

Legislative Assembly of Alberta

Title: **Thursday, June 18, 1992**

2:30 p.m.

Date: 92/06/18

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy.

As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving both our province and our country.

Amen.

head: **Presenting Petitions**

MR. DOYLE: Mr. Speaker, I'd like to table today a petition presented to me this morning by four young grade 9 women from Harry Coolidge high school – Marissa Fuller, Robyn Pankiewich, Taira Prosk, and Carrie Munro – in regard . . .

MR. SPEAKER: Order. [interjection] Order. It's really not the usual practice to be reading the names of the persons on it. It's just the matter of what the substance is, hon. member.

Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. I'd like to table a petition signed by 484 electors in the Westlock area asking, after 13 deaths in six years, that highway 794 be upgraded to Highway 44.

head: **Notices of Motions**

MR. MITCHELL: Mr. Speaker, I would like to provide you notice of a point of order which I would like to raise at the end of question period.

head: **Tabling Returns and Reports**

MR. PASZKOWSKI: Mr. Speaker, I'd like to table the 1991 annual report of the Alberta Social Care Facilities Review Committee.

MR. SPEAKER: The Chair was involved in an exchange of notes and so forth and earlier should have also pointed out that the Chair has received notice that the Member for Dunvegan wishes to speak to a point of order at the end of question period, and then that would be followed by Edmonton-Meadowlark.

With regard to tablings, pursuant to section 27(1) of the Ombudsman Act I table with the Assembly the annual report of the office of the Ombudsman for the calendar year 1991. All hon. members I'm sure are aware of the fact that this is the 25th anniversary of the office of the Alberta Ombudsman and that when the office was created 25 years ago it was the first jurisdiction in North America to do so.

head: **Introduction of Special Guests**

MR. HORSMAN: Mr. Speaker, I'm pleased today to introduce to you and through you to the members of the Assembly 16 visitors from Medicine Hat. They're from the Medicine Hat Christian school. There are 14 students. They're accompanied by their teacher Renae Bartel and her husband Regan, who has come along to assist in this endeavour of coming all the way from Medicine

Hat to the Assembly. I would ask that they rise in the members' gallery and receive the usual warm welcome of my colleagues in the Assembly.

MR. SPEAKER: The Member for Cardston.

MR. ADY: Thank you, Mr. Speaker. It's my privilege to introduce through you to the Assembly today 21 bright, young students from the Hillspring school in the Cardston constituency. They're accompanied by their principal, Mr. Thaine Olsen, and his wife, Terry Olsen, also by parents Jesse McCollister and his wife, Linda McCollister. I'd ask that they rise and have the Assembly give them their warm welcome.

MR. SPEAKER: The Member for Grande Prairie, followed by the Member for Little Bow and then the Member for Clover Bar.

DR. ELLIOTT: Thank you, Mr. Speaker. Bursaries are presented annually by the Alberta branch of the Commonwealth Parliamentary Association to nominees from the Alberta Girls' Parliament and Tuxis. The purpose of the bursaries is to increase interest in Parliament among young Albertans. This year's bursary cowinner from the Alberta Girls' Parliament is Shelley Denison from Grande Prairie. Seated in your gallery, Mr. Speaker, are Shelley and her parents, Lee and Ruth Denison, along with Mrs. Marlene Lapierre from the Alberta Girls' Parliament. I'd ask them to rise and receive the warm welcome of this Assembly.

MR. SPEAKER: Little Bow.

MR. McFARLAND: Thank you, Mr. Speaker. I, too, am pleased today to introduce the 1992 Commonwealth Parliamentary Association bursary cowinner from the constituency of Little Bow and the community of Enchant, Alberta. Seated in your gallery, Mr. Speaker, are Shauna Langemann and her father, John, and I can't see if her mom, Colleen, is feeling well enough to be with them this afternoon. I would like our special guests to rise and receive the cordial welcome of the House.

MR. SPEAKER: Clover Bar.

MR. GESELL: Thank you, Mr. Speaker. It's indeed a privilege and a pleasure to introduce to you and all members of the Assembly this year's bursary winner from Tuxis, Mr. Ronald Gusek. We in Clover Bar have been extremely fortunate for the past two years to have had bursaries awarded to people from Clover Bar: Mr. Dave Pollard last year and Mr. Ronald Gusek this year. Tuxis Parliament is a self-governing body and is not affiliated with any political party. It is open to young men and women from 15 to 20 years of age who are interested in seeking out the challenge expressed in the life of Christ. Seated in your gallery, right here above me, Mr. Speaker, is Ronald accompanied by his parents, Reinhard and Karen Gusek. I would ask them to please stand to receive the warm welcome of this Assembly.

MR. SPEAKER: The Minister of Culture and Multiculturalism.

MR. MAIN: Thank you, Mr. Speaker. Today we have a visitor from South Africa with us. Carmen Heunis is here on the Rotary International youth exchange program and is spending the entire year in Alberta and is visiting the Legislature today. She's with her host for the day, Margaret Wong, and they're sitting behind me in the public gallery. I'd ask that Carmen receive the standard warm welcome from our colleagues.

MR. GIBEAULT: Mr. Speaker, I'm pleased to introduce to you and the members of the Assembly this afternoon a dynamic group of young students from St. Clement's school in the constituency of Edmonton-Mill Woods. They're accompanied by their teacher Mr. Len Tannas. I'd ask them now to stand and receive our very warm welcome.

MR. SPEAKER: Hon. members, it's only fitting on this 25th anniversary of the Ombudsman report being filed that we recognize the presence of the Ombudsman in the Speaker's gallery.

head:

Oral Question Period

NovAtel Communications Ltd.

MR. MARTIN: Mr. Speaker, yesterday it seems the minister of technology was whining about the opposition doing the job that this government refuses to do, to tell the truth about NovAtel. Today I would like to file in the Assembly a copy of a letter from a U.S. cellular construction firm called US CommStruct. This is a letter sent to a U.S. lawyer. I'd like to quote. It says that

USCI will pay you 3% of the total value of our proceeds from the construction and project management of any system or group of systems which you're able to facilitate.

It goes on to say:

My proposal would be for us to add 3% to the total of each invoice, with this amount to be paid directly to you upon receipt of payment.

Now, three of the systems listed in the letter are none other than licences held by GMD Partnership, a company of course that has NovAtel financing. In the U.S.A. it is a crime to try and solicit a kickback like this. My question to the minister. I hesitate to ask this because the minister is unaware of most things. Was the minister aware that a construction firm was offering to pay a U.S. consultant a 3 percent kickback with Alberta taxpayers' money?

2:40

MR. STEWART: Mr. Speaker, I have had the opportunity to see a copy of that letter. It makes no mention of NovAtel whatsoever. It makes no reference to any connection except for the fact that the lawyer to whom it is addressed acted for several companies in the United States' cellular industry, GMD being one of them, but there's absolutely no reference in that letter. Surely that's one of the reasons why this incomplete information that constantly comes from the opposition should go to the Auditor General. I mean, these sort of half-baked investigations are not in the best interests of the taxpayers of Alberta.

MR. MARTIN: Albertans are sick and tired of you hiding behind the Auditor General. This was Alberta taxpayers' money that was being used, and this was NovAtel financing to this company, Mr. Minister, and you should be aware of it and be concerned about it.

Mr. Speaker, in view of all these things that were happening – money for lawyers' fees, to pay back NovAtel, to pay other American creditors, to take over other companies – that our taxpayers' money was going for, I want to ask the minister this: will he assure this House today that there were no other kickback schemes, or did questionable U.S. firms simply come in and cart our money away in suitcases?

MR. STEWART: Mr. Speaker, the hon. leader has got to be a little bit more responsible in the type of information that he brings forward. These are half-truths, half-identified information that is not doing anybody any good. We're not hiding from anybody. We're saying to the Auditor General, "Take the whole works; examine it independently," and with the integrity of the Auditor General, that will be done.

MR. MARTIN: Mr. Speaker, that's not washing with anybody. You're covering up, and everybody here knows it. All Albertans know it. We're saying to you that this is going to go on unless you come clean and start telling us the truth in this Assembly.

Mr. Speaker, this government wants to hide. The minister wants to hide. The Premier wants to hide. The Treasurer wants to hide. It's a pitiful, pitiful situation of incompetent ministers hiding behind the Auditor General. My question to the minister is simply this: when is this minister going to accept responsibility for his own department? If he can't do it, why doesn't he resign?

MR. STEWART: Mr. Speaker, right from the very beginning I indicated the degree of ministerial responsibility that I intend to accept in this matter, and I will not back away from that. Nobody is hiding anything. We are putting everything into the hands of the Auditor General so that he might do a much more thorough investigation than what the hon. leader does.

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

MR. MARTIN: Let's go back to another part of it, Mr. Speaker. We'll keep doing the minister's job for him. The minister of technology has often said in this House that the government put a management committee in place to clean up the affairs of NovAtel. Yeah. Well, they did. Let's take a look at how this management committee worked. I'd like to file with the Assembly a copy of a letter dated March 10 of this year to Peter Mitchell, the treasurer of NovAtel. In the letter Mr. Doyle, the owner of GMD, says that he was told that the management committee of NovAtel was simply a rubber stamp for local management decisions on financing. Now, to the minister of technology: will the minister explain how it was that only three months ago a NovAtel employee was telling the holder of a NovAtel loan that the NovAtel management committee was simply a body that rubber-stamped local decisions?

MR. STEWART: Mr. Speaker, now he's asking me to comment on certain opinions by certain people given to other people. I mean, this is absolutely ridiculous, and I don't think that an approach such as this to investigations is doing anybody any value and certainly not the taxpayers.

MR. MARTIN: You know, Mr. Speaker, what is ridiculous is that this government has squandered millions of dollars. We don't have money for hospitals and we don't have money for battered women's shelters because of this minister's incompetence. That's what's ridiculous. Now he tries to hide behind the Auditor General. Shame on you.

To continue, Mr. Speaker, there is also the matter of \$1.3 million of NovAtel money that was earmarked for distribution to the partners of GMD. It appears that the \$1.3 million was just a sign of good faith. My question to the minister is simply this: why was the management committee of NovAtel, appointed by this government, giving cash to U.S. investors in September of 1991, nine months after this government became responsible for NovAtel? Why did you approve this gift?

MR. STEWART: Mr. Speaker, in January, when we had to take back NovAtel, we put this management committee in place. That was an important decision to be made. The management committee consisted of businesspeople to make business decisions. They were put in place; they acted responsibly. To the extent that there

are any questions with respect to those decisions or actions of that management committee, the Auditor General will have a full opportunity to examine all of that.

MR. MARTIN: Everybody acted responsibly, the government and everybody else, but somehow we lost millions of dollars, Mr. Speaker. Amazing, isn't it? Simply amazing.

Now, here we have this government complaining and whining away about information coming out in the Legislative Assembly of Alberta, where it should come out, in dribs and drabs, and the Premier also whining away about having to deal with this issue, Mr. Speaker. I want to say to the Premier, if he has a moment here: if he's tired of this information coming out in dribs and drabs in the Legislative Assembly, will he now call an independent judicial inquiry into this whole matter, and we'll get to the bottom of it?

MR. GETTY: Well, Mr. Speaker, the hon. Leader of the Opposition is able to conduct himself in any way he wants. While I would not say that this is the case of him personally, I do think he is conducting a phony argument. The government has an independent review being carried out. It is being carried out by an officer of this Assembly, a man of integrity, a man who has the ability and the resources to carry out the review, and the review will be made public. [interjections]

MR. SPEAKER: Order. [interjection] Order.

MR. GETTY: Now, the hon. members may not want to accept that, but that is what is happening, an independent review by an officer of this Assembly and all the facts made public. That's the responsible way to do it, not the manner in which the hon. member is. I certainly have no quarrels with the way the hon. member conducts himself, Mr. Speaker, but I think his position is a phony one. [interjection]

MR. SPEAKER: Order please.

Edmonton-Glengarry, on behalf of the Liberal Party.

MR. DECORE: Mr. Speaker, my questions are to the minister responsible for NovAtel, and they follow up on the matter of the letter dated March 10, 1992, from GMD, Gary M. Doyle, to a senior official of NovAtel. I provided the minister with a copy of that letter before this Assembly started. The letter talks about some \$5 million that were given by NovAtel to GMD Partnership. The letter also talks about a \$1.32 million payment from NovAtel to GMD on a no-strings-attached basis. The letter finally says that there is expressed concern by the writer of the letter to NovAtel that after the fact NovAtel is asking GMD to falsify its records. My first question to the minister is this: I'd like the minister to explain how NovAtel could give \$1.32 million to anybody, to any corporation anywhere on a no-strings-attached basis.

2:50

MR. STEWART: Mr. Speaker, my response to the hon. leader is no different than the response to the Leader of the Opposition. If he has information about some improprieties in NovAtel or the management committee that he feels is relevant, let him take it to the Auditor General in a responsible way, and let the Auditor General with his integrity deal with that matter.

MR. DECORE: Mr. Speaker, this minister is an officer of this Assembly and an officer of the court, and for him to be giving a lecture to members of the opposition is absurd.

My second question. Mr. Speaker, the letter talks specifically about the request of NovAtel to GMD to falsify its financial statements to show that \$1.32 million as a loan after the fact, after the money apparently is given. I'd like to know from the minister whether he agrees that there is now evidence of glaring wrongdoing on the part of NovAtel and its personnel.

MR. STEWART: Mr. Speaker, he's asking for an opinion of me in that regard, and I'm not going to give him an opinion in that regard. The fact of the matter is that if he feels there are criminal matters that should be investigated, then he should take it up with the authorities.

MR. DECORE: Mr. Speaker, a lawyer and an officer of this Assembly has a duty to uphold the law.

On a loss that is now \$700 million and climbing, I'm asking the minister as my final question whether there is enough evidence in his opinion for this minister to take action by calling the RCMP and, adding to the knowledge that he has and that we don't have, asking for a full inquiry by the RCMP? Are you prepared to do that?

MR. STEWART: Mr. Speaker, I have to take issue with the hon. leader on some figure that's now come forward of \$700 million. That is not correct. The figures that we have given with respect to this total cost are figures that we stand by. We don't like those figures any better than anybody else, and that's why we have to get answers on this whole matter of NovAtel, and that's why the Auditor General has got to do a full review. He has to have the opportunity to do a fair and open review. This sort of political grandstanding by the hon. leader and others is not doing anybody any good, and it's a very, very important matter. [interjections]

Speaker's Ruling Clarification

MR. SPEAKER: Order please. On a point of clarification, the minister is not an officer of this Legislature; he's a member of Executive Council. There's a bit of a difference, Member for Edmonton-Glengarry.

Smoky River, followed by Edmonton-Highlands.

Alaska Highway 50th Anniversary

MR. PASZKOWSKI: Thank you, Mr. Speaker. This is a very exciting year for all the communities located along the original Alaska Highway route. The tourist traffic has achieved levels that have surpassed even anticipated levels. Several communities, and using Falher as an example, want to take this opportunity to advertise their community. To the minister of transportation: what is the signage criteria used by communities to advertise along the highways in the province?

MS BARRETT: This is exciting. I've wanted to know the answer to this for years.

MR. SPEAKER: Order please. [interjections] Order.

MR. ADAIR: Take your time. I've forgot what the question was now. [interjections] I was just going to sit down and let you go.

Mr. Speaker, the signing policy as it relates to any municipal authority is, number one, that within their boundaries they have the right to put up signs wherever they wish. Outside the boundaries of the municipal districts or counties then our policy kicks in, and the signs must be 300 metres away from the side of the road –

and that's a thousand feet for some who are old – and 800 metres, 2,600 feet, if it's near an intersection that relates to a primary highway and to a secondary.

Now, I've had some concerns raised with me about the signs that the hon. member has in his area. They are rather large signs, they are on our right-of-way, and they are illegal.

MR. SPEAKER: Supplementary.

MR. PASZKOWSKI: Thank you, Mr. Speaker. Since the Alaska Highway is celebrating its 50th anniversary, has there been any provision made to allow for the advertising of this momentous occasion?

MR. ADAIR: Mr. Speaker, yes. As a matter of fact, we probably had 25 or 30 requests to put signs up, from Milk River right to the highway as it heads into Dawson Creek, to indicate that this is the 50th anniversary of the celebration of the construction of the Alaska Highway. We have given permission to put up signs with the same logo starting down in the Milk River area all the way through so that the public has an idea what that sign means. For example, one of the ones they had requested was right at the border: this is the start of the Alaska Highway. Well, quite honestly it is not. So we did work with the groups that wanted signing in the interest of tourism and in the interest of this being the 50th anniversary of construction of that highway.

Nursing Care

MS BARRETT: Mr. Speaker, earlier this spring a 78-year-old woman spent pretty well the last six months of her life dying in an acute care hospital. Now, her son Marc Horton had tried desperately to get her into an appropriate facility – that is, an auxiliary care facility or a palliative care facility – because they knew she was dying, and no spaces were available. In the meantime, in this acute care hospital the son was asked – pretty well told – to hire a private nurse to look after his mother on the night shift at a cost of some \$8,000 to Mr. Horton. My question is to the Premier, and it is this: does the Premier not understand that when hospitals start telling people that they have to hire private nurses to care for the elderly while in hospital, this a violation of the Canada Health Act as well as being immoral?

MR. GETTY: Mr. Speaker, quite often when the hon. member asks a question, she draws first a set of conclusions that are incorrect. So what I'd like to do, out of respect for the hon. member, is check into the allegations which she first made and then report back to her or have the minister.

MS BARRETT: Mr. Speaker, I would be more than pleased to facilitate that by filing four copies of the letter from Marc Horton to the Minister of Health, and I do so with his approval.

Perhaps the minister responsible for Seniors will take a different approach to this question, Mr. Speaker. What we have here is a crisis of lack of beds for people who are ill, and they end up in acute care facilities, often having to pay for private nursing care while in those facilities. What measure is the minister responsible for Seniors prepared to take to make sure that nothing like this ever happens again in Alberta?

MR. BRASSARD: Well, Mr. Speaker, I think the question should more appropriately be addressed to the Minister of Health, and I'll certainly raise it with her. I think she's making some very wrong assumptions here, and her assumptions are totally out of line.

MR. SPEAKER: Edmonton-Meadowlark.

NovAtel Communications Ltd.

(continued)

MR. MITCHELL: Thank you, Mr. Speaker. The Minister of Technology, Research and Telecommunications didn't deal today with the NovAtel kickbacks issue which was raised earlier. I sent the same letter outlining that issue to the Attorney General earlier this afternoon. The Attorney General will have had time to make some calls and to at least draw some preliminary conclusions, and as an officer of the courts he has a special obligation to take some action. To the Attorney General: will he please inform the Legislature what his reaction is to this letter and what he is doing about having that matter investigated?

MR. ROSTAD: Mr. Speaker, I indeed received the letter. It was hand delivered to my office at 1:30. It's unfortunate that the two parties, when they're sharing the same source, couldn't reciprocate who gets to ask the questions first.

MR. DECORE: Just answer the questions.

3:00

MR. ROSTAD: The hon. leader of the Liberal party is getting hot under the collar again. [interjections]

MR. DECORE: You guys think it's funny.

MR. ROSTAD: The only person who thinks it's funny is the person that observes the leader of the Liberal Party.

Mr. Speaker, nothing's funny about this whole affair. When this whole affair came out, the government was very, very adamant: we'd like to hang somebody if we can find out what's gone wrong. Absolutely. It's taxpayers' money. However, the Auditor General will find that out for us.

My colleague the Minister of Technology, Research and Telecommunications made very clear to the Leader of the Opposition the contents of this letter. No mention of NovAtel. It's again from a construction company to – I've subsequently found out that it happens to be a lawyer that has worked for a number of companies in the United States, saying: if you can find me business as a project manager for a potential company, I'll pay you 3 percent; we won't hide it; we'll add it to the invoice. That's nothing to do with a kickback. Allegations, unfounded allegations.

MR. MITCHELL: Mr. Speaker, over the last number of days these ministers have made quite a commitment to an increasingly long list of specific things that the Auditor General should be looking into. I wonder whether the Minister of Technology, Research and Telecommunications can tell us specifically whether or not he has directed the Auditor General very, very particularly to look into the possibility of kickback schemes throughout these companies that NovAtel was dealing with in the United States.

MR. STEWART: Well, Mr. Speaker, the hon. member brings forward, as indeed that party has before, allegations and indeed documentation that just has not turned out to be what it's represented. That is the case here again. That is nothing more than a letter from a company wanting to do business saying to someone out there who thinks they can find business for him: we'll pay you a percentage finder's fee if you find any business. There's no mention of NovAtel in that entire matter. For the hon. member

to connect this in some way to NovAtel is dishonest and irresponsible.

MR. DECORE: Point of order, Mr. Speaker. [interjections]

Speaker's Ruling Decorum

MR. SPEAKER: Order please, hon. members. [interjections]
Order. It's your time you're wasting, hon. members. [interjections]

Take your place, hon. member. West Yellowhead was busy getting up to leave the room having made certain remarks. I'm sorry, hon. member.

Let's hear from Red Deer-North, please.

Education Funding

MR. DAY: I was just going to be commending the opposition on some things, but given their present response, I'll have to choke back those remarks.

MR. SPEAKER: Ask the question, hon. member.

MR. DAY: The Red Deer school district, Mr. Speaker, is one of those jurisdictions that is desperately looking to a solution to the equity funding difficulties. I'd like to add that the Red Deer public school board hasn't just idly sat by in a critical mode but has brought forward possible solutions through their power equalization formula. I wonder if the Minister of Education could indicate to us today: with the various proposals that are in front of him, can he give us a time line today on what he sees as being realistic to a resolution of this problem?

MR. DINNING: Mr. Speaker, I see a rather lengthy time line to the resolution of this problem, and I don't say that with any satisfaction. What has happened is that the school boards, especially the Alberta School Boards Association, in their effort to find a solution I suppose, have brought in the Alberta Urban Municipalities Association, the Alberta Association of Municipal Districts and Counties, and the Improvement Districts Association of Alberta. So this is no longer just a school board revenue matter; it is a local government revenue matter.

It comes down to a report that has been done by those four associations that has made some recommendations on where we ought to move, and it's expanded the scope of this matter and the study of it beyond a short fuse, a short time line of getting it solved. My colleagues the Minister of Municipal Affairs and the Provincial Treasurer and I will be meeting with the four associations sometime in early July, and I hope that we will be able to make some moves at that point to bring about a resolution.

MR. DAY: Well, Mr. Speaker, we recognize that there are varying positions being brought before the minister, but the supplementary related to a short fuse. The fuse is running short in some jurisdictions. I wonder if he is prepared or has waiting in the wings a proposal on an interim basis at least to solve the predicament being faced by some of the boards, like Red Deer, that are on the downside of this issue?

MR. DINNING: Well, Mr. Speaker, members of the Assembly should know that the provincial government today provides nearly \$70 million of taxpayers' money to assist those school jurisdictions that lack an adequate tax base to pay for the full cost of their share of the education in their school jurisdiction. It is a very

frustrating exercise. I hear from the hallelujah chorus on the other side, "Solve it; solve it; solve it," and then when there are a number of solutions that come forward, they say: "No. Try another way." They really have no positive suggestions of their own other than to constantly do nothing but criticize the solutions that we have put forward.

Mr. Speaker, I still share the hon. member's problem and concern that there's one school jurisdiction that can tax and raise almost 20 times as much as another jurisdiction a short few miles away on a per student basis, and I think it's atrocious, but we are trying to achieve some consensus with local government associations and school boards across this province. The solution to this matter is taking much longer to achieve than we might otherwise have hoped.

MR. SPEAKER: Edmonton-Strathcona.

Corrections Facilities

MR. CHIVERS: Thank you, Mr. Speaker. It's curious in Alberta that private citizens can arrange a visit to a correctional institution by going to the institution directly. It's even more curious that within a matter of hours I was able to arrange by telephone through my office a visit to the Edmonton penitentiary with no difficulty whatsoever, although as an MLA I have to go to the Solicitor General to obtain permission to visit the correctional institution. Will the Solicitor General now reconsider his arbitrary refusal to grant me permission to visit the Fort correctional institution?

DR. WEST: Mr. Speaker, at the present time – and I've been Solicitor General for not too long at this time – I'm reviewing the policies as they relate not only to the structure of our correctional facilities but to our policies as they relate to touring the facilities. The answer directly is: until I have finished those types of reviews and looked at the structure, no.

MR. CHIVERS: That's the kind of answer you'd expect in a banana republic.

Two weeks after the Member for Edmonton-Belmont made his request to visit the institution, the two staff members who brought concerns which he'd raised in the Assembly to public attention were terminated. To the Solicitor General: is the refusal to allow me permission to visit the Fort Saskatchewan correctional institution intended to convey the same message to the staff there?

DR. WEST: I don't understand the question, Mr. Speaker.

MR. SPEAKER: Edmonton-Calder.

3:10 Disabled Persons Programs

MS MJOLSNESS: Thank you, Mr. Speaker. My questions are to the minister responsible for Seniors, who I understand is also responsible for persons with disabilities. This government's \$3,000 ceiling on individual funding to support persons with disabilities living in the community continues to be a roadblock to many individuals who would like to live in the community but cannot because they require more than \$3,000 a month. This policy does not provide funding according to individual needs and abilities and discriminates against those persons who have higher needs. To the minister: will this minister change this policy which discriminates against certain people immediately and implement a policy that determines funding for community living on an individual basis?

MR. BRASSARD: Mr. Speaker, I'm responsible for the Premier's Council on the Status of Persons with Disabilities. I do not administer the program that she's referring to, but perhaps my colleague from Family and Social Services would like to augment my remarks.

MR. OLDRING: Mr. Speaker, the member has brought forward part of the formula for funding. The \$3,000 is there for personal supports. On top of that, they're eligible for funding under the supports for independence program, and on top of that, they're eligible for dental, medical, and prescription benefits. As is always the way, we on this side of the House are prepared to review these benefits. We do it on an annual and an ongoing basis to make sure that they are indeed meeting the needs they're intended to meet.

MS MJOLSNESS: Mr. Speaker, this policy is causing severe hardship for many people wishing to move into the community. The minister should be aware of all the organizations that are claiming and expressing their concern over this policy, and I'm surprised that the minister doesn't indicate that.

Mr. Speaker, my final question, then, to the Minister of Family and Social Services: how can this minister justify this ludicrous and unfair policy which keeps people in expensive institutions and denies them the right to live either with their families or in their communities?

MR. OLDRING: Mr. Speaker, again the member is referring to a good program here in Alberta that has helped integrate into the community many, many Albertans who in the past have been institutionalized: many, many successes; many not anywhere near the limits that we have in place. Again I might point out that Albertans are currently spending close to \$50,000 a year to help integrate people into the community. I think that's a pretty significant commitment on behalf of taxpayers.

MR. SPEAKER: Calgary-North West.

NovAtel Communications Ltd.

(continued)

MR. BRUSEKER: Thank you, Mr. Speaker. My questions are also to the minister responsible for Technology, Research and Telecommunications. The minister has told Albertans and this Legislature over and over that money provided from NovAtel was used as a means for NovAtel to break into this U.S. cellular market for systems financing. In the March 10, 1992, letter to which other members have referred, there's a line that says, quote, "NovAtel released \$1,062,545 to be used for working capital and for the purchase of non-NovAtel equipment." My question to the minister is simply this: how could the minister have permitted NovAtel in March of 1992 to release over a million dollars to a company that was going to buy somebody else's equipment?

MR. STEWART: Well, Mr. Speaker, this is absolutely remarkable. I've said in the House on many, many occasions the parameters of the systems financing. The systems financing was provided, firstly, to buy NovAtel equipment; secondly, to buy equipment from other suppliers that related to the establishment of the cellular system; and thirdly, for start-up costs to get the cellular system going. Those were the parameters established by the NovAtel board back in 1988. I've said it in the House a hundred times.

MR. BRUSEKER: My supplementary question, then, following up on the minister's answer: is the minister saying that there are

lots of these 75 companies that got money from NovAtel and bought somebody else's equipment, non-NovAtel equipment? Is that what you're saying happened?

MR. STEWART: Mr. Speaker, I'm saying that what happened was that the NovAtel board in 1988 established parameters for their systems financing similar to all of the other suppliers that were in the business, all of the other competitors that were there. It provided for three things, as I say: to purchase cellular equipment; to purchase related equipment that was necessary to get the operation established, the cellular system; and start-up costs. There's no secret about that.

MR. SPEAKER: Calgary-Glenmore.

Medical Research

MRS. MIROSH: Thank you, Mr. Speaker. Today is the day we pick on the Minister of Technology, Research and Telecommunications. I think it's important to outline that there are a lot of wonderful things happening in the world of research, especially with the medical research foundation. It is very world renowned for its work, and it is financed by the Alberta heritage trust fund. Now is the time when Albertans should see some payoff for that work, particularly related to the drug research they do. It's time now to see that drug research move to the commercial market. I'd like to ask the Minister of Technology, Research and Telecommunications to advise the Assembly with regards to the federal Bill, the legislation that is governing the patenting of drugs, and whether it will proceed to bring laws in order with Alberta laws.

MR. STEWART: Mr. Speaker, it's a very good question and indeed a timely question. [interjections] Quite frankly Alberta is poised to capitalize on an extensive amount of medical research that has been conducted in this province through the medical research foundation and through two universities with world-class research capability. There's no doubt that the situation for the full opportunity to capitalize on this research is impacted by that federal legislation, and unless it moves along in a timely way, Alberta will suffer and Alberta researchers will suffer. We are therefore doing everything we can through representations to the federal government to ensure the passage of this Bill in order to put the parameters of patent protection on the same basis as exist in many other countries throughout the world.

MRS. MIROSH: Now, Mr. Speaker, the opposition sits here and laughs at something this important. I think it's important that the people of Alberta understand that we are now becoming part of the global competition, and it's important that Canada upgrade its drug regulations and its standards to meet the international market and the GATT agreement. Could the minister please outline what benefits we can anticipate for Albertans with regards to this research?

MR. STEWART: Mr. Speaker, during this past week, through the initiative of our department, we established a first ever in Canada, a pharmaceutical showcase that brought together here in Alberta 24 of the major pharmaceutical companies, international companies, to meet and hear from Alberta researchers who are conducting a variety of biomedical projects. The type of feedback we have had from that would indicate that there is a substantial opportunity for research dollars to flow into this province in order to further the objective that the hon. member mentions, and that is, to move the research from the labs into the marketplace to

benefit the quality of life of Albertans and the economic development of our province.

MR. SPEAKER: Calgary-Mountain View.

Administration of Justice

MR. HAWKESWORTH: Thank you, Mr. Speaker. There is much concern in Alberta about the justice system as it relates to our young people in this province. Some superficial attempts were made by the Attorney General last year to solve the problems with the youth court system in Calgary, but the problems are not going away. Youth and child welfare cases are now being booked into next January; that's seven months' delay. Given that cases postponed that long may be thrown out because of delays, will the Attorney General admit that the problem of severe overcrowding of the youth court is not conducive to the proper administration of justice in this province?

MR. ROSTAD: Mr. Speaker, there's no doubt that if there were overcrowding in courthouses, it would not advance justice.

I would like to correct some of the information that the hon. member put forward. The cases won't be thrown out because of a six-, seven-, or even an eight-month delay. The Askov case that came down in the Supreme Court almost two years ago has recently been adjudicated and specifically clarified by the Supreme Court. Rather than looking at the internal court system in the sense of judges, the courtroom space, which are important, you also have to look at counsel and how many cases counsel are taking on so that they can in fact schedule those cases so the delay is not undue.

3:20

MR. HAWKESWORTH: Mr. Speaker, surely the Attorney General can't be satisfied when trials are being booked seven months from now, and with delays of that kind, I mean, children may be separated from their families until the trial. In fact in the case of that kind of delay I think you're playing with the possibility, in any event, that that will lead to matters being tossed out. Given the delays and the apparent instructions from his department that have resulted in cases being plea bargained and resulted in inappropriate sentencing, will he tell us what additional money he'll give to the Calgary youth court system to address these problems?

MR. ROSTAD: Mr. Speaker, I would be delighted to receive specific information he has on instructions that I have given to my department that will result in inappropriate sentencing of people.

It is not a matter of actually having more money. It's a matter, again, of streamlining the system. Part of my first answer related to the fact that it takes the private bar to in fact work with the Crown prosecutors, with the clerks and the judiciary to ensure that there's a smooth operation of the system. I can affirm that I'm not happy that there's any delay in any court system, but I think that with all parties working together, we can keep that to a minimum.

MR. SPEAKER: Edmonton-Gold Bar.

Family Violence

MRS. HEWES: Thank you, Mr. Speaker. The public's lack of faith in our judicial system is easily understood given the recent round of court cases where the offenders seem to be treated with far more mercy than the victims. The granting of a suspended

sentence to a man who violently threatened the safety of women and children at an Edmonton women's shelter is shocking not only to the families and staff who had to endure this terrifying experience but to women everywhere who have been led to believe that this government is committed to ending the cycle of violence. My questions are to the Attorney General. Has the minister spoken to the chief Crown prosecutors of Alberta so that they give instructions to ensure that those guilty of crimes of family violence are subject to serious sentences?

MR. ROSTAD: Mr. Speaker, I have indeed spoken to not only the chief Crowns but all of the Crowns. My hon. colleague the Minister of Family and Social Services in conjunction with other ministers recently tabled in this House a document that showed our commitment and great initiatives towards family violence. The case that the hon. member is referring to is a very, very unfortunate circumstance and an example that there is violence, spousal abuse in the community. The Member for Edmonton-Avonmore addressed this issue a couple of days ago in the House, and then I said that we were taking this under review to find out if in fact it can be appealed and would be delighted to report upon that review.

MRS. HEWES: Mr. Speaker, my supplementary is to the minister responsible for Family and Social Services. What action has this minister responsible for shelters taken to ensure the security of the shelters and the confidence in shelters so that this is not undermined by this current action? Has he insisted that the Attorney General appeal this case?

MR. OLDRING: Mr. Speaker, the Attorney General has already responded to the question I think pretty completely and pointed out that he had already had some discussions with the Minister of Family and Social Services as it pertains to these particular circumstances. I would again just want to reiterate that it certainly doesn't reflect the attitude of the government of the day. We're very concerned about family violence in Edmonton and in Alberta today. We have announced a number of initiatives to address this with. I, too, regret the leniency in this particular situation but can only again say that the Attorney General has committed to that undertaking.

MR. SPEAKER: Thank you.

Question period has expired.

Dunvegan.

Point of Order Member's Apology

MR. CLEGG: Thank you, Mr. Speaker. Last Tuesday I made a comment in debate that I subsequently withdrew. I now want to personally apologize for my comment to the Jewish community or anyone else that I may have offended.

MR. SPEAKER: Edmonton-Meadowlark.

MR. MITCHELL: Mr. Speaker, I was planning to rise on a point of order under *Beauchesne* 493(4) to address the issue that my colleague from Dunvegan has just addressed. I know that each of us in the Legislature was very concerned about that statement, and I in fact was contacted today by the Canadian Jewish Congress raising their concerns about that statement and asking that an apology be made. It is gratitude, I think, that I express on their behalf and on behalf of us all that the member has apologized the way he has. Thank you.

MR. SPEAKER: The Chair understands the extreme sensitivity of the matter, and the Chair is very much appreciative of the fact that the Member for Dunvegan made the apology and also that the second point of order has been withdrawn. Again, though, hon. members, it does need to be pointed out that on the afternoon that the word was uttered, the hon. member did indeed ask for a withdrawal and that was granted by the House. Under most circumstances that also would have been interpreted as an apology, but this certainly adds clarification to the whole matter.

Point of Order Reflections on a Member

MR. SPEAKER: The Member for Edmonton-Glengarry, on a purported point of order.

MR. DECORE: Mr. Speaker, I rise under *Beauchesne* 489, 492, Standing Order 23(h) and (i). It's with respect to the comments made by the hon. minister responsible for NovAtel.

MR. SPEAKER: Let's have the appropriate name for the minister.

MR. DECORE: Mr. Speaker, I know that the minister is under a great deal of pressure. I know that he endured a great deal of pressure today. We all know that Albertans are going to lose hundreds of millions of dollars in this very bad situation, but to refer to me or to my caucus as being dishonest is inappropriate and wrong. *Beauchesne* calls for, I think, an apology and a withdrawal of that comment, and I look to an honourable member to do exactly that.

MR. STEWART: Mr. Speaker, if I have breached the traditional rules of our parliamentary system in that regard, I would apologize totally. The fact of the matter is that if the hon. leader, though, believes in the representations made, I would challenge him to say those things outside of the Assembly.

Speaker's Ruling Filing Documents

MR. SPEAKER: The Chair takes it that deals with that particular matter.

The Chair, however, wishes to bring to the attention of the House – and this could be construed as an admonition and a reminder. Let it be clearly shown in the record that the Chair is not inhibiting the filing of any documents whatsoever. The Chair is doing that because some persons in the legal profession determine that things must be made absolutely crystal clear.

However, the Chair wishes to admonish members of the House, to remind them of *Beauchesne* 498(1) and (3). Subsection (1) reads, "An unsigned letter should not be read in the House," and subsection (3):

When quoting a letter in the House, a Member must be willing either to give the name of the author or to take full responsibility for the contents.

The Chair assumes that since hon. members have filed certain documents, they have indeed taken full responsibility for the contents.

3:30

I just happened to take copies of four of the filings of the last two or three days. On one of them, dated June 20, 1991, there is no letterhead, there's no return address at the end, and it's unsigned. On another matter, one that was filed today, there's no letterhead, and this document is not signed either. [interjections] Order please, hon. members. I don't need any twitches at all, please, on either side.

Again, there was a document which was filed yesterday, and this one purports to be in agreement, but there is no signature at all even though there's a place for signatures on it. However, one of the documents filed today indeed is signed and has all the necessary letterhead and so forth. The Chair is just pointing it out, that while I understand for making points of debate and so forth – but there's still a responsibility upon all hon. members, and you are responsible for any letter that you have filed here, especially those that are not signed.

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

MR. SPEAKER: Excuse me, hon. member. In just a moment.

Now, again the Chair points out that no documents have been intercepted, none have been denied filing. I make it absolutely clear again for any lawyers in the House who may be listening that this has just been an admonition to members in terms of their responsibilities to this parliament.

Now, Edmonton-Glengarry, perhaps on a point of order?

Point of Order Facsimile Documents

MR. DECORE: Mr. Speaker, your points are well made. I think what also should be read in for the record: as you noted with respect to the letter of March 10, 1992, there is a clear indication that the letter was sent via facsimile and UPS overnight. Now, it's my understanding that there is a custom in some jurisdictions amongst some lawyers, some people in the business community, that faxes are sent and then followed up by a formal letter duly signed. So I thought it important to draw that to your attention, sir.

MR. SPEAKER: Thank you, hon. member. The Chair looks forward to receiving such a document because in the meantime . . . [interjections] No, but thank you from whichever source.

The Chair would be greatly appreciative of receiving such a signed document, because the Chair also makes it perfectly clear to this Legislature that facsimile copies are not acceptable in this place. That process has been confirmed in other jurisdictions; it's certainly been confirmed with respect to this jurisdiction. So facsimiles . . . [interjections] Hon. members, this is not a discussion back and forth, but having heard some of the comments, the reason is this: that a facsimile cannot be attested as being an absolute verifiable document.

Thank you very much.

Edmonton-Highlands, followed by Westlock-Sturgeon.

MS BARRETT: Mr. Speaker, I just want to make the case that if a letter is submitted to the House and it is not signed, at least one can trace the origin of it and have some means for verification if it has been faxed. No fax machine will work unless the user ID is on the fax machine and unless the phone number is encoded into the fax machine. So it seems to me that there is a source of verification.

SOME HON. MEMBERS: Not true. No.

MR. SPEAKER: Hon. member, I don't believe that is entirely the case. [interjections] Order please. In any event, it's still the responsibility of the member introducing the matter to the House. It is not the duty of the Chair nor the duty of the Table to have to

go double-checking all of the various pieces of paper that are delivered to us.

Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. Do I have permission to introduce guests? It wasn't on a point of order.

MR. SPEAKER: Those in favour of reverting to Introduction of Special Guests, please say aye.

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?

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

MR. SPEAKER: Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. It's my pleasure today to introduce a number of guests in the public gallery to you. They are part of the group from the Westlock area working to upgrade 794 to Highway 44, and interested in petitioning the 490 or so names to the minister to get the road upgraded. If they would stand as I introduce them to the Legislature, I'd appreciate it. Vic and Irene Riopel; Mayor Doug Rice and Mrs. Rice; Dennis Casavant, a councillor for the Westlock area; Lyle Birnie, the fire chief; Miki Shefsky, chamber of commerce president; and in the news gallery – the Sergeant-at-Arms tells me that publishers and reporters are not allowed to sit in the public gallery; they have to sit in the news gallery – the publisher of the *Westlock News*, Mr. Wayne Roberts.

MR. SPEAKER: I'm sure the last person introduced would feel greatly honoured to be a member, at least on a temporary basis, of this legislative press gallery.

head: **Orders of the Day**

head: **Written Questions**

MR. GOGO: Mr. Speaker, I move that the written questions on today's Order Paper stand and retain their places.

[Motion carried]

head: **Motions for Returns**

MR. GOGO: Mr. Speaker, recognizing that the hon. Member for Edmonton-Beverly has Motion 220 up today, I would move that the motions for returns on today's Order Paper stand and retain their places.

MS BARRETT: Well, Mr. Speaker, isn't that a clever argument from a government that only wants to cover up information day after day. I recall that last week when I rose to debate this motion, in closing the Deputy Government House Leader freaked out in response that by God the Assembly doesn't have the right to information; the Member for Calgary-Bow had a very important motion, and by cracky we were going to devote the necessary time to that motion.

Well, let me just run through a few little facts. We've got 16 written questions waiting for answers, and we're not allowed to have any of them today. We've got 17 pages filled with motions for returns, and we're not allowed to have any of them today. I'll

tell you what, Mr. Speaker, the opposition would gladly give up time on private motions to get some information out of this government. We come in here in question period, don't get any answers. They say, "Put it on the Order Paper." We put it on the Order Paper; we still don't get any answers. They don't want to deal with this stuff.

Well, I'll tell you, Mr. Speaker, I know why. It's because there's hot stuff in here, and they want to keep it hidden. They don't want to talk about the sweetheart deal with the Olympia & York lease. They don't want to talk about the entire mess that they've conducted through Telus Corporation and its off and on again subsidiary NovAtel. They don't want to talk about MagCan and all the money we lost there. They don't want to talk about the money that they've sunk into Al-Pac. That's the real problem. This minister should look up the word "mendacity" and know that it applies to his flimsy excuse as to why the government isn't prepared to deal with any motions for returns or written questions, and he ought to be ashamed of himself. Mendacity. [interjection]

MR. SPEAKER: Well, we've had the motion. Conclusion of debate.

MR. GOGO: Mr. Speaker, simply responding to the Member for Edmonton-Glengarry, it's not often I hear the term . . .

SOME HON. MEMBERS: Highlands.

MR. GOGO: The tone I heard, Mr. Speaker, is reminiscent of another constituency.

The Member for Edmonton-Highlands is prone to use certain terms, Mr. Speaker. It's not often one hears the term "freaked out," but I can well associate that term coming from the Member for Edmonton-Highlands.

I made the argument last week, Mr. Speaker, that we as members of the Assembly, except those unfortunate enough to be appointed to Executive Council and thereby being restricted from putting questions in the House, try to spend a great deal of time to see that members of this Assembly have every opportunity to express views represented by their role as MLA on behalf of their constituents. The government felt today that the hon. Member for Edmonton-Beverly, with all his experience historically with municipal government, perhaps had a message to deliver today with Motion 220. So the government and its members, and all members I'm sure, were anxious to hear the hon. Member for Edmonton-Beverly. That's why the government in its graciousness has moved that the motions for returns stand: so we could hear the views of the Member for Edmonton-Beverly.

[Motion carried]

head: **Motions Other than Government Motions**

3:40 **Municipal Funding**

220. Moved by Mr. Ewasiuk:

Be it resolved that the Legislative Assembly urge the government to reverse the trend of passing down responsibility for the delivery, monitoring, and funding of services to lower levels of government and increasing the burden on individual taxpayers.

MR. SPEAKER: Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. I do want to and I appreciate the opportunity to be able to make my comments

relative to Motion 220. I appreciate the Government House Leader anticipating the kind of information I might well have for them, and I would certainly hope that in the conclusion of debate on the motion, we will be able to have a vote on the motion to determine, in fact, the sincerity of the Government House Leader.

Mr. Speaker, during my response to the Minister of Municipal Affairs' estimates, I had in my remarks alluded to the off-loading of expenditures onto municipal and local governments by this provincial government. There are many instances of downloading that I alluded to at that time, and today I want to also address some additional information that I believe is important to bring to the attention of the members of the House. They include the burden of safety code inspections, which has caused many municipalities concern relative not only to the expenditures of these inspections but also the possibility of liability lawsuits being filed against the municipalities simply because they do not have the financial resources to carry out the proper inspections. This is a major concern to local municipalities particularly in our rural areas, but the government continues to insist to pass on these costs to our local authorities.

The imposition of the increased ambulance standards without providing the necessary funds has forced some municipalities, Mr. Speaker, to in fact reconsider operating an ambulance service, thereby jeopardizing the emergency services available in rural Alberta, a major concern. Many of the municipalities have in fact joined forces with others in an effort to provide adequate proper ambulance service within their communities. With the imposition of these particular increases in standards, which requires more men to be on the equipment, in fact it tends to remove the use of voluntary ambulance attendants, really imposes a major, major expense to rural authorities, and therefore, in fact, they are now considering whether they want to continue providing that service.

[Mr. Deputy Speaker in the Chair]

Health care in Alberta is also of major concern to our people in rural Alberta. The health care in rural Alberta has been affected by the withdrawal of social workers, forcing individuals to travel to larger centres in order to receive assistance for social services. The shortage of health unit nurses continues to impose a hardship on families who have difficulty in securing the services of a health unit. Again, this kind of imposition on municipalities, the withdrawing of funds from local governments, continues to make it more and more difficult for our people in rural Alberta. In fact, what's really happening is many rural people who find themselves in these types of situations are forced to relocate and are moving either to a larger urban centre or at least larger rural centres, thereby adding to the decay of rural Alberta. The smaller towns are becoming less and less populated, and in turn businesses are shutting down. It's causing a snowball effect in rural communities and small towns and really is the result of this government's attempt to save money on the backs of municipalities.

Mr. Speaker, municipalities have taken some measures to cope with this downloading. However, how much more can these authorities absorb? Local councillors want the province to come to grips with its deficit but not on the backs of municipalities. A number of our cities have undertaken a debt management policy with the intention of eliminating borrowing for general municipal capital expenditures. Now, I think statements have been made in the House that, well, the municipalities, recognizing there is a recessionary situation, are working with the government. That's true. They are doing whatever they can in an effort to ensure the viability of their communities and in fact the province. They recognize that we are in tough economic times, and they want to co-operate. I say: how much more can they do?

The city of Edmonton has achieved its objective in dealing with debt management, Mr. Speaker. In spite of the difficult economic times they were able to achieve that. The municipalities of Calgary, Lethbridge, and Grande Prairie have also adopted debt management policies as a result. The point here is that municipalities are undertaking efforts to cope with the recessionary conditions, but there are extreme frustrations on their part: that off-loading that the province continues to impose on municipalities.

Just to illustrate how the debt management programs are working in some of these municipalities, Mr. Speaker, the city of Edmonton has lowered its debt servicing costs from 20.9 percent in 1987 to 12.2 percent in 1991. That's a major change, and what it has done is resulted in the city having more discretionary money to be used for providing services within their communities. The 1992 budget of this government gives evidence that this government does not have this same attitude towards its own debt, particularly the obvious mismanagement of the provincial economy, and has in fact reduced the funds from the province to have these discretionary spendings. The concern the municipalities have is that because of the slack of this debt management by this government, it could result in reduced grants and funding for municipalities and therefore the imposition of more debt on the municipalities.

Mr. Speaker, municipalities pay for the employer's portion of the Alberta health care premiums. These premiums have increased from 1987 to 1991 by some 50 percent. In addition, 11 percent is expected again in 1992. The local authorities pension plan premiums similarly have increased by some 35 percent during the same period. There is no doubt that an increase in 1992 is also being forecasted, not to mention the fact that there needs to be the settlement of the unfunded liability due, again, to the poor management of that fund by this government.

Mr. Speaker, the most objectionable scheme by this government has to be the use of the fuel tax increase as a source of revenue by this government. It's interesting to note that this government launched a court action relative to the GST, arguing that one level of government cannot impose taxes on another. That's fair enough; I would agree with that action. However, in this case this government does not hesitate to impose a provincial fuel tax on local governments: totally unfair and does not say "Do as we do" but "Do as we say."

Mr. Speaker, this government has used the provincial grant programs to the municipalities as a means to improve its own financial position at the expense of the municipal assistance programs. It cut the capital grants for transportation, decreased the community recreational grants. Provincial grants for community and family services have increased only slightly since 1987. Further, the Alberta partnership transfer program similarly saw an increase of less than 3 percent annually since 1987. The significance of these two programs is that not only did it not increase sufficiently to keep pace with inflation, but it did not even consider the growth in the population in those municipalities.

3:50

Mr. Speaker, the other item that we argued extensively in this House – and I feel very strongly about the position that the Official Opposition took – was the action taken by the Provincial Treasurer to retain part of the Alberta Municipal Financing Corporation surplus that rightfully belonged solely to the local authorities who paid into that fund. It's that kind of action that gave rise for me to put my motion on the Order Paper. I believe that if we are going to deal with the economy of this province, if we're going to get control of the recession that has a grip on this country and this province, we need to look at our municipalities

as leading the way out of the recession. I think we must reverse the position that this government has taken in this House and, in fact, make funding available to the municipalities, who can then go ahead and create employment, do the things that they need to do. The snowballing effect will turn it around. Where people are working, making wages, they start buying things. It just generally helps the economy in a much better way than simply trying to cut, cut, cut.

I appreciate, of course, that we're in difficult times, but those difficult times by and large have been created by this government. We have been debating for several weeks now the issue of NovAtel, a prime example of the kind of mismanagement that has occurred in this province, and we are now casting that mismanagement on the backs of ordinary people in this province, to a large degree on our municipalities. This government has blown nearly \$2 billion on an effort that they felt diversified the economy; again obviously their judgment in what they were doing was wrong. They've obviously mismanaged the economy, and now we are asking our municipalities, the grass-root people of this province, the people who in my opinion would provide the growth and strength and the impetus for the province to recover from this recession. We are imposing more and more debt on them, making it more and more difficult for them to function. They are simply saying to us: "We can no longer continue to impose taxes." How much more taxes can you ask municipalities to impose on their ratepayers? To the extent, I think, that we are going to have a tax revolt if this type of process continues, and I don't think that's really what we want. The people don't want to revolt. The people want jobs. They want to see their communities flourish. They're not going to be able to do that if we continue to impose more and more costs.

More and more responsibilities which truly belong to the provincial government are being shifted onto the local municipalities, the smaller municipalities, our rural municipalities. I would ask and I'd want the members in the House who represent rural communities to tell us how their communities are managing. What are they doing to cope with these programs imposed by this government?

Thank you, Mr. Speaker. That basically concludes my comments. I would look with anticipation to the comments from other members of the House.

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

MR. WICKMAN: Thank you, Mr. Speaker. I'm very, very pleased to have the opportunity to speak to this motion presented by the Member for Edmonton-Beverly and to say that without any question I do support it on behalf of our caucus. Without any question it is a very, very good motion that has come forward, because what he states in his motion is very, very factual: "the trend of passing down responsibility for the delivery, monitoring, and funding of services to lower levels of government."

It's kind of ironic in a sense, Mr. Speaker, that the Member for Edmonton-Beverly and myself had the privilege of sitting on city council during the same period of time and that the Member for Edmonton-Gold Bar was there too. We noticed even at that time that there was a trend developing about the passing down. Prior to that, when the good times were rolling, it seemed like the government was there even when we didn't want them there. "Here's a billion dollars of heritage trust funds for every little municipality. Here's \$250 million for roadways." It was like they couldn't do enough for us. Those were the days of the Lougheed government.

Then things started to change. I can understand that when the economy started to go adrift, there had to be a tightening up. We all accept that tightening up. I think every level of government – school boards, the provincial government, the municipal governments, the federal governments – we all accept that we have to tighten. Municipalities have tightened, school boards have tightened because by the very legislation passed by this government, they're not allowed to deficit finance. They can't come down with an operating budget saying, "We're going to spend \$2 billion this year even though we're only going to collect \$1.5 billion in revenues, and we're going to make up the difference by forecasting a deficit of a half a billion dollars." This very government and past governments have supported legislation that does not allow them to deficit finance. I agree with that concept. I often sit here and wonder; if we had that same legislation upon ourselves and if the feds had the same legislation, maybe we wouldn't be sitting with – what? – a \$300 billion deficit on a federal level, a \$25 billion deficit level on the provincial level. When you add up all the other provinces, we have a tremendous deficit throughout this country. It is because of that structure that is set up and the way it is set up.

Mr. Speaker, when we talk in terms of off-loading – and of course when things get tough, that's when the off-loading or the downloading, whatever terminology you want to use, occurs – it's not only the municipalities; it's also the school boards. The school boards get squeezed a little more, the municipalities get squeezed a little more, cutbacks in these grants, cutbacks in those grants. Then the municipalities and the school boards sit back and they say, "Well, what can we do to overcome these shortfalls in revenue?" They bite the bullet because they have to bite the bullet. They say: "Well, we have two alternatives. One is to raise taxes marginally to provide those good services that people are accustomed to, or the other is to cut back on services."

People have accepted very, very willingly, particularly in the city of Edmonton, the idea of marginal increases in property taxation in exchange for a good, high level of service when we talk in terms of social services, public transit, so on and so forth. The city of Calgary, of course, under the previous mayor they had, who is now a member of this House, did not fare as well financially, and their financial stability from a capital point of view is very, very shaky. I'm proud to say that as a member of the Edmonton city council at the same time the Member for Edmonton-Beverly was and the Member for Edmonton-Gold Bar was and the Member for Edmonton-Glengarry was the mayor, we developed a system of financing that created financial stability.

There was some indication at that time that we were going to see more and more of this off-loading occur, more and more of this downloading occur. Because of that pay-as-you-go policy being implemented, it helped the city of Edmonton tremendously. It helped tremendously, and to this day many citizens sit back and say, "If only that same type of fiscal responsibility could be demonstrated provincially that was demonstrated at the civic level when that member was mayor of the city, we would be in much finer shape." Instead, the government has chosen to deficit finance, and they've chosen to pass down, to off-load, to download to other bodies such as the school boards and the municipalities additional financial responsibilities. It seems we have the federal government sitting there, and the federal government has a financial problem. They suddenly realized they have a deficit in the hundreds of billions of dollars, so they start off-loading or downloading to the provinces, and every one of us accepts that. But what do we do here? What does this government do? They turn around and simply off-load that or download that to the next level. Well, the unfortunate part is that when it gets to the

municipalities, they don't have anyplace to download or off-load. They can only do it on the property tax payer, and we all know that the property tax payer will only accept a certain burden, but that's not a bad way of financing from the municipal point of view. The villain in this particular case is, of course, the other levels of government that love to off-load.

4:00

The motion that was presented by the Member for Edmonton-Beverly not only talks about the funding of services to lower levels; it talks about the passing down of delivery, monitoring of programs and such, and certain responsibilities, and that is, Mr. Speaker, very, very true. There have been many instances I can recall that the provincial government has had, let's say, a hot potato to deal with. I can just imagine a Tory caucus meeting taking place dealing with something like, a number of years ago, the question of allowing stores to open on Sundays, which was a very, very difficult issue for many, many people to deal with. I can just picture the Tory caucus sitting back there saying: "Well, why don't we pass this one off to the municipalities? We'll just pass enabling legislation allowing them to pass appropriate bylaws, and that will put the heat on the municipalities." Certainly it put the heat on the municipalities. We felt the heat. The provincial government shirked its responsibility and passed it on, because the answer in that particular case would have been uniform provincial legislation that governed every municipality accordingly on a uniform basis, so Edmonton dollars wouldn't be escaping to St. Albert and St. Albert dollars escaping to Edmonton, and that was a genuine fear. So that is a reference to the passing down of responsibility as well.

Possibly people do sit back. Possibly I'm reading this wrong. Possibly Albertans sit back and say that there should be more passing down of responsibility from this provincial government to municipalities, because the municipalities have a much, much better track record. When they see things like NovAtel, they say that if it were a different level of government responsible for NovAtel, maybe we wouldn't be faced with the \$700 million cost that we have to bear, a burden that we have to bear because of the incompetence, from a fiscal point of view, of managing the taxpayers' money. So I would imagine there are many people out there that would say glory be if we could go back to the days when we could pass those major financial responsibilities back onto the Member for Edmonton-Glengarry, when he was the mayor of the city. Possibly in time to come, be it next March or whatever, Albertans will have that opportunity to pass that responsibility on. I would project that possibly they will take advantage of that opportunity, and they'll do that. Then this government will no longer have to worry about passing down that responsibility because they'll no longer be in that position, because they didn't earn the right to maintain that position.

I would say to the Minister of Municipal Affairs, who is mainly responsible, and to a degree the Minister of Education: treat the municipalities with respect; treat the school boards with respect. Understand that they have difficulties of their own, and don't compound it by simply passing responsibility down to them, whether it be delivery of services, whether it be monitoring, whether it be financial, feeling that a hot potato has been dropped from one lap. Because we're all taxpayers; no matter which level of government we represent, we're all representing taxpayers. So whether it comes out of a provincial pocket or a municipal pocket or a school board pocket, it still comes out of the taxpayer's pocket.

On that note I'll conclude and say that I'm delighted to support the motion of the Member for Edmonton-Beverly.

MR. DEPUTY SPEAKER: The Member for Smoky River.

MR. PASZKOWSKI: Thank you, Mr. Speaker. This is indeed an important issue and one that we as a government feel that we have been addressing. I think one of the points that we have to bring forward, in light of the previous discussions that have come forward from our opposition members, is indeed a little bit of background of what the spending has been by this government. I think it's interesting to note, and I'd like to record this, that in the municipal debt reduction program it's been a billion dollars that this government has spent. The municipal debenture interest rebate program: \$982 million today, \$333 million to complete this program, and that was back in the days when the interest rates were high and the provincial government was subsidizing the interest rates, holding it down to 11 percent. I think that's important that we recognize some of the contributions that we as a government have already made to the municipalities. The Alberta municipal partnership in local employment, the AMPLE program: \$276 million. The Alberta local employment transfer: \$200 million just this past year.

I know in my constituency I've met with every one of the local municipal officials, and they've all expressed a great deal of gratitude for the way the government has handled this situation. So I'm a little surprised that there may be criticisms coming forward, and I have to wonder if the true justification is there or if this isn't simply a political dialogue that's coming forward.

We can go on and on with the expenditures that have come forward from government to assist the local municipalities. I think it's important that we really study Motion 220 as the hon. Member for Edmonton-Beverly has presented it, because on the surface it does have some merit. However, it leaves us hanging as to what he truly intends. In comparing what its author has said before, we're also left hanging as to what he really means when he debates the so-called question of off-loading. We are left hanging because today his motion on the subject is not consistent with his speeches on the subject generally. Nevertheless, as incomplete as the present motion is, it must be dealt with.

Mr. Speaker, the tactic behind this motion appears to be a simple one: it seems to indicate an intention to divide and concur. It seems to want to drive a wedge into the relationship between the provincial government and its municipal counterparts. Last year, commenting on this relationship in the Assembly, the Member for Edmonton-Beverly said that "there cannot be independence, autonomy, and partnership if there isn't financial autonomy." He then proceeded to say that the most serious deficiency with regard to independence, autonomy, and partnership is principally the question of the municipalities having this financial autonomy. So from his comments the member implies that working together is essential to the well-being of the lower levels of government.

Our government has no problem with that. We understand that co-operation among the levels of government is essential to the efficiency of the functioning of both levels of government. However, Mr. Speaker, after making such reasonable comments last year, the loyal member of the opposition has decided to attack the government by suggesting that it does not believe in such co-operation. Here it is useful to read Motion 220 again:

Be it resolved that the Legislative Assembly urge the government to reverse the trend of passing down responsibility for the delivery, monitoring, and funding of services to lower levels of government and increasing the burden on individual taxpayers.

With Motion 220 the opposition is attempting to divide the municipal and provincial levels of government, side with the former, and dampen the spirit of partnership which both have carefully cultivated for some time through the preceding years.

This is indeed a counterproductive approach. It assumes with too much simplicity that the co-operation flow is in only one direction. It does not account for the fact that there must be give-and-take on both sides. Therefore, it cannot recognize that the aim of this government is to improve this co-operation by making it more cost-effective and therefore more beneficial.

Mr. Speaker, in short what I'm saying is that the provincial and municipal governments each have to work towards maximizing benefits by becoming more focused and efficient. In these times of increased demands on tax revenues some change is obviously necessary. The member suggests the status quo for government administration, when in reality the economic ground on which government administration works is changing and becoming more challenging. I'm saddened to see that the member is trying to divide the relationship between the provincial government and the municipalities. He should be seeking to enhance this co-operation for the benefit of all.

4:10

Mr. Speaker, this is but one problem with Motion 220, and the other problem is its failure to deal adequately with the question of accountability. Last year the member spoke about the municipal property tax as well as about sharing revenue from the provincial income tax, the gasoline tax, and the cigarette tax. In that speech he treated the property tax as an odious measure for a municipality to have to take, but he spoke warmly about the benefits of municipalities sharing in the provincially collected taxes. He spoke warmly about it because while municipalities would thereby share in spending the revenues from these taxes, they would of course be spared the drudgery of collecting them. Obviously, this would be a popular stance from the present perspective of municipalities.

However, I'm not convinced that this approach benefits the taxpayer the most. These measures would allow municipalities to indirectly draw on general tax revenues for various municipal projects and programs without the approval of local residents. Where's the accountability in that? Now, not all members of the opposition speak as if they could never act accountably, and the Member for Edmonton-Beverly has said some noteworthy things on this matter before. But so long as anyone speaking on behalf of municipalities refuses to speak as if they could act accountably, they can freely condemn the issue of municipal tax as something thorny while having no qualms whatsoever about sharing taxes which fall in the provincial jurisdiction. Those who may be accountable to their municipalities do not have to be accountable to the Alberta electorate as a whole. Even in difficult economic times it is easy for them to lobby the provincial government for more and more funds.

What Motion 220 does is conveniently overlook what the taxpayer fully understands, and that is that in the end it all comes from the same pocket. This realization on the part of the taxpayer is why they are demanding in the first place that governments be more responsible in expenditure of their funds. In spite of the taxpayers' concerns, however, the opposition continues to encourage municipal leaders to demand ever increasing funds. But is it not the responsibility of a democratic assembly to act accountably or at least speak responsibly? I believe it is, Mr. Speaker, but obviously some members of the opposition do not. Such a stance as Motion 220 takes deceives the electorate in an attempt to win their favour, but it would just as surely help to divide the partnership and co-operation which already exists between the provincial and municipal levels of government. Even worse, it would dissolve the type of responsibility which is essential to legitimate government. In the past the member has suggested that partner-

ship with the provincial government is a good thing for lower levels of government, but today we find that Motion 220 is an attempt to drive a wedge between municipal and provincial governments, with potential grave consequences. It leaves out any suggestions . . .

Point of Order Parliamentary Language

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

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Belmont is rising on a point of order.

MR. SIGURDSON: Thank you, Mr. Speaker. I seek clarification from the Chair. I note that in *Beauchesne* 489 it has been ruled unparliamentary to use the word "deceive." I heard that in the Member for Smoky River's speech.

MR. NELSON: Well, you guys use it all the time.

MR. SIGURDSON: If you want to get up and respond to the point of order, Calgary-McCall, get up and respond to the point of order.

As I point out, Mr. Speaker, in *Beauchesne* 490 it's not clear whether "deceive" is parliamentary or not. However, I would request, sir, that you give me the clarification that I need and perhaps ask the Member for Smoky River to withdraw the remark.

MR. GOGO: Mr. Speaker, it's with great reluctance I would ever rise to take issue with the hon. Member for Edmonton-Belmont, who has had extensive experience in the Assembly and certainly advised his leader for many years on the use of *Beauchesne*, sixth edition. I would point out to the hon. member that *Beauchesne* 490, which he simply quoted from – for many years, since the great Diefenbaker election, as a matter of fact, in 1958, it has been ruled by that greater House called Ottawa that it has been parliamentary to use various expressions. I would draw the hon. member's attention, alphabetically going down the list, that, frankly, "deceive" has been allowed.

MR. DEPUTY SPEAKER: On the point of order, this is similar to one that was raised a week or so ago, where the word in question has been ruled parliamentary in some cases and unparliamentary in other cases. Quite frankly, the Chair is going to have to review the Blues to see the context in which this was used, because the Chair must have been involved in something else and didn't hear the context in which it was used. The Chair will rule on this particular point later.

The hon. Member for Smoky River.

Debate Continued

MR. PASZKOWSKI: Thank you, Mr. Speaker. I think it's important that we recognize in this process that there are over 30 government members who are former municipal councillors. I think that's an important element to recognize. There's a true feeling for the needs of municipalities in the government caucus, and I assure all municipalities that this government understands the needs of the municipalities as well. They have a very firm understanding, and they have assumed a very responsible position in the actions that they have taken. It's unfortunate that from time to time we have the criticism coming from the opposition that it doesn't really have a sound basis to come forward from. Again I would like to point out that there is a very firm and a very sound

understanding of the needs of municipalities in the government caucus.

Municipalities do indeed ask for more and more services. Is the member afraid of asking municipal leaders to justify tax increases to their residents? It's an easy way out; perhaps that's the approach that's being encouraged. There is no responsibility in that, unfortunately. The municipal officials that I deal with are quite prepared to justify and to take a position, and for that I think they should be encouraged to do so as well.

A member of the Liberal opposition commented last year on the maturity of municipal governments. The Member for Edmonton-Whitemud said: I think the municipalities have to be acknowledged for the maturity they have, for their ability to make wise decisions. I believe that this is true. We are indeed blessed with mature-thinking municipal leaders, yet we should never cease to pursue wiser stewardship of the public purse. This year the inflation rate has come down to 1.6 percent and is expected to remain low for the next two or three years. Nevertheless, while this means that the cost of living has actually gone down considerably across the province, increases in wage settlements of 4 to 5 percent have been common. Without question, it's important to resolve settlements fairly, but we must also be careful to work within the economic limits of our capabilities. This involves wise stewardship, maturity, and co-operation at all levels.

The same member also complained that lower levels of government really need funding commitments for three to five years in order to plan better and further into the future. Mr. Speaker, it would be very nice to have this kind of security which comes from knowing that our incomes are guaranteed for a reasonable period of time. However, there are few provinces in this country which are able to predict accurately what their revenues will be for one year, much less for three to five years.

History has shown that most grant recipients experience difficulty when in good times they plan as if funding commitments would be automatically renewed and never decrease. However, we're all learning that we must plan better and co-operate more because we cannot always be assured of the uninterrupted periods of prosperity.

The most unfortunate problem with Motion 220 is that it ignores the fact that some taxpayers pay for all tax increases, be it through provincial or municipal tax. Therefore, it behooves each member of government to be responsible stewards of the public dollar. I believe that this is best achieved through co-operation and through partnership. By trying to divide this partnership, Motion 220 would undermine this responsibility of good stewardship. For this reason especially, I believe that Motion 220 does not deserve our support.

4:20

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

MR. HAWKESWORTH: Thank you, Mr. Speaker. I sure didn't want to miss out on a chance to participate in the debate here this afternoon. I was quite astounded by the comments from the hon. member who just completed his remarks, about, first of all, going back in time to 1979 to dig up his figures of all the programs, all the help, all the support this government has given to municipalities. It's the only time in this Assembly in my memory that this government has reached so far back to try and bolster their arguments, to tell us about what a good job they're doing now. In fact, I don't think there's more than a handful of members still left in this Assembly that were even here in 1979. You know, it's just like saying, "Oh, don't we remember the good old days," with a

great deal of fondness. Well, nostalgia and 75 cents will probably buy you a cup of coffee.

What the hon. Member for Edmonton-Beverly is trying to do is address a problem that's affecting municipalities and school boards today. I think it's also important to recognize that the wording of the motion also addresses the downloading, as I read it, that's going on between the federal government and the provincial level of government, about which this government is totally silent and is doing very little about to protest or to try and reverse.

Also, before I get to that, let me just come back to the comments the hon. member has just made about how the opposition is trying to drive a wedge between this government and its municipal partners. Mr. Speaker, this government has done a good enough job of driving a wedge into that partnership; it doesn't need any help whatsoever from this opposition.

You know, he talks about partnerships. Well, that's where you have trust. That's where you can assume that somebody's going to act in a certain way and not stab you in the back or undermine your vital interests. I have to remind the hon. member and the members of the government that this light-fingered government just lifted \$300 million out of the Alberta Municipal Financing Corporation, \$300 million owed to shareholders in the form of rebates this year alone. Without any consultation, without any advance warning, they just sort of reached in there and helped themselves and said, "Well, we know it belongs to you, but we need it for ourselves this year instead." You know, that drives a wedge between any partnership, and it doesn't need the opposition to kill that partnership when one of the partners acts in that sort of a way.

Now, of course, this government says, "Well, we've given a \$200 million cash injection on a per capita basis across the province." All they've done, Mr. Speaker, is given municipalities money that was promised in future years, as a political sop to them, I suppose, so they won't raise too much protest about their taking the \$300 million from AMFC. I'd simply say to the government that no partnership simply terminates future relationships and says: "Here's a onetime grant, and that's it. Be gone with you, and forget it and these programs that we've eliminated. That's it for the future." This sort of unilateral action drives a wedge in any partnership, and it doesn't need the opposition to do the job for them.

Now let's talk about school boards. Here's another example, Mr. Speaker. The Minister of Education arbitrarily announces that now he's going to move to a two-count system for school enrollments. It just happens to claw back any increases that this government might have given to the school boards over the last year or two. It reduces the amount of funding going to virtually every school board in the province. In the case of the Calgary board of education I believe the impact this year is something in the order of \$4 million. In order to compensate for that loss of revenue, the Calgary board of education was forced to bring in cuts and a 9 percent increase in property taxes this year in order to balance their budget. You know, that sort of arbitrary action is not what you would expect from a partner acting in goodwill towards another partner. So it doesn't take the opposition to undermine the partnership between the provincial government and the school boards in this province; this government has done that job itself.

The third level. I know I've only got a few moments here. There's much that I could say. The FCSS program: we've had a review of that. It's obvious that that's a good program. It's well accepted. It has a good track record. It's funding a lot of agencies and a lot of work across the province. I'd like to see the kind of money in that program that it deserves, and it's just being

eroded over time by the funding not keeping up with the rate of inflation and not keeping up with needs, Mr. Speaker. You know, I find it interesting that we see municipal councillors and mayors coming to this government asking for greater flexibility in the application of funds, in transferring them from one envelope into another. You know what happens when they do that. The government says: "Oh, you mean we're giving you too much money in this envelope over here? We're going to cut that money in that envelope." Funnily enough, they never transfer it and put it into the envelopes where the municipalities really want it. That's what we've seen from this government in the past, at least in the case of the municipality I live in, where the mayor had suggested that moneys be transferred from transportation, as an example, to fund social services and FCSS. They didn't get any more money in FCSS; they did get a cut in funding for transportation.

The final point that needs to be made here, Mr. Speaker, is that the federal government is doing the very same thing to the province of Alberta, but if you read through the Budget Address which our Provincial Treasurer presented here in this Assembly a couple of months ago, you have to use a magnifying glass to find any kind of reference to what impact this is having on the province's finances and on the people of Alberta. The only reference I could find was some passing reference regarding the cap on social assistance payments, but we know that with the federal legislation that's been implemented, federal funding for hospital care, our health care system, is going to disappear by the time we've entered the 21st century. It's all going to disappear at the rate that this federal government is going with its priorities. Do we hear anything from this government, a concern about that? Any protest? Any concerted protest from this government over what that's doing to the financing of necessary and essential services in this province? Nary a peep. All these ministers are meeting now, apparently, to talk about the crisis, but I still haven't heard any strategy coming from this government other than to say that they're quite happy with what the federal government's doing. Meanwhile, you know, they seem to be sitting back while our federal government dismantles the essential framework for funding provincial programs and health care and social services programs. This government just sits back and says . . .

MR. DEPUTY SPEAKER: Order please. The Chair regrets to interrupt the hon. member, but it is 4:30, and according to Standing Order 8(3) we are required to move to the next item of business.

head: **Public Bills and Orders Other than
Government Bills and Orders**

head: **Second Reading**

**4:30 Bill 211
Alberta Farm Security Act**

MR. DEPUTY SPEAKER: The hon. Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. It's my pleasure today to introduce Bill 211 and give some of the rural members a chance to get up and give their opinion on bankers. This government is probably the only one in history that has rural backbenchers that think bankers should be allowed to foreclose whenever they feel like it. It is one of the reasons that I introduced this Bill.

The Alberta Farm Security Act sets up a farmland security board that's very similar, almost identical to the old Social Credit Debt Adjustment Board that said that no foreclosure of an owner-

operated farm could progress without the approval of the board. The board did not have the right to cancel debt. The federal government is the only one that has the rights to deal in debt or in the canceling of debt. But the provincial government – and a lot of people don't realize that – has the sole rights on land transfers and the ownership of land. Consequently, by forbidding the transfer of the title of land, the provincial government in effect can control mortgage foreclosures.

What was originally established around 1910, 1911 under the homestead Act, where the governments first moved in and said that you could not take I think it was a team of oxen, so many bushels of wheat, a saw, a hammer, and so on – in other words, they recognized a principle that a farmer, if his or her land were foreclosed upon, lost not only the land but lost the place they were living and quite often lost their tools with which to earn a living. That was later expanded in the '20s to cover carpenters, and to this day I think carpenters and electricians and a few other occupations, if their house and other equipment are seized, the banker cannot take the basic equipment that they need to make a living.

When we come to a farm, what makes it different and why it should have different foreclosure rules than the city people is, firstly, that their home is on the land, and when the land is foreclosed, the home goes with it. Secondly, there is very little employment, Mr. Speaker, for a farmer or an agriculturist, if you want to call him or her that. They're nearly all entrepreneurial types of professions, and other people do not employ them. In other words, if you look in the want ads tonight when you go home, you won't see a list saying farmers and a list of jobs or openings for farmers. There is casual farm labour, but there is very little of farmers employed by other farmers. Consequently, when a foreclosure strikes a farmer or a farm family, it is much more cataclysmic and much more deeply penetrating into the family fabric than it is for an urban family. We need some sort of regulations that soften or at least take a good, hard second look at the farm foreclosure system, and hence my introduction of this Act, which is basically the same as the old Social Credit Debt Adjustment Board that worked very well indeed.

Another reason that I think the Act should come back. It was in force until the middle '70s, when this government, under the mistaken impression that if they took it off, it would attract more bank capital and give more money to the farmers to expand with, and it didn't. As a matter of fact, the government itself got into the lending business both federally and provincially to the extent that today, in the last figures I read – and I believe it was put out by the Royal Bank – somewhere around 75 percent, some people will argue as high as 80 percent, of all farm debt in Alberta is owed to a government organization, be it the Treasury Branch, the ADC, FCC. Consequently, government has moved from being a referee to being a major player.

Unfortunately, we have the same bureaucrats today trying to foreclose on a farmer, Mr. Speaker, who maybe four or five years ago said to the farmer: "Hey, George, Don, or whatever your name is, why don't you take more money? You need more money. We won't even give you \$40,000. You have to take \$65,000 or \$80,000, because you don't have an economic entity." Now, that same bureaucrat five years later comes along and says: "Nope. You're not making enough payments. We want to foreclose." So there's definitely a need more than there ever was when we had Bay Street that was doing the foreclosing and it was easy to get the governments of western Canada individually to pass laws that wouldn't let the land be transferred back to the lender until it had gone through an appeal board. Now we have government being the major forecloser, not Bay Street, not some steely-eyed capitalist with a silk hat and a long black, waxed

moustache. Eight times out of 10 it's a government bureaucrat that comes in and tells the farmer today: "Well, you've had it. You've got so many months to get off the land."

Now, to the credit of the judicial system, the judges themselves have taken it upon themselves to be very loath to let the foreclosures go through. They do make the forecloser leap through some hoops for a few months. Nevertheless, it can be done. We even had the ADC, the Alberta Development Corporation, where they couldn't get somebody for additional funds after they foreclosed, actually going out and trying to collect back rent, using the argument: "Well, if at least the farmer didn't pay the payments - he let the money go - and a Crown corporation cannot pursue the farmer for any more than the land that they just took back, we want rent." That's how bloodthirsty some of these bureaucrats have become. Mr. Speaker.

I think there's no question that we need a board that would say to the forecloser: "Look, if the reason you're foreclosing is because it was bad crops or bad health or bad luck in any way, I'm sorry; you're going to just have to stretch it out a longer time. We're going to have to stretch out the payments." If it's bad management, okay. Maybe we then go ahead, but it should be on the forecloser to prove it was gross bad management before they can foreclose. Otherwise the foreclosure procedure should be stayed. This board would have the right to set up an alternative system of payment over the years; it couldn't cancel the debt.

I think maybe, Mr. Speaker, it is worth taking a minute and looking at philosophies and procedures in this world where the lender is at fault, not the borrower. I know we have developed under the Christian ethic that you pay your debt; in other words, God. At times when you sin, you have to pay a debt. This is a concept from the middle ages of Christianity and the first stages of capitalism when the lender was always right and the borrower was wrong. We had debtors' jails, debtors' prisons. We haven't moved that far. We don't put a farmer in jail now for not paying his debt, but we quite often take away his method of living and everything else because he can't pay in the time period allotted.

There are societies - and I would like to put forward two of them - that quite often I hear the backbenchers over there admire. One is the Japanese. I've done business in Japan, Mr. Speaker. It's the lender that's considered stupid. If the lender lends the money and the borrower cannot pay it back, it's the lender that's laughed at. It's the lender that has trouble down at the community club, it's the lender that maybe doesn't get asked to join the foursome in golfing, because after all the lender had all that money and all that education and all that information, and he or she made a bad loan. Here we've changed the thing completely around. Some of the richest financial institutions in the world, computerized to their eyeballs with all kinds of PhDs and mathematicians working them, computers loaded up, and somehow or another they put a hundred percent of the blame of the bad loan on the one that borrowed it: that's number one.

4:40

Number two. The other nation, Mr. Speaker, that's often respected on their lending and free enterprise ethic are the Americans themselves. The Americans put in something called chapter 11. Chapter 11 plainly says that if a borrower is in trouble, he or she can go to the courts, see the judge, and chapter 11 is a plan which doesn't allow any of the creditors to proceed to seize the equipment or the property until the judge has looked at it and decided whether the plan - and they usually have anywhere from 90 days to 120 days to work out a plan - is possible. If under chapter 11 the farmer or the businessman is able to come in and say: "Well, look, there was bad health," or

bad this and so on and so forth, "here's a plan. I think I can pay my way out," then they are given chapter 11. Mind you, if in a couple of years it still doesn't work, maybe that foreclosure will go ahead, but at least they've had that second chance.

So here are two of the societies in this world that are admired most for their capitalistic effort, for their way of investing and expanding around the world, that have found it necessary to put in a system whereby the lender isn't king. Surely to goodness, little old Alberta, the old sheepherder backwater of capitalism, can look at it and say, "My gosh, if it's good enough for Japan and good enough for the U.S., maybe we should have a system."

The last argument I make - to give a chance for all these people to get up there and talk it out and say, "The bankers maybe will not loan money if we get a reputation for not letting foreclosures go ahead." Big deal. Foreclosures couldn't go ahead until the middle '70s, Mr. Speaker, from way back in the '30s. But did it hurt the amount of capital? You want to take the statistics? The amount of capital loaned by private banks or nongovernment sources for farming before the middle '70s far exceeds the percentage that they do now when they can seize the farms. So whether a banker puts money into farming or not doesn't have that much to do with whether or not they can foreclose. It is whether or not they can make money, and the point is, of course, that they're going to different areas now rather than lending money into agriculture because the governments have been lending money and have more or less pushed the private lending institutions aside.

The last argument I make is probably a moral one, although appealing to this government on a moral issue is probably one of the driest, most nonproductive types of crops that I could plant, Mr. Speaker. Nevertheless, I will throw it out there and sprinkle a little holy water on it. Surely to gosh when we're trying to keep a rural economy going, when a foreclosure means not only a job loss but means a family quite often moving out of the area - which then means less people in the buses, which means maybe closing a rural school, which means maybe a dealership closing in a small town - we should be doing everything we can to not only give a second chance but maybe a third chance on agricultural debt. There are so many ways we could work out a system, and all I'm suggesting here is a little Act saying that the Alberta farm security board would have a chance to sit down with the lender and the borrower and work out a system through the years ahead to pay off their debt. [interjections]

I notice some noise. As a matter of fact, I notice the Member for Smoky River sort of fidgeting there. I think I've had more people call from his constituency about the bloodthirsty foreclosing of ADC than any other. I don't know why it is. Maybe because their own MLA gives them such an unsympathetic ear, but I've had more people complain about being foreclosed down there than enough. Sitting next to him is the Member for Little Bow, which also has a high percentage of farmers being foreclosed by government organizations. So I'm going to sit down, Mr. Speaker. I'm going to sit down and give those two gentlemen a chance to get up and tell their constituents, their farmers, what they would do when they're getting ready to be foreclosed on.

Thank you.

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

MR. CLEGG: Thank you, Mr. Speaker. [interjections] Today I'm only going to speak for a very few minutes because the hon. members to my left said they didn't know I spoke. I don't want them to get the idea that I speak in this House every day, because I always believe that if the good Lord had wanted me to speak a

lot, he would have given me two mouths and only one ear. With that remark I believe that you should listen more than you speak.

I thought I would just remark on a few of the comments on Bill 211 by the hon. Member for Westlock-Sturgeon because I certainly have had a lot of complaints from both sides on the debt review board and certainly on foreclosures within the rural area and to producers in Alberta.

You know, we in agriculture believe that somehow we are not liable for any foreclosure or liable for any debts that we incur. I'm very proud of my industry that I take part in, the agriculture industry of Alberta. All the time I've farmed – and I've borrowed money from banks and institutions – it was always my belief, being taught as a child, that if I borrowed anything or borrowed money from a financial institution, it was my responsibility that I should always pay that back, not after I bought everything that I believed I needed, like a new car every year or a motor home, maybe a boat, maybe a four-wheel drive, maybe an Argo. You know, some people have that philosophy: that you will pay back the lender after in fact you have got everything that your little heart desires. I've had many of my constituents talk to me about this very topic, and may I say that it's been on both sides.

Let's just take ADC for a minute. People say, "Well, what's ADC trying to do?" What they're trying to do is collect the money that was borrowed in good faith by the producer. I think that's a pretty good philosophy that we all should follow. In my area we run a lot of forest activity, a lot of oil and gas. Many, many farmers, whether they be young or whether they be middle-aged or in some cases old people – and I consider myself old, so we'll use that term at the present time – leave a wife and family at home and go out and work at 40 below. They collect their money and come home and pay their debts, whether it be to ADC, whether it be to the Treasury Branch, the Commerce bank, or any lending institution. Those people are saying to me: "Why should ADC or anybody forgive debts? In many cases that person likes curling or playing ball all winter, and here I'm out in 40 below weather trying to pay my debts. I will be very, very angry if the government, federally or provincially, starts writing down debts, because I was out there working very hard to make my commitments, and these people didn't try." They didn't have that real commitment that we must all have in our society today.

People say to me, "I don't know why the bank's bothering me," or "I don't know why ADC's bothering me." Our system, members, cannot operate unless we all do our very best to pay our debt. Now, don't get me wrong when I say that, because certainly there are producers, there are farmers out there that have had difficulties. I have an area within the constituency of Dunvegan – I can't remember the year, but one year they got hauled out. The next year they got frozen out; the next year they got flooded out. I don't personally know any lending institute, ADC or bank, that won't take a look at the whole operation and, you know, give them time, give them every opportunity to try and pay their debts. But to just say, "Well, we're going to write that off," or "Oh, well, that's a good boy; you don't have to pay": that's not the system that we can live with in Alberta.

I remember several years ago there was an organization . . .

4:50

MR. FOX: Was this before the war?

MR. CLEGG: It was just after the second war.

There was an organization that was in our area. They had a meeting in a small community. I wasn't a member of this Legislature then. One person at the meeting got up and said, "I make a motion that we don't pay the banks". I wasn't an officer

of this meeting. I sat there, and I thought this group really knew what they were doing. We had a seconder, and a bunch of people cheered. The next motion was: "We're not going to pay any taxes, no land taxes. The MD doesn't need the money; I mean, we won't pay our taxes," and they again cheered. The next motion was, "We're not going to pay our fertilizer bills; we're not going to pay our chemical bills." They again cheered. I got up from the meeting and swore I'd never go back to that kind of a meeting again.

This system that we've got in Alberta, in Canada, in fact in the world, cannot operate under those pretenses. We have to be responsible. I know that the majority of people that talk to me want Albertans to be responsible. They don't want to put pressure on people, and I don't believe the lending institutes and certainly ADC of which this government is a partner – although it's ADC, we have people working for us. We want to do everything possible. I said the other day that ADC had faults, but now if somebody doesn't pay their annual or semiannual bill to ADC, they have people out there. They're sitting down with these individuals and working with them, and that's the philosophy that I certainly believe in. I know over the years, especially the last few years when grain prices have been low – that's why this government has sat down, which I said on Tuesday, to make sure that there is security in the farm income.

That's about all that I wanted to say, Mr. Speaker. I really strongly believe that we as a government have brought in programs for the stabilization of the agriculture sector, and if the statistics were known – they probably are, but I don't know them – I don't believe farm bankruptcies or farm foreclosures are anywhere close to the same percentage as businesses. Oil companies in the town that I've got – I got a letter from the administrator of Fairview town the other day: 23 businesses in the town have closed down, partly because of the agriculture sector, but not all for that reason.

In closing, Mr. Speaker, again I just thought I'd make those few remarks. I don't think there's any necessity for this Bill. Thank you.

MR. DEPUTY SPEAKER: The hon. Member for St. Paul.

MR. DROBOT: Thank you, Mr. Speaker. I join with my colleague today in opposing Bill 211. As the Member for Dunvegan outlined a few moments ago, Bill 211 is inadequate for several reasons. I'm sure that on that basis alone, on the basis of those points that he mentioned, we should easily dismiss the Bill. However, I would like to quickly add to the list a few more points that clearly distinguish this Bill as unworthy of our support.

Mr. Speaker, I may be going out on a limb here, but I think that this Bill originally was intended to aid farmers who were experiencing financial difficulties. I may be wrong, but in any event, I'm going to give the sponsor the benefit of the doubt, because I would like to think that at least his aims were good.

However, the substance of Bill 211 does nothing to achieve its desired goal. In fact, it does practically everything to harm it. From the outset the sponsor of the Bill seems to have made a number of presumptions. As we all know, even at the best of times, making presumptions is a risky proposition, and I submit that Bill 211 is evidence of that fact. The Bill revolves around the presumption that a significant number of financially troubled farmers would at least temporarily be pardoned by the courts on the basis of having made "a sincere and reasonable effort" to repay their debts. Unfortunately, I am not convinced.

Mr. Speaker, I'm not a lawyer or a judge, but I think I know what two of the first questions might be, namely: what is a

sincere effort, and what is reasonable? What are the criteria on which these two assessments would be made? Would it be on a monetary basis? For example, if they had been able to pay back a minimum percentage, would that be determined as "a sincere and reasonable effort"? Maybe you would have to include the element of time; in other words, a minimum percentage over a minimum period of time.

Mr. Speaker, if left to the courts, I am not convinced that the aims of the Bill would necessarily be realized. It seems to me that there is always some uncertainty with courts. Sometimes we hear of cases where they have ruled very liberally on a case or on an issue; that is, they have chosen to interpret the law or the issue very broadly. However, in other circumstances we hear that the court has taken a very narrow view of an issue instead of allowing for broader limits of interpretation. They have adopted a very literal stance and allowed little room for circumstances. Add this to the possibility that there could be complications. For example, what if the Farm Debt Review Board contradicted the view of the proposed farmland security board? Obviously that would cause questions.

For these reasons, then, I believe that one must stop and wonder about how well the system outlined here in Bill 211 might work in reality. I can see that this Bill would work out to be unfavourable to the very persons it seeks to help if interpreted the wrong way or too narrowly.

Earlier my colleague gave us a fine briefing on the role of agriculture and farmers and the assistance for the sake of the opposition, who have apparently been holed away in their own dreamworld for quite some time. Albertans have repeatedly called for the elimination of duplication between different levels of government. This government has heard Albertans' voices and in that regard has been working to eliminate duplicate programs and initiatives. Our departments have been co-operating with our federal counterparts to examine what is already being done and where there might be an overlap. Where we encounter overlap, we are eliminating it. Moreover, where possible we are establishing joint programs as opposed to singular efforts. In this way we can maximize resources, reduce waste, and generally simplify the entire process.

On the other hand, Mr. Speaker, today we see again how out of touch the Liberal opposition is as they try to reinvent the wheel. In direct contradiction to what the public is calling for, the opposition propose that we set up a provincial clone of the Farm Debt Review Board.

Mr. Speaker, the federal program may not be working perfectly, but what merit would there be in a similar, provincial system? As my colleague pointed out, the federal system is working and working very well.

5:00

There's more that does not make sense, Mr. Speaker, and for those opposite who might need to have the clouds parted a little, I'm happy to go on, but I'm not going to explain to them how banks operate by lending money. "Time is money" could not mean more to anyone than it does to a banker. Make no mistake; I'm no huge fan of the banks. Nevertheless, I do believe that this Bill will not do what it is intending to do. Looking at Bill 211, it is clear that even in cases where it's obvious that mortgagees could never cope with their payments, significant delays would result for banks in realizing unsecured loans. There must be limits. Surely the opposition realizes that some situations are beyond salvage. To implement such a system only ensures that everyone loses.

In this case, then, one must ask: what would the Bill accomplish? In reality, it would not be guaranteed to save more farms, but we would have introduced a significant risk of increasing the cost of borrowing, and we would therefore make it more difficult for the majority of farmers and potential farmers to borrow. Clearly it's not a plan we should pursue. Therefore, Mr. Speaker, if we're going to regard new farmers and help agriculture, it should be obvious even to the sponsor that Bill 211 should not proceed.

For all those reasons, then, I would urge members of this Assembly to withhold their support of Bill 211.

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

MR. FOX: Thank you, Mr. Speaker. [some applause] I thank the members for their encouragement. I'm pleased to rise to speak on Bill 211, the Alberta Farm Security Act. I'm surprised that the Bill is getting a pretty rough ride from government members. I know that there are more government members that are anxious to speak, and perhaps if they indicated that to me, I would out of courtesy sit down before I've used up the half hour that's available to me. So if any member is anxious to get his or her comments on the record, let me know while I'm speaking, and I'll make sure that I sit down to allow enough time for you to get your comments on the record, because it's an important Bill. Well, it's an important issue. Let me not inflate the ego or the reputation of my colleague for Westlock-Sturgeon. It's an important issue.

Indeed, I put that issue on the agenda on Tuesday during the debate of Motion 219, that farm debt is a serious issue in the province of Alberta and one that has for the last few years been all but ignored by the Conservative government. I think that's really unfortunate. I think it's at our peril that we ignore these serious debt problems in the rural parts of our province, because they have not only a devastating effect on individual . . . [interjection] The Member for Vermilion-Viking is welcome to get up and speak if he has the intention of speaking on this Bill.

Not only do we do damage to individual farm families and their operations, but the communities they support are imperiled by the alarming number of exits from agriculture that we see going on around this province. You don't have to travel very far or talk to too many people in small towns and villages in rural Alberta before you get a sense of their anxiety and their concern about their futures, about what's happening to their communities as a result of the crushing debt burden.

Now, there are some things that this government has done over the years. We discussed them briefly on Tuesday. Some of them, admittedly, were put on the agenda by the New Democratic Party during various campaigns, but the government did pick up those ideas and try to translate them in their own feeble way into some meaningful action. The farm credit stability plan, 9 percent farm loans, the over \$2 billion lent out provide some long-term stability in credit for farmers, no doubt. The Agricultural Development Corporation that the Member for Vermilion-Viking alluded to, almost \$1 billion in the beginning farmer loan program: no doubt that's a help. It's a help to agriculture, I agree.

But I'm talking in recent terms, hon. members. The government has not done anything that recognizes the enormous problem of debt in the farm community. There have not been any new ideas come forward from this tired old government for the last several years, and I think we need to try and change that and get them to recognize the need to respond in a creative and forward-looking way to the debt problems in agriculture. I don't think you'd find very many farming operations where interest on the debt isn't one of the highest annual expenditures, where having to make the

annual payment on principal outstanding on loans is something that's a real burden for every farm family, wondering where the money's going to come from in times of low commodity prices, in times of poor weather conditions in various parts of the province. You know, it's just a real problem.

The onus is on the government to respond in some measure and not respond like the dynamic duo of government ag caucus from the northwestern part of the province responded the other day to Motion 219. I might quote my hon. friend from Dunvegan, page 1414 in *Hansard*, where he says, "Today the modern farmer believes that he can work three months of the year." Well, that's a very cynical view of the modern farmer. Most modern farmers – and that means people who farm in 1992 – recognize that they have to work very hard in order to make ends meet. In fact, there aren't enough months in the year to do all of the work that the people have to do to keep up with their obligations.

I could, if I might, just briefly quote the other half of the dynamic duo from northwestern Alberta, the Member for Smoky River, *Hansard*, page 1415. In response to my suggestions that the government look at what Saskatchewan is doing with respect to leasebacks and lease to purchase options for people who can't afford the burden of ownership while they're trying to establish their operations, he says:

. . . just how a person's going to be able to buy the land and then decide that he can't pay for it, and then he's going to be able to farm it anyhow, just for the sake of the gentleman who has chosen to take that way. If you, as a diligent, responsible farmer have chosen to be responsible, have chosen to do all the right things, put all the right efforts into agriculture, pay for your land right across the fence, and in some cases you competed to buy that same land, where do you stand in this process?

Well, the member implies by his comments – and he'll have a chance to respond – that the only people who are in trouble are the people who aren't responsible, or the only people who aren't able to keep up with their obligations are the people who decide they're not going to. Well, that's not true, hon. member. That's not true.

I started farming in 1973, and I know literally dozens of young people who started farming at the same time who have been forced to abandon their careers in agriculture not because they weren't responsible, not because they didn't care, not because they didn't work more than three months a year, not because they decided they wouldn't pay for it, but because they couldn't, because interest rates went from 7 percent to 21 percent in the late 1970s, early 1980s . . .

DR. WEST: It affected small business.

MR. FOX: It affected small business too.

. . . because commodity prices went through the floor and because people were encouraged by the government lending institution, the ADC, to assume more burden than they could afford. People were forced to abandon their futures in agriculture. For these members to imply that it's their own fault is very much like this government's traditional record of standing there and blaming the victim. Blaming the victim: it's the people of Alberta who are responsible for the \$17 billion debt these business whizzes have amassed over seven years of the Premier's reign of error. It's the opposition who's responsible for the almost \$1 billion flushed down the toilet by the NovAtel fiasco because we asked questions. You've got to accept your responsibility, hon. government members. You've got to accept that the government has some role in this and be creative and forward-looking.

It was the hon. Member for Vegreville who carried on the time-honoured tradition of New Democrat members in this Assembly. The Member for Spirit River-Fairview, the hon. Grant Notley and

then the hon. Member for Spirit River-Fairview, Mr. Gurnett, introduced on successive occasions a Bill that would introduce a process of debt mediation in the province of Alberta. I introduced that Bill, too, and how well I remember the hon. Member for Lacombe railing against the Bill when I introduced it, railing against the Bill. He compared it to Communism, compared it to the Soviet Union because we proposed a Bill that would bring in debt mediation. He implied – in fact, his remarks could be checked – that the only thing the Soviet Union's offered the world is Chernobyl, so how could we endorse debt mediation in the province of Alberta? Well, I want to tell those hon. members – and you can look back in the record and check – that the government introduced a form of debt mediation after we'd been raising it. The federal government with their Farm Debt Review Board has responded at least in part with a half-baked, feeble attempt to deal with debt, which is more than I can say for this government.

5:10

The issue of debt adjustment is one that has to be considered. We have to be prepared to look at the options and do it with a view to the future. Decide for yourselves. Is it going to help the people of the province of Alberta collectively? I know you don't like that term. I didn't mean to incite any people using these terms like "collective." Is it going to help any small community in Alberta that depends on agriculture for its survival to see more and more people leaving agriculture? Is it going to help the cities of our province to have more and more people moving in from the rural areas into the cities, competing for jobs, living on unemployment insurance or social assistance until they can get established because they can't afford to continue to eke out a living in rural Alberta? The answer's obviously no. It's not going to help any of us unless we can stem the tide of rural depopulation, unless we can decide we want to turn this province around, we want to find out why these problems exist, determine what we as a government can do about it, and put those plans in place, get them moving so that we can build a prosperous future in this province to the best of our ability. I think we have to recognize that in order for us to have a healthy, vital, vibrant, hopeful kind of a province, we need a strong agricultural sector. I know government members agree with that. We have that same understanding of the province's future. We disagree on the details. We have to agree on that vision.

I submit to hon. members that in terms of pursuing that objective, if anyone believes that we need fewer and not more farmers, they're sadly mistaken. It is not a solution to the problems in agriculture to have fewer people involved. That was the Liberal Party's agenda in Ottawa in the '70s. You remember the white paper they introduced. It's the same party that brought in the national energy program, for pete's sake, and you guys are following lockstep after them. The solution to the problems in agriculture, according to the Conservative government in the province of Alberta, in the '80s and '90s is to have fewer people involved, believing that those people who are left will each get a larger slice of the economic pie. It does not work that way, because farmers know that every time they've heeded the call to become more efficient, to expand, to become more market responsive, they end up getting hosed. They end up getting paid less for what they produce, not more. They have to farm more and more and get less and less. They're less able to compete, less able to be hopeful, less able to move forward into the future with confidence, and certainly don't want to be encouraging their children to get involved in agriculture because of the bleak future there.

The government has to understand that in order to achieve prosperity in the future, we need more people in rural Alberta, not less. In order to do that, we have to do a few things. I believe we have to work towards trying to find ways of paying farmers fairly for what they produce. Now, I don't want to get into a big argument with these blind, naive free traders on the other side, who believe that you just let the market operate and it'll take care of everybody. I mean, that's a naive, grade 3 economic theory that even the government members agree is passé. We need to do some other things, though. [interjection] We'll get into a debate about that on another occasion. We need to, as well, make sure that government money spent is well spent, target programs, make sure that we don't have program assistance from government that is open-ended, that gives the benefits to the people who need it the least, like the tripartite stabilization program for red meat. Hon. members should be aware that there's no cap on that program now. You can get as much money as you possibly can, no matter how many head of cattle you operate. There used to be a 2,000 head per quarter annum limit on that program, and it made sense. Government programs need to be targeted to benefit the small and moderate family sector so that we can keep these farms vital and healthy and the communities they support hopeful.

The other thing that absolutely has to be done is some sort of creative approach to managing the debt in the province. We've got to look at the options. We just have to be prepared to consider the options because I believe that if you examine the record – the history of the ADC, for example, where they wouldn't lend money to someone if they were working off the farm at the time. You remember that if you had an off-farm job, you couldn't get money from the ADC. Or if you got money from the ADC and then got an off-farm job, they called the loan on you. They've changed that policy, but they changed it three or four years too late.

The Member for Smoky River indeed talked about the ADC policy, about forcing young people to borrow – or maybe it was his colleague from Dunvegan – more money than they wanted to, to make a viable farm unit. I believe it was the Member for Dunvegan. He's absolutely right in that regard. You couldn't go in there and say, "I want to borrow \$75,000 to buy a used tractor or a combine and a quarter section and try and make a go of it." They'd say, "Oh no, you need \$200,000, so we'll give you \$200,000." People took it when faced with those options.

When you get right down to it, there's a shared responsibility. It's not enough to say it's the farmer's fault; he or she is a bad manager; they deserve everything that happens to them. That's not fair. It's a shared responsibility between the government, the farmers themselves, and the lending institutions. Those three groups have to be prepared to work together to find some creative solutions to the problem.

Now, the Member for Dunvegan talked about how we can't have debt write-down. Well, that would be nice, but I hesitate to inform him that we do, that it's practised all the time by banks and lending institutions, even the ADC . . .

AN HON. MEMBER: How about the Reichmanns?

MR. FOX: How about the Reichmanns? Debt write-down is an active policy . . .

MR. MARTIN: They support the Tories, don't they?

MR. FOX: The banks support the Tories. The banks support the Liberals too, hon. Member for Edmonton-Norwood. That's right,

exactly right. No wonder they don't want to bite the hand that feeds them.

Anyway, debt write-down is actively practised in the province, and this is how it works. The ADC, for example, has a loan with a young farm family. Maybe they owe 200,000 bucks. The value of the assets depreciated, land has gone down in value, and they find the security on the loan is maybe worth \$100,000. The young farmer can't make payments, they get into trouble, they get into arrears, so ADC takes back the land from the farmer. Taxpayers are out 200,000 bucks. Then they turn around and sell that land to the expanding farmer next door for \$100,000. Well, what happened in the process is that the government wrote the debt down by \$100,000 and passed the benefit on to someone other than the farm family. Now, I know there's some rough justice out there. I'm not saying that everybody who gets into trouble should be spared. I'm not saying that people aren't responsible. I mean, I signed on the dotted line and I paid back my loan. The thing we have to realize is that there's a shared responsibility. If debt write-down is going on anyway, if there are circumstances where we can pass the benefit of that write-down to a farm family who's struggling to make a go, who's done their best, who's put in the effort and through no fault of their own is in trouble, then I think we're doing something that's responsible, creative, and going to benefit the province long term.

The government came out with a program a couple of years ago that would try and link loan repayment schedules to the price of commodities; the commodity-based loan program, I believe it was called. If someone on the government side recognizes this program, maybe they'll nod their heads so I'll know I'm on the right track here. No, nobody over there has heard of that program. The hon. Shirley Cripps brought it in when she was the Associate Minister of Agriculture. It was a small but creative step from the government. I guess it was prior to this government getting elected because it must have been in 1988, Mr. Speaker, before this current government got elected in 1989. What the minister proposed is that the loan repayment amounts be based on the price of the commodity. If your commodity goes up or down in price, you pay more or less according to that. That's a creative response. It was a small step in the right direction. The point I'm trying to make is that it is possible for this government to be creative. They can do things if the will is there, if the gumption is there.

I'm going to check the clock now. There are 10 minutes left. If any of the members wants to speak, let me know, and I'll sit down.

5:20

AN HON. MEMBER: We'll let you know.

MR. FOX: Okay. I'll be just about finished here, hon. member. I'll honour your request. I appreciate the need to get involved here.

I'm just urging the government to be creative, take a long, hard look at what's being done in the province of Saskatchewan with their proposal for the leaseback. The law's been introduced. Don't be frightened off by the pronouncement of defeated Conservative government's Grant Devine, who says that the legislation brought in in Saskatchewan will kill credit unions. He said: an awful lot of people will pull their money out of the credit unions because they won't be confident their money is safe under the new rules. Typical of the opposition in Saskatchewan to be fear-mongering, to be doom and glooming it, trying to frighten people. Well, what are the people involved in the credit union movement saying?

Trevor Shepstone, president of Credit Union Central, disputed Devine's comments saying "it's certainly not that serious."

Norm Bromberger, chief executive officer of the credit unions' umbrella organization, said they supported the report of the farm debt advisory committee on which the legislation is based.

So the sky is not going to fall in Saskatchewan. The bankers aren't going to pull the plug. They're just doing that to try and frighten people.

As Conservative politicians that are temporarily in government, you have to stiffen your resolve. Stiffen your backbone. Be prepared to stand up to the banks. Don't be afraid. Bring in some sort of debt mediation legislation. Bring in some sort of process to challenge what's going on in this province so we have more, not less, farm families in the future in this province.

Point of Order Parliamentary Language

MR. DEPUTY SPEAKER: Order please. Before recognizing the hon. Member for Little Bow, the Chair would like to take this opportunity to rule on the point of order that was made earlier this afternoon by the hon. Member for Edmonton-Belmont with regard to the term "deceives," as used by the hon. Member for Smoky River. The Chair has had the opportunity to check the circumstances and the context in which that word was used, and it is this: "Such a stance as Motion 220 takes deceives the electorate in an attempt to win their favour." The Chair rules that the precedents cited in *Beauchesne* 489 say that where a member says that another hon. member is in fact deceiving somebody or some group – that is, a personal reference to a member – that was held to be unparliamentary in 1977. Of course, the Chair also pointed out that *Beauchesne* 490 says that "deceive" can be parliamentary. In this case, the Chair rules that there is not an abuse of the rules because the word "deceives" refers to the motion and not to any member in the Assembly.

The hon. Member for Little Bow.

Debate Continued

MR. McFARLAND: Thank you, Mr. Speaker. The Bill that's proposed by the Member for Westlock-Sturgeon I think has some form of merit. However, I don't think it's actually providing anything that hasn't already been provided for in present legislation and present regulations that lenders, particularly farm lenders, have available to them.

When it's suggested, I guess, that we have write-downs on farm debt, I can't concur with the Member for Westlock-Sturgeon because I have to relate to many of you – and maybe Dunvegan would be interested and remember as well that there were times from years and years ago when his father probably went through the Depression. There were significant write-downs, the result being that there wasn't credit available to the farm community for many years to come. As late as the early 1960s, I know people of the age of 50 and 60 right now had very difficult times obtaining much more than a \$20,000 to \$25,000 line of credit from farm credit to purchase any lands. It wasn't until the mid-1970s that any of the younger generation was able to obtain any significant amounts of money with which to purchase this land that they wanted to farm. I quite admit that the hon. Member for Vegreville was right, that there were interest costs and they were horrendous interest costs. In fact, I think you'll agree with me, hon. member, that it was in September of '81 when they peaked. Many of us here have experienced 22 and three-quarters percent interest. It definitely was a crunch, a critical period of time. However, a lot of us toughed it through that. The result was not one of government irresponsibility or lack of programs. I feel it was one where the global market let us down.

[Mr. Speaker in the Chair]

The problem I have with this is that I don't see that this Bill is a whole lot different – with a lot of respect to the Member for Westlock-Sturgeon – from what the present Farm Debt Review Board provides. Having talked to people and experienced the mechanism under which it operates, I think it is nothing short of being fair.

MR. TAYLOR: The Bill has teeth.

MR. McFARLAND: This Bill has teeth, he says. [interjection]

MR. SPEAKER: Order. Through the Chair, hon. member. [interjection] Order, Westlock-Sturgeon. Through the Chair. I do not recognize you at the moment.

MR. TAYLOR: Do you want to see my teeth?

MR. SPEAKER: Order.

MR. McFARLAND: Sorry, Mr. Speaker. The Farm Debt Review Board, I would argue, does have some teeth in that it can take an applicant who has applied to the process and prevent any legal action on that applicant for a period of time, whether it's 60 or 90 days, and that's up to the discretion of the Farm Debt Review Board. In their particular instance they arrange mutual meetings with the creditor and the bank.

By the way, I feel very strongly that ADC is taking a hard knock here. It isn't necessarily or always ADC who has foreclosed on some of this farm property. It's every chartered bank that I've been aware of and, in fact, quite a few of the credit unions, which some of the members opposite like to think are invincible. However, the Farm Debt Review Board has worked out many satisfactory arrangements with a lot of young farm people who have faced financial struggles. In fact, they have probably made a greater contribution to preserving some of the security and some of the land and possibly the farmhouses that these people face losing to the chartered banks and the credit unions. Without them, Mr. Speaker, I think we wouldn't have come along as far as we have.

I think this Bill has a great deal of merit, but I'm afraid I can't support it until we make other efforts to alter present regulations.

I notice, Mr. Speaker, that the hour is getting late. With your permission, I'd like to move we adjourn debate.

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

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

AN HON. MEMBER: No.

MR. SPEAKER: Carried.
Deputy Government House Leader.

MR. GOGO: Thank you, Mr. Speaker. This evening the House will deal with government Bills, beginning at the second reading stage of Bill 21.

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

