

Legislative Assembly of Alberta

Title: **Monday, May 11, 1992**

2:30 p.m.

Date: 92/05/11

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

Our prayer is the prayer as used at the Mother of Parliaments since the year 1659.

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

Amen.

head: **Introduction of Visitors**

MR. FJORBOTTEN: Mr. Speaker and members of the Assembly, I'm pleased to introduce to you His Excellency Kun Woo Park, ambassador of Korea. Mr. Park was appointed Korean ambassador to Canada in 1991 and is making his first official visit to our province.

Korea is a major trading partner for Alberta with exports of \$314 million in 1991, making it Alberta's sixth largest trading partner. Relations between Korea and our province are further enhanced by the twinning arrangement which has existed since 1974 between Alberta and the Korean province of Kangwon.

The ambassador is accompanied by Mrs. Hee OK Park, Consul General Doo Bok Lee from Vancouver, and Mrs. Lee. They met with the Premier this morning, and I was privileged to meet with them at noon and have discussions. I would ask that the ambassador and his party rise in the Speaker's gallery and receive the warm welcome of the Assembly.

MR. DINNING: Mr. Speaker, we have in the members' gallery today six special guests visiting from the sister province of Heilongjiang in China. They have been here attending the first International School Twinning Conference that took place last week in Jasper. They are Mr. Wang, Mr. Chen, Mr. Tong, Mr. Wang, Mr. Liu, and Mr. Zhang. They are from Harbin and Daqing. I'd ask them to rise and have all members of the Assembly greet them in a warm fashion.

head: **Presenting Petitions**

MS BARRETT: Mr. Speaker, it's my pleasure to present a petition signed by many hundreds, perhaps thousands of Albertans asking the government to stop eroding medical services in Alberta medicare and to reinstate funding to the Alberta Blue Cross plan that was reduced in the '91-92 budget.

MR. SPEAKER: West Yellowhead.

MR. DOYLE: Thank you, Mr. Speaker. I'd like to file petitions containing signatures of 405 people living in Peers and the immediate surrounding area disagreeing with the claim last week by the Minister of Forestry, Lands and Wildlife that the community is strongly supportive of the removal of special condition 12 in the quota agreement. These people are unanimous in wanting manufacturing jobs kept in Peers, where the community will enjoy an economic benefit of its own resources.

head: **Introduction of Bills**

Bill 23

Environmental Protection and Enhancement Act

MR. KLEIN: Mr. Speaker, I beg leave to introduce Bill 23, the Alberta Environmental Protection and Enhancement Act. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, this is a great honour for me as this comprehensive legislation is the culmination of more than 28 months of consultation with Albertans who literally helped write this Bill. Highlights of this legislation include a one-window approval approach for business, a clarified environmental impact assessment process, increased public consultation and participation in all aspects of environmental protection and enhancement, provision for market-based approaches to achieve environmental protection goals, provisions to address cleanup of contaminated sites, and an enhanced enforcement regime. Bill 23 consolidates nine separate environmental Acts and provides for the protection, improvement, and wise use of our environment now and into the future.

[Leave granted; Bill 23 read a first time]

head: **Tabling Returns and Reports**

MR. DINNING: Mr. Speaker, in co-operation with TransAlta Utilities, IBM, APEGGA, the Edmonton Chamber of Commerce, and the Fort Saskatchewan Regional Industrial Association the department has prepared a booklet entitled Mathematics at Work in Alberta. It's a series of problems that Albertans in industry and business face and is now being used in our classrooms in the math 30 program. I am pleased to file four copies of this with members of the Assembly today.

head: **Introduction of Special Guests**

MR. MAIN: Mr. Speaker, a few weeks ago I had the opportunity to go to Allendale school, deep in the heart of the constituency of Edmonton-Parkallen. I spent some time with a hardworking class led by Miss Ursula Buffi, and I watched them at work. Today they are getting to turn tables and come here and watch us work. I would urge my colleagues – and I'm sure they will require no urging – to give Miss Buffi and her class of 18 students, who are in the members' gallery, a warm welcome, if they would only rise.

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

MRS. HEWES: Thanks, Mr. Speaker. I'm pleased today to introduce to you and to other Members of the Legislative Assembly 34 grade 6 students from Waverly elementary school in beautiful Gold Bar. They are accompanied by teachers and parents Mrs. Sherry MacIntosh, Mrs. Val Bergstrom, and Mrs. Carol Beart. I understand they're in the members' gallery. I'd ask them to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: The Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. I'm pleased to introduce to you and my colleagues in the Legislature 60 students from the Peter Svarich school in Vegreville. They're accompanied by Raymond Charuk, Lisa Topilko, Melva Hossay, Nancy Makowecki, and Randy Footz. I'd ask those guests of mine to stand in the public gallery and be welcomed by MLAs.

head: **Oral Question Period**

MR. SPEAKER: The Leader of the Opposition.

Health Care Funding

MR. MARTIN: Yes, Mr. Speaker. Last Friday in the so-called consultations health care providers were told that they are being basically forced into finding regional ways to cut health care costs as part of overall spending reductions by the government. The government has said that the money available for health care will be flat, but some health care providers estimate the health care system could be cut by as much as \$80 million a year in the future. We are now paying for this government's waste and mismanagement both in the health care system and with misguided spending priorities in the past. My question to the Minister of Health is simply this: will the minister update us about the future of health care in the province by explaining exactly what she means by flat budgets for health care? In other words, are there going to be cuts of up to \$80 million a year in the future?

2:40

MS BETKOWSKI: Mr. Speaker, I'm pleased that the hon. Leader of the Opposition has raised the question. Certainly what occurred last Friday, I think, is the start of a wonderful opportunity in Alberta. It was attended by virtually every provincial health association in Alberta, and to my knowledge it is the first time that all of those groups have come together in order to look at the imperative of long-term financial planning in health. It's not a matter of reducing resources, and it's not a matter of decisions having been made ahead of this Legislature. It was and is an attempt to put in place a plan by which we look ahead, look at some of the pressures that we know are on our health system, yet look at the kind of fundamental change that we've been talking about a lot in health but haven't found a means by which to get there. This is in fact that means, and I'm very proud of the health sector for being part of this major, major consultation with our health providers.

MR. MARTIN: Mr. Speaker, nobody says that we shouldn't be consulting. I'll come to that, but I still have not got a clear answer from the minister.

We're talking about dollars and cents. We're talking about the future. She talks about flat budgets. We had a discussion with the Treasurer where he seemed to indicate that there would be some severe cuts in health care in the future. I want to know from the minister: what are they looking at?

MS BETKOWSKI: Mr. Speaker, I don't know how to explain "flat" to the hon. member, but I will do my best. If you look at how health has grown and how the costs in health have gone up over the past decade, you see a slope of the line at a rate that I don't believe we can continue to afford. Therefore, what we are saying is let's look at what would happen to that system not if we reduced our support for it but rather if we simply kept the same dollars today, in 1992, forward for the next five years. What are some of the things we might look at in that health system? Quite frankly, it is a vision which I think is going to help rather than hinder the health system.

If you look, for example, at the number of acute beds that we have in Alberta, we have among the highest number of acute beds per capita, with a relatively young population. What we're really saying is let's look at those resources being used perhaps in another area in health. That's what this whole issue of reallocation is about. It isn't about cutting dollars out of that

existing budget. It's about saying that these are resources we have over the next five years; what might this health system look at? In fact, it is a fundamental consultation.

MR. MARTIN: Mr. Speaker, that's the point: this government with their waste and mismanagement did overbuild acute care, did spend in all the wrong places, and now they're going to ask the local authorities to try to pick up their mess. I don't see directions about community clinics or prevention or this sort of thing.

Mr. Speaker, this government rejected regionalization of health care delivery in the province as recommended by The Rainbow Report 20 months after the report was released. They rejected it just last December. Now we have the Health minister telling local health authorities to come up with regional ways of saving money and to do it in a very short period of time. We're told by October. This is leaving a lot of confusion. My question to the minister: how does the minister justify this flip-flop in direction that basically leaves the local authorities with almost no time to plan?

MS BETKOWSKI: Mr. Speaker, we did not in any way, shape, or form reject regionalization in our response to The Rainbow Report. What we rejected were the nine autonomous bodies which The Rainbow Report has recommended as a means by which regionalization would occur. What we're saying is that of course regionalization has to occur. You won't get a big argument on that from within the health sector. It's the manner in which it occurs which is the issue and which is the purpose of the consultation.

Let's look at the issue of community care that the hon. member is constantly raising in the House. Do we only do community care and leave the other sector the same as it is now? Do we just add on community care? That's what the hon. Member for Edmonton-Highlands' resolution in the House was all about. But it's not about adding on. There may well be reductions in some area in order that some other areas can have increases. That's what the "flat" is about. That's what compels those kinds of decisions to be made. Frankly, the collaboration going on in Alberta is unique in Canada because we haven't given up on the collaborative model, and we are working through it with our health sector rather than simply saying that this is the way it shall be done and government knows best. We don't. We're working with our community to find that out.

Zeidler Labour Dispute

MR. MARTIN: My second question, Mr. Speaker, has to do with the workers at Zeidler Forest Industries. Late last week I understand they accepted the company's final offer after more than six years on the picket line. Throughout this dispute, if I may say so, management has refused to bargain in good faith and has brought in replacement workers basically I believe to break the union. Now we find out that the company may refuse to honour its own offer arguing that under Alberta's new labour laws the strike is void because it exceeds the two-year limit in the legislation. Well, I think we should recognize that it's been a very black mark on labour relations in this province, known right across Canada. I would hope the minister would even now come to some basic fairness in this issue. My first question is a simple, straightforward one to the minister: what is the minister doing to get the striking Zeidler workers back to work?

MS McCOY: Mr. Speaker, the hon. Leader of the Opposition has made a couple of statements that I think I should address first, one of which is referring to the piece of legislation that applies to

this dispute. That is a question that is in fact in front of the Labour Relations Board right now. It was argued some two weeks ago, and the board has yet to render its decision. So whether it's under the old Act or whether it's under the current code is not a statement of fact that we can make today, but we look forward to hearing the decision of the Labour Relations Board.

The second comment that I have: I have, of course, been urging the two sides in this dispute to come to an agreement for some time now, and I hope that the events that occurred as reported in the media over the last two or three days indicate that there is in fact a settlement in the offing. However, I haven't had any official word whatsoever as to the current state of events today, although I would expect to hear it some time soon.

MR. MARTIN: Mr. Speaker, I'd remind the minister that it's not good enough to hide behind the Labour Relations Board. They're dealing with the laws that this government passed. That's creating the problems.

The minister suggested that the new law would not apply to the Zeidler case. In fact in *Hansard*, we believe in March 1990, the minister said: Zeidler workers would have been protected if the strike had commenced under the current legislation. That seemed to be pretty clear at that particular time. Now we need the assurance that they will be protected again because they are under the old legislation. My question to the minister is simply this: will the minister make it clear that it's the old labour laws that apply in this dispute, not laws passed since this dispute started?

MS McCOY: I have to reiterate that we have a Labour Relations Board, which is a court in all labour relations matters. Any decision as to the interpretation of the law as it applies to any set of facts is theirs to decide; it is not ours to decide. Consequently, I cannot say which one applies. I do recall saying that if the code applies, then there is protection for replacement workers as is set out in the code. That is a requirement, given certain conditions, that is set out in the code: original strikers must be rehired after a strike has come to an end. The larger question here is: does the code apply, or does the Act apply? That I cannot say today because we are all waiting for the Labour Relations Board decision.

2:50

MR. MARTIN: Mr. Speaker, we are supposed to make the laws here. We passed very bad labour laws, and this is what's leading to the minister's confusion. You could have people on a legitimate strike just turfed out. My question to the minister is simply that. If the Labour Relations Board goes the other way, is she prepared to just say to these striking workers who went out on a legitimate strike, "Tough, that's the way it is"?

MS McCOY: Mr. Speaker, whether it was under the Labour Relations Act before or under the Labour Relations Code now, it has always been the law, as it is all across Canada, that these sorts of questions are in fact decided by the board. They are authorized, as is a court, to decide what the legislation is interpreted to be as it applies to any particular circumstance, any particular set of facts. That is not any change from before.

Teachers' Strike in Battle River

MR. DECORE: Mr. Speaker, my questions are to the Minister of Labour. Late last week I spoke to both sides in the teachers' strike in central Alberta. Trustees indicated that they wanted some sort of government intervention. The representatives for the

teachers have indicated that they want intervention. This weekend I met a number of parents who are in total despair. They want their children back in school. We now know that the minister has chosen to take no action, that her special representative has failed to get the parties to resolve this dispute. I want to know, first of all, how long the minister is allowing this process to continue before the minister and the government take action to get 16,000 students back into school.

MS McCOY: Mr. Speaker, it's true that Mr. Albertini spent the last four days in consultations with a great many people down in the Battle River school authorities area. He spoke with parents. He spoke with trustees from all seven districts that have not settled so far, seven out of 10. He spoke with some teachers by phone, and he met with both the bargaining teams, teachers and trustees, as well as meeting with them together. His report back to me on a factual basis: it is true that they haven't come to a settlement over the weekend. However, it is also true that several school districts have either settled or have offered to settle on terms that are not very far apart. For example, the county of Lacombe offered 8.6 percent, and the teachers countered with 8.8 percent, which is only 50 cents a day apart. The conclusion I draw from that is that in fact there is here a window of opportunity for a voluntary settlement. It is with those instructions that I have sent Mr. Albertini back to Red Deer, and he will be meeting with the two bargaining teams.

MR. DECORE: The parents are entitled to know, this Assembly is entitled to know, and 16,000 students are entitled to know how long you are going to allow this process to continue before you intervene and take action. If you didn't hear my question the first time around: how long, Madam Minister, before you take action?

MS McCOY: Well, of course, Mr. Speaker, I have taken action, and that is asking Mr. Albertini to intervene and to work with the parties to come to a voluntary settlement and, if necessary, in fact to recommend a settlement to the two sides. I am deeply committed to the collective bargaining process, and at all times it is better for the parties to come to some settlement at the table themselves as a community-based solution. I've stressed to Mr. Albertini the urgency of the situation, and I'm sure the parents are stressing the urgency of the situation to the two sides as well. I will take this opportunity to express the urgency to the trustees and to the teachers and to urge them to come to an agreement as soon as possible.

MR. DECORE: Mr. Speaker, I'm not sure why the minister continues to skirt around this question. Is it because the minister doesn't understand the question? The question is simple: how long? What's the time frame before the minister does something real? The emissary is not solving this problem. Both sides say that they want settlement. When is the minister going to do something? By what date will we get that action taken?

MS McCOY: Well, Mr. Speaker, let me reiterate: I am not going to relieve the trustees and the teachers of their responsibility to come to an agreement when there are facts presented to me that some of the districts are only 50 cents a day apart. I do believe they should take on their shoulders the action and the responsibility of coming to an agreement immediately.

MR. SPEAKER: Calgary-Foothills.

Middle East Trade Mission

MRS. BLACK: Thank you, Mr. Speaker. Our Minister of Energy along with a group of oil industry personnel has been on a trade mission in the Persian Gulf for the last 18 days. To the minister: why is it so important that a minister of the Crown has to participate in a mission of this sort?

MR. ORMAN: Mr. Speaker, I'm very glad the hon. member asked the question. Let me begin by saying that I deem it a privilege to have been able to travel through the Arabian Gulf region with 16 very highly respected Alberta service and supply companies. I should also say that I was pleasantly surprised by the high reputation that our country of Canada has in the Persian Gulf with regard to the Desert Storm situation and also some Alberta service and supply companies, such as ATCO industries and Safety Boss, that played such a significant role in Kuwait now and in the past in bringing that country's oil production back and assisting the people of that country as a result of the Persian Gulf war.

Mr. Speaker, it was a tremendous opportunity for myself, aside from the service and supply companies opportunities, to get a sense firsthand as to what the intentions of the OPEC nations are in terms of adding capacity to the world supply. I've discovered that in Kuwait and Saudi Arabia alone they plan to invest somewhere between \$30 billion and \$40 billion to expand their productive capacity. As we know, that does have a very significant impact on this province in terms of being able to plan as we participate in the world market. Government-to-government protocol is very important. All of these countries have state-owned oil companies, and the opportunity for service and supply companies to access the right people in the bureaucracies is enhanced by government-to-government relations. They want to know that our government supports their actions, their intentions to work in this region. Alberta exports a great deal of its gross domestic product, and this is a way of supporting that continuance.

MR. SPEAKER: Calgary-Foothills.

MRS. BLACK: Thank you very much, Mr. Speaker. While that may very well be a nice overview and background of the trip, I'm wondering if the minister could outline the direct benefits that will accrue to Alberta as a result of this trip?

MR. ORMAN: Mr. Speaker, I'd like to make a couple of points on that question. The first is that, as I said, Alberta companies are extremely well received in the Persian Gulf. I had the opportunity to speak with a tool push on a Dresco rig, which is manufactured right here in the Edmonton region. The Kuwait oil company just bought two rigs for over \$14 million. They are negotiating with Dresco to buy an additional two rigs. That tool push said that he's been working on rigs for 20 years, and these are the most flexible and the most easy to move of any rig he's ever worked on. That is a testimonial to what Alberta can offer in terms of exporting its goods and services.

Mr. Speaker, ATCO industries signed a \$10 million movable housing project in Iran, and I had the opportunity to meet with the chairman of the Abu Dhabi national oil company the day before Delta Projects of Alberta, an Alberta engineering company, was tendering on a \$1 billion on-shore gas facility. It was fortuitous that I had the opportunity to point out to the chairman that there was an Alberta company, highly respected in the region, that was tendering an offer and that our government supported it, and could he please give it every consideration. Those opportunities I think

are very valuable and I know are valued by the companies. Mr. Speaker, it's a question that should be asked of the companies. Companies such as Delta Projects, ATCO, Dresco Rig all should be asked as to the value of these, because it's tax dollars that are being used to enhance job creation in the province.

3:00

MR. SPEAKER: Calgary-Mountain View, followed by Edmonton-Whitemud.

Contract Tender Policy

MR. HAWKESWORTH: Thank you, Mr. Speaker. Taxpayers understand the potential benefits of a competitive tendering system. In theory, at any rate, they get services or goods at the lowest price. However, where this government is concerned, that's not always the case. Last fall they awarded a contract to IBM even though their bid was a million dollars more expensive than other bids that met specifications. I understand, in fact, that contracted services in Public Works, Supply and Services did not recommend the IBM proposal, but they received it anyway. To the Provincial Treasurer: what has he done to ensure that this contract was awarded to the lowest bidder to save taxpayers in the order of a million dollars?

MR. JOHNSTON: Mr. Speaker, the question was raised I guess last fall some time when prompted by this dispute about whether or not the tendering process was fair and equitable. We did in fact investigate this problem. In simple words we have found the following: that it was a fair and equitable tendering process, that in fact after all the aspects were considered, the tender closest to meeting the specifications won the tender, as is the practice.

MR. HAWKESWORTH: Well, Mr. Speaker, if there was an investigation, none of the other bidders was contacted by this minister or anybody else in the government in any way, nor were they advised of the outcome. One's left with the impression from the Provincial Treasurer that the government has created a monopoly situation for IBM, which effectively shuts the door to any competition, and the taxpayer is being asked to subsidize this cozy arrangement. I'd like to ask the Provincial Treasurer: instead of a snow job from him, why won't he call for an independent review from, say, the Auditor General so that we can find out what's really going on here and save the taxpayers some money on this contract and other contracts in the future?

MR. JOHNSTON: Mr. Speaker, it is a matter of course that the taxpayer's dollar is always uppermost in the decision process and particularly when it comes to making sure that the taxpayer's dollar goes as far as possible and that real value is achieved for the dollars which are raised by the General Revenue Fund. To that end, I think that generally speaking the tendering process of the government of Alberta has been without reproach. The process has been open and fair. We have already signed, for example, such things as a procurement policy which in fact speaks to the need that all Canadians have access to the tendering process here in Alberta. It is somewhat of a judgment call from time to time, in particular when it comes to sophisticated technology, where in fact the application of that technology has very stringent limits, and it is on that basis that this tender was given to that person who met the qualifications most appropriately for the price of the contract.

Mr. Speaker, if we were to pass on to tribunals or other people the decision-making process, of course you wouldn't have to have

a government. But governments are elected to make decisions, and in this case I am satisfied, along with my colleagues in cabinet, that the process was one of fairness, was one of objectivity, was one of openness, and was one of pure competition. On that basis, we don't need another evaluation of this process. We made the decisions, and I'm sure even IBM would say, "Well, we'll be there the next time around." That's the way the competitive process works.

MR. SPEAKER: Edmonton-Whitemud.

Lottery Funds

MR. WICKMAN: Thank you, Mr. Speaker. During this past fiscal period, '91-92 to be specific, the minister responsible for lotteries apparently, possibly along with others, took a five-day trip to Las Vegas. To the minister responsible for lotteries: did a government department, the minister's office, or lottery revenues cover the costs or part of the costs associated with this Vegas trip?

MR. KOWALSKI: Mr. Speaker, in September I attended a two-day conference in Las Vegas, an international conference on gaming. It's the trade fair of all gaming conferences, and it was attended by approximately – oh, there must have been 70 to 80 people from Alberta representing various organizations in the province including the various casinos, bingo hall operators, representatives from Edmonton Northlands, representatives from the Calgary Stampede board. I was in Las Vegas for two days, late Monday night, I think, till early Thursday morning, and the fees with respect to this came out of the lotteries allocation.

MR. WICKMAN: Mr. Speaker, the minister has indicated that this particular trip was paid for by lottery revenues. I would ask the minister as a supplementary question: during the same fiscal period, '91-92, were there any other trips taken by any MLA that were covered by lottery dollars?

MR. KOWALSKI: Mr. Speaker, I don't recall any. They're all covered in the two reports that I talked about last week: the report that was tabled by the Western Canada Lottery Corporation, the public report, and the other one, the Alberta Division Western Canada Lottery report. All such accounts are covered.

MR. SPEAKER: Thank you. [interjection] Order please. You asked your two questions, Edmonton-Whitemud.

The Member for Cardston, please.

Pratt & Whitney Plant

MR. ADY: Thank you, Mr. Speaker. My question is to the Minister of Economic Development and Trade. The Alberta government along with the local municipality and the federal government encouraged and offered support to Pratt & Whitney to build an engine factory in our province, in fact in the city of Lethbridge. It has been many months since the announcement that the plant would be built. Can the minister tell us what the status of the project is, and if it's going to be built, what are the direct benefits to our province?

AN HON. MEMBER: Three questions.

MR. SPEAKER: Yes, that's right, like some of the other questions in the House.

MR. ELZINGA: Mr. Speaker, in response to the hon. Member for Cardston, I can share with him, as he is aware, that the announcement was made by a number of government members in November of 1991, recognizing the importance that the establishment of this plant would play as it relates to the economic well-being of the Lethbridge area and the province as a whole but more importantly the cornerstone that it is as it relates to the further development of the aerospace industry within the province of Alberta. We have indicated that there are going to be numerous direct job benefits plus substantial spin-off benefits. If the hon. member wishes, I'm more than happy to elaborate with him or to the Legislative Assembly.

MR. SPEAKER: Supplementary, Cardston.

MR. ADY: Thank you, Mr. Speaker. In a major project such as this there's always a concern about local content for goods and services and employment. Can the minister tell the Assembly if there is any commitment in these areas?

MR. ELZINGA: Mr. Speaker, there is a substantial direct benefit. In fact, the project is proceeding as had been scheduled. They are starting to let contracts now. I believe some \$7 million worth of contracts have been let whereby the local content is in the vicinity of slightly in excess of \$5 million. I should indicate to the hon. member, too, that the spin-off benefits are to be projected somewhere in the vicinity of 400 jobs as a direct spin-off. In addition to that, there'll be some 500 direct jobs whereby individuals will be employed directly by Pratt & Whitney.

We are delighted with the Alberta content that is taking place by the figures that I've just shared with the hon. member. Of the \$7 million worth of contracts let to date, in excess of \$5 million has gone to local contractors.

MR. SPEAKER: Edmonton-Kingsway.

Economic Development

MR. McEACHERN: Thank you, Mr. Speaker. Last week in this Assembly I released a secret document of the government called Going Global: Alberta's Manufacturing Strategy for the 1990s. It was developed by the Department of Economic Development and Trade. Now, there are some worthwhile ideas in the paper that deserve widespread public debate. This is particularly true of the idea that the government has of replacing the government's disastrous ad hoc approach to funding Alberta companies with a risk-sharing fund. To the minister: given this government's disastrous track record in the ad hoc funding area whereby there have been six failures for every success, can this minister explain how the risk-sharing fund will better protect Alberta taxpayers than the current ad hoc approach?

MR. ELZINGA: Mr. Speaker, let me again correct the record, because the New Democratic Party persists in dealing with figures and information that are incorrect. They have released a document whereby we indicated to them that they have included our credit union support, the support that we gave to the Principal holders. They included that in that document, plus they indicated a number of probable losses which in fact cannot be substantiated, so it discredits the research that they have done. I want that on the record first, because our success rate is in the vicinity of 95 percent. Let that be noted rather than the distortion of facts in which the New Democratic Party persists in indulging.

As it relates to the paper Going Global, it's interesting hearing the discussion from the hon. member whereby the ideas that he finds acceptable he attributes to the department; those that he finds unacceptable he attributes to the minister. The hon. member can't have it both ways. This again illustrates the hypocrisy with which the party deals, whereby they are not willing to take things at face value.

Mr. Speaker, as it relates to the Toward 2000 Together process, we are having a conference on the economy which the Premier is chairing in Calgary in late May. I notice that the hon. member has indicated that he's going to be present. We look forward to his participation. What we want to do is ensure that all Albertans have an opportunity for meaningful input as it relates to the future direction of this province so that we can maintain the strength that we have built on in the past years.

3:10

MR. McEACHERN: What an incredible dissertation. Why didn't you answer the question?

MR. SPEAKER: Is that your question, hon. member? The hon. minister can answer that question. [interjection] Oh, okay. Well, then, we'll have the question, please.

MR. McEACHERN: Well, the information released by the New Democratic Party is accurate in every detail, and if the minister wants to get into a debate on that, I'd be glad to take him up on it.

Given this government's total failure at picking economic winners and given the cronyism that has often influenced their ad hoc decisions, will the minister provide assurances that this proposed risk-sharing fund will have a clear set of funding criteria and that there will be a semi-independent, arm's-length administration to decide who gets the money, not ministers sitting around the cabinet table?

MR. ELZINGA: Mr. Speaker, as is the case in all projects that we involve ourselves in, there is a thorough review of all the criteria. The hon. member should not be so quick to judge us by his own standards. As I have indicated to him on a consistent basis – and we go back to the export loan guarantee – we rely on due diligence by the financial institutions. We receive that advice with all projects that go through.

The hon. member has suggested our failure rate. If we were to follow his advice, we would not have had the forestry projects within this province; we would not have had, as I just referred to earlier, the dramatic impact as it relates to the aerospace industry. Mr. Speaker, we're in the process of creating jobs for Albertans so that they can have a meaningful life-style within this province, and we're going to continue to do so.

MR. SPEAKER: Calgary-Forest Lawn.

Students Finance

MR. PASHAK: Thank you, Mr. Speaker. Students who work part-time are permitted to exempt up to \$200 per month from their student assessments. However, child support payments, alimony, and family allowances are not given the same exemption. My question is to the Minister of Advanced Education. Will he now commit to eliminating this discriminatory policy and give students who receive income as parents and divorcées the same exemption as other students?

MR. GOGO: Mr. Speaker, I think I responded a week ago in question period with regard to the student financial assistance policies that we have in Alberta that deal almost primarily with the group the hon. member is describing. We provide some \$30 million to what we term disadvantaged students, many of whom include single mothers. The hon. member raises a question that we've looked at for some time. We give every consideration to those students when they apply in terms of exempting earnings from employment in attaining their student loans.

MR. SPEAKER: Supplementary.

MR. PASHAK: Thank you, Mr. Speaker. Well, at the same time that the minister supports policies that increase the financial burden for student families, he's cut \$7 million from the remission payment program. To the minister then: how does he justify reducing dollars for loan remission at a time when student costs and loans are increasing substantially?

MR. GOGO: Well, Mr. Speaker, let it be abundantly clear to all members that the taxpayers of Alberta pay some \$9 million or \$10 million a year in interest while students have loans. Our view has long been that remission should only be applicable as a debt control instrument. The average debt now upon graduation from university is about \$15,000, and from college it's about half that. Our remission policies frankly have been increased in terms of what each student would receive if their debts are over that limit. Our experience has been that those who are educated have a 50 percent better chance of being employed than those who don't have access to the postsecondary system. The reduction in terms of our loan remission program has been purely and simply to make it more equitable to those students who have excessive debt. So this minister makes no apologies for being able to contain the remission savings of some \$6 million.

MR. SPEAKER: Calgary-McKnight.

Calgary International Airport

MRS. GAGNON: Thank you, Mr. Speaker. In 1989 the Minister of Municipal Affairs recognized that the Calgary International Airport vicinity protection area plan, which regulates airport noise issues, was outdated, and he contemplated a review. The review was never done. My question today is to the minister of transportation. Will the minister take immediate action to ensure that the regulation is reviewed before Calgary city council makes final decisions regarding housing developments in my constituency?

MR. ADAIR: Mr. Speaker, two things. First of all – I've got to just check the name of it – the airport vicinity protection regulation is under the Minister of Municipal Affairs, as the hon. member identified. Beyond that, noise complaints are the responsibility of the federal Department of Transport, and I do have the phone number, if you'd like: 292-8430 in Calgary. [interjections]

MRS. GAGNON: Mr. Speaker, this isn't funny. It's a very divisive and contentious issue in my constituency, and I feel that the government has been negligent in not making a decision about the review. Will the minister make a commitment to ask his colleague the Minister of Municipal Affairs to do a review immediately?

MR. ADAIR: Mr. Speaker, I'm prepared to pass it on to the Minister of Municipal Affairs. I should also point out that I believe the airport was there long before any of the houses that are presently complaining. [interjections]

MR. SPEAKER: Order please. [interjections] We could use a little noise control in here.
Stony Plain.

Spruceland Millworks Inc.

MR. WOLOSHTYN: Thank you, Mr. Speaker. I'd like to return to the Spruceland Millworks fire once again. It was reported after the fire that the fire commissioner had denied the request of the county to take action on the basis that he had received a verbal assurance from the water line's owner that the hydrants would be fixed. It was a dubious decision at best to accept a commitment with nothing in writing from a person who had ignored rulings from the Court of Queen's Bench and the Fire Prevention Council. The minister said in this House that the reason he did this was that he was in favour of repair as opposed to prosecution. The commissioner, however, never followed up on the verbal assurance, and it took a fire to finally get the hydrants fixed. My question is this: when will the minister explain to the House why the fire commissioner accepted a simple, dubious, verbal assurance, stopped the county from taking action, and never followed up to ensure that the hydrants were fixed until after the minister directed him to?

MS McCOY: Mr. Speaker, it's my understanding that the county was never ever prevented from taking action to fix those fire hydrants.

MR. WOLOSHTYN: Mr. Speaker, if the minister would check *Hansard*, she would find that she said in this House that that in fact was the case, the statement that I made about stopping prosecution in favour of repair.

However, there has been a lot of talk over this issue. The owner of the water line says one thing; the commissioner says another thing. The minister obviously says something else. I would then ask the minister: when will she table her written report, which was done after the fire, including copies of correspondence between the county and the fire commissioner's office, between the county and the owners of the land, and whatever other relevant correspondence might be there so that we can determine once and for all why the fire commissioner refused to do his job for over a year and a half?

MR. SPEAKER: Precious close to a motion for a return.
The Minister of Labour.

3:20

MS McCOY: Thank you for your guidance, Mr. Speaker. Let me say that the county was never ever prevented from fixing the hydrants. What was not given was permission to prosecute, because it didn't seem like it was going to get the hydrants fixed.

Now, in terms of the request, I take your guidance on that, Mr. Speaker. If you think that is a proper question to be put on the Order Paper, I will defer to you.

MR. SPEAKER: Calgary-North West, followed by Edmonton-Calder.

Pratt & Whitney Plant (continued)

MR. BRUSEKER: Thank you, Mr. Speaker. In a letter to this member from the Minister of Economic Development and Trade on November 20, 1991, the minister said that the \$50 million interest free loan to Pratt & Whitney was "conditional upon the company meeting employment expectations and other performance criteria." My question to the minister: what are the employment expectations and performance criteria he refers to?

MR. ELZINGA: Mr. Speaker, the hon. member was not listening, regretfully so, when the hon. Member for Cardston put the question, because then I indicated the employment figures that we expect to be realized.

MR. BRUSEKER: Expecting them to be realized and having them as expectations are two different things.

We'll move on to a second point then: given the government's newfound interest in freedom of information, will the minister table in this House the funding agreement negotiated between the province of Alberta and Pratt & Whitney?

MR. ELZINGA: Mr. Speaker, as is the case on a consistent basis, we're more than happy to share information with the hon. member that it is within our bounds to share with him. As I've indicated to him in the past in this Assembly, there are certain constraints. We've referred him to *Beauchesne 446*, whereby there are constraints placed on what we can release. There is a commercial confidentiality. In the event that some parties might be hurt by us disclosing this information, sometimes we cannot for that reason. I'm willing to examine it.

I should indicate to the hon. member that we've indicated on a consistent basis exactly what the situation is with Pratt & Whitney. We did involve ourselves with an interest free loan recognizing that there is going to be the creation of some 500 direct jobs employed by Pratt & Whitney, additional spin-off benefits of some 400 jobs. I've just indicated earlier, too, that we have seen contracts being let now whereby in excess of \$5 million worth of those contracts have gone to local contractors in the Lethbridge region, again underscoring the importance of this cornerstone of the aerospace industry to our province, plus the meaningful jobs that will be created for our young people.

Council on the Status of Persons with Disabilities

MS MJOLSNESS: Mr. Speaker, recently the Premier created a new ministry for seniors, but this minister was also given responsibility for AADAC, the Family Life and Substance Abuse Foundation, Michener Centre, and the Premier's Council on the Status of Persons with Disabilities. My question is to the minister responsible for Seniors. Given that the community of persons with disabilities is very concerned about the apparent shifting of responsibilities from the Premier to this minister, will the minister clarify what his mandate is with regards to the functioning of the Premier's Council on the Status of Persons with Disabilities?

MR. BRASSARD: Mr. Speaker, I'm not aware of any shifting of responsibilities from the Premier to a minister. In the past this council answered through the Minister of Education. It was transferred to my portfolio, but there's been no shift in responsibility whatsoever.

MS MJOLSNESS: Well, Mr. Speaker, the council was set up with a 10-year mandate, four years of which have already passed by. I would ask this minister: does the minister share the concern of various groups that instead of certain projects such as the community supports project going ahead as quickly as possible, the council and other organizations will now have to spend their time educating this minister, along with his bureaucracy, and that projects will be delayed?

MR. BRASSARD: Mr. Speaker, over the last three and a half years that the council has been in existence, they've brought through a vision paper, which is a very perceptive paper designed to identify clearly all of the issues surrounding persons with disabilities in this province, and they followed that up with an action plan, which touches on a great number of the departments within this government, many of which recommendations have already been carried out, with more being implemented. The community supports project, which has been mentioned by the hon. member, is one that we are looking at very seriously, and we're looking at ways that it can be implemented. We certainly agree with the philosophy, and we're working through the details right at the moment.

MR. SPEAKER: Might we revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.
The Member for Drayton Valley.

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

MR. THURBER: Thank you, Mr. Speaker. I take pleasure today in introducing to you and through you to this Legislature 27 bright and cheerful students from the Calmar school. They are accompanied today by Brad Umpherville. I would ask them to rise in the public gallery and receive the warm welcome of this House.

Privilege
Libel against a Member

MR. SPEAKER: The Chair has received notice of a purported point of privilege. The Minister of Public Works, Supply and Services.

MR. KOWALSKI: Mr. Speaker, I rise on a point of privilege under Standing Order 15.

The MLA for Westlock-Sturgeon on Thursday, May 7, 1992, in the Legislative Assembly during question period made the following statements when referring to the submission of applications brought forward for mailing to a private-sector company, Pollard Banknote Ltd., and I quote:

During the last couple of months I've been told by at least three people seeking jobs in this plant that they were told to drop off their résumés at the MLA's office.

This statement is followed by a statement which includes, and I quote:

I could remark, too, Mr. Speaker, that if indeed the applications are in, why did he ask for open envelopes? So he could look at them before he passed them on?

On Friday, May 8, 1992, the Member for Westlock-Sturgeon stated, and I quote: "for a firm that he had let a printing contract out to."

These statements made by the MLA for Westlock-Sturgeon are not only untrue but are insulting, libelous, and defamatory and call into question the integrity of the MLA for Barrhead and the integrity of his constituency office. The statement, and I quote, "that they were told to drop off their résumés at the MLA's office," is an untrue statement and conveys the worst form of innuendo possible. This MLA has never told anyone that they could drop off their résumés at his constituency office.* I would as well like to file with the House an affidavit signed by my constituency administrator denying this outrageous charge by the Member for Westlock-Sturgeon.

The statement, and I quote, "Why did he ask for open envelopes? So he could look at them before he passed them on?" is totally untrue. Neither the MLA for Barrhead nor anyone working in his constituency office has provided such a direction, suggested such a practice, or even contemplated such a practice. The statement is absurd.

The statement, and I quote, "for a firm that he had let a printing contract out to" is untrue. The MLA for Barrhead and the minister responsible for lotteries and gaming has not let out a printing contract to Pollard Banknote Ltd., nor is he in a position to let out a printing contract to Pollard Banknote Ltd.

The Member for Barrhead hereby alleges that these insulting, libelous, and defamatory statements made by the MLA for Westlock-Sturgeon constitute a breach of privilege pursuant to section 10 of the Legislative Assembly Act. Since the time that these untrue statements were made Thursday last and added to last Friday, I have agonized as to the motives and the motivation of the Member for Westlock-Sturgeon. While the rules of the House prevent me from presenting aspersions for motives, one thing is clear to me, Mr. Speaker: it is incumbent on all members of this Assembly to determine the truth and to utter only honest and judicious statements. Anything less is a disservice to the member himself or herself and the Legislative Assembly itself. If any untrue statement is made by any member in this House, then the reputation and the integrity of this Assembly is undermined.

Since these untrue statements were made, I have felt myself under an unnecessary cloud of suspicion. This cloud of suspicion has caused me to spend valuable hours outlining the truth, explaining the truth, and defending the truth. These hours might have been spent dealing with my official duties both to the people of Alberta and to the people in the constituency of Barrhead. Time spent in explaining, in defending, and in the preparation of this statement prevented me from spending the time that I wanted to with the town of Stony Plain and the Spruce Grove library board this morning, Mr. Speaker. These examples are only a few of those that could be given and described in the impact that these untrue statements have had on me in recent days. The truth is an absolute defence against libel. I believe that I have told the truth to this Legislative Assembly and to the people of Alberta.

Mr. Speaker, it is requested that the Member for Westlock-Sturgeon withdraw these untrue statements immediately and that the member apologize to this Assembly. Failing this action by the Member for Westlock-Sturgeon, it is requested that the matter of the alleged breach of privilege be dealt with by the Legislative Assembly today or soon thereafter as considered practical by Mr. Speaker in order to permit the Legislative Assembly to inquire into the matter of whether or not a breach of privilege has occurred and, if so, the sanction to be imposed on the member who breached the privilege of the Legislative Assembly.

Thank you.

*see page 850, left col., para. 5 and 6

3:30

MR. SPEAKER: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. I think, as you know and was well pointed out, that you have the sole right to decide whether a question of privilege has possibly taken place and refer it to the House. Also, there is a set procedure through the years that I refer you to. I'm sure you're most familiar with it, but the rest of the House may not be. Rule of order 15(2) says:

A member wishing to raise a question of privilege shall give a written notice containing a brief statement of the question to Mr. Speaker and, if practicable, to any person whose conduct may be called in question . . .

I think it's rather obvious I've been called into question.

. . . at least two hours before the opening of the sitting . . .

Mine was delivered five minutes after the sitting opened. I don't know when yours was, Mr. Speaker.

. . . and before the Orders of the Day are called.

Of course, you got that.

So all I'm saying, I guess, is give me time. This is a bit of a surprise, because after all the gentleman that's laid the charge has been quoted far and wide on TV and radio on his right to do the very things he says I was accusing him of in the newspaper. Therefore, I found it a little hard to determine that now they're untrue, after he'd been bragging about doing them. Nevertheless, I'd like to have another day, because of the lateness of the hour and the time I'd been notified, to prepare a defence.

MR. SPEAKER: On the document before me I have here as noted that the information was delivered to my office at 12:15 this afternoon, and it shows a copy to the Member for Westlock-Sturgeon, May 11, at 12:30 p.m. But I don't know where it was delivered or anything. [interjection] Well, whatever the case, hon. member, the House will deal with the matter tomorrow. Proper notice has been given as far as the Chair is concerned. The Chair looks forward to seeing some sober second thought being given to it by various members involved.

head:

Orders of the Day

head:

Government Bills and Orders

head:

Second Reading

Bill 4

Public Contributions Amendment Act, 1992

MR. ANDERSON: Mr. Speaker, I am pleased to move Bill 4, the Public Contributions Amendment Act, 1992, and in so doing, give a brief explanation of the purpose of the Bill.

It is, as members will note, a short, to-the-point document which is intended to clarify the existing situation in most Alberta municipalities. Mr. Speaker, with regards to the Bill, it really does indicate that the proper place for decisions with regards to charitable activities to be made in the province of Alberta is in the municipality. Municipalities have wisely chosen over the years to carry out that responsibility and to deal with those charitable activities in terms of co-ordinating their campaign and making sure that they're adhering to legislation which happened within the boundaries of those corporate limits. This has been the convention in Alberta for almost 20 years with various municipalities, and this will put in place a clarification to ensure that it is clear to all that the Alberta government does not intend to involve itself directly in the administration of these bodies and does recognize it to be the responsibility of municipalities over 50,000 to carry out those duties on behalf of their own citizens.

I'll be happy to answer questions either in Committee of the Whole, dealing with specifics, or in my closing remarks on this particular Bill. It is an item that is straightforward and short but, I think, a needed clarification so that we can be clear that the province believes that the municipalities of 50,000 and over have the right and responsibility to work on behalf of their citizens with those projects which are closest to those government bodies.

So I'll now await any comments that members might have and any questions they would like me to deal with in closing debate on this particular Bill.

MR. SPEAKER: The Member for Edmonton-Whitemud, followed by Edmonton-Strathcona.

MR. WICKMAN: Thank you, Mr. Speaker. I do have a couple of comments. I know the minister of consumer affairs will normally fashion himself in the behaviour that is favourable to the constituents he represents, but I think in this particular case he's gone about it in the wrong direction, and I would hope that he would take my comments seriously.

First of all, I have some real difficulty when this level of government feels itself in a position that it has to direct another level of government as to what is for their own good. Municipalities, which are of course controlled by elected representatives at the local level, are very, very capable of making their own decisions. Whether there are 50,000 people, more or less, really makes no difference. If the cities of Fort McMurray, Medicine Hat, whatever, determine that it's to their benefit to have a charitable appeals committee – is what I would refer to it as – then that should be within their mandate. In other words, there should be enabling legislation, permissive legislation allowing them, giving them the authority to choose to do so if they choose to do so but not to mandate to them that it's the wishes of this government to impose that on another level of government. I find that very, very distasteful. The minister has said that it is the level of government closest to the people; they're in the front lines. I agree with that. So I'd like the minister to respond to that. There has been opposition by municipalities to this piece of legislation incidentally.

Secondly, there is a cost attached to the establishment of a charitable appeals committee, the same as there is a cost attached to the next Bill that the minister will deal with. I'd like to know: is it the minister's intention, if he is going to impose on these municipalities the requirement that they have to establish this body – is this government prepared then to cover any costs that may be associated with that particular body?

I'll wait, Mr. Speaker, till the minister responds to that particular question till I consider amendments at the committee level.

MR. SPEAKER: Edmonton-Strathcona.

MR. CHIVERS: Thank you, Mr. Speaker. I want to echo some of the concerns expressed by Edmonton-Whitemud. I also have a concern with respect to the fact that this is a mandatory requirement that's being imposed on municipalities with populations in excess of 50,000 persons. Of course, subject to the answers provided by the minister with respect to the questions by Edmonton-Whitemud, unless there is going to be additional funding to cover the cost of designating a person or a body as an approving authority, what it means in effect is that the municipality or the city concerned will be required and directed to allocate its scarce resources to a function that they may see as being unnecessary within the context of that municipality or perhaps an

unwise allocation of the resources. Therefore, I share the concerns of Edmonton-Whitemud with respect to the cost factor.

3:40

Having said that, I do appreciate the minister's comments with respect to the fact that municipalities or cities being the first in line with respect to the administration of the system of public contributions, it makes sense for the regulation and supervision of that system to be at that level of government because of course the communities are knowledgeable about what activities are being undertaken within their boundaries. So consequently, whatever system is in place should recognize that reality, and because of that reality they're best able to deal with the applications and deal with the problems that arise with respect to public contributions.

The effect of the legislation, perhaps in practical terms, would be very useful information for us to have. I'm wondering if the minister could tell me what cities there are with populations in excess of 50,000 in Alberta who do not presently have a designated approving authority. Perhaps the practical answer is that there are not very many cities, or perhaps there are even no cities that have populations in excess of 50,000 persons who do not have an approving authority. Therefore, the concerns might to that extent be lacking in substance, because if they already have the approving authority, then they've already made a choice under the legislation as it presently exists, which permits them to designate an approving authority. That would be useful information for us to have also with respect to the more or less companion amendment that is proposed in Bill 5 with respect to the landlord and tenant advisory. So that information would be most useful for the Assembly. I'd ask if the minister has it available, if he could put it on the record for us so that we're aware of that.

Although maybe this is not the time to engage in it, I think perhaps we need to look at more than simply a housekeeping amendment, in effect, with respect to the designation of approving authorities with respect to the public contribution system in Alberta. I was looking the other day at the return filed with the Assembly with respect to the number of public contributions in Alberta, the number of organizations that are making solicitations under this legislation, and the amount of expenditures that are expended in the way of expenses to finance those campaigns. I think that at some time in the near future it will be necessary for us to look very closely at the system of public contributions in Alberta. I think one of the difficulties we may be encountering here is that to a certain extent the system will be balkanized because each local authority who establishes or designates an approving tribunal or approving body is going to deal with it in a somewhat different fashion. It may be important to have some standardized approach under the legislation to the role of a designated tribunal or a designated approving authority. Perhaps the legislation can give us some guidance there. It might, perhaps, have been timely for those sorts of areas to have been looked at by the government in view of the fact that it's been found appropriate to bring this amendment forward at this point in time.

[Mr. Deputy Speaker in the Chair]

I'm wondering why it is, and perhaps the minister will be able to respond to this, that this amendment has been brought forward at this point in time. Is there some rationale, some justification? Why is it that the government has seen fit to bring this amendment forward at this particular point in time?

I'm also wondering whether any steps have been taken to consult with municipalities or cities who may be impacted or who may in the future be impacted as a result of the growth in

population by the "exceeding 50,000" persons part of the amendment.

I think those answers would be most useful in terms of enabling members of the Assembly to better consider whether or not the amendment to the legislation is necessary at this particular point in time and whether we might be better advised rather than dealing with it at this point in time to look at the whole system and bring forward some more comprehensive amendments to an extremely difficult area. Definitely there is a public interest in regulating and supervising the area of public contributions. I think, from a rather summary perusal of some of the other jurisdictions in North America and some of the approaches that are taken, that it would well behoove us to examine this situation in more detail. Perhaps rather than getting into some of the difficulties that have been experienced in other jurisdictions and in order to alleviate some of the problems that we already experience within our own system, it might be wise to introduce some more comprehensive amendments to the legislation.

For the time being those are my comments, Mr. Speaker.

MR. ANDERSON: Mr. Speaker, I am pleased to answer the questions that were given by both the members for Edmonton-Whitemud and Edmonton-Strathcona and to thank them for their reasoned comments and reasonable questions with regards to this particular Bill.

First, with regards to the Member for Edmonton-Whitemud, he asked a good question, which was: why would we make this clear rather than allowing municipalities to decide on their own whether or not they require that particular function to be carried out in their city? If that were the only question, I would not be raising Bill 4 with this House today. However, the municipalities in Alberta that are over 50,000, with the sole exception of Lethbridge, have for a number of years carried out the responsibility on behalf of their citizens. When there is some question, as there was about a year and a half ago with the city of Calgary, as to whether they would continue that, the people of the city were confused as to who to go to for responsibility. I did fear at that particular time – and I'll be frank with the hon. member – that we were going to have problems with the governing and the honesty of the raising of funds in that city as a result.

In that particular instance, the mayor of Calgary and myself were able to work out over a period of time an understanding of what needed to be done and clarify the city's role. We assisted them with some difficulties that they had at that time, and I believe the citizens were well dealt with in that regard. It did raise the question which is even raised in a stronger way with the Bill that will follow, Bill 5: the clarity of the legislation and what happens to citizens in circumstances when all of a sudden governments who have been carrying out responsibilities for years, in some cases decades, then all of a sudden say, because of budget or whatever, "No, we're not." Then who looks after the citizens in that instance? This merely clarifies it.

With respect to the Member for Edmonton-Strathcona's question, who will it affect in fact, which is an appropriate question, in fact it will affect nobody at this particular time. I'll just give the member the municipalities that have approving authority. They are Calgary, Drumheller, Edmonton, Grande Prairie, Medicine Hat, and Red Deer. Three of those fall within the 50,000 category: Red Deer, Edmonton, and Calgary. The sole municipality that does not is Lethbridge. I have indicated to the mayor of Lethbridge that because to date that has been looked after in conjunction with our office, we will continue to supply assistance in that municipality because we have been the body

doing that in that place but that an approving authority would be appointed under the legislation by the municipality.

In terms of directing what they need and what is required, we will not be doing that. That will be up to a municipality to decide on its own. Whether they need two staff people, three staff people, no staff people, or the volunteer board as such, that can best be determined in the municipality, but citizens do have a right to know who is responsible for the operating of it. The legislation as it has existed had not been a problem for quite a series of years. In 1965 Edmonton and Calgary went into it and took on the responsibility; Red Deer, in '76. In other words, for a while – over a decade; in some cases, a couple – citizens have known that if they have a charitable campaign, they have to deal with it through their local approving authority. However, if that question arises in these large cities where there is complexity and many people trying to raise dollars for good and worthy causes, there is the potential for abuse and confusion, and that's what we want to do away with in that respect.

3:50

The question was asked whether I have consulted with the municipalities. I have personally talked to the mayors of all of the cities this legislation would apply to, even though it won't affect any except Lethbridge, which we will buffer the effect of by staying involved. While there are different opinions as to whether or not this legislation should change, none of those municipalities have indicated at this point in time that they see any different role than they have played in past years; in other words, providing the basis for the approving authorities.

Mr. Speaker, I think that answers most of the questions except that the Member for Edmonton-Strathcona did say that perhaps we need a whole new look at the legislation and a review. I think that's not bad counsel. From time to time we need to take a look at how it governs things. The Public Contributions Act is one of those that we've slated for review over the next couple of years. We did change very significantly the rules – in other words, the regulations – under which it operates about a year and a half ago after discussions with municipalities to try and make it easier and smoother for their approving authorities and clearer in that regard, but I do still think that given these days of many campaigns and the importance of dollars being raised voluntarily within municipalities and of those being done in a clear and a fair way, review is not a bad suggestion.

I might say that Alberta is one of the few jurisdictions in the country which governs this area by an Act of the Legislature. I think that has had something to do with the fact that we have more per capita contributions in this province than do most other jurisdictions. It isn't the primary reason. The primary reason was undoubtedly the generosity of Albertans and their commitment to hard work in fund-raising, but I believe it has helped to facilitate a feeling of security among those of us who may donate to various campaigns. We want that maintained, and that's the purpose of this Bill.

[Mr. Chivers rose]

Speaker's Ruling Concluding Debate

MR. DEPUTY SPEAKER: Sorry, hon. member. Pursuant to the rules in second reading, the minister has concluded debate.

[Motion carried; Bill 4 read a second time]

Bill 5

Landlord and Tenant Amendment Act, 1992

MR. ANDERSON: Mr. Speaker, I move second reading of the Landlord and Tenant Amendment Act, 1992, and in so doing really follow on the conversation that we have just had with regards to Bill 4.

In this particular area we are trying to achieve the same as with the previous Bill. We are trying to clarify for the citizens of the province, in this case who have landlord or tenant concerns, that the municipality closest to them is responsible to give them information and to have a landlord and tenant advisory board. Once again it is not our intention in any way to tell the municipalities what form that would take, how much staff they are to provide. We do provide the legislation which says in what framework they will work but not what will be required by a specific municipality.

Once again, the municipalities over 50,000 and others in this province have provided this service for a couple of decades now. Edmonton established the advisory board in 1971; Calgary, 1970; Lethbridge, 1973; Red Deer, 1973. Banff, Cardston, Fort McMurray, and Medicine Hat have also chosen to establish authorities. I believe there is no question again in this area that the government that's closest to the people is most able to adjudicate the different controversies that arise with respect to landlord and tenant issues and to provide this service. That has been the belief of municipalities in the province for 20 years, and citizens have come to rely on the efforts and on the various responsibilities which are there.

Mr. Speaker, the need for this particular Bill arose last fall when the municipality of Lethbridge, without notice to my department, ended their Landlord and Tenant Advisory Board that they had had since 1973. Citizens who had been depending on that particular service were directed by advertisement from the city in the Lethbridge newspapers to go to the government offices, which had not prepared for and had not been responsible for this matter for the previous 19 years. In the city of Lethbridge there are quite a number of individuals who utilized the service and who have thus been confused as to where it is to be provided from. The number of walk-ins in that area is about 1,500 a year; the number of telephone calls in the 5,000-plus range, and that has been an issue in Lethbridge now for some time.

Again we want to make it clear to the citizens of Alberta that the government in this province does not intend to step in and take over or in some way from this great distance tell municipalities how they are to deal with these issues, but we should clarify that the situation that has existed for 19, 20, 25 years in those large municipalities is the one which should operate in the future. Once again, Lethbridge or other municipalities may choose to have few employees, no employees, to have the board at various sizes as they require them, but the citizens of the municipalities should know where the responsibility lies and consequently be able to consult with their local authorities to determine whether or not they require as a priority in their budget this kind of service and to what extent. The boards themselves should be there so that citizens can appeal to those.

When I think of it, the hon. Member for Edmonton-Whitemud raised one other question I didn't answer in the previous debate, and Mr. Speaker, it also does apply to this one, and that is: is the minister planning to give money to these municipalities to deal with these responsibilities? The answer to that would be no. Those municipalities have received the municipal assistance grants and other general funding for purposes of carrying out responsibilities in municipalities, and they have purposefully over the years

not been targeted for landlord and tenant advisory boards, so many dollars and for public approving authorities, so many dollars. Because municipalities over the many years have appropriately requested of this person, when he was Minister of Municipal Affairs, and others that dollars not be targeted, that we not tell the municipality where to spend a specific dollar but that we give them their responsibilities and we give them the dollars in a package to allow them to do that, that is what we initiated with the partnership transfer program when I was the Municipal Affairs minister. We put policing grants and municipal assistance grants and the transportation operating grants into one grant so that we wouldn't be telling the municipality where to spend it. It would not be our intention to do that now but rather, as has been the case for the past number of years – 19, 20 in most of these cases – allow the municipalities to spend on these what dollars they judge appropriate in their community from the global budget that they have.

4:00

Mr. Speaker, I think that does speak again to the intent of the Bills involved. Once again, I believe this Bill will clarify circumstances for Albertans. It will not change circumstances as they currently exist in Calgary, Edmonton, and Red Deer or the other municipalities that have approving authorities, but in Lethbridge it would clarify that it is the responsibility of the city to establish an approving authority. Let me be clear that legal counsel told us when drafting this Bill that if the city still after passage of this does not choose to establish a board, it won't be this province that comes down and says, "Here's the legislation, and you have to do it." It will be up to a citizen through court to say, "It is your responsibility, and why have you not been living up to it?" or, more appropriately, to talk to their city council and determine what the needs are and where the priorities lie.

So, Mr. Speaker, with that – if I didn't in my opening comments, and I think I did – I do certainly move second reading of Bill 5.

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

MR. CHIVERS: Thank you, Mr. Speaker. I suppose once again the issue is that indirectly the amendment is going to force municipalities to allocate scarce resources, and I'm sure that is the concern of the city of Lethbridge with respect to both this Bill and Bill 4. The question I would have liked to have asked the minister after his speech and conclusion on the second reading of Bill 4 – and perhaps I can put it in the context of this discussion of Bill 5 since the problems are so inextricably interrelated.

As I understand it, what he's suggesting is that Lethbridge has been given some assurances that the province will continue to supply some assistance to them with respect to the area of public contributions after the amendment to the legislation takes place, because, of course, there not being an approving authority in Lethbridge at the present time, I take it that the services are provided through the provincial body. The director of licensing would then pick up the slack. I assume there's some commitment to the city of Lethbridge that there will be some continuation of some support, either directly or indirectly, in order to offset some of the financial consequences of the amendment to the legislation. I can understand the practical common sense of that kind of approach, but I guess what I would be concerned about is that the minister may be exposing himself to complaints from other cities with respect to equality of treatment. If this kind of support is being given indirectly to the city of Lethbridge, I think we can

anticipate that at some point in the future there will be concerns expressed by other municipalities that perhaps there should be some increases in their funding to cover off the fact and give them equality of treatment with the city of Lethbridge. I'm wondering if the minister has considered that.

The same thing I assume will be happening with respect to the amendments in Bill 5 with respect to the city of Lethbridge and the Landlord and Tenant Advisory Board. Is there any commitment of the province to provide them with some support? I see the minister is nodding negatively to that. Perhaps the explanation is, of course, that there is no provincial counterpart to the landlord and tenant advisory system, which brings me into the balance of my comments.

As the minister indicated, the landlord and tenant advisory system has been in effect in Alberta for over two decades. Of course, the major municipalities, as he also indicated, have had such bodies for a substantial period of time; the city of Edmonton, for example, for over two decades. Now, I took the trouble to look into the situation with respect to the Landlord and Tenant Advisory Board in the city of Edmonton, and I was quite amazed at the business, if I can put it that way, which is transacted by the city of Edmonton Landlord and Tenant Advisory Board. These figures may be a year out of date, but I believe I'm correct in recounting to the Assembly that the city of Edmonton processes in excess of 10,000 complaints or inquiries a month for a total of over 120,000 annually. Many of those are inquiries that are made by way of telephone, I think about 8,500 a month, and an additional 1,500 by way of written complaints that are actually filed with and received by the Landlord and Tenant Advisory Board.

Now, one of the concerns I have is with respect to the jurisdiction of landlord and tenant advisory boards. There is absolutely no doubt that when they were originally established, the idea was to provide a body which could give practical commonsense advice to landlords and tenants with respect to issues of mutual concern in tenancy matters, for the boards to be able to receive complaints and to attempt to mediate the disputes that they encounter between landlords and tenants; the further function, perhaps one of the most important ones, being to disseminate information for the purpose of educating not only tenants but also landlords concerning the rental practices, the customs, the rights and the privileges, and the remedies in the area. Finally, the fourth function – these are, by the way, legislated under the provincial legislation that permits municipalities to establish landlord and tenant advisory boards by bylaws of their council – is to receive and investigate complaints of conduct in contravention of legislation governing tenancy.

As I say, I think that those functions when the legislation was originally enacted over two decades ago were very sensible, but we've now seen over the years the vast increase in persons who are seeking access to this service. It seems to me the one thing that is becoming very, very clear here is that the landlord and tenant advisory boards whose functions are dictated by the legislation that permits the municipalities or the cities to establish the bylaws – those functions are fixed by law – that those functions need to be reviewed, that the jurisdiction that is given to these bodies is not in practice adequate to deal with the problems that they encounter. I think that it is more than high time that the province of Alberta in a forward-looking manner looked at the role of landlord and tenant advisory boards.

I regret that the minister in bringing forward this amendment has not taken this as an opportunity to engage in that very timely exercise of looking into the remedial jurisdiction of landlord and tenant advisory boards and determining once again in the legislation proposing some amendments to expand their powers, to

expand their jurisdictions, and to give them some teeth to deal with the overwhelming number of complaints that they deal with each year. That is not by any means to discount or derogate from the very useful role that they do perform within the limited jurisdictions that they presently have.

It seems to me that one thing we can glean from the information that is available with respect to, for example – and I'm sure this experience is a provincewide experience: that the sorts of areas that the bulk of the complaints focus in, by far the bulk of the inquiries from both landlords and from tenants have to do with security deposits, something that is to some extent addressed in the legislation that was passed by this Assembly last year but is still not proclaimed. Again I would renew my inquiry to the minister as to when it is that we can expect the proclamation of that legislation. It's been practically a year now. Security deposits are front and centre in terms of the areas of concern of the problems that are dealt with by landlord and tenant advisory boards, and they don't have the tools or the mechanisms to deal with them.

4:10

Another common area of concern is interest on security deposits, another area dealt with by the legislation that we passed in this Assembly nearly a year ago, another area that has not been proclaimed. Rent increases, another issue that is commonly a question or an inquiry or a complaint made to landlord and tenant advisory boards: another area dealt with in the legislation which still remains unproclaimed. The same applies to rent arrears and to damage maintenance of premises and to notices to vacate. Whether or not I agree with the adequacy of the way many of these things were treated in the legislation that we considered in the Assembly last spring, we in the New Democrat caucus did support the Bill because we felt that these were worthwhile moves towards dealing with – perhaps not as completely as we would have liked to have seen – very substantial and real problems for landlords and for tenants, especially for tenants in the province of Alberta, yet they remain unproclaimed. I'm very concerned that the process has taken so long. There were some drafts of some of the regulations that were presented in the Assembly last year, and it seems to me that it's unconscionable that the clock is ticking away and tenants continue to be prejudiced, that landlords continue to be prejudiced by the failure of the government to proclaim that legislation.

Just the other day I had a number of people who were dealing with return of damage deposits, which would not any longer have been a problem for them if the terms of the legislation with respect to the deposit in trust of security deposits had been law. These are all tenancy agreements which have been entered into in the interval between the approval of the legislation by the Legislative Assembly and the present time, yet these are people who continue to be prejudiced, who continue to be unable to secure or protect themselves when, if the legislation had been enacted, they would not have been suffering these unnecessary consequences. So I once again call on the minister to bring this process to a conclusion and to make sure that this legislation takes effect immediately.

I'm also concerned that once again the Assembly is not going to have an opportunity, I presume, unless the minister undertakes to file in advance . . .

I notice the Speaker is looking at me quizzically.

MR. DEPUTY SPEAKER: You are discussing Bill 5 and not other actions of the . . .

MR. CHIVERS: I'm sorry, Mr. Speaker. I have perhaps digressed a little further than I should have in discussing it, but I

think the relevance is to the fact that there are problems. The minister is bringing forward some amendments here which impact landlord and tenant law and which impact the establishment of advisory boards. The relevance is that legislation would have given a bit more teeth to the system that we presently have in place.

One of the concerns I have with respect to this Bill is that again this is the time, it seems to me, to undertake a comprehensive review of the adequacy of the system of landlord and tenant advisory boards. Maybe it's time to look at what's happening in other jurisdictions with respect to how they deal with the problem, because there's no doubt, based on the experience of Edmonton, the Landlord and Tenant Advisory Board here, the Landlord and Tenant Advisory Board in Calgary, and advisory boards across the province as to the need. There's no doubt based on the submissions that the minister has received in this area as to the need. What we need to do, I submit, is give these bodies some teeth. This would have been the appropriate time to look at their jurisdiction, to look at their powers, to look at their remedial authority, and to make sure that for the practical and everyday and real problems – the 10,000 complaints a month, for example, that the city of Edmonton advisory board receives and attempts to deal with – they have the tools to deal with them in a meaningful way. Perhaps we need to look at other jurisdictions when we're examining the situation.

I think it's unfortunate that the minister, rather than simply bringing forward what in effect is a housekeeping amendment, an amendment anticipating a problem that apparently is not going to be a problem – there's only the one jurisdiction which doesn't comply with the advisory board of their own volition, because it's permissive at the present time. I guess there's probably some concern that others who do it voluntarily at the present time may back out because it's not mandated. Of course, I suspect that that probably is a function of, again, allocation of scarce resources and not a feeling that there is not a need for such bodies. Perhaps it's also related to a concern as to the efficacy of the landlord and tenant advisory system as to whether or not they really do have the tools to do the job.

With those comments, Mr. Speaker, I'd be pleased to hear the minister's comments in closing. Thank you.

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

MR. WICKMAN: Thank you. I must say, Mr. Speaker, you were awfully lenient with the Member for Edmonton-Strathcona. I think he might have just gone over that gray line a wee, wee bit in terms of jurisdiction as it relates to this particular amendment.

[Mr. Speaker in the Chair]

Speaking to the amendment that is contained in this particular Bill, Mr. Speaker, the question of whether municipalities with a population of 50,000 or more shall be required by legislation to establish a landlord and tenant advisory board, I'll have to agree to disagree with the minister. He did make the reference again about being the closest to the people. Yes, I acknowledge it is the body of government closest to the people, but they conduct their own affairs, and if they conduct their affairs in such a way that it upsets the constituents that they represent, I guess they pay the price in due course. The constituents they represent have the same recourse, which is the ultimate recourse that the constituents we represent have, and that is to hold us accountable for our actions. So simply because we disagree with the way that a

municipality may be conducting its affairs I don't believe gives us the right to impose on them what we feel is for their own good.

I can look back over many, many years of involvement with municipal government, and I can recall instances when the government seemed to be very, very willing to pass enabling legislation, permissive legislation, which I recommend in this case, but they seemed to do it when we didn't want it. In other words, when they had a hot potato like Sunday shopping, they would pass enabling legislation allowing the municipalities, if they choose to, to control it. It was a convenient cop-out, and some have suggested that the same may occur someday with the question of strippers: pass it on to the municipalities to deal with legislation or bylaws at the local level if they choose to.

If we take the same scenario that's happening here, where this level of government is attempting to impose on another level of government, with the federal government imposing on the province – let's just picture this scenario: the federal government passes a federal Bill saying that no provincial government is authorized to operate on the basis of a deficit budget. I can imagine the reaction from the member from Lethbridge. I'm not sure that he would jump up and down and concur with that. He would have some difficulty. We could take that to the wildest of one's imagination, having another level of government trying to impose what they feel is right. I maintain that the most accountable, the most responsive, the level of government closest to the people that can size things up properly at the local level is the local government. Simply give them the tools, and they will operate in a reasonable fashion. They're accountable for their own actions like we're accountable for ours.

When the Bill goes to committee I intend to water it down in the sense that it would no longer be a mandatory bylaw but permissive. I know that weakens it. It takes away the intent and simply takes it to what we have at the present time. I feel that strongly that this is not the way to go, that if I can make an amendment that will do what I feel is the right thing, I'm prepared to move it. At that particular stage of the legislative process I will make amendments, but I will not even support second reading of this Bill.

4:20

MR. SPEAKER: Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. I, too, want to rise and make a few comments to Bill 5, the Landlord and Tenant Amendment Act, 1992. Basically, I have to say that I'm in agreement by and large with the comments that have been made previously by the members for Edmonton-Strathcona and Edmonton-Whitemud. I think the landlord and tenant advisory boards as they exist today indeed provide for a very important need in the communities in which they serve. I think there's no arguing about that particular point.

I think the kind of problem that I have with this particular Bill, as the Member for Edmonton-Whitemud suggested, is the mandatory aspect of it that imposes it upon a municipality with 50,000 population or greater. That is a concern, and I think the Member for Edmonton-Whitemud very eloquently said that it's the type of concern that all those serving at that local level have always been concerned with over a period of time, as I would suspect this government is concerned when the federal government does in fact impose certain things upon this Legislature without giving the opportunity for this Legislature to do what they might be doing and not having to be imposed on in a mandatory fashion.

The other thing I wanted to talk about was the lack of the provision of landlord and tenant boards in communities with 49,999 people. How do we accommodate those people? I think

that is a major concern of mine over previous discussions. We discussed a motion that I brought before the House, and also we discussed a Bill last spring. I think there is a great void that of course has not been addressed here, nor is it addressed in the legislation of the landlord and tenant advisory board. I think, as the Member for Edmonton-Strathcona alluded so well, that there's a need for proclamation of that particular Bill. The difficulties that we are experiencing at the present time on both sides of the issues of landlords and tenants – certainly the need for a proclamation of that Bill should be done very soon. I would hope the minister will not allow himself to be swayed by the forces that are opposing the proclamation but go ahead and do what is right.

As I say, this Bill is an imposition on municipalities. For example, the information I have is that the Edmonton board costs the city of Edmonton somewhere in the area of \$433,000 for its annual operation of nine staff and of course the other things that go along with running that type of an office. They are able to generate some \$28,000 in revenue as a result of their operation, so in the past year it cost the city of Edmonton about \$415,000 to operate that particular facility. Perhaps the city of Edmonton can afford it; perhaps the city of Calgary can afford it, but I think the reason we have this Bill before us today is that the city of Lethbridge, as the minister did state, I believe, dissolved their board, and that it was only on the insistence and negotiations that the minister undertook with the mayor to have the board again functioning in the city of Lethbridge. It's those kinds of conditions, I think, that I would be concerned about: when a municipality is forced into taking certain cost reduction practices to ensure that their budgets are balanced, then to have the government come in and impose a cost factor on them. Even though it had existed over a period of time, the fact of the matter was that they had to make financial decisions as to their budget, and they decided that was an area they had to make some cuts.

I also know that the city of Edmonton has, in fact, reduced funding to some degree to their own board simply for the same reason. They look at these particular boards as something that is the responsibility of the province and not the responsibility of the municipality. However, they've undertaken it, and they're going to live with it, but now when you impose it in a mandatory way, I think it really becomes unfair to municipalities to have to deal with it.

Mr. Speaker, it's very difficult for me not to vote in favour of this particular Bill because I understand and I've seen the value of what landlord and tenant advisory boards can do and have done and I'm sure will continue to do. On the other hand, as the Member for Edmonton-Whitemud has suggested, I don't feel that I can support it under the rationale that was brought before us. The fact of the matter is that because Lethbridge decided to drop their board, the minister has basically taken out the big stick and said, "You're going to have one, and we'll make it mandatory through legislation that you do." That's the provision that I don't particularly like, so I really won't be able to support it at this time. Hopefully there'll be some amendments brought forward during the debate in committee that might make this more acceptable to me.

MR. SPEAKER: The minister in summation.

MR. ANDERSON: Mr. Speaker, in speaking last to this debate, I will try and answer some of the concerns that three hon. members have raised. In particular, I must say that my communications skills seem to be waning. I thought that I had explained quite clearly the purpose of the Bill before the Member for

Edmonton-Beverly and the Member for Edmonton-Whitemud spoke, but let me try once more in this regard.

This government will not force a municipality to expend dollars that they choose not to. That is their choice; they will make the choice. What this Bill will do is make it clear, as citizens in the province have felt it clear for the last 20 years or slightly less, where the responsibility is. If the city of Lethbridge or the city of Edmonton or the city of Red Deer say to their citizens, "Yes, we have a responsibility for this area, but it is too expensive for us," they'll have an approving authority but not have the resources to deal with it, and that will be their decision.

In terms of the comments from Edmonton-Strathcona with regards to the last Bill and its application on this one, yes, I did say that we would provide some support to the city of Lethbridge on the public approving authority side because they have not previously had an expenditure there. I might say that the involvement is minimal. It is not a full-staff person's time to deal with that issue, as it is not in some others, but we do want to make it clear again for the citizens of those municipalities that it is not the province from afar that is going to make decisions on their charitable fund-raising campaigns. It is the local municipality. That's true with the landlord and tenant Bill that's before us today. We will not supply resources to the city of Lethbridge or others in regards to the landlord and tenant advisory boards. From our end, we would not want to see happen to citizens what happened in the fall, where the city felt that we could handle the issue and therefore put ads in the paper saying, "Go to the province," and the citizens of Lethbridge were left without a place to be serviced from. We would not want to see the same thing happen with the charitable approving authorities. Consequently, we agree that in that one instance we will assist in making sure that there is clearly service remaining.

The Member for Edmonton-Strathcona talked, as did others, about the adequacy of the current legislation in giving authority to the municipalities to make decisions. I agree that it's not adequate enough. The only reason why there has not been legislation recommended to this Assembly to date to strengthen that, I am advised legally, is because to allow local boards to deal with arbitration or mediation to a greater extent, there is a legal problem in terms of infringing on the jurisdiction of the courts. I would like to see it otherwise. I would like to not have each landlord and tenant forced through the small debts courts or others for certain issues but have them able to go to the local board, and it not just look at a situation and give advice but have some authority. We are continuing to work with the constitutional law people of the Attorney General's department to try and find a way to do that which wouldn't contravene legislation, as was the case in Ontario, where that took place.

4:30

Mr. Speaker, there were several comments made with respect to proclamation of the passage of last year's Landlord and Tenant Amendment Act. It does my heart good that members of the Assembly who argued at times with legislation that I presented are now yelling that we're not moving fast enough with it. It is indeed good to have such strong support for it, but I know that members opposite would be equally quick to jump up and say that I had not considered all options, that we had not given people an opportunity for input, that we had not properly looked at the ramifications of individual items, if I was moving more quickly and did not have them in the House. While I recognize the role of the opposition in scrutinizing what the government's doing on both sides of those issues, I think in this case one can't have one's cake and eat it too. We either have to have a thorough, well-

thought-out set of regulations which deal properly with it with input from all Albertans, or we have to take chances, and this minister, this government does not want to take chances with the lives of individual landlords and tenants in those circumstances.

Mr. Speaker, once again I say that this Bill will not change how any municipality spends its dollars. It will merely give the citizens of those municipalities a clear understanding so that they're not caught in the catch-22 position of not knowing who's responsible. It will do that by affirming what has taken place in this province for the last couple of decades.

I do say and have said to the municipalities that I and my department will be happy to work with them in the best and most expedient ways of dealing with these issues, in looking at ways in which we can change legislation to help facilitate better and more efficient ways in the Landlord and Tenant Act, in this case, and the public contributions approving authorities in the previous case, the way it was operating. I'll be happy to meet with councils or mayors at any time to talk about that further, as I have done in the past.

Mr. Speaker, with those comments, I once again ask for the support of the Assembly on second reading of Bill 5.

[Motion carried; Bill 5 read a second time]

Bill 14

Motion Picture Development Amendment Act, 1992

MR. ELZINGA: Mr. Speaker, I move second reading of Bill 14, the Motion Picture Development Amendment Act, 1992.

In doing so, let me indicate to hon. members that these amendments which are proposed to the Motion Picture Development Act address two needs, one that has been identified by the industry itself and one that has been identified by the corporation. As I'm sure all hon. members are aware at this time, the corporation is permitted to provide loans or loan guarantees for the preproduction stage of motion pictures. These loans or loan guarantees are limited to 60 percent of the preproduction costs, up to a maximum of \$200,000, and must be repaid when the preproduction stage is completed. Through amendments to the Act in 1988, the corporation was also given authority to invest up to 25 percent of the total amount to be invested by all parties, up to a maximum of \$500,000, in motion pictures or other projects related to the industry.

Mr. Speaker, the benefit of the Alberta Motion Picture Development Corporation's investments can best be seen by the fact that its \$5.3 million in investment has triggered some \$40 million worth in private investment. Of this amount 80 percent was spent in Alberta, and over 2,000 person-years of employment have been created.

I just wish to talk very briefly to the changes that are being proposed, the first one being the interim financing component. This first change that's being proposed is for the corporation to be given the authority to provide interim financing to motion picture productions. Mr. Speaker, interim financing would cover cash flow shortfalls incurred between the start of a picture through to the distribution stage. The provision of interim financing will meet a demonstrated need of the industry, as producers of small-budget projects have had a great deal of difficulty in obtaining interim financing from financial institutions who are not sophisticated in the financing of film projects. The corporation would also receive a small return on its interim financing agreements. As other provincial and federal agencies move to adapt their financing programs to meet the needs of the industry, this legislation would allow the AMPDC and the Alberta industry to respond in the same way.

Dealing with the second change, the revenue-raising initiatives, we have suggested these changes so that the corporation itself could charge a small application fee to recover disbursements such as legal fees and script reviewing, as a number of these resources are not within the corporation itself. They will be able to deposit these revenues into their operating fund, thus allowing them greater flexibility and offering support to the motion picture industry.

Mr. Speaker, these changes are important. The film industry is a growing and important industrial sector. It is one that is helping diversify our economy, and any assistance that we can provide that will not require additional resources from the Provincial Treasury is good assistance. We feel these changes will meet that criteria.

In doing so, Mr. Speaker, I move second reading of Bill 14.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. I've had a look at the Bill and agree with the changes being made, basically, but do have a couple of questions that the minister might like to answer later.

He mentioned a figure of \$5.3 million invested which has led to some \$40 million total action in the industry. I wonder, then, if that \$5.3 million figure is a more recent update on the public accounts figure, which I read at \$8.2 million, or are they not comparable figures? According to public accounts for March 31, 1991, which of course is the last one we have, the corporation has liabilities of \$8.2 million and is carrying a debt of \$2.24 million on its books. I'm just wondering if he would explain a little bit about some of those numbers.

Perhaps also he could explain a little more about the \$200,000 limit for any one company. I understand that was for the preproduction stage, but the 25 percent figure, out of section 10.1 of the Act, says 10.5 percent of the total financing. I wonder if it's whichever one comes first, or are they two different categories? Is the \$200,000 just for the preproduction stage and the 25 percent limit for the overall picture, including right up to release of the picture stage, the 25 percent figure coming out of, of course, the 10.1(2) of the Act? Perhaps he could clarify that point.

I have a couple of other questions here. It does seem a little odd that this corporation would be carrying a deficit on its books. The Act also allows the corporation to lend out as much as \$10 million at any one time. The stage they're at now, at \$8.2 million, and assuming that they owe that back to the government – although that may not be the case in terms of all of it, but I would assume so by reading the public accounts. If they have a \$2.24 million deficit, does that mean they're already just a little bit over the \$10 million? How do you factor in or arrive at the minister's recent investments, the last two years being, I think, \$421,000? Is that going to increase that amount that much more than the \$10 million? It is a very modest amount of money, so I'm not too excited about it, but I couldn't help wondering why it is that the government wouldn't, for instance, produce a special warrant and clear off that debt and keep it under the \$10 million.

4:40

There is, in fact, a section of the Bill that says there is this \$10 million limit, but then in another area – I'll get the number here in a minute – section 10.1(4)(b), it says:

The Lieutenant Governor in Council may make regulations . . . I'll skip (a), but (b):

respecting the maximum aggregate amount that the Corporation may pay and be liable to pay under all outstanding agreements under subsection (1),

which talks about the purposes of the corporation. So while they have this \$10 million supposed limit in one section, in another section they give the minister and the cabinet sort of unlimited ability to put money into this Motion Picture Development Corporation. I wonder if the minister wouldn't address that question.

I can't resist saying that whenever my late friend Gordon Wright ran across one of these blank-cheque sort of statements – that the minister and the cabinet could put any amount of money they wanted into anything or have total control or total jurisdiction to buy the moon if they wanted – he always called them Henry VIII clauses, because of course Henry VIII's powers were somewhat unrestricted, I gather. It seems odd to me to have this one restricting clause and then another clause in effect giving the minister a blank cheque.

I think those are some of the questions. I guess on the second point that the minister raised, about the charging of some of the fees, it sounds to me like it's the intention of the corporation and hence the government, because of course they have set up the corporation, to charge sort of user fees to help cover the costs of running the corporation. Would that be a correct interpretation of that?

Okay; those are my questions and comments. I would look forward to the minister's answers.

MR. SPEAKER: Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. The hon. Minister of Economic Development and Trade has moved second reading of Bill 14, the Motion Picture Development Amendment Act, and asks this Legislature to support that motion. I was moved by the Premier's comments about judging on performance, so I looked back in the annual reports of the Motion Picture Development Corporation which the minister has tabled here in the Legislature recently, over the last couple of weeks. I looked through that annual report for guidance as to whether or not we should support this particular Bill. In reviewing the annual report of the AMPDC, I looked at the loan portfolio for the past year, and in fact for previous fiscal years, and found that for the 1990-91 year there were \$1.8 million worth of loans and they wrote off \$1.7 million of those loans. In 1989-90, \$2 million, and they wrote off \$1.7 million. In 1988-89 they had \$3 million in loans, and they wrote off \$2.6 million of those loans. I said to myself: this is not performance.

I then looked at the intent of this particular Bill. The minister says that what he wants to do is expand the ability of this corporation to loan money. I looked at the track record, and I saw that in 1989-90 they wrote off 88 percent of the loan portfolio; the year before, 84 percent of the loan portfolio; and the year before that, 91 percent. I thought, well, that really doesn't give me any cause to want to support this particular Bill. Then I looked at the equity investment side. In 1991, 65 percent was written off; the year before, 25 percent; and the year before that, another 25 percent. In fact, the equity investments in movies have lost a total of \$3.3 million, and the minister says we want them to be able to loan more money. I had some concerns about that. In fact, I looked at the total losses according to the annual reports that the minister has tabled. It seems that the total losses for the past three years of this corporation have been \$9.4 million, and the minister says we should support expanding the ability of this corporation to loan more money. I can't do that, Mr. Speaker. I can't support this Bill. The way I see it, this looks like a company that's been quietly losing money since it was begun, and it seems by expanding that licence, we're simply expanding the licence for it to lose

more money more quickly. I don't think that's responsible, so I will not be supporting Bill 14.

The concept of revenue raising is an appropriate step in the right direction. That piece of the Bill I think is appropriate; we need to address those kinds of things.

The minister in his opening comments did talk about some amendments that were introduced in 1988. One of the ones that was also introduced when this was set up initially in 1981 was a sunset clause asking for this to be dissolved in 1989, but when the amendments were introduced in '88, the sunset clause was eliminated. As the minister knows, the Liberal caucus has stood for sunset clauses and making things pay their own way, yet the amendments we had in '88 seemed to go against that. It seems clear that in other areas of the economy the government has had some substantive lack of success in picking winners – in the magnesium industry, the steel industry, the pork industry, et cetera – and I don't think they've picked a winner in the movie industry.

I guess my question to the minister as I've gone through – the minister talks about leveraging \$40 million, I think he said, out of the \$5.3 million invested. We've lost \$9.4 million, according to the annual reports, over the last three years. Does the minister think that's an appropriate use of \$9.4 million? I'm not persuaded that it necessarily is. I think there are better ways to promote the movie industry, and I want to suggest the model that British Columbia has used. Now, I'm not about to suggest that they've got all the answers, but when I look at the British Columbia Trade Development Corporation, last year the B.C. film industry produced 101 feature films and television productions, a total worth of \$176 million, and they do not have a fund as we do here in Alberta. The BCTDC, British Columbia Trade Development Corporation, can offer up to 25 percent of its loan portfolio – they have a \$50 million loan portfolio – guaranteeing movies. Currently they've got \$10 million out.

I want to stress that the key factor, the key difference in British Columbia compared to what we have here in Alberta is that in British Columbia they've not lost one single dollar in loan guarantees for movies, not one single dollar, Mr. Speaker. Yet this particular corporation has lost \$9.4 million just over the last three years, and we're proposing to expand its ability to lose more money. I don't think that's appropriate. I don't think that's what the people of Alberta want, and I'm certain it's not in the representations the government has received in its Toward 2000 Together. I know the Calgary Chamber of Commerce in particular has made a presentation saying basically that industry and businesses do not want and do not need government subsidies because they disturb or skew or destroy the natural marketplace.

I think it's very clear that by expanding the ability of this Motion Picture Development Corporation to give loans, what we have here is a recipe for disaster. Mr. Speaker, I submit that this proposed Bill is in fact a recipe for disaster, and for that reason I cannot support Bill 14.

4:50

REV. ROBERTS: Mr. Speaker, notwithstanding the comments from the members for Calgary-North West and Edmonton-Kingsway, I think this Bill and the Alberta Motion Picture Development Corporation pose some very significant issues for us. As we've heard, from an investment point of view or from an accounting point of view there are some concerns. I'd like to address it from a consumer's point of view. I know that I and many of my constituents feel very strongly that the whole motion picture industry is one that can only develop and grow and need to be strengthened over time, and if we in the province of Alberta here have a stronger stake in it, then we will be well served both

economically and as consumers and in terms of Alberta and Canadian culture.

I for one have been very pleased with the work that the corporation has been doing in terms of supporting a number of projects, a number of ventures in motion pictures which have been good for Alberta not only economically but in terms of our cultural life. Though I don't have the details in terms of funding for films such as *Loyalties* or *Bye Bye Blues* and others, I think these represent the kind of talent, the kind of story, the kind of industry that motion pictures need to have in terms of a flourishing cultural life and economy here in Alberta. I'm very thrilled as well to have heard recently that Denys Arcand, a major Canadian film director from Montreal, is coming to Edmonton and is going to be filming here in Edmonton a play by a local Edmontonian playwright, Brad Fraser, his award-winning play, *Unidentified Human Remains*, which has played not only in the Fringe here but in New York and Chicago and has been featured recently in *Saturday Night*. Denys Arcand has agreed to come and make a film of that play here in Edmonton, and I think that's very exciting, Mr. Speaker.

I know that it's a risky business. That's why I'm concerned about it from an investment and an accounting side. You're not always going to have winners nor should you be picking winners, but on the other hand we need to have an industry here that we can develop on, that we can foster and fashion in a way that's going to continue to help us economically and culturally.

With respect to that, I also want to raise the point, just if the minister has some time, to update me and the Assembly in terms of the pressure that the Canadian film industry is still under, as I take it, from Hollywood and from the Americans, who still are not pleased that in the free trade agreement, as I understand it, Canadian cultural industries were exempt. They don't like one bit that we've got government support or what they might term unfair subsidies for the development of our film industry and motion pictures in this country and in this province. I say too bad for them. Other countries have, and Canada as a nation continues to support this industry. We in the province of Alberta, whether it's by virtue of allowing the corporation to charge fees to cover its loans and the rest – I mean, there need to be efficiencies in the operation, and maybe this Bill doesn't directly address that point.

In terms of the principle of the Bill, Mr. Speaker, I think it's going to make it easier, make it better, make it more efficient for this corporation, the Alberta Motion Picture Development Corporation, to do its work and continue to foster motion pictures in this province. Maybe we can learn from the B.C. experience or other provinces, but I for one want to stand for a strong industry in this province and to represent the talent that is here, not only to tell the Alberta and Canadian stories in the powerful medium of motion pictures but to develop us economically, as well, in the most efficient and optimal way.

SOME HON. MEMBERS: Question.

MR. SPEAKER: The minister, in summation.

MR. ELZINGA: Mr. Speaker, let me indicate at the outset my appreciation to the three colleagues who offered me their advice and point out to them that we're dealing in principle with the legislation and not in a detailed way. So if they'll allow me, I'm going to get back to them with some of these specific details when we do study this Bill in committee.

As it related to what the hon. Member for Edmonton-Kingsway perceived as a discrepancy in the actual dollar figures, I should indicate to him that it could easily be that these are the dollars

advanced as compared to the dollars which have been spent. I'll get him the details in committee, if he's agreeable to that, so that he can have that information.

As it relates to the difference in preproduction and our financing for the full stage up until distribution of the film, this was a recommendation that was suggested to us by the film producers themselves.

I should indicate too, as hon. members have indicated, the high praise that has been given to the board itself, because the board has done a thorough job, notwithstanding that there have been some financial losses. I appreciate the comments and the caution that have been expressed by the hon. Member for Calgary-North West, but I regret that he misinterpreted my remarks, because in my closing sentence I indicated that no additional funds will be allocated. We had indicated that we wished to have more flexibility in the way those funds flow through to the film industry, because we recognize that these spin-off benefits are enormous. The mandate that the corporation has is not a cultural mandate but a business mandate. The cultural mandate falls directly to my colleague the Minister of Culture and Multiculturalism, but the mandate of this board is a business mandate. I should indicate to hon. members also that the film community has been somewhat critical that we haven't offered additional funding to the corporation. What we are doing in this legislation is not giving additional dollars but additional flexibility to the corporation so that they can meet the needs of both the film industry and the corporation itself.

I look forward, Mr. Speaker, to further in-depth study when we get into committee, but let me move second reading of Bill 14.

[Motion carried; Bill 14 read a second time]

Bill 17
Irrigation District Rehabilitation
Endowment Fund Act

MRS. McCLELLAN: Mr. Speaker, I'm pleased to speak briefly in second reading to the principles of Bill 17, the Irrigation District Rehabilitation Endowment Fund Act.

The development of this Act and the introduction of this Bill, Mr. Speaker, comes after the culmination of a lot of work done in consultation with the irrigation districts in Alberta. The first principle in the Act is the establishment of an endowment fund which will ensure long-term assured funding for the rehabilitation of infrastructure in the irrigation districts in Alberta.

[Mr. Deputy Speaker in the Chair]

I would want to say also, Mr. Speaker, that a committee worked very hard on the development of the principles of this Act. The Member for Cardston chaired that committee in co-operation with members of the Irrigation Council, the Alberta Irrigation Projects Association, and the irrigation districts themselves.

An important principle of the Act is, again, that the fund will be established. The administration of the fund is clearly outlined. There will be a committee struck that will recommend to the minister the ongoing nature of projects to be funded and the proportion of costs that are eligible for grants under this fund.

I think that clearly outlines the principles that are within this Act, Mr. Speaker. This province has a long history of support to the irrigation infrastructure in this province. I think this Act serves as an extension of that commitment to a system that is very valuable to our municipalities, to our recreational users, to our wetlands, and indeed to the agricultural production and the economic well-being of southern Alberta.

I look forward to members' comments on the principles of this Act in second reading, and I'm sure that my colleague the Member for Cardston will want to make some comments as well.

Thank you.

5:00

MR. DEPUTY SPEAKER: The hon. Member for Cardston.

MR. ADY: Thank you, Mr. Speaker. I'd like to just make a few brief remarks regarding this Bill. As the minister mentioned, there was a great deal of background work that went into this on the part of the irrigation districts. In the final analysis, they were very anxious to establish a fund that they could feel comfortable with and that would be there for them for the future. The intent, of course, is that there will be a level of funding flow through to it on an annual basis. It's a five-year program, albeit that it has to be renewed annually by the Legislature. The members of the Assembly will notice that although the minister can make recommendations at any time that funds can flow from the fund to the irrigation districts, in section 5(3) it states that no funds will flow from the endowment fund as long as there are other funds flowing from the government through to the irrigation districts for the purpose of rehabilitation of their major works.

I think it's important that we understand clearly why we have funding flowing through to the irrigation districts at this time. It's important to know that this is an opportunity for them to secure a long-term source of financial support for the rehabilitation of the 13 irrigation districts and their water distribution infrastructure. I've seen some of the infrastructure that has been put in place with the funds that they've been receiving over the past several years since the original program was put in place, and they are a first-class type of infrastructure. Certainly they're designed to last in the order of 50 years into the future and likely beyond that. Also, the rehabilitation of this infrastructure will ensure the efficient and effective management of the scarce water resources in southern Alberta which are allocated to the irrigation districts. It will support the financial viability of irrigation districts and provide ongoing support to water users – irrigation producers, municipalities, wildlife, recreation, domestic, and industrial – all of which rely on the irrigation districts and the infrastructure that they have in place to access water, because this infrastructure carries it beyond the natural water courses that flow through southern Alberta.

It will also protect the economic contributions of southern Alberta's irrigation-based economy. To just speak to that for a moment, I'm not sure of a statistic that's available on the increase in population in rural Alberta that is afforded because of irrigation, but having lived in an irrigation district for some 10 years, during that time I used to try to assess that in my own mind, and it seemed to me that it allowed probably at least three times the population that could be afforded if there were not irrigation systems available. I think that's significant to the contribution and the commitment made by our province and this government to the viability of rural Alberta through the irrigation contributions that they have made.

It's important to understand a little bit more about the principles of the Act, in that it will be invested by the Provincial Treasurer's department and, of course, will be accessed, on the recommendation of the minister, from the Department of Agriculture. Under this Act the Provincial Treasurer

shall hold and administer the Fund and has the same powers of investment with respect to the Fund that he has with respect to the General Revenue Fund under the Financial Administration Act.

The track record for investments under this General Revenue Fund have been very good for other endowment funds. A five-year period of time should see this fund grow to well in excess of \$30 million, and at that point in time it would be a very significant endowment fund that the irrigation districts could fall back on in the event that funding were curtailed or reduced in the future.

I think it's important that we take note that a committee has been established which will have on it members from the irrigation districts and the Irrigation Council, which are the people that are the very closest to the grass roots and have the best understanding of the needs of irrigation in southern Alberta. As we met together to draw up a recommendation to the minister for this Act, they were major players during those discussions and brought to the table a great understanding as to what their needs were and how this would work well for them into the future.

Mr. Speaker, I think that basically covers the principles of the Act and the importance of it to the irrigation districts and how it will serve them well into the future. I certainly will be supporting this Act in this Legislature.

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

MR. BRUSEKER: Thank you, Mr. Speaker. I just have a couple of questions I'd like to put to the hon. minister with respect to this particular piece of legislation. Let me start off by saying that I think the concept of an endowment fund is certainly a good idea from the standpoint of having something that is self-financing, but I have a couple of questions about the operation of it that perhaps when we get to the closing comments the minister might address. The Member for Cardston mentioned perhaps an end figure of \$30 million. Is that in fact the target, or is there a target figure for this fund to ultimately grow towards? I understand they now have \$15 million, another \$10 million is going in this year, and I'm wondering what's the end, target figure for this fund to be at by the time it's required in 1996.

The Bill in fact does refer to a consultative committee, and I'm a little puzzled about the consultation process. It talks about a committee and a council, but it doesn't necessarily mean that there will be agreement between what the committee says and what the council wants, and then the minister ultimately has the decision-making authority. I'm wondering if the minister might explain how those perhaps three different viewpoints might be resolved in the event that there's a possibility of a dispute that occurs between them.

I understand that the fund is just simply going to grow until the rehabilitation and expansion project is completed, but it says in one of the sections that no payments will be made if the "value of the assets of the Fund [is] less than the amounts paid into it." I'm not clear how that works, and I wonder if the minister might explain just how that might work. I must confess I don't understand that.

I've done a little bit of discussion with people. For example, the Western irrigation district is in need of a substantial amount of rehabilitation work. I understand that the total rehabilitation required in that one district alone might be \$130 million to rehabilitate all of the works that are in that area. If we only get about \$2.6 million or \$3 million a year, it seems like it's going to take about 40 years to complete the total renovation and rehabilitation just in that one area. I'm wondering how that's going to work. It almost sounds like the self-perpetuating job of the guys who paint the Golden Gate Bridge in San Francisco: they start at one end and paint to the other end, and then they go right back to the beginning and start over again. My question to the minister

is: is the fund going to be large enough, really, to deal with all of the rehabilitation work that I understand is necessary? If we only have a \$30 million fund and we get \$3 million a year in interest, that's going to get eaten up very quickly, so I'm wondering how the total rehabilitation of all of our irrigation works around the entire province is going to be addressed, because I don't think that this is going to do it.

5:10

One of the concepts that we've talked about in the Liberal caucus – and I have a question along the same line – is what's called the good-value-for-money audit or the concept of getting a dollar and a half's worth out of a dollar expended kind of thing. There's nothing in the legislation that says we're going to ensure that if we're spending 3 million bucks, we actually get \$3 million or better worth of value for our money. I wonder if there's any kind of a mechanism within the council or the committee that is going to address that issue. As I said, the idea of an endowment fund certainly is okay, but let's make sure that if we're spending 3 million bucks, we get \$3 million worth of work.

The final thing there. With respect to all of the smaller ditches, I understand that we – we being the government – fund the major trunk system where we deliver the large supplies, and then the farmers, of course, take smaller feeder lines or feeder ditches off to their own properties. I'm wondering how that's going to be rationalized in terms of expenditures on main feeder lines and smaller sublines, I guess is the way to describe it, the lines that go on to a particular farmer's property. Is the farmer going to have to look after that and the government is going to look after the main ones, or how is that cost breakdown going to be made?

I'll leave those questions with the minister. Generally, we support the idea of an endowment fund but have a few concerns about the application of it.

MR. DEPUTY SPEAKER: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. I was encouraged to hear that the Member for Cardston's going to vote in favour of the Bill, and following his lead, I'm inclined to recommend the same to the members of the Official Opposition caucus.

I would like to ask the minister some questions as well in second reading that she'll have a chance to address either in her final comments or in committee. [interjection] Well, they're not about specific sections of the Bill, hon. Provincial Treasurer; they're just general questions about the establishment of the irrigation district rehabilitation endowment fund.

This signals a bit of a departure or change in procedure. I'm wondering how this fund will interact with the funding that has been directed this way over the years from the capital projects division of the Alberta Heritage Savings Trust Fund. Is it envisioned that over time this endowment fund would replace that particular expenditure item from the trust fund and we would then have the long-term stable funding arrangement that the minister alluded to?

The Bill would also open up the fund for donations. That sounds like a nice idea. I'm wondering if the minister can let us know if there are any anticipated, or what kind of, sources donations might come from in terms of people contributing to this particular endowment fund. The other thing: the fund would make it possible for other governments to contribute to the fund, as in the case of joint projects, I suppose. If there are other governments, perhaps that could mean provincial governments; it could mean municipal governments, local governments, other people. Perhaps the minister could clarify for us if there are any

particular examples under this provision, anything that's anticipated by way of particular donations or contributions to the fund.

I'm wondering as well, in terms of establishing the fund – maybe the minister mentioned this – how much seed money would come initially from the Heritage Savings Trust Fund into this endowment fund to get it started. What level of money do we need in this fund to replace, if that's the intention, the funding through the capital projects division of the Heritage Savings Trust Fund?

The other few questions I have, Mr. Speaker, deal just in a more particular way with the committee that would be established to administer this fund. It seems on the face that this is an opportunity for irrigation districts and members of the Irrigation Council to have some direct input into which projects are funded, when, and at what level, and I think that's a positive process. But I'd like to ask the minister: wasn't this going on before? In terms of deciding which projects get assistance in any given year through other government sources, surely in the past producers have had some input, have been able to make application or help work with the department to prioritize the kind of projects that they'd like to see go forward. I just want to ensure that we're not creating kind of another bureaucracy here. It doesn't tell us, of course, what kind of funding arrangements are in place for members of the committee, how often they'll meet, what they'd be paid for those sorts of meetings. I imagine it's all standard stuff, but I'm sure the minister would agree with me that we don't want to see something established here that's going to cost a lot of money when what we want is money to be directed to irrigation rehabilitation projects.

[Mr. Speaker in the Chair]

As well, I'm wondering: two members are members of the board of an irrigation district. Does Executive Council appoint these people and it's just required that they be members of an irrigation district, or do the irrigation districts have some sort of a process through which they can recommend people for appointment to this committee? In other words, will it be up to them to choose their representatives, or will it be up to us in the broader sense? The same would apply to the two people who are members of the Irrigation Council. Does the Irrigation Council tell the minister which people she would appoint to this committee, or does the Executive Council just appoint?

As well, I'm wondering what the relationship would be between this committee and the Water Resources Commission. We'll be dealing with an Act sometime in the near future amending the Water Resources Commission Act. It's very much a basic housekeeping sort of Bill, so the Water Resources Commission would remain in place. I'm just wondering: now that we're creating another committee that has an MLA chairing it, I hope I'm not being presumptuous here, but I would assume that it's a government MLA that would chair that commission. I'm not sure if the Member for Westlock-Sturgeon would want to apply for the job or me. [interjection] Well, the Member for Little Bow can duke it out with the Member for Cardston to see who sits on that committee. Is this just another, you know, job opportunity for a government backbencher, or is there a legitimate need here for an MLA to be appointed to this committee to facilitate the relationship between the committee and the government?

AN HON. MEMBER: Send your application to Mr. Kowalski.

MR. FOX: Yeah.

Okay; I'll leave those with the minister and again express our support for Bill 17.

MR. SPEAKER: Additional? The Member for Taber-Warner.

MR. BOGLE: Thank you, Mr. Speaker. I'd just like to make a couple of brief comments regarding Bill 17, the Irrigation District Rehabilitation Endowment Fund Act. It's important that members of the Assembly recognize that while we're focusing on an endowment fund or a trust fund – the matter was not covered fully during the Agriculture estimates the other evening because of all of the other issues we were dealing with – members of the Assembly should not lose sight of the fact that we are investing \$20 million this year on irrigation rehabilitation. The \$5 million which will be going into the endowment fund this year is on top of the \$20 million that we're investing, and that \$20 million represents our portion of the cost sharing.

A formula was developed many years ago, an 86-14 formula for rehabilitation, whereby the province puts in 86-cent dollars, the districts put in 14-cent dollars, and that's part of the work that has been ongoing. It's important, Mr. Speaker, to recognize that prior to 1975 our districts had been ignored to a very large extent in terms of rehabilitation. When the announcement was made by the then Premier in Taber, Alberta, of a major effort to rehabilitate our existing system and to expand, the districts were brought on board. The districts were fully involved in identifying priorities, and through the 86-14 formula a lot of dollars have been invested in rehabilitating the system.

5:20

I suppose we could stand in our places in the House today and indicate that if we had only thought of this endowment fund some 10 years ago, when we were establishing other endowment funds through the heritage fund, today there might not be a draw of \$20 million to general revenue. All of the moneys might be coming from an endowment fund. Well, that's hindsight, and we're all good curlers looking from the other side of the glass. I commend the minister for her work, for the work she's done with the irrigation districts, the Provincial Treasurer for his support, and in particular the Member for Cardston, who has worked tirelessly with the irrigation districts, with officials in Treasury, and with the Department of Agriculture to develop this scheme. What we have today, Mr. Speaker, is a formula, a plan, whereby yes, we are still committed, but irrigation districts know that there may be an end, and probably will be at some point in the not too distant future, to the cost-sharing dollars flowing through the General Revenue Fund. This is a plan to help districts establish a trust fund so they can provide their own security in the future through the endowment, and for that reason I urge all members of the Assembly to support the legislation.

MRS. McCLELLAN: Mr. Speaker, I will answer some of the questions. I think some of the detail we would be better addressing at committee stage, but I'll try quickly to go through some of the answers.

I'm sure that the Member for Calgary-North West has more of an idea of the target figure, understanding that there is an amount going into the fund each year for a term of time.

The Member for Vegreville had asked about opening up for donations. The wording in the Bill for allowing other dollars is simply that, an opportunity for moneys to flow into the endowment fund from other sources that may arise.

The committee structure I think is very important. The committee will recommend to the minister the handling of this fund and the way of handling payments out of the fund. There are some conditions in the legislation, and one is on the amount that can be drawn, and it can only be drawn down to the value of

the asset. That is, of course, normal in foundations, or in some foundations at least, to ensure that you do have the ongoing commitment, that you do not use the total fund in one year.

Certainly a good point was made on some of the districts that have a long time to go for completion of rehabilitation, but the most difficult task we face is a definition of completion of rehabilitation. I would say that rehabilitation is limited to one time. The fund that we have in place now is not rehabilitating the rehabilitated, and that has been the principle of it. But as technologies change and as time goes on, it's very difficult to identify completion of a project such as this. As was indicated, this began in 1975 with the idea of a five-year program. Today we're in 1992, and we are going on into I believe 1996 at the termination of the rehabilitation project program that we have in place. The value of the dollars spent I think is well validated. The process that has been in place in the rehabilitation fund to this point has been that the districts individually put their proposal forward, and Irrigation Council reviews those very carefully and recommends to the minister or to Executive Council the rehabilitation works in any given year.

I should also mention to the hon. Member for Calgary-North West that this does not fund on main canals. Main canals are the responsibility of Alberta Environment, but this does fund all of the canal out of that structure and of course only brings water to a point of delivery to farmers' fields. So that may clarify that a bit for you.

The committee is not a duplication, I don't believe. I think it's very important that the committee be in place on an ongoing basis to manage this very important fund for the future rehabilitation in this province. I'd certainly look forward in committee, when we have time for more detail, to discuss the value, that this program has in its history benefited southern Alberta in many of the ways

I indicated in my opening comments. I look forward to being more specific on those issues.

On who appoints, it would be my feeling that the irrigation districts, possibly through the Alberta Irrigation Projects Association, which is their association, would recommend their two appointments, and Irrigation Council would recommend also to the minister their two appointments, and they would be appointed through a ministerial order. I think it's very important that these people who are directly involved are directly involved in the ongoing work of this very important trust fund.

Mr. Speaker, with those brief comments and a commitment to get into more detail at Committee of the Whole, I would move second reading of Bill 17.

HON. MEMBERS: Question.

[Motion carried; Bill 17 read a second time]

MR. ANDERSON: Mr. Speaker, it's intended that when we reconvene this evening, we'll do so in Committee of Supply to discuss the estimates of Forestry, Lands and Wildlife. I therefore move that when we reassemble, we do so in Committee of Supply and that we now adjourn until the committee rises and reports.

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

HON. MEMBERS: Aye.

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

[The Assembly adjourned at 5:28 p.m.]

