accepted as a written question of the day.

Now, my question to you, Mr. Speaker, is it sets up a rather Gordian knot that you could maybe untie. If indeed we put something on the Order Paper and then the government refuses to answer it and then when we raise it to the minister, the minister says put it on the Order Paper, you can see what's happened: it's a perpetual circle, round and round and round. It's actually unfitting, particularly for the Provincial Treasurer, who is noted far and wide for his obfuscation and wouldn't even tell you the time of day or the weather if he could get around that let alone having to resort to telling us, which is against the rules, "Put it back on the Order Paper." I just wanted to get it across – and maybe you can untie the knot – but it seems to me we're going round and round and round, and we cannot get an answer.

So it's legitimate, I agree, Mr. Speaker, for him to refuse, to do his usual dance, but not to tell us to put it back on the Order Paper.

MR. JOHNSTON: I would never want to harm the gentle character of the Member for Westlock-Sturgeon by refusing to provide him with the fullest possible information or answers. It's always the objective of government, and mine certainly, to ensure that wherever possible that full accounting is presented. I won't recite to you the long list of ways in which that's done in this Assembly. I must, however, draw to all members' attention – and certainly, Mr. Speaker, you've drawn it to our attention on numerous occasions – that it is a long-standing tradition, if not precedent and perhaps even postulate, that suggests that if a minister does not want to answer a question for some reason, in particular because of the confidential nature of some question as it may impact on the personalities implied, that in fact goes to the fundamental test as to whether or not the question can be raised and, secondly, as to whether or not the question should be answered.

There are extensive precedents to support this position. This is not something new and recently adopted by this government. This goes back to the very heart of Parliament itself dating back to the 1600s. I'd be glad to at some point dig out my old notes and refresh the member's memory as to why this is the case, how it operates in practice, and why those rules, which have carried forward for some hundreds of years, apply just as fully and just as fairly to the operation of this Assembly notwithstanding our own Standing Orders.

MR. SPEAKER: Well, it's an interesting game of quoting parliamentary scripture, I suppose, that goes on. For example,

Westlock-Sturgeon, perhaps next time you might quote the whole sentence instead of the last half. That would be of some use here.

I would assume that the Provincial Treasurer earlier was stating that even though the matter had occurred on the Order Paper before and had been disposed of one way or the other, indeed the creativity of the Member for Westlock-Sturgeon could come to bear, that he might be able to ask things in a slightly different manner. Nevertheless, the Chair feels constrained to have to quote back *Beauchesne* 416(1), which really reflects upon this purported point of order.

A Minister may decline to answer a question without stating the reason for refusing, and insistence on an answer is out of order, with no debate being allowed. A refusal to answer cannot be raised as a question of privilege, nor is it regular to comment upon such a refusal. A Member may put a question . . .

MR. TAYLOR: He didn't review it.

MR. SPEAKER: Order please. [interjection] Order. This is not a dialogue.

A Member may put a question but has no right to insist upon an answer.

So today in the purported point of order that's basically what we've been having: some more dialogue and debate. I can understand the hon. member's frustrations, but there are still other ways to be creative.

As the member has pointed out with regard to the Provincial Treasurer, the Provincial Treasurer does have a way with words, and it has been noted on many occasions that the same compliment applies to the Member for Westlock-Sturgeon.

No point of order.

Orders of the Day. Actually, first though, may we revert . . .

MR. TAYLOR: Saved again.

MR. SPEAKER: Order. May we revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

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

MR. SPEAKER: Calgary-Forest Lawn.

MR. PASHAK: Thank you very much, Mr. Speaker. I hope the guests that I'm about to introduce learned from this recent exchange.

Mr. Speaker, it's my great delight today to introduce to you and through you to members of the Assembly 83 students from Keeler school in the great constituency of Calgary-Forest Lawn. They're seated in both galleries. They're accompanied by teachers Ms Patti Bellamy, Mrs. Janice Rideout, Miss Fran Geitzler and parents and helpers Mrs. Sandy Luft, Mr. Cliff Trusty, Mrs. Wendy Grey, Mrs. Neena Minhas, Mrs. Susan Ng, Mr. Bob Shattler, Ms Sandra Brown, Mrs. Kari Ball, Ms Deanne Kartz, Mrs. Diane Fontaine, Mr. Dean Johnson, and Heinz Klouth. I'd ask that they stand and receive the warm welcome from the members of the Assembly.

MR. DROBOT: Mr. Speaker, it's my pleasure to introduce to you and to members of the Assembly 23 students from Mallaig school in the St. Paul constituency. They are accompanied by two teachers Mrs. Isabelle Brousseau and Mr. Edward Jobs. They are

seated in the members' gallery, and I would now ask them to rise and receive the traditional welcome of this Assembly.

head: **Orders of the Day**

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

Bill 20
Alberta Local Employment Transfer Act

MR. SPEAKER: The Minister of Municipal Affairs.

MR. FOWLER: Thank you, Mr. Speaker. I rise this afternoon to move second reading of Bill 20, the Alberta Local Employment Transfer Act.

This Bill will permit the government to transfer to all Alberta municipalities and the eight Metis settlements of the province a nonconditional grant based on a fair and equitable formula of \$79.25 per capita. Mr. Speaker, the Bill refers to the payment being made on or before June 30 of this year. From a deep understanding of municipal governments and their financial efficiencies and the desire to place that money in their hands as quickly as possible, this Bill is brought forward for second reading today.

The minimum grant will be \$17,500 to each municipality that doesn't qualify for an amount over that on the per capita of \$79.25. Mr. Speaker, this represents one more example of this government's support for local government debt management, support that is unprecedented in Canada and even possibly North America. As a former mayor I can personally attest to the value and direct benefit that this government's assistance for debt management has provided not only to the councils of local municipalities but directly to the property tax payers.

3:40

Mr. Speaker, all members have witnessed the growth in the level of local government services – roads, water, and sewer facilities – over the past decade or so. We all have placed demands on our local government, and all governments for that matter, to increase services and improve the quality of life for all. During that period of rapid growth in our province municipalities turned to debt to fund the capital infrastructure: the roads, the water and sewer facilities, the recreation centres, and the list goes on and on. It was because of the decisions that were made yesterday that we can say today with no hesitation that this province is one of the best, if not the best place to live, work, and raise a healthy, educated, and prosperous family. Enormous amounts of money were invested in these quality-of-life initiatives undertaken by both the provincial and municipal governments. With direct support from this government our municipal partners were able to do these necessary things without ultimately turning to their property tax payer to pay the full bill. With passage of this legislation, an additional \$200 million will be transferred unconditionally to our municipal partners.

This government began to provide debt management assistance to our municipalities in 1975. To date this amount transferred to municipalities for debt management has totaled over \$2.3 billion. I believe a review of this unprecedented support is necessary.

[Mr. Deputy Speaker in the Chair]

Under the municipal debenture interest rebate program Alberta municipalities have received over \$1.3 billion in interest subsidies.

Payments to reduce interest charges for some municipal debentures will continue until the year 2010. With this provincial program the true costs of municipal borrowings were offset, and the property tax payer directly benefited from the reduced interest charges. This unique program permitted our municipal partners to undertake capital works projects with the certainty of interest charges and the knowledge that during those years of rapid interest rate fluctuations they could plan and respond to the growth occurring in their communities.

That is not all, Mr. Speaker. No. In 1979 this government again recognized the enormous pressure that growth in our municipalities was placing on the property tax payer and the difficulties that municipal councils were facing in attempting to respond to the demands that their residents were placing on them. On February 1, 1979, this government announced a \$1 billion program that paid out municipal debentures that had an interest rate greater than 8 percent. More than \$648 million of municipal debentures were paid out. As well, an additional \$382 million was paid directly to the municipalities. To ensure that all municipalities were treated fairly, this program was designed to distribute funds based on a per capita allocation. A grant of \$500 per capita was provided at that time.

In Bill 20 before us today that concept of allocating funds on a per capita basis is again utilized. Some mayors, and particularly the mayors of Edmonton and Calgary, have stated that this distribution is unfair and wrong. They say that the surplus proceeds from AMFC should be paid back to municipalities based on the proportion of their borrowing, that the big borrowers should receive the most. This saddens me somewhat, Mr. Speaker. I was mayor for many years, and I understand and appreciate the challenges and the difficulties that all municipal councils face when the principal source of revenue is the property tax. I know that they have very limited tax room, but to suggest, as one mayor has stated, that the municipalities have been robbed is nonsense. Since 1964 the funds which this province has received from the Canada Pension Plan Investment Fund have directly flowed to the Alberta Municipal Financing Corporation. The corporation was established by this province so that municipalities could collectively benefit from the borrowing ability of the provincial government thereby reducing the cost of borrowing to our municipalities.

It is important to note that the Canada pension plan funds come at a rate that is about one-half percent below the market. Since 1975 over \$2.3 billion in debt management assistance alone has been transferred to our municipal partners. It is important to underscore that the vast majority of this debt assistance was provided to the cities of Edmonton and Calgary, and this is only right as they are in fact the municipalities that provide local services to the majority of Alberta citizens. In fact, since the inception of the program Edmonton has benefited from interest subsidy of over \$262 million and Calgary, \$421 million. In addition, under the Alberta municipal partnership in local employment program Edmonton has thus far received approximately \$66.3 million and Calgary, \$74.4 million. With passage of this Bill Edmonton will receive a further \$48.7 million and Calgary, \$56.1 million.

Let's not forget too quickly the amount of debt management assistance that was provided to Edmonton and Calgary under the debt reduction program, or MDRP. Mr. Speaker, I believe it is important that I highlight to all members of the Assembly those amounts. On August 1, 1979, the city of Edmonton had over \$178 million of debentures paid out by this provincial government and was given a further \$68.6 million grant for a total of over \$246.7 million. The city of Calgary on the same date had over 253 and a half million dollars of debentures paid out by this government

and was given a further grant of \$8.1 million for a total grant as of that date of \$261.7 million.

So what have we here, Mr. Speaker? We have a provincial government that has stood beside our municipal partners and dedicated funding sources, be it the heritage fund or the Canada pension fund, so that collectively the municipalities could borrow at very favourable rates. We have a provincial government that has transferred over \$2.3 billion to directly assist in the debt management of local governments. We have a provincial government that believes that all Albertans should be treated fairly and equally. We have a provincial government that has committed to legislative spending limits and within those intentions has again responded to the needs of our municipal councils by transferring on a fair basis \$200 million to our municipal partners. We have a provincial government that firmly believes that local councils at the local level can make the best decisions as to what and how they can get their residents working and improving their community, thus the unconditional nature of this \$200 million grant under this Bill.

Mr. Speaker, we have a provincial government that has not and will not forsake its municipal partners. No, with passage of this Bill we will again reconfirm that this government will respond to the very real needs of all Albertans fairly, equitably, but within the limits of our financial resources. I ask all members to support this Bill so that as soon as it receives Royal Assent, the \$200 million can be transferred to our municipal partners so that much needed activities in our communities can commence.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Beverly.

3:50

MR. EWASIUK: Thank you, Mr. Speaker. I am pleased to rise today and speak to Bill 20, the Alberta Local Employment Transfer Act. What this Bill in essence does is legitimize the ability of this government to divert a hundred million dollars that properly belongs to local authorities to the Alberta General Revenue Fund.

I want to read from section 22 of the Alberta Municipal Financing Corporation Act, which really spells out where the money belongs. The Act says, in part, that the corporation has the power to pay, from time to time, as a rebate of interest, any profits of the corporation to the shareholders of the corporation that have borrowed money from the corporation . . . proportionately as those shareholders made use of the facilities of the corporation over the period in which those profits were derived.

That's pretty clear, Mr. Speaker. The Act under which the AMFC is regulated in fact states very clearly that any profits that have been derived as a result of their operations are to be transferred to the shareholders. The shareholders in this case are the municipalities in this province of Alberta, the school boards in this province of Alberta, and hospital boards. Those are the organizations that have taken advantage of this particular corporation for their capital expenditures over a long period of time and under good management by the corporation.

You have to give them credit for their management. They conducted the affairs of the corporation since 1956 and, of course, have now accumulated a large surplus. As the Act states, the surplus that has been generated so far in fact belongs to the shareholders. It belongs to those participants. Therefore, the ones that should get the surplus of these funds are those groups – not two-thirds of the money that has been generated but in fact the full amount, the \$300 billion, that has been raised.

I'm a bit surprised that the government and this minister haven't listened to the organization it represents, the Alberta Urban Municipalities Association. The AUMA's position has been quite clear right from the outset. They believe that the funds do not belong to the provincial government, that the funds are rightfully due to the participants within the corporation. In fact, the shareholders have, I believe, made representation to the government, to the minister, and to the Premier asking them to reconsider their position. I might add that the AUMA is also supported by the towns and villages in the province and by the directors who represent the towns and villages and cities as the board of directors of AMFC.

It seems, as per usual, the government does not listen to the people whom they presumably represent, do not listen to the leaders at the local level. The Treasurer simply, under an obscure Act that's available to him, was able to extract this \$100 million that belongs to the local authorities for the purpose of this government to attempt to make his budget look more pliable than in fact it really is.

In fact, Mr. Speaker, the Auditor General in his annual reports has stated clearly. I'm sure he must disagree with the position that has been taken by the Provincial Treasurer. In the provincial financial statements the Auditor General has always listed the MFC surplus as restricted profits and equity of the province. What this means is that the money does not belong to the province; it belongs to the local authorities – not two-thirds of it, the entire \$300 million.

I'm looking forward to hearing comments from the government members on this particular issue on behalf of the local authorities. The people we have had the opportunity to discuss this with: while they may certainly agree that some money is better than no money, on the other hand they point out what's happened to the AMPLE program. Is this in lieu of the AMPLE program? The Local Authorities: as one said to me, we're pleased for small mercies. While this is not necessarily a small mercy, it is not the proportion of funding that should have been available to local municipalities. Others have asked, "Is it fair for the government to ask municipalities to be good managers on one hand and then on the other hand take away funding that rightfully belongs to them?" It is those kinds of comments and concerns that I want to raise today with the minister and the government on Bill 20.

I think it's a Bill that's not fair, as some people have also said. It's not a fair Bill. Even though the minister may feel that the formula that has been developed to distribute the \$200 million is a fair one – I can't argue with that – you can argue with the amount that is being distributed, Mr. Speaker. The cities of Calgary and Edmonton, of course, have another point of view. I don't want to get into that discussion, although I think section 22 of the AMFC Act does in fact make some reference to proportional funding being referred to the shareholders in the event there was a profit.

I know the minister spoke at length about the kind of funding that has been available to municipalities over the years, and I think that's a fair comment. Indeed, assistance has been given for debt management to municipalities over the years, but there is a reason why some of these municipalities in fact incurred the large debts that required that kind of assistance. I can speak primarily only of the city of Edmonton, but I recall during the late '70s and the early '80s when the province as a whole was in a boom state. There was growth and expansion almost everywhere, particularly in the northern part of the province. With the Syncrude project among the larger ones, many of the activities were taking place in the Fort McMurray/Syncrude area. Many of the people that were responsible for that development, of course, were stationed here

in Edmonton. The city of Edmonton was required to provide the infrastructure as a result of this development in the north. There was growth and development, of course, you will recall, in every direction and of every nature. I think this put a great deal of pressure on the city to keep pace with that demand, and certainly that demand also required a lot of financial assistance and money that we didn't have at the time. For the development of residential subdivisions, for example, there was a great demand. There was a great demand for industrial parks.

All these things required almost immediate action. It wasn't something you could sort of plan and do; it had to be done almost now. So of course municipalities had to resort to borrowing money in an effort to provide the facilities which they are charged to do. This rationalizes, in my opinion at least, that there had to be some support given to these municipalities such as Edmonton and of course others that needed assistance financially to be able to cope with this rapid growth. So while the minister may take some comfort in saying that we did this, I think it had to be done. It wasn't a matter of the generosity of the government, Mr. Speaker; it was simply a matter of having to do it. We were, in fact, going to provide and make this province the kind of province we want it to be. Even today, while the government again is encouraging the development of our resources both in forestry and tourism – I have no argument there; I think those are the sorts of things that the government must do – I think that at the same time you have to provide support to the communities, the municipalities that are going to be part of this redevelopment.

4:00

Speaking with members of the Canmore council, while on one hand they are accepting the fact, to some degree, that there's going to be growth in their community, they have major, major problems with the government allowing this development to take place around them and at the same time not providing the municipality, the council with the kind of funding they're going to require to accommodate this growth which is going to come on very rapidly as well.

I think that while we can sit back and say, "Look, you know how well we're doing; the province is developing," I think we have to be concerned about local authorities. Those are the frontline people. Those are the people that are going to have to be responsible for ensuring that there are proper and adequate facilities within the community that is going to be developing around them.

Mr. Speaker, this Bill is no surprise to us of course. We knew it was coming and what it was going to do, but I think that while the Bill might be all right, it's what has happened, the way the government has introduced this whole matter of funding to municipalities, the diverting of \$100 million that properly should be apportioned to the municipalities but is somehow ending up in the coffers of the provincial government. That's the portion I have difficulty with and that many municipalities throughout the province have difficulty with as well.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. I look at Bill 20 here in front of me, the Alberta Local Employment Transfer Act, and let me say I'm extremely disappointed. The hon. member bringing the Bill forward is one of the members I do have a great deal of respect for. I've always felt he performs his duties with the best possible benefit to the constituents he serves in his role as a cabinet minister, and I'm very, very disappointed. I was

convinced from day one that it was a Bill that he was forced to bring forward because of the 'jibbery-jabbery' of the Provincial Treasurer in trying to balance the books, but as I listened to the Member for St. Albert speak, I'm no longer convinced of that. I believe that during the course of time he's actually become convinced that what he's doing is not wrong, that in fact it is the right thing to do, and he's now rationalizing in his mind that it's of benefit to the municipalities.

Let's look, Mr. Speaker, for a minute at what's happened here. We have an hon. member in this House, a former mayor of the city of St. Albert, a former president of the Alberta Urban Municipalities Association, bringing forward a Bill introducing legislation, asking all members of this Assembly to approve legislation that to me reeks of as close to outright thievery as you can possibly come. That's the way I see this particular Bill. We're taking dollars that rightfully, without question – the intent within the legislation that governs the Alberta Municipal Financing Corporation is very, very clear that any surplus funds are to be returned to the participating shareholders. It's very clear.

The question of it being legal: obviously the Provincial Treasurer has found another piece of legislation that he claims supersedes or is of more importance or a higher priority than that particular legislation. Nevertheless, Mr. Speaker, let's go to the intent. The intent was very, very clear that these dollars were to be returned to the participating shareholders. Let's look at the participating shareholders. The two biggest ones, of course, are the city of Edmonton and the city of Calgary, but there are others throughout the province, including school boards.

We look at the impact of this particular Bill. "The Minister of Municipal Affairs shall pay to a local government . . . \$79.25 for each resident"; in other words, a per capita basis spread throughout the province. I understand we now have cabinet ministers going to these municipalities and handing out cheques saying: what a great government we are; look at the great things we're doing by giving you this money. The type of thing the Member for Barrhead would do with his lottery funds. I find it despicable, Mr. Speaker, that these dollars that don't rightfully even belong to this government are used in an attempt to shore up whatever political support they have in rural Alberta. I find that wrong, wrong, wrong. It's being done at the expense of the participating shareholders. A lot of those municipalities certainly are going to like that money. Certainly that concept of trying to buy votes on a per capita basis . . .

Point of Order Imputing Motives

DR. WEST: A point of order.

MR. DEPUTY SPEAKER: Order. The hon. Solicitor General is rising on a point of order.

DR. WEST: Yes. Under Standing Order 23(i) I'll take exception with the statements made here a moment ago about a member that is not present. There were motives imputed that have not been verified to my knowledge. I find those types of comments only incite to bring forth debate or harassment in this Assembly that's not needed. I would like you to review either the Blues or make a comment on those.

MR. DEPUTY SPEAKER: Order please. As a point of clarification to the Chair, could the hon. Solicitor General say what member was referred to that he's referring to as not being present?

DR. WEST: The Minister of Public Works, Supply and Services.

MR. WICKMAN: The guy who runs around handing out all these cheques.

DR. WEST: That doesn't make it right what you're saying.

MR. DEPUTY SPEAKER: Order please. With all due respect to the hon. Solicitor General, I don't believe that the hon. member has transgressed the rules.

MR. WICKMAN: Mr. Speaker, I can quote dozens and dozens of newspapers throughout Alberta, rural newspapers, where I see the member I referred to there with two other people, handing out a cheque. I can show you pictures from Edmonton-Whitemud. So it's very, very clear. Every member in this House knows the dillydally that goes around with those lottery funds.

Debate Continued

MR. WICKMAN: Getting back to the Bill that's in front of us here, Mr. Speaker, we talk in terms now of all these municipalities getting these dollars, getting these cheques. The smallest amount guaranteed to each municipality is \$17,500. Done at whose expense? The participating shareholders, the municipalities. Certainly those municipalities that participated get back some of their dollars, but let's look at the situation as it applies to Calgary and Edmonton. They're getting back dollars that belonged to them in any case, that were committed to them under another project, the AMPLE dollars. So they're being told, "We're going to fulfill the obligation that we made to you with your own dollars."

What about the school boards that were participating shareholders? I understand it's in the neighbourhood of \$5 million to \$7 million in the city of Edmonton. They're being shortchanged. They're not going to get any of those dollars back at all, absolutely none, because this per capita does not apply to those school boards that were participating members.

4:10

I can recall, Mr. Speaker, two months ago when we were given a letter that was sent to a mayor of one of the municipalities forewarning of the possibility of what one of the board members of the Alberta Municipal Financing Corporation anticipated may happen. It was described in that letter – and I'm sure the minister is familiar with that letter – as the threat of a money grab, the threat of the Provincial Treasurer trying to grab those dollars to beef up his deficit, to apply another band-aid to that budget.

At that particular time when we received a copy of that letter that was leaked to us, we issued a press release anticipating that it may arouse some concern. A couple of days after that I was at a meeting. The mayor of the city of Edmonton was there, and unfortunately she suggested to me that by sending out that press release it might in fact hinder negotiations that were going on between the municipalities and with representatives of the Treasury Department. I told the mayor of the city of Edmonton that no, you're not going to resolve this one by attempting to negotiate, because the Provincial Treasurer's made up his mind; he sees an opportunity to grab this money, and he's going to grab the money. He did grab the money. I wished at that particular time that the municipalities would have started their charge, their fight, their battle that they were up against in an attempt to convince this government, in an attempt to focus some public attention as to what was happening on this particular Act by the Provincial Treasurer, but unfortunately that didn't happen.

The Alberta Urban Municipalities Association and the AAMDC both made very, very clear their objections to what they anticipated may happen, but to no avail. The provincial government

chose to go ahead and do it and shortchange these municipalities and school boards who with honourable intent participated in a scheme that was encouraged by the provincial government, being denied dollars that were given to them.

The hon. minister in his presentation made reference to all the great things that this government has done for municipalities from his point of view. He talks in terms of the \$1 billion windfall that municipalities received in 1979. Yes, municipalities received that \$1 billion. That was the period of time when we had a Premier who was sitting on a great deal of oil revenue. If I recall aright, the surplus that particular year was something like \$3 billion. It was almost an embarrassment to the government that these riches were rolling in. Somehow they had to attempt to dispose of them, but in fact what they really were doing was simply sharing with municipalities what was rightfully theirs. In other words, the opportunity, the right to share in oil revenues throughout this province – because of course the municipalities are very, very restrictive in terms of their ability to gain taxes for the programs they have to carry out.

Mr. Speaker, I can't recall specifically if the hon. Member for St. Albert was at the AUMA convention of 1979, but if he was there, I'm sure that he would have been one of those members from a municipality that would have been fighting to get a fair share of oil revenue. So going back to 1979 trying to justify this deed that's done today is pretty, pretty weak, and it's not going to hold any water. Those municipalities out there that are shortchanged, those school boards out there that are shortchanged are not going to forget. It's something that they're going to hold against this government for a long time to come, and these other municipalities that are suddenly given this minimum of \$17,500 – certainly they're going to take these cheques when the cabinet ministers prance around handing them out, but at the same time, when they take these cheques, they're no fools. They're going to realize as to how these dollars were achieved. They're going to say, "This one time we may benefit, but yeah, we understand that we're benefiting because this municipality has shafted some other partners that were part of this program and someday it may be our turn." That's just going to add further mistrust.

The hon. Solicitor General is clearly grasping at some type of straws for a point of order. I don't think a point of order is going to be there, because what I've said is factual. What I've said, Mr. Speaker, is the truth. On that note I make it very, very clear that I am disappointed, I am saddened, and in no way will we even identify ourselves with what's happening here and even give the remotest possibility of attempting to support or show any signs of support for this type of Bill.

When the Bill goes to committee, we will look at the possibility of some amendments, but I don't see how you can possibly amend this Bill to make it fair. I don't think it's possible. I think all you can do is scrap this and do what should have been done in the first place, and that's to give to those municipalities and school boards what was rightfully theirs.

On that note I'll conclude, Mr. Speaker.

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

MR. HAWKESWORTH: Thank you, Mr. Speaker.

AN HON. MEMBER: Good speech.

MR. HAWKESWORTH: You like it so far, do you, hon. member? Well, I don't know whether you'll be saying that by the time I'm done.

Presumably, this is part of what I hear the rhetoric coming from this government to be all about when we talk about employment. We asked questions of the employment minister this afternoon, and he sort of deflects any responsibility and talks about partnership. He talks about the partnership and the other responsibilities of the federal government, the responsibilities of the municipal governments, the responsibilities of the private sector, and don't blame us if we fail in our duty. Well, I presume that this is all part of the partnership that the government of Alberta is trying to cultivate with local municipalities; you know: we'll take your money. Some partnership, Mr. Speaker, but that's really what Bill 20 is all about: partnership and the betrayal by this government of the partnership it should be establishing and working through with local municipalities all across the province.

You know, you can think of partnerships in many ways, Mr. Speaker. You often have plays that are around the whole question of romance. This certainly is not a play of romance. This is a play in three acts of deception and betrayal and tragedy.

Well, Mr. Speaker, the first act is where we introduce the characters; in this case, the Minister of Municipal Affairs introducing Bill 20. It might be important to note the context in which this particular Bill is brought forward. It has some history. The history goes back to earlier, 1991, regarding the grants that are provided by the province of Alberta to their partners in this business of delivering services to the people of Alberta, local municipalities. The one that I'm most familiar with, the one I'll use for my examples this afternoon, is the city of Calgary. I'm sure other members in this Assembly who come from different constituencies in the province can speak to the concerns of their own municipalities, but as a member representing a Calgary constituency this is the point of view and the perspective that I want to bring to the debate this afternoon.

Let's start, Mr. Speaker, where all plays begin, and that's with some history. Back in 1991 under the Alberta cities transportation partnership funding, the grant level was \$50 per capita, and the promise was that there would be another \$20 per capita to be forthcoming in April of 1992. So \$70 per capita was promised. Now, the 1992 announcement dropped the annual grant amount from the previously expected \$70 per capita per year to \$40 per capita in 1992. I know that this is maybe a little difficult. I'm sure the minister of transportation with all his staff has this all figured out, but that \$40 in 1992 included this deferral and \$25 per capita for 1993 and onward. So for the three-year period 1991, '92, '93 the city of Calgary loses capital grant funding of about \$80 million over the previously expected provincial funding levels, severely curtailing all transportation capital projects in that city.

4:20

Well, they're a resourceful group down there in Calgary, a resourceful city, a resourceful community. Rather than complain, they'd say: "Well, what are our alternatives? Maybe there's something in this situation that we can rescue and do something with." It's started to become general knowledge that the Alberta Municipal Financing Corporation had a disposable surplus of around \$300 million, which under the rules of the AMFC is to be distributed back to the borrowers who contributed to that surplus in the first place. "Aha," say our friends in the city of Calgary. "We can deal with our problem. We can continue our partnership with the Alberta government. We don't have to be critical of the Minister of Municipal Affairs, the minister of transportation. We can understand their problem as all partners do, and we can meet our requirements and deliver our services to the people of Calgary." They thought this would be a \$300 million source of funding to replace what the Alberta government was taking away.

The reason they thought this, Mr. Speaker, is that under the Alberta Municipal Financing Corporation Act, section 22 reads:

In addition to the powers vested in the corporation by this or any other Act the corporation has the following powers:

(g) the power to pay, from time to time, as a rebate of interest, any profits of the corporation to shareholders of the corporation that have borrowed money from the corporation or sold debentures of their own issue to the corporation, proportionately as those shareholders made use of the facilities of the corporation over the period in which those profits were derived.

This, Mr. Speaker, is pretty deliberate and pretty direct. It defines how the profits of AMFC should be distributed: to the shareholders that have borrowed from the corporation and, secondly, in proportion to the basis of the borrowings that they have made over the period in which those profits arose. Actually, it should be worth noting that the total retained earnings of AMFC are in excess of \$900 million including the sinking fund, and that's all accumulated over the last 12 years.

So, Mr. Speaker, it was quite reasonable for the city of Calgary and other municipal authorities including school boards to say, "Hey, here's a source of funding to help us out, and indirectly it helps out the provincial government because our partnership is maintained and yet we're able to maintain our levels of service to the people of our municipality."

It's interesting, then, that what we've got in front of us is part of a deal that the provincial government has now cut on the side with Alberta Municipal Financing Corporation, I guess on the basis that they believe the Financial Administration Act gives the Provincial Treasurer the power to control any fund of a government Crown corporation. So I guess using the Financial Administration Act, they're overriding the powers of the AMFC, which is the Act that clearly states that surplus funds should be returned to the shareholders.

Mr. Speaker, this is where the whole unraveling of the partnership begins, because rather than solving the problems of municipalities, our Provincial Treasurer said to himself: we've got our own deficit that we're more concerned about; how do we put our hands on the money? So from the provincial government's point of view what they're trying to do is take the money owed to the municipalities under AMFC but do it in a way that sort of disguises their true actions here, that sort of acts as a smoke screen or a camouflage for what they're really wanting to do. I mean, it doesn't look very good to take somebody's money in this day and age. After all, other members have already alluded that we describe that in the Criminal Code, so this government doesn't really want to be seen as robbing people of what's rightfully theirs, even though the legislation clearly indicates that they're entitled to it. So what they have had to do is set it up in such a way that they'll give some money but make it look as if it's new money. It's not really new money. It's old money, but while everybody's trying to decide whether it's new money or old money, we'll take what's sitting in the bag there and exit out the back door, leave everybody confused as to whether it's new money or old money. Meanwhile they'll escape with the goods and get away with a \$300 million windfall.

So what we see the government doing here is bringing in a piece of legislation that's all part of the smoke screen here to disguise what's really going on. It's called the Alberta Local Employment Transfer Act. This is a Bill that's going to give money to the municipalities, money which they were already expecting under different programs. It's nothing new. It just advances money that was previously committed over a several-year period. We have a special Act – that's interesting – to do this. Presumably if the Financial Administration Act gives the

government all the powers that they need to take money out of Alberta Municipal Financing Corporation, surely it's got all the powers it needs to distribute \$79.25 from the Minister of Municipal Affairs if they want to, but no, we really need a new Act because this helps to disguise and promote the fiction that this is really brand-new money.

Now we see the scene has been set. The players have been introduced, and now for the final act, Mr. Speaker. That's where the government takes \$300 million out of the Alberta Municipal Financing Corporation. It gives money already promised. There's no new money. All it does is advance money that was previously committed. What we have is the Alberta government front-ending grants that they were already committed to giving over the 1992-96 period. To top it off, they've discounted that money at an undisclosed rate, so what the municipalities are going to be getting is less than if they had been paid out over the five years.

Really what it does, Mr. Speaker, is this. Most municipalities in the province try and do long-term budgeting. I know that with a government like this that changes direction every six months it's hard for municipalities to make any long-term plans where this government is concerned. Nevertheless, many of them have attempted to do that, and in their budgeting over the 1993-1996 period they've already worked into their budgets anticipating getting this money from the Alberta government. Now, however, instead of getting it over a multiyear period, they're going to get it all this particular year.

What do they do in a situation like this? Well, they would do what most ordinary citizens who are employed but are unsure about their job down the road some months ahead or some years ahead are doing right now: they're taking the money that's coming in and they're saving it to ensure that they'll have something over the next several years in the event of dislocation in family income; if one of the members of the family gets unemployed, at least they'll have some savings to fall back on. That's part of the problem with this recession, Mr. Speaker. People are just not spending money, and the reason is out of fear for the future. What we see many municipalities likely to do with this money, Mr. Speaker, is to take the money that's proposed in Bill 20 and not create jobs with it, not spend with it, but put it in the bank, either write down their debt or save it and spend it over the next three- or four-year period, because they cannot rely on this government any more to fulfill their part of the partnership.

4:30

You know, partnership: that's what we are talking about; at least those are the words that I hear this government continuing to use. Because this partnership is so disruptive, so unpredictable, this money that municipalities are going to get may very well simply be put in the bank and spent over the next several years, as they had previously anticipated. That's their business. That may be a quite appropriate response for democratically elected people at the municipal level to make, that in their circumstances that's the best use of these funds. However, Mr. Speaker, at a time when we need employment in this province and when the public sector should be helping to prime the pump and circulate money within our economy, now is the time that jobs should be created. Now is the time that the Alberta government should be working in terms of partnership to help create that employment. But just by the way that this government has handled this whole issue, the result is that there's going to be less money spent on capital projects this year than ever before – that's my prediction – because now there's a major uncertainty that has been injected into this partnership.

I might add, Mr. Speaker, in talking with city of Calgary officials several months ago, that \$300 million was seen by them, at any rate, as an opportunity to make needed capital investment. They saw the surplus through Alberta Municipal Financing Corporation as a way of continuing their capital projects program in the city of Calgary: building roads, building overpasses, building transportation infrastructure, needed water and sewer upgrading, and new servicing. These were funds that could definitely be used, put people to work, and build needed capital infrastructure for our municipalities when the jobs come back. It'll help create the base or the foundation for economic recovery in the private sector. Well, that's how they saw this money from Alberta Municipal Financing Corporation, but now, of course, it's all gone because the Alberta government is moving in and taking it unto themselves as part of this tragic play that is unfolding before us.

Anyway, some partnership. That's all I can say. If the provincial minister believes that as a result of all of this, his partnership and his government's partnership with municipalities has been strengthened, I would use this opportunity to tell him he is sorely, sorely mistaken. Many times, Mr. Speaker, the third act is not the final say in a play; many times there's an epilogue. I predict that the epilogue in this particular play is that this government loses one more constituency of interest. They're taking one more group of important Albertans, important in terms of any government forming a coalition to govern this province, and they're alienating them.

Mr. Speaker, whatever else may come from this, it's certainly not going to help this government's re-election chances, at least with some important constituencies within this province. I guess for the longer term, Albertans can be thankful for that, but in the short term it shortchanges Albertans in a number of different ways. First of all, it removes money that could be used for capital investment and job creation. Secondly, it betrays a partnership that this government has prided itself on establishing and building and nurturing over the years. Thirdly, it takes money that legitimately under legislation belonged to local municipalities, local authorities in this province, and it's been overridden by a fiat of this government which also undermines people's faith in the ability of government to do business and their faith in the power and the strength of the law to be upheld by this Assembly.

Finally, Mr. Speaker, I guess when it really comes right down to it, not only is it a betrayal of legislation, a betrayal of a partnership, a betrayal of what's rightfully a certain group of taxpayers' money and a certain group of people in this province, but finally it just simply leaves one with the impression of panic, of expediency, of a government that has lost its sense of direction, that anything and everything is up for grabs, regardless of the consequences. Regardless of the legitimate claim that people might have to money or whatever, it's all gone in the interests of what? I don't know. Simply raiding every source of funding to prop up a sinking ship: I think that's maybe the way it could be best summarized.

I would simply say that in terms of partnership, in terms of the future, in terms of long-term relationships with local authorities, I am quite concerned about Bill 20 and its ramifications. The policy directing and driving this government and my concern over the long-term consequences of this – let me see if I can think of a word that doesn't quite defy parliamentary usage. Simply, to take what's not theirs, misappropriation, appropriation of something that's not theirs: that's really what this government is doing, to their own long-term detriment, to the long-term detriment of the province and the people of this province, Mr. Speaker.

Thank you.

MR. DEPUTY SPEAKER: The Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. I'd like to speak up on behalf of the city I represent in this Legislature and say that I think this is a crummy way to do things. Maybe now we know the real reason that Ray Speaker left the Assembly and the Tory caucus, folks. Maybe he knew what was coming down, and he said: "I ain't having no part of this type of game. This is a shell game; that's what it is. They keep mixing up the shells and they call it another game."

Well, I think they're caught. The fact of the matter is that just a few weeks ago, Mr. Speaker, a whole bunch of mayors, all of whom were representing municipalities which had made contributions to the Municipal Financing Corporation, came to this Assembly. They lobbied the minister, they lobbied the Treasurer, they came up and watched question period, they watched the debates, and you know what? Just like the seniors last year, they got told, "Sorry; we don't have ears for you right now." This government discovers its collective ears after they've done their axing. Well, that's not good enough.

Let me just add to the scenario that my colleagues and friends, the members for Calgary-Mountain View and Edmonton-Beverly, put forward by pointing out that this all really started with the transportation cuts that were announced several months ago. What do you think happened when the cities saw that their transportation grants were going to be cut? They said: "Holy smokes. How are we going to finish these great big projects? I mean, we've got 60 percent of it done. It's like having a road going nowhere. We've got to finish the big projects." They scratch their heads and they say: "We've got no choice. We're going to have to raid our AMPLE funds."

In ridings like Edmonton-Highlands where we need serious infrastructure work in the poorest part of the city, the city's got no choice but to raid the AMPLE funds, which were supposed to be doing important inner-city projects, in order to finish their big projects. I mean, what are you going to do? Are you going to leave a road going nowhere? You've got to finish it, okay? So they got put in a squeeze.

That's probably when this government started making its real plans for how they were going to play this little game. They got \$300 million in this little pot, they pocket \$100 million for themselves to make their deficit look a little bit less than it really is, and then they try to play a game. They want to act like Robin Hood now, a collective Robin Hood. Well, listen. Robin Hood was taking from the rich to give to the poor. This is taking from contributors who are no richer than the recipients shall be, giving it out, and then having the audacity to call it an employment transfer program. Give me a break. This is a real slap in the face to all of the taxpayers who contributed to the Municipal Financing Corporation. Then to make matters worse, as if this wasn't bad enough, they tell us in the same breath that AMPLE is gone. Oh, charming.

4:40

So now we've got city administrations who can't plan on money over a five-year period which they thought they could plan on. They've got these big projects that are half done or three-quarters done; they've got to try to get those done. They know that they've got to save some money because AMPLE's gone in the future and transportation grants are cut, and you never know from one year to – oh, sorry; my mistake. You always know in election year, Mr. Speaker; you always know then how much money you're going to get. That's when the three- and the five-year programs are announced, in election year.

Aside from that, the municipalities can only count on ad hockey. What are they supposed to do? They've got to save a little bit of the money. Where's the big employment thrust? I don't see it. I think you guys made one great big mistake in this. I think you should drop it now. Save your necks, you know. I mean, you guys want to hold on to power. I don't know how you're going to do it by slapping every constituent you can find in the face. I mean, that's what this amounts to.

Now, they probably think it's not a big issue. "So a few city councillors are mad at us here and there. Hey, we'll go out to little towns all over the place and hand out cheques. They'll love us, and they'll come out and vote Tory again." Well, you know what? I don't really subscribe to that theory, because I think if you get seen treating one person badly while you're treating another person well, the person who got treated well is going to say, "Hey, just a minute; this isn't very nice, what you're doing." I think the people in the smaller locations in Alberta are going to say: "Yeah, we're real grateful for this money, but it does belong to the people who paid into the fund. Anyway, aren't you just sort of getting an election ready for us around here? Isn't that what this is about?" In the cities they probably think, "Oh, well; it was a one-day wonder." It might have been a one-day wonder, but not if I get my say about it.

I plan to use this issue. I plan to talk to people. I do door-knocking. I'm going door-knocking today after work, and I'm going to talk to people about this little game that the government is playing with Bill 20. They ought to be ashamed of themselves. Like I say, no wonder Ray Speaker left. If I'd been over there knowing of this plan, I'd have gotten out too.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Speaker. It's Ralph's estimates tomorrow, so I've got lots of papers here.

Bill 20 is obviously designed to be appealing to the public. It tends to provide grants, free money for local employment partnership schemes, so it's attractive. But as previous speakers have indicated, there are a couple of problems here, and I think we should pause and reflect on those before this Bill is committed to committee study.

The first is the question of who are the rightful owners of the surplus funds of the Alberta Municipal Financing Corporation. Now, in any business venture it's quite possible to overcharge or undercharge the customers, and that happens from time to time in a normal private-enterprise business venture. If you overcharge your customers, chances are you don't have any customers after a while. If you undercharge them, you go out of business. So there's a very heavy obligation on the part of business owners to try to make sure the pricing comes in at the point that keeps the customers but keeps the firm going.

Well, there's no doubt what happened in this instance. The Alberta Municipal Financing Corporation overcharged its customers, and in so doing, it built up a tremendous surplus. Now, if it was a private business, you would say that that money belongs to the owners of the corporation; they can do with it as they please. Of course, the AMFC is, as has been observed by Calgary-Mountain View and Edmonton-Beverly and others, a partnership type of arrangement. Under the bylaws it's been understood by a lot of a people that the overcharging would be rebated, and that's normally the way any co-operative venture is conducted. If you have a co-operative store, if there's a surplus at the end of the year, there's usually a patronage dividend that's declared. That's not to be confused with appointing friends of the

government to foreign offices overseas or giving contracts. It rather reflects a rebate based on the amount of business done at that store in the previous year, and that's the normal way that every co-operative association that I'm aware of runs.

Now, there was, I think quite rightly, a presumption on the part of the co-operative members of the Alberta Municipal Financing Corporation that they would be eligible for a dividend based on the amount of business that they'd done with the corporation, and a number of the municipalities looked at making plans on that basis. Now, along comes the provincial government and says: "No, we've got a better idea. We know how best to spend these funds, how best to distribute these funds. Therefore, our view is going to predominate, because we control the votes in this Legislative Assembly and we can introduce Bills with an expectation that they'll be passed." Now, that would have been bad enough if that was the whole story, that instead of having the funds distributed back to the people who overpaid, they're distributed according to another formula selected by the cabinet for political reasons. But that's not the worst part of what's going on here, Mr. Speaker. The worst part is that we're now losing the AMPLE program in the process. AMPLE is canceled as a provincially funded program, and these particular grants which are provided for in Bill 20 are going to replace the AMPLE funds.

Now, I think we should mourn the AMPLE program because it's been a highly successful program. Municipalities have found a variety of needed projects in their communities over the years since the program was first announced, and they've conducted those in a very businesslike and professional fashion. In many older communities, community infrastructure has been rebuilt and the useful life of housing and neighbourhoods has expanded, which is a very good thing. Certainly there are a number of people in the constituency of Edmonton-Jasper Place who have written to me and spoken to me about the work that the AMPLE program funds have done in the community. But no more.

Recently the minister of transportation, again with the shell-game analogy brought forth by my colleague for Edmonton-Highlands, announced earlier this year a dramatic cutback in provincial funding for transportation. Well, these things are all connected, Mr. Speaker. The reduction in transportation funding caused the municipality in Edmonton to have to raid the AMPLE funds and postpone a number of AMPLE projects which had been carefully planned in consultation with neighbourhood residents and carefully engineered to be cost-effective to achieve their goals. A number of those projects had to be postponed because AMPLE funds were needed to complete some high-profile transportation projects which the provincial government had declared a desire to have completed. So here was the province, on the one hand, taking back transportation grant moneys which had been pledged previously and, on the other hand, forcing the city of Edmonton to move quickly to complete the Whitemud interchange project, which is part of a provincial highway system; the Capilano extension project, needed in the northeastern part of our city; the 114th Street expansion, which is under way; and also the rapid transit line out to the university.

So the city was in an absolute bind created by the provincial government. They were told that no new projects could begin until these projects were completed, but the cost of completing the projects was more than the transportation funds that were available. They were in a position where the province had literally pushed them against the wall to the point where there were more dollars that had to be spent according to the provincial desire and plan than were available under the financing formula. Faced with that dilemma, I think they took what appears to have been the only way out, which is to transfer funds from the AMPLE program

over to cover the transportation projects which are needed and which were already under construction in the city of Edmonton. That left a big hole in AMPLE projects, and I'm thinking of areas of the city of Edmonton like Mayfield, High Park, and McQueen, which have just gone through the planning process and have a large number of projects shelf-ready, ready to go. Projects already under way in other parts of my constituency of Edmonton-Jasper Place, in the Britannia-Youngstown area, had to be put on hold.

Now, that was, I think, an unfortunate thing to have to do at a time when Albertans are hard hit by the same economic circumstances that are affecting everybody else. You know, it's tough out there, especially in the construction area and in the road building field in particular. So here we are with an unemployment crisis, responding to provincial cutbacks by cutting back on the very construction projects which are needed in the community and which are absolutely ready to go, engineered. We had to make those concessions in order to meet the needs of the minister of transportation and highways, who brought us a cutback in the transportation grants this year.

4:50

Now the province comes along and wants everyone to salute them and pay homage to them because they've created this new category of grant under Bill 20 which is before us today, the Local Employment Transfer Act. We're supposed to be excited that there's \$79.25 for each resident available – well, it says, actually, unconditionally to the municipalities, so I suppose almost anything could be done. My point is simply this: we're into a yo-yo situation here. I guess it must reflect what's going on in cabinet, the yo-yo approach of giving out grant figures for planning purposes and having those figures changed partway through, then having to have funds transferred from the AMPLE program into another area to get the needed road work done, and then the AMPLE program being canceled outright in return for the development of this one-time Alberta Local Employment Transfer Act.

Now, I can't blame the municipalities for being perplexed and more than a little bit angry about this. On the one hand, they had some legitimate expectation, as I think was outlined by my colleague from Calgary-Mountain View, that a rebate would be available to them as a dividend for the overpayment that was made on the AMFC loans in the first place. They had that expectation dashed. They've had to rearrange all of the AMPLE programs in order to make up for a transportation cutback, only to have the AMPLE funds pulled away from them. Then along comes the province and says: "Boy, have we got a deal for you. We've got this Alberta Local Employment Transfer Act, and we would like there to be some dancing in the street and at least a few hallelujahs." Well, I don't think the world works that way.

What kind of planning can you do around this type of a grant? The only planning you can do is to understand that this is a pre-election gesture, to take funds from one particular pot and to hand it out in cheques in the period between now and the end of June. You can take it that the period between now and the end of June is politically significant as far as the government is concerned, but what can you take from it as far as planning the kind of work that has been done in municipalities under the AMPLE program? How can you plan to rebuild the infrastructure of your community when the funding base continues to shift like desert sands in the way that it is? How can you plan projects into the future? Well, I think the answer is that you can't plan very much at all except to hope that when the next election comes, the next government that's sworn into office will have the courage of its conviction, that it will lay out an expenditure plan and a grants package, a

revenue-sharing package with municipalities which they can rely upon and which they can then use to plan some projects, the reconstruction of infrastructure, and so forth.

[Mr. Speaker in the Chair]

I want to say to the members today that I think the goal of bringing services – sewage, water, roads, sidewalks – and amenities in older neighbourhoods up to modern-day standards is a laudable goal, and I think it's one that we in this Assembly should commit ourselves to because it is good local employment, it is a good investment in the future. You can ignore these things for a certain length of time, but then you get to a point where your roads are all falling apart, where you have a tremendous emergency expenditure to deal with breaks in water mains and sewer problems and the rest of it, and you still have the bill at the end of all of that to do the upgrading work. So let's commit ourselves to do these things in a planned and orderly way now so that we can save the expense of emergency repairs, so that we can extend the useful life of the neighbourhoods, and so we can send to them the kind of signal that the homeowners need to invest.

You know, the economic gurus in the government – I use that term loosely – like to talk to us endlessly about how important investment is to our economy. There's no doubt that investment is extremely important in the economy, but there's more than one kind of investment. There's the investment that megaproject developers like Al-Pac and Daishowa make, alongside the investment that the Alberta government has made on behalf of the taxpayers: that's one type of investment. There's the investment that individuals make in housing. In the neighbourhoods I've referred to, there are many young families who are buying older homes and tearing them down and rebuilding. There are many others who are buying older homes and renovating them to make them suitable to raise families. This type of private investment is triggered in some ways by public investment.

This, I submit, is absolutely no substitute for the kind of commitment that we need in this province: a commitment to financial stability for municipalities, a commitment to long-term investment in our infrastructure for the benefit of construction jobs today, when they're needed. This is a far cry from that. This is, I think, a rather desperate gesture on the part of a government which is hoping it can find something to do that's popular in the short term for a partisan purpose. I think it's wrong, Mr. Speaker, and for that reason I think we should look to a much more positive approach in the future.

MR. SPEAKER: West Yellowhead.

MR. DOYLE: Thank you, Mr. Speaker. Having listened carefully to the minister on an explanation of Bill 20 and listening to my colleagues and the Liberal member speaking in regards to the taking of funds from the Alberta Municipal Financing Corporation, it appears to me much the same as the philosophy of the Liberal Party when they say that they want to do away with the heritage trust fund to pay off all the bills. What we're doing here is taking from a fund that was put in place in 1956 to provide capital financing for municipalities and for hospital purposes. That fund has been allowed to grow. It was invested very well. Now the minister wants to almost drain that fund and actually give them back money that was rightfully theirs in the first place.

I would think, Mr. Speaker, that the province has the right to take this money anytime they want, because being a Crown corporation and the province holding the majority of shares, they certainly can do this in a legal and an up-front way. But the fact

that the AMPLE program has been cut off – municipalities for years worked to get the AMPLE program in place, just to have it removed. I well know about the AMPLE program because, like the Minister of Municipal Affairs, I was a mayor, at the same time that he was. I might say that I have high respect for the Minister of Municipal Affairs, as he was the leader of the Alberta municipality association over those years. He has great connections throughout the province, and he has the ability to communicate and to talk to councillors on a first-name basis from one end of this province to the other. But I don't think the Alberta Urban Municipalities Association is all that pleased that the AMPLE program was cut, something they spent years and years of debate on so they could help with infrastructures throughout Alberta.

I'm wondering, now that they're taking from the Alberta Municipal Financing Corporation money that was put in place by all municipalities, if perhaps their next step isn't to look at the hotel tax that has been raised throughout Alberta and distribute that equally to the municipalities that it was raised in. Or perhaps they're going to start looking at the coal royalties and just disburse that in the municipalities that it was raised in.

Mr. Speaker, Bill 20, of course, is a Bill to help fund municipalities. Had the money from transportation not been wasted on infrastructure for the Al-Pac mill, for bridges and roads for private developers, perhaps there would have been money left for the AMPLE program to finish the infrastructure that was planned for cities. But here comes along a pet program, and they drained out the transportation dollars in order to help a private multinational to rape and pillage our forests.

5:00

MR. SPEAKER: Hon. member, that seems to be somewhat removed from Bill 20.

MR. DOYLE: Mr. Speaker, it has to do with taxation for municipalities, and this Bill has to do with returning tax dollars to the municipalities.

These particular dollars from the Alberta Municipal Financing Corporation are dollars that were put in by the municipalities. Those municipalities are now just being handed back their own money. Mr. Speaker, I would hope that the minister could come up with a better idea for funding the municipalities. We all know that the towns and villages throughout Alberta are in need of funds because the people of Alberta cannot stand any more taxes. They're fed up with taxes. They're fed up with increases and some of the underhanded ways they're handed down. [interjection] Perhaps someday the Member for Rocky Mountain House, who likes to make snide remarks like he did when the people in Hinton were poisoned, could stand on his own feet and say what he thinks about this Bill. He hasn't even had the guts to move away from his mother.

Speaker's Ruling Parliamentary Language

MR. SPEAKER: Okay. That's enough. [interjection] That's enough. Stop the business of using words like "snide," which occurred in a debate other than this one, at another time. Let's not try to provoke things in here. Let's also now come back to what the point of the Bill is at second reading.

MR. DOYLE: Thank you, Mr. Speaker. If the member has something to say, he can stand on his feet and say it rather than to throw snide remarks across the floor and then deny them later.

MR. SPEAKER: Thank you, hon. member. Would you now pay attention to the issue before the House? That's the second warning. On the third one, off we go to another member.

Debate Continued

MR. DOYLE: Thank you, Mr. Speaker. Bill 20 in second reading, of course, is an interesting Bill.

The Minister of Municipal Affairs shall use the population figures for 1991.

It's unfortunate that that figure is not one that is accurate.

. . . the calculation of a grant and determined by the Minister of Municipal Affairs under section 27 of the Property Tax Reduction Act as the basis for calculating the number of residents in a municipality.

Mr. Speaker, we don't have a good census throughout Alberta, and I would hope that some of those municipalities who are in need of this will at least get their fair share of \$79.25 for each resident of the municipality.

The minister could also look, perhaps, whether it be in this Bill or whether it not be in this Bill, at the cost of running some of these municipalities. Do we really need, I wonder, a summer village council or extra boards and committees that are set up? Perhaps we could look at some cost savings there, Mr. Speaker. Bill 20 will definitely be funding some of those areas.

I have to agree with the mayor of Drayton Valley, Tom McGee, who stresses very thoroughly that there is far too much overloading and too much representation in this province by too many boards and councils overlapping. You have improvement districts that will be getting money from Bill 20, Alberta Local Employment Transfer Act. Those improvement districts also cover those local villages. In fact, some of them have dissolved their councils and gone back to the ID. Perhaps the minister would like to address the situation, the need for summer villages and for some of these councils that are so much overrepresented.

The partnership that the minister says he has with the municipalities by taking their own money and giving it back to them is not the partnership that the AUMA or the municipal councils in the province of Alberta fought for for years. The partnership was for dollars separate from their own dollars and dollars that the minister would be raising in some other way. So I would hope that Bill 20, Mr. Speaker, would be readdressed in a form where people are not just getting their own money but getting some new money that the province must initiate in the future.

MR. SPEAKER: The Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. Speaking briefly on Bill 20, the Alberta Local Employment Transfer Act, I have to echo the concerns expressed by members of the Official Opposition caucus about the intent and principle and application of this Bill. Is the Liberal caucus against this too? Oh. I guess it's after 5 o'clock; the Liberal caucus is against this Bill. Anyway, the Alberta Local Employment Transfer Act implies that employment is being transferred from one place to another. I'd like the minister to maybe tell us how that's working, what he means by the title of the Bill.

In all seriousness, Mr. Speaker, this Bill proposes that a given amount of money be transferred from the General Revenue Fund to municipalities, to local governments in the province of Alberta. On the face of it, if people didn't know the details or the kind of shell game that was being perpetrated on the people of Alberta here, they would be in favour of this without question. I mean, it looks on the face like a substantial transfer, some \$200 million of money from the provincial government to the municipal government, and in that sense it's to be applauded. There's an

opportunity there for local governments to make local decisions about how to spend money, about what in their infrastructure they want to work on, what kind of projects they want to undertake with this money, this almost \$80 per capita that's coming to them.

I think in most cases those decisions are best made at the local level, when people have a chance to solicit input from their citizens, to develop ideas, to examine the strengths of their communities and work together to develop a vision. In that sense, you know, it almost mirrors in a philosophical sense the kinds of ideas that have been put forward on a consistent basis by the Official Opposition with respect to our Alberta Works program, with respect to community-based economic development, with trying to generate some strength from the ground up in local economies. If that's exactly what this Bill was doing, then we would certainly support it, Mr. Speaker, because we think it's a good idea to create jobs. We think it's a good idea to give people the ability to make decisions locally about what they want in their communities, about what they think are good projects and needs to be met in their communities.

But, Mr. Speaker, in the final analysis Bill 20 is part of a shell game. It's a rob Peter to pay Paul kind of a trick that the government has come up with in an effort to convince people in their Throne speech that they're going to create some 15,000 jobs. Was that the estimate in the Throne speech, that some 15,000 new jobs were going to be generated by this expenditure? Well, let's examine that. Where did this money come from? As described earlier by the hon. Member for Edmonton-Beverly, this money has come from the money grab that the provincial government perpetrated on the Alberta Municipal Financing Corporation, \$300 million of surplus moneys built up in that fund as a result of overpayments by subscribing and indebted municipalities and school boards, who contributed to build up a surplus in that fund. Then the government comes along and lets them believe for a while that they're going to get that money, that it's going to be theirs and they'll be able to spend it as they choose.

But lo and behold, to help the Provincial Treasurer put the best light on his otherwise dark and dismal budget projections, they take that \$300 million, grab it and put it in the General Revenue Fund, and then try and make the offended municipalities feel better by saying: "We're going to give \$200 million of it back to you. Don't you like us? Aren't we wonderful? Isn't this a great partnership, where we take what's yours and give a portion of it back and expect you to feel gratitude?" I don't know; it's like a hockey team being beaten by the Edmonton Oilers time and time again, like the Calgary Flames, and starting to feel good about it eventually. It's not right, Mr. Speaker. It's a disappointing and I think quite misleading approach to trying to develop local economies and create jobs in the province of Alberta. That \$300 million clearly should have gone back to the municipalities that have contributed. It is a shell game; it is a little of subterfuge going on there that I don't think has fooled very many people. I've not talked to anyone who works for municipal governments that feels that this is new money, that this is some new, welcomed opportunity to create jobs locally. They feel it's their money and they're only getting part of it back.

5:10

The other part of the formula, I gather, in order to allow the Provincial Treasurer to capture even more of the money that is either due to or promised to municipalities over the last little while, is that they're describing this as a payout of the AMPLE program all in one shot. If you're a municipality that's been prudent in your management, that's planned ahead – unlike the provincial government, municipalities do that; they plan ahead.

They try and balance their resources with their needs and objectives. They try and balance these things so they can project and be responsible managers of the public trust on behalf of the people they represent. They come up with a plan – a four-year plan, a five-year plan, whatever – to accomplish the things that need to be accomplished in their municipalities. Now the government comes along and says, "Well, we're going to cancel that program for the next year and the year after and the year after that." Well, what does that do to local planning, Mr. Speaker? What does that do to the municipalities that not only had plans to spend those moneys on needed public projects but had hoped to create jobs long term in their communities based on the AMPLE program? I'd have to delve into my memory banks to remember when the AMPLE program was announced, but it probably coincided with the last election call in Alberta. If not, it was pretty close to there, so it became something at that time that the government could trumpet and brag about as an attempt to transfer money to the municipalities to create jobs. It bears a striking similarity, Mr. Speaker, but I don't think we'll fool anybody.

Canceling that AMPLE program in the long term will cause problems for municipalities that had taken the time to budget carefully and plan appropriately for the needs of their municipalities. This transfer, this shot in the arm, this injection of two-thirds of the money that should have been theirs in exchange for canceling the program in the future is not going to satisfy the long-term developmental needs of our communities. I don't want to be cynical, but I would suspect that the government had a political agenda here. Now, I don't want to be cynical.

AN HON. MEMBER: Go ahead.

MR. FOX: Should I? After almost six years in this place, Mr. Speaker, I've learned something about the government agenda.

I have a hunch that there's a political motivation here, that they just might not be concerned in the first instance about the economy of the province, about creating jobs, about the development of economies in the regions of this great province of ours, but that they're interested in getting re-elected. They're trying to come up with some little shell game that the Treasurer can play with his cabinet colleagues that in the final play results in this government managing to get itself re-elected using the taxpayers' money. Now, how many people in the Assembly agree with that analysis? Is that a possibility? Raise your hands. Well, there's a couple.

MR. SPEAKER: Hon. member, it's usually up to the Chair to ask a question like that.

MR. FOX: I wasn't asking for a vote, Mr. Speaker, just asking for some concurrence from the members so I know if I should pursue this line of reasoning, and also an attempt to determine if anyone's listening.

I suspect, Mr. Speaker, that politics, as is almost always the case, is at the root of this Bill 20. They want to try and convince Albertans that they're a generous government, that they're a forward-looking government, that they're working hard to develop partnerships with the communities, and by golly they're going to do it by taking \$300 million out of one of your pockets and putting \$200 million back in. It's not going to wash. They're not going to fool people. People are going to know better. They're not going to be bought with their own money at election time.

I think it's the government hope, likely, that this money, due to be paid in full on or before June 30, 1992 – that doesn't give them much time to tally and cut cheques and get it out to the

municipalities. But they want to get this money into the hands of the municipalities so that the government can, I guess, keep its powder dry in terms of calling an election anytime within the next 12 months. They'll have ample opportunity – pardon the pun – to go out to the communities. Maybe they'll have some nice blue plywood signs that'll be put in front of each project with the local Conservative MLA's name and the minister's name and the Premier's name advertising this project in the hopes that Albertans will come along and see that and say, "By golly, even though I'm not pleased with the government or their agenda, even though I feel like I'm being hosed every time I turn around, they're spending money in my community, and I'm going to vote for them."

Maybe the minister can tell the Assembly, when he gets a chance to comment, how much of this \$200 million or, alternately, how much of his regular departmental budget they're planning on spending on big blue plywood signs to promote the projects. Is there going to be some process whereby this money is delivered like we've seen in other per capita grant situations, where Conservative MLAs get a stack of cheques at the beginning of every month and prance around their constituencies, and some of ours too, passing out cheques and trying to pretend that it's because of them that this money was secured?

I'd be interested in knowing from the hon. minister what the process is here, but clearly, Mr. Speaker, I think all members will agree that based on the sound, reasoned, logical argument I've presented, politics is at the root of Bill 20, politics and nothing more. I can't support the Bill on that basis, as strong an advocate as I am for local development partnerships, with local municipalities evolving a genuine system of decision-making at the local level, emphasizing community-based economic development, as we did in the task force chaired by the hon. Member for Calgary-Mountain View. It's a principle we're deeply committed to. It's an agenda we'll pursue with vigour when we're government, but I don't see enough of it in Bill 20 to support unless they come forward with some substantial changes, restore that AMPLE program, pony up the other \$100 million, do the sponsoring, contributing municipalities through the Alberta Municipal Financing Corporation, and then we can talk about supporting the government on this one.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question.

The Minister of Municipal Affairs, summation, second reading.

MR. FOWLER: Thank you very much, Mr. Speaker. The time allowed here doesn't permit me to respond directly to all of those matters raised, but let me touch on a couple of the very important ones.

Shell game: we make no intention here to play a shell game at all. We're not hiding from the municipalities where the money came from, nor are we hiding how it is, in fact, going out. What we're acknowledging and what the municipalities appear to know better than some of the opposition side is the fact that we had a \$2 billion revenue loss a number of years ago, and that simply hasn't been made up. I've heard a great deal of criticism on this Bill in trying to turn over \$200 million to municipalities unconditionally, and I heard a question that it isn't enough and a shell game and a great number of things, but I haven't heard one suggestion in the

debate today that has suggested where the money's supposed to come from. If they would like to see it come out of education or out of health, I wish I had heard that. Or maybe we should reduce social services to come up with these extra funds. I don't think that would be a serious recommendation by anybody in the opposition.

I know what the AUMA position is, if they're speaking about the two major cities. What I don't know is what the AUMA position is when they're speaking for their full membership, when we look at a per capita payout across the province rather than the payout we are looking at. An example: in the method of paying out on the program – the \$200 million, which is the full AMPLE amount that was promised, making up the \$500 million originally – the town of Vegreville receives \$103,000 more by this plan, the town of Edson \$150,000 more, the MD of Sturgeon \$1.16 million more, and it goes on and on like that. There is no doubt that there's a great deal more disbursed to the towns and villages and the counties and the municipalities than if it had gone the way it was requested and recommended by the city of Edmonton. It's very easy to say that the AMFC surplus was generated mostly by Edmonton and Calgary, but Edmonton and Calgary have received the greatest benefit of this government's actions in the past in the MDRP program and other programs that have in fact been funded. So I do believe that we have a situation here which is very fair.

5:20

Every school board in this province has a supplementary tax, and we end up taxing the same people on property whether we be a school board or whether we be a municipality. I truly believe, Mr. Speaker, that we have not in fact betrayed anybody on this. We have come up with a plan which recognizes \$2 billion less revenue than before. I've heard no suggestions today of where that fund was to be made out, if we were to pay it somewhere else. Whatever we do, if we increase one amount and are working with a limited amount, then we must reduce in another area. For a government that is already maintaining a high level of standards in medical health, in education, and in social services – taking 70 percent of what our budget is for this year – I fail to see where we could do more, and I'm convinced that most of the municipalities are well aware of this.

I move second reading.

HON. MEMBERS: Question.

[Motion carried; Bill 20 read a second time]

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

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

HON. MEMBERS: Aye.

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

[At Assembly adjourned at 5:23 p.m.]