

## Legislative Assembly of Alberta

Title: **Monday, June 22, 1992**  
Date: 92/06/22

2:30 p.m.

[Leave granted; Bill 271 read a first time]

head: **Tabling Returns and Reports**

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray. The prayer for Parliament as used at Westminster since the year 1659.

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

Amen.

MR. DINNING: Mr. Speaker, I am filing with the Assembly a report on integrated services in education in the Yellowhead school division.

MR. SCHUMACHER: Mr. Speaker, I'd like to file with the Assembly a copy of the results of a poll taken by John Yerxa Research Inc. regarding Senate reform, which I referred to in my comments last week.

head: **Introduction of Bills**

MR. SPEAKER: The Member for Rocky Mountain House, followed by Edmonton-Avonmore.

MR. SPEAKER: Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. I wish to table in the House four copies, plus sufficient copies which I would ask the Clerk to distribute to all members of the House, of a letter from a concerned constituent in relation to the sentencing of two individuals involved in a very, very tragic incident pertaining to a handicapped man.

### Bill 43 Municipal Statutes Amendment Act, 1992

MR. LUND: Thank you, Mr. Speaker. I beg leave to introduce Bill 43, being the Municipal Statutes Amendment Act, 1992.

This Bill, when passed, will amend the Local Authorities Election Act, the Municipal Government Act, the Municipal Taxation Act, and the Regional Municipal Services Act.

SERGEANT-AT-ARMS: Order in the press gallery when Mr. Speaker is standing.

Thank you very much.

head: **Introduction of Special Guests**

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 Meyokumin school in the constituency of Edmonton-Mill Woods. They're accompanied by their teachers Mrs. Heather Kennedy and Mrs. Gail Jones. I'd ask them to stand now and receive our very warm welcome.

[Leave granted; Bill 43 read a first time]

MR. GOGO: Mr. Speaker, I move that Bill 43 be placed on the Order Paper under Government Bills and Orders.

MR. SPEAKER: The Minister of Municipal Affairs.

[Motion carried]

MR. SPEAKER: Edmonton-Avonmore.

MR. FOWLER: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the members of this Chamber the parents of one of our very fine Legislature pages. The page is Miss Hélène O'Connor, and her parents, who are in the visitors' gallery today, are Keith and Louise O'Connor. I would ask them to rise and receive the traditional welcome of this Assembly.

### Bill 289

#### Miscellaneous Maintenance Statutes Amendment Act

MS M. LAING: Thank you, Mr. Speaker. I beg leave to introduce Bill 289, being the Miscellaneous Maintenance Statutes Amendment Act.

This Act would allow for deduction at source of maintenance payments and is in keeping with legislation in Ontario and 36 U.S. states.

MR. CHIVERS: Mr. Speaker, I'd like to introduce to you and to the Assembly Dr. Fred Engelmann, professor emeritus at the University of Alberta. I'd ask that he rise and receive the warm welcome of the Assembly.

[Leave granted; Bill 289 read a first time]

MR. SPEAKER: Edmonton-Strathcona.

head: **Oral Question Period**

#### NovAtel Communications Ltd.

### Bill 271 Interest Charge Review Board Act

MR. CHIVERS: Thank you, Mr. Speaker. I request leave to introduce Bill 271, the Interest Charge Review Board Act.

This Act seeks to establish a simple means by which consumers can ensure that interest charges on the terms taken are in accordance with the law and terms of the agreement. It also provides a mechanism for recovery of overcharges.

MR. MARTIN: Mr. Speaker, over the weekend the minister of technology again dismissed the need for a public inquiry, saying: shucks, it would cost too much. Now, this is a government that knows perfectly well that it can call a public inquiry and set limits on the spending. Isn't it ironic that this government is worried about saving money with an inquiry that would get to the truth in the matter but doesn't seem to care when they blow over half a billion dollars on misplaced business ventures with NovAtel? If you followed the minister's logic to its logical conclusion, this government will probably be bringing in legislation to outlaw public inquiries because they cost too much. The minister knows full well that the cost is a red herring. My question to the minister is simply this: isn't it true that the government hasn't called a

public inquiry into this mess because they would find this government, that minister, and that Premier totally responsible for squandering billions of taxpayers' dollars? That's why we don't have one.

MR. STEWART: No, Mr. Speaker.

MR. MARTIN: Well, Mr. Speaker, the public knows better.

Now, the minister went on to say: shucks, it could cost \$30 million. Well, Mr. Speaker, I'd say to the minister: you don't have to hire Liberal lawyers or Conservative lawyers to run this; you can set the limits and set the amount of money. I would point out that the last public inquiry that we held had to do with the Blood tribe in southern Alberta, and that came in at \$2.75 million, a far shot from the \$30 million the minister is talking about. My question to the minister is simply this: using that \$30 million figure, how does the minister justify misleading the Alberta public about the cost of an inquiry when he knows full well that this government can set the time limits and the amount of money?

2:40

MR. STEWART: Mr. Speaker, a very important process is well under way now with the Auditor General. The Auditor General is an office of integrity. It's an office of this Assembly. It is not beholden to any political party. It is not beholden to this government. It's capable of carrying on an investigation. The people of Alberta want answers, this government wants answers, and we don't want to wait two to three years and indeed spend the type of money that the hon. leader has indicated.

MR. MARTIN: That's absolute and total nonsense, that you have to spend that money. That's the point I'm making. Mr. Speaker, I'm sick and tired of this government hiding behind the Auditor General so that we can't get to the bottom of this matter. I want to say that the minister can blather all he wants, but he knows full well that a public inquiry is the only one that has the legal authority to question witnesses, bring in the information, and get to the bottom. The Auditor General doesn't have that authority.

Today we've had to again do what the government should be doing, and we've set up a petition calling for a public inquiry. I can assure the minister that we're not having any trouble at all finding people to sign it. Mr. Speaker, save us all some time and effort. We'll give this government one more chance. My question to the Deputy Premier is this: will the government now do the honourable thing and call a public inquiry into this bamboozle, and we won't have to deal with it in the Legislature?

MR. HORSMAN: Mr. Speaker, the hon. Leader of the Opposition is asking a question which he's asked a multitude of times. I believe the Auditor General's review will be dealt with expeditiously without any additional costs to the taxpayers of the magnitude that would be inherent in a public inquiry, that the results will be made public, and that the hon. members of this Assembly and all Albertans will be fully apprised of all the facts.

MR. MARTIN: It doesn't matter who you ask, you get the same old broken tune.

### Spending Control

MR. MARTIN: Mr. Speaker, this government, though, basically never learns. They expect the public to trust them when they conduct investigations behind closed doors, and then they expect the public to trust them when they introduce legislation to control

spending. Well, the loopholes in this legislation are so broad that you could drive one of the Treasurer's deficits through them. It exempts debt servicing costs. It exempts heritage fund spending. It exempts Capital Fund spending. It exempts losses for companies like NovAtel. We wonder what's left. No wonder the Treasurer was laughed out of the Legislature, but we know that he's a stand-up comedian anyhow. My question to the Treasurer is simply this: how can the Treasurer justify exempting these huge expenditures from the legislation? This is precisely the type of spending cuts that the public wants.

MR. JOHNSTON: Well, Mr. Speaker, the Member for Edmonton-Norwood and the government are certainly on accord on one point: that the government wants spending cuts. That's what this legislation does. It controls the program spending of the government, consistent with our plan over the past five years, and I think that is exactly what the people of Alberta want. I agree with the Member for Edmonton-Norwood; we're on position on this point.

MR. MARTIN: Mr. Speaker, there's over \$2 billion of the worst management of this government that isn't covered under this Bill. That's what I was talking about. Part of the exemption is the government spending on losses like NovAtel, MagCan, Northern Steel, Myrias, Pocklington, GSR. Need I go on further? That's what people want cut back.

To show you the double standard here, while this government is legislating cuts to seniors and legislating cuts to health care programs, it is not bringing under its own spending to its own business friends. That's what's so hypocritical about it. Now, my question to the Treasurer is simply this: how can he justify the hypocrisy of cutting people programs while allowing government waste and failed companies to go on and on and on and on?

MR. JOHNSTON: Well, again, Mr. Speaker, the member's facts are just wrong on two important points. First of all, there have been no cutbacks to health and education. In fact, in the budget which has been presented to the Legislative Assembly, which has been fully debated here, we have shown that over the past five years, through the fiscal plan of this government, that in fact we've expanded our expenditures in those areas. We've had to manage more effectively than other governments in Canada in doing so, and we have controlled our expenditures at a rate that is below any other government in Canada. As a consequence, we have done what we can within our jurisdiction.

The second point that should be put in context here is that all members have some say in the program expenditures. That's why we have a process which provides for time allocation, allows all members, including the opposition, to have their say in where the appropriate spending priorities should be, to question the ministers directly, and to participate fully in the appropriation of this Assembly, which is the parliamentary way. Those are the things that are controllable, Mr. Speaker.

What are not controlled, though, Mr. Speaker, are those items which from time to time occur which cannot properly be controlled by spending limits, and as a consequence, obviously, you would never want to control the deficit. You've seen the United States situation – you're offside before you start – where they try to control the deficit. In fact, if we can control spending, then we are, as the Member for Edmonton-Norwood properly notes, dealing responsibly with our position, responding to the needs of Albertans, and I think controlling the level of expenditures, which is the responsible democratic process. Sorry, the responsible democratic response.

MR. MARTIN: Mr. Speaker, I'd get a little confused, too, if I had to justify this Bill.

Mr. Speaker, the point is that over \$2 billion of the worst type of government spending is not covered in this Bill. That's the point I'm trying to make. As a result of that, I say to this Treasurer: this is nothing more than a PR Bill, and if you're serious about spending, why did you exempt heritage fund spending, Capital Fund spending, losses for companies like NovAtel? Why did you do that?

MR. JOHNSTON: Well, again, Mr. Speaker, there'll be ample opportunity as this Bill proceeds through the Assembly because we intend to put it in place. It's what the people of Alberta have asked for, and it's the kind of policy response which complements our position already.

Mr. Speaker, I can say that in terms of controlling other elements of our budget, I've mentioned already that valuation adjustments are beyond our control this past year. We've seen valuation adjustments, for example, for which, in accord with the Auditor's position, we have had to make some adjustments to previous years. These are not program expenditures. These are not the responsibility of the Assembly - these are items which occur from time to time - any more than you could legislate to control the price of natural gas.

Now, it's just as foolish for the Member for Edmonton-Norwood to suggest that we should control our revenues by legislating. It just doesn't work that way. As all members know, in fact, the gas prices in this past year plummeted, and if we were to legislate to control revenue, of course you'd see the foolishness of that in the same way as you'd see the foolishness in trying to control the deficit by legislating.

What we can do, Mr. Speaker, is put in place an effective Act for program spending which is within our control, which is debated by this Assembly, and which forms the fundamental part of the General Revenue Fund. That's what's in front of the people of Alberta. That's where our response is clear, and that's why this plan, which is a three-year plan to reduce our expenditures down to 2 percent, will ensure that any revenue pickup that takes place goes right to the deficit. It can't be spent. That is why this example is so new to Canada. It certainly is new to the member across the way. These people know nothing about controlling spenders; they know about how to spend.

#### **NovAtel Communications Ltd.**

*(continued)*

MR. DECORE: Mr. Speaker, I wish to file three documents. The first is the interest invoice sent by NovAtel to GMD Partnership dated May 26, 1992. The second and third are promissory notes signed by GMD Partnership on June 17, 1992; that is, GMD Partnership to NovAtel. GMD Partnership was to pay \$225,000 as interest payments to NovAtel on May 31, 1992. Instead of paying that money, instead of collecting that money, NovAtel took two promissory notes in that amount from GMD Partnership. In other words, more financial benefits were extended from NovAtel to GMD Partnership. My first question is to the Treasurer. Last week the Treasurer told the people of Alberta that the government of Alberta was in a collection position; that is, they were going to collect moneys in these U.S. NovAtel operations. I'd like the minister to explain and reconcile how he can talk about collection one day and almost simultaneously authorize or be part of an authorization that allows NovAtel to extend more financial benefits to GMD Partnership.

2:50

MR. JOHNSTON: Mr. Speaker, what I said was that North West Trust was in a collection mode, and that's exactly the case.

MR. DECORE: Well, Mr. Speaker, that's not what he said. Clearly, if you look at the record, that's not what was said.

My second question is to the minister responsible for NovAtel. Mr. Speaker, NovAtel has given \$5 million to GMD Partnership. GMD, by its own admissions, say that they need \$150,000 per month just to keep their operations going. I'd like to know how many more promissory notes the minister has authorized NovAtel to take from GMD Partnership.

MR. STEWART: Well, Mr. Speaker, the GMD account that the hon. leader refers to was one of the three accounts that was in default at the time that we had to take NovAtel back and take over the systems financing portfolio. That particular account, one of the 78 in total that are outstanding and one of the three that was in default at that time, is currently in the stages of settlement. Through the management of North West Trust we would hope that a satisfactory settlement will take place, with the bottom line being that the maximizing of the recovery is the chief and final objective with respect to the management by North West Trust.

MR. DECORE: Mr. Speaker, I asked how many more promissory notes are being authorized by the minister. He hasn't answered that. Maybe I can put it another way. I'd like the minister to tell the people of Alberta what the upper limit is in terms of further financial benefits that he and his government intend to give NovAtel to give to GMD or whoever in the United States. What is that upper limit, Mr. Minister?

MR. STEWART: Mr. Speaker, I've indicated in the House and outside the House previously that the entire portfolio situation was very carefully assessed and reassessed and extra precautions taken. I can tell him that there's no indication whatsoever that the provision with respect to any losses and with respect to any commitments had not been taken into account fully when we gave the numbers that were provided at the time of the announcement. In other words, we do not anticipate any amount over and above the \$566 million total cost to the taxpayers that was indicated at that time.

MR. SPEAKER: Perhaps the member who asked the question will refer to *Beauchesne* 416, please and thank you.

Calgary-Bow.

#### **Teachers' Retirement Fund**

MRS. B. LAING: Thank you, Mr. Speaker. My questions are for the Minister of Education today. I understand that the Alberta Teachers' Association has voted to accept an agreement for both the teachers' and the provincial government's contributions to the Teachers' Retirement Fund to be increased. My questions are these: will these increased contributions be sufficient to eventually make up the unfunded liability in the Teachers' Retirement Fund, and how long would this take?

MR. DINNING: Mr. Speaker, I can advise members of this Assembly that yesterday the teachers, through their emergent representative assembly, endorsed and ratified an agreement between the government and the executive of the Alberta Teachers' Association such that teachers and government will equally share in the full cost of the current service costs associated

with their plan, approximately 6.55 percent of payroll paid by both government and by teachers. Additionally, there will be a surcharge paid by teachers and by government to pay off the accumulated unfunded liability no later than the year 2060. It's a 65-year agreement.

Mr. Speaker, the agreement ensures that there be no addition or no increment to the existing unfunded liability, that those current service costs be fully paid for, and that over that period of 65 years we will gradually pay down jointly between teachers and government the accumulated unfunded liability. The bottom line is that we have an agreement to ensure the security of teachers' pensions, and it also is security for Alberta taxpayers.

MR. SPEAKER: Calgary-Bow, supplementary.

MRS. B. LAING: My supplemental is to the same minister. Does this complete negotiations between the provincial government and the Alberta Teachers' Association on the Teachers' Retirement Fund, or are there other issues outstanding which still remain to be resolved?

MR. DINNING: Mr. Speaker, in my view this puts to rest an issue that has been of real concern to teachers, to the association, I know to all members of this Assembly. It puts that issue to bed and gives that security to teachers across this province, existing and future teachers, and ensures that the taxpayers are also protected. I think it's an incredible effort on the part of both government and teachers in these difficult financial times to be able to come to this kind of an important agreement. On behalf of all taxpayers I am glad, frankly, that the teachers saw fit to ratify this agreement at their meeting yesterday.

MR. SPEAKER: Calgary-Mountain View, followed by Westlock-Sturgeon.

#### **By-election in Calgary-Buffalo**

MR. HAWKESWORTH: Thank you, Mr. Speaker. There's been a vacancy for Calgary-Buffalo since late January. Will the Deputy Premier commit that the by-election will be conducted under the Election Act, which currently requires the writ to be issued and the by-election called by this coming Friday? [interjections]

MR. HORSMAN: Mr. Speaker, the hon. leader of the Liberal Party doesn't want to hear a simple answer. Yes, we will commit to conducting the election for that seat under the current Election Act.

MR. SPEAKER: Supplementary question.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I appreciate the straightforward answer.

Given the high percentage of tenants in Calgary-Buffalo and given that this government has finally run out of time having to face the voters, will the Minister of Consumer and Corporate Affairs now inform us, after four years of pressure and foot-dragging, if they are finally going to announce long overdue changes to the Landlord and Tenant Act?

MR. SPEAKER: No, I'm sorry. That just doesn't fit. Westlock-Sturgeon.

#### **Alfalfa Processing**

MR. TAYLOR: Thank you, Mr. Speaker. I was quite prepared to wait for an answer too.

Cabinet recently gave approval to the Alberta Agricultural Development Corporation to give a little in excess of \$2 million in loans to three alfalfa dehydration processing plants. Mr. Speaker, these plants rely on making a profit through having the Crow benefit paid to them. If the Crow benefit goes, the profit goes. I'd like the Minister of Agriculture to explain whether or not it's contradictory to be arguing for pay the farmer, pay the producer, and at the same time granting loans to the alfalfa industry which depends on retaining the present Crow rate.

MR. ISLEY: Mr. Speaker, I would be pleased to respond. The hon. Member for Westlock-Sturgeon seems to feel that the only market for alfalfa products is the export market. As the industry changes, as the demand for consumption increases on the prairies, alternate markets will obviously develop and that sector of the industry, I think, will continue to grow and prosper.

MR. TAYLOR: Mr. Speaker, it's this type of economics that allowed NovAtel to run away. I mean, right now about 80 to 90 percent of the alfalfa pellet industry is exports. Suddenly the minister is going to develop some sort of an animal out there that's going to start gobbling it all up locally at better prices. What kind of logic or what kind of research is the minister relying on to come up with this fantastic conclusion?

MR. ISLEY: Mr. Speaker, it appears to me the hon. member is saying that we should not value add on the prairies and ship out the ultimate in value-added products as opposed to partially processed products. That is not the principle that this government or this department is operating on. The whole idea is to take out the distortions to include as much value adding on the prairies and to base industries that will respond to the true marketplace as opposed to artificial distortions made by governments.

MR. SPEAKER: Athabasca-Lac La Biche.

#### **3:00 Water Quality in Northern Rivers**

MR. CARDINAL: Thank you. Mr. Speaker, my question is to the hon. Minister of the Environment. The Assembly is no doubt aware of the \$12.3 million northern river basins study on the Athabasca, Peace, and Slave river basins, a project that will award about 70 different contracts to different companies, a good economic base. The House River that feeds into the Athabasca River upstream from Fort McMurray had an oil spill this past weekend. My question to the hon. minister is: is the hon. minister's department aware of this, and if they are, what have they done about it?

MR. KLEIN: Well, that doesn't relate specifically to the northern rivers study. It relates in part to that particular study which is looking into pollution from all industrial sources along the Peace and the Athabasca rivers and the tributaries to those two river systems.

With respect to the specific incident yesterday, there was a rupture in a pipeline at the House River crossing at approximately 12:30 in the morning. The leak was initially detected by pressure sensors and confirmed visually at 2 o'clock in the morning. Three oil spill containment and recovery units were moved on site immediately, and the cleanup commenced. The situation as we know it now is completely under control.

MR. SPEAKER: Supplementary.

MR. CARDINAL: Thank you. My final supplementary, Mr. Speaker. The northern river basins study was announced in February of 1992. I'd just like the Environment minister to give us a basic progress report on this particular project that's very, very important for northern Alberta and the territories.

MR. KLEIN: The northern rivers study board is well into their mandate. A meeting was held recently in Fort Chipewyan with all parties including representatives from B.C. Hydro. We're finding that one of the biggest problems we're facing relative to the rivers in the north, particularly as it pertains to the Peace River, is not so much pulp mills and other industrial operations but the effect that the Bennett dam in British Columbia under the NDP government is having on the Peace River and how that dam is really depleting the quality of Lake Athabasca. That causes this government some tremendous concern. This is one of the key issues now being addressed by the northern rivers study board.

MR. SPEAKER: Edmonton-Kingsway.

#### **NovAtel Communications Ltd.**

*(continued)*

MR. McEACHERN: Thank you, Mr. Speaker. I'm filing four copies of a billing statement from a law firm which represents GMD Partnership. This statement shows that GMD is way behind in paying its mounting legal bills and owes over \$81,000 as of June 5, 1992. To the minister responsible for NovAtel: given that GMD is so cash strapped that it can't even pay its legal bills and given that the government has agreed to lend GMD another \$224,000, how can the minister justify allowing GMD to use Alberta taxpayers' money to pay their legal bills to a U.S. law firm?

MR. STEWART: Mr. Speaker, again I would state that the matter of this particular account is under review, is being managed by North West Trust.

As a matter of fact, may I just interject here that when the hon. leader of the Liberal Party raised the same case, I indicated that the company was in default. Now, it has been one of the problem accounts - we've acknowledged that - but technically it may not be in default. A commitment was given. Less moneys have been advanced because of that commitment.

All I can say to the hon. member is that if he has information or feels that matters should be particularly taken into account by the Auditor General, which I am sure he will in any event, then let him provide the information to the Auditor General and that will be looked into in due course.

MR. McEACHERN: I guess the minister is just saying that it's another example of normal business practices for NovAtel, right?

Given that NovAtel provided over half a million dollars to GMD Partnership in March of '92, less than three months ago, and is apparently committed to providing hundreds of thousands more by the end of June, how can this minister justify his earlier statement, that he made again just now, that GMD financing is not in default? The only reason it isn't is because of NovAtel throwing good money after bad to keep it afloat.

MR. STEWART: Mr. Speaker, the matter of this particular account will be dealt with just as fully as it possibly can. All information is being put out there. Nobody is hiding anything. We're saying to the Auditor General: please look at all of this. Quite frankly, I believe that the people of Alberta want some

answers and they want them quickly, and we want them to have those answers quickly from an independent review. I think that the people of Alberta are sick and tired of the type of half-truths and innuendos and so on that are coming from their side. The people of Alberta want those answers, the government wants those answers, and the Auditor General will provide those answers.

#### **Heavy Oil Upgrader**

REV. ROBERTS: Mr. Speaker, last Friday I asked the Premier if he would see to it that the Minister of Energy released full details regarding the status of the \$400 million that has been pumped into the Husky upgrader by the Getty government. When I asked specifically about the release of the agreements for the cost overruns and the operating agreement, the Premier replied, and I quote, "That's already been done." Will the Minister of Energy, therefore, today confirm the Premier's contention that the negotiations involving hundreds of millions of taxpayers' dollars in Husky have concluded and release the ownership and operating agreements today?

MR. ORMAN: Mr. Speaker, as the hon. member knows, the full terms and conditions of the deal between the province of Saskatchewan, Husky, the government of Canada, and the province of Alberta were part of the communications package when the deal was made. As soon as the Saskatchewan government lives up to their end, we'll give full disclosure of that information.

REV. ROBERTS: Mr. Speaker, as all Albertans know, the initial agreement said nothing about \$300 million in cost overruns nor the fact that the auditor general of Saskatchewan has told them to write down their investment because it's going to be 25 years before it shows any profit for the people of Saskatchewan. Given those pieces of information, will the Minister of Energy outline exactly how a megaproject of this size can go into operation, as it's to do today, with no operating agreement, no agreement about the cost overruns, and with 400 million taxpayers' dollars still at risk?

MR. ORMAN: Mr. Speaker, the operating agreement was completed on Friday.

MR. SPEAKER: Edmonton-Gold Bar.

#### **Social Assistance Client Confidentiality**

MRS. HEWES: Thank you, Mr. Speaker. It's clear that these social allowance client reporting cards aren't working. Among many complaints is the serious breach of confidentiality where cards containing very private information are sent to the wrong party. These are real people who are very vulnerable, and they're being treated with little concern and as if they have little value. My questions are to the Minister of Family and Social Services. The fact that cards containing very personal information are being sent to a third party is a very serious matter. What has the minister done to correct it?

MR. OLDRING: Mr. Speaker, the Member for Edmonton-Gold Bar knows that we're going through some very significant changes within the department, some of them changes that those members actually called for. As part of that process, we have introduced across the province of Alberta the client reporting card. Contrary to what that member would have us believe, it's going extremely well. We have asked some 85,000 individuals to fill out these cards. For the most part they've been able to do it on a timely

and reasonable basis. I note that the member has a copy of one. She can see for herself that the information is not that difficult, nor is it unreasonable to ask for it.

It is regrettable that through the implementation process we did have an incident where a clerical worker stuffed the wrong card into the wrong envelope. Although that shouldn't happen and they practise a great deal of due care and attention in doing this, Mr. Speaker, nonetheless in one instance out of the 85,000 client reporting cards that have been sent out, that did occur. We're taking every step humanly possible to see that it doesn't occur again.

**3:10**

MRS. HEWES: Mr. Speaker, if you can't guarantee privacy, the program shouldn't be operational.

Mr. Speaker, the so-called communications person for the department has dismissed the issue of sending confidential information to the wrong party by saying that it's not a big deal. Why does the minister allow Mr. Scott to trivialize such a serious issue? Does the minister think that this isn't a big deal?

MR. OLDRING: Well, Mr. Speaker, again, we take every precaution available to us. We recognize that client confidentiality is important, and we work very hard to respect that. We work very hard to provide services in a compassionate and caring and responsible and appropriate way. It's regrettable that this incident has occurred, but I would want to say that I very much appreciate the commitment that workers bring to their responsibilities within this department. They work hard to respect client confidentiality. They work hard to make sure that benefits are provided on a timely and appropriate basis, and this system is going to help them to do that. That's why we have implemented it. That's why we're making the changes that we are.

### Natural Gas Supply

MR. PAYNE: Mr. Speaker, over the past year there has been a significant shift away from long-term natural gas contracts to short-term deals. In response to this shift, compounded by low natural gas prices, our producers have increasingly delayed tying in their productive wells. Now Nova Corporation has raised doubts that Alberta has adequate natural gas supplies to fill both the PGT and Altamont pipelines to California, now planned for completion in late 1993. Nova further claims that it will need to spend about three-quarters of a billion dollars to expand its pipeline system or it won't be able to meet its own needs. Given Nova Corporation's concerns over its inability to meet peak day requirements in the cold weather seasons ahead and in view of a constituent producer's deep concerns, does the Minister of Energy not now feel that it is imprudent to allow these pipeline expansion projects to California to proceed?

MR. ORMAN: Mr. Speaker, the hon. member brings up a very critical point with regard to natural gas. As the member pointed out, Nova recently released a report that indicated that due to low prices and a lack of activity, under certain extreme weather conditions they may not be able to meet their peak day requirements. Over the number of years since deregulation we have emphasized prudent contracting, respect for long-term contracts, and a stable, predictable regulatory environment. Without that, whether it's in California or in central Canada, producers become nervous and will not replace their productive reserves.

I think it's a fair question, Mr. Speaker. It's a very fair question as to whether or not we should proceed with either pipeline project

or delay it at this particular time, because all of those concerns come into play: an unpredictable regulatory environment, low prices, and an attempt to subvert long-term contracts. This is why we asked the ERCB to review both the Altamont and PGT projects, and in that connection they should be releasing their report within the next couple of weeks.

MR. PAYNE: Mr. Speaker, as you and our colleagues in the Assembly are aware, our natural gas producers enjoy a continent-wide reputation for the reliability of their production and delivery commitments. Can the Minister of Energy reassure the Assembly that this industry reputation will not be jeopardized by this looming shortfall in our natural gas supplies?

MR. ORMAN: Mr. Speaker, the most important aspect in our ability to market gas in the United States and in eastern and central Canada comes from our ability to deliver gas under extreme weather conditions in Alberta. For instance, in the southwest U.S., and in Saskatchewan for that matter, extremely cold temperatures freeze wells over, and they are unable to produce gas in cold temperatures. Alberta producers have been able to expand their markets - 30, 40 years of natural gas sales into the United States and in eastern Canada for much longer - and it has been based on this predictability.

I can say that from where I sit, it appears as though the market is working right now. That is, this uncertainty in the marketplace has created uncertainty in the minds of the producers, and now supply could become tight. As I said earlier, the emphasis should be on long-term contracts and the respect for those contracts and not moving around long-term contracts to get short-term gas supply at cheap prices. In the end, those authorities that contract for short-term gas, spot gas, six-month contracts are going to be without gas if they're not careful. We have been emphasizing this for a number of years, and it's a very good caution for local distribution companies in Ontario and also for the electric company in California.

### Asbestos Hazards

MR. GIBEAULT: Mr. Speaker, my questions are to the minister of Occupational Health and Safety. In 1990, 55 percent of the workers who died in Alberta due to industrial diseases died due to exposure to asbestos. Last year, 1991, this figure increased to 75 percent of the workers who died due to industrial diseases, due to that same deadly substance of asbestos. So my question to the minister is: given that ongoing and increasing carnage due to asbestos, why has this minister still not, after over three years in the job, come forward with a much tougher asbestos regulation to protect Alberta workers?

MR. TRYNCHY: Mr. Speaker, for the past three years I've asked industry and labour to get together to bring forward regulations to control this, and so far they haven't seen fit to do it. I've asked them again recently to put an extra effort, and if they don't do it shortly, I'll probably put it in myself.

MR. GIBEAULT: Mr. Speaker, we expect leadership from this minister on these things, leadership.

Mr. Speaker, my supplementary to the minister is simply this: how many more workers are going to have to die in this province due to asbestos exposure before he gets off his hands and shows some leadership and introduces a tougher regulation for asbestos?

MR. TRYNCHY: Mr. Speaker, this minister believes in working with labour and believes in working with industry. I guess if I

were the NDP, I'd probably be a dictator, but that's not my style. [interjections]

MR. SPEAKER: Order.

MR. TRYNCHY: I guess they don't want to hear the answer, so I won't provide it.

MR. SPEAKER: Calgary-McKnight.

### Advanced Education Funding

MRS. GAGNON: Thank you, Mr. Speaker. One-fifth of grade 12 students in Calgary and Edmonton are returning students, and they're returning because there is no room in the postsecondary system. My question is to the Minister of Advanced Education. How can the minister accept the waste of millions of dollars of taxpayers' money as well as human potential caused by thousands of qualified high school students being turned away from our postsecondary institutions?

MR. GOGO: Mr. Speaker, I believe I shared with the House earlier that the province of British Columbia, for example, has some 700,000 more population, yet at the same time Alberta has 4,000 more university students than British Columbia. We have the highest participation rate in Canada. I can sympathize with those who frankly cannot get into the university training system. I would point out again that I don't think it's unrealistic at all to expect a 70 percent grade level in order to enter our system. There are seven community colleges throughout Alberta that have university transfer programs. So although the situation is tight with regard to access to university education, I do believe there's still space within the system.

MRS. GAGNON: Mr. Speaker, I wasn't talking only about university-bound students.

In any case, we know that the colleges and technical institutes and universities have all put forward a number of good proposals which would help alleviate the problem. Why is the minister refusing to consider these proposals and allocate resources to solve the accessibility problem?

MR. GOGO: Well, Mr. Speaker, I should point out that Alberta has at the moment the highest per capita funding of postsecondary education in the nation at some \$430 per citizen compared to about \$380 for any other province. Our commitment is there. The priority of this government is there. With respect to the 27 postsecondary institutions in Alberta, they share amongst the highest budget in Canada. I think it's important for hon. members to understand and to appreciate that the postsecondary system must absorb its role, too, with regard to total government funding. All I suggest is that institutions again review what they're doing, get the best value for their money. If and when additional funds become available, they would probably be allocated to the system.

MR. SPEAKER: Edmonton-Avonmore.

### 3:20 Maintenance Enforcement

MS M. LAING: Thank you, Mr. Speaker. My questions are to the Attorney General. Our office continues to receive calls from women complaining that the maintenance enforcement program is not working. Recently the Ontario government introduced legislation to provide for deduction of maintenance payments at the source of income. Thirty-six American states already have

this legislation, and the U.S. Congress has enacted a law requiring every state to have an automatic support deduction system in place by 1994. To the Attorney General: will he now move towards implementing a program of deduction at source?

MR. ROSTAD: Mr. Speaker, I'm aware of the program that Ontario has introduced, and we're monitoring it. There are some obvious differences between deduction at source and the garnishee method. I won't get into them in detail at this time, but we are monitoring.

MS M. LAING: Well, I hope that after monitoring this minister will act.

My second question is to the Attorney General also. Mr. Speaker, women are also suffering as arrears in child support payments build up. No penalty is levied against the noncustodial parent who fails to pay up, and arrears are often reduced or fully forgiven. Will the Attorney General now commit to changing the legislation to ensure that maintenance debts accrued by noncustodial parents are treated in a manner consistent with other debts?

MR. ROSTAD: Mr. Speaker, the predominant number of payments accrue from the Divorce Act, which is a federal Act. I'm more than happy to receive any representations and pass that on to the federal government.

I'd also like to point out to the hon. member on her opening comments that our maintenance enforcement system does not work, that the program is successful in excess of 66 percent of the cases. Those that don't are usually because you can't locate the person or in fact there are no assets to pursue. The garnishee system, as I mentioned, is quicker than the Ontario system, which requires a court order to in fact take funds from a bank account. Obviously, that would be preconditioned by the basis that the person would have an account or a job to take from, and those are the instances where you can't collect from anyone. So when you put our system vis-à-vis the Ontario system, I don't think you'll find that theirs is any more successful.

### head: Orders of the Day

[On motion, the Assembly resolved itself into Committee of the Whole]

### head: Private Bills head: Committee of the Whole

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: Order please. Order. It being the 22nd day of June, 1992, late in the session, the Chair feels that we should get down to work.

### Bill Pr. 9 United Farmers of Alberta Co-operative Limited Amendment Act, 1992

MR. CHAIRMAN: The Chair is advised that on Friday an amendment was distributed to the committee with regard to Bill Pr. 9, so the Chair gathers there is an amendment to present.

MRS. B. LAING: Mr. Chairman, on behalf of my colleague the hon. Member for Smoky River I would like to move the amendments to Bill Pr. 9, United Farmers of Alberta Co-operative Limited Amendment Act, 1992, which were tabled in the

Assembly on Friday, June 19, '92. These amendments will substantially amend this proposed Bill and allow the UFA Cooperative to hold the powers of a person, which are necessary to conduct their financial affairs. I would urge all the Assembly to support the amendment.

Thank you.

MR. CHAIRMAN: Is there any discussion on the amendment?

HON. MEMBERS: Question.

[Motion on amendment carried]

[Title and preamble agreed to]

[The sections of Bill Pr. 9 agreed to]

MRS. B. LAING: Mr. Chairman, on behalf of the hon. Member for Smoky River I move that Bill Pr. 9 as amended be reported.

[Motion carried]

MR. GOGO: Mr. Chairman, I move that the committee rise and report.

[Motion carried]

[Mr. Speaker in the Chair]

MR. SCHUMACHER: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills. The committee reports the following with some amendments: Bill Pr. 9. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

MR. SPEAKER: All those in favour of giving concurrence to the report, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried. Thank you.

head:

### Government Motions

#### Heritage Savings Trust Fund Investments

23. Moved by Mr. Gogo on behalf of Mr. Johnston:  
Be it resolved that this Assembly, pursuant to section 6(4.1) of the Alberta Heritage Savings Trust Fund Act, authorizes for the fiscal year ending March 31, 1993, the making of investments under section 6(1)(c) of that Act in
- (1) the Alberta Agricultural Development Corporation in an amount not to exceed \$50,000,000 in aggregate,
  - (2) the Alberta Opportunity Company in an amount not to exceed \$30,000,000 in aggregate, and
  - (3) the Alberta Mortgage and Housing Corporation in an amount not to exceed \$73,000,000 in aggregate.

MR. GOGO: Mr. Speaker, this motion obviously is essential in order that the investments from the Alberta Heritage Savings Trust Fund be authorized by the Assembly, and I would ask all hon. members to support Government Motion 23.

MR. HAWKESWORTH: Mr. Speaker, I'm quite surprised for a number of reasons. As far as I'm aware, we weren't advised

that the motion was up this afternoon, plus the minister himself wasn't even here to make it. [interjections] Well, I mean, I could have had some questions about Alberta Mortgage and Housing Corporation and would have been ruled out of order on anticipation.

#### Speaker's Ruling Anticipation

MR. SPEAKER: Order please, hon. member. The minister is here; the minister will be able to sum up on the motion. You have not been inhibited in any way to be able to ask whatever questions you wish.

Thank you. Carry on.

MR. HAWKESWORTH: Okay; I take your comments. I just find it surprising that we have things pulled here at the last minute.

3:30

#### Debate Continued

MR. HAWKESWORTH: Mr. Speaker, this is part of the ongoing motions that from time to time each year are presented to us on behalf of Crown corporations owned by the government of Alberta. Money year after year after year is provided to them, and of course this is part of the ongoing commitment that is being made from the heritage fund to these three in particular.

Now, I find it somewhat interesting that once again we're being asked to make investments to Alberta Mortgage and Housing Corporation, yet I was under the distinct impression from this government that Alberta Mortgage and Housing Corporation was no more; it was all rolled into Mortgage Properties Inc., MPI. I find it interesting that, on one hand, one year the Alberta government and the minister responsible come before the Heritage Savings Trust Fund committee, as he did last fall, to talk about getting rid of Alberta Mortgage and Housing Corporation, because whatever the reasons were, the government did not want to stay in the business of housing. This was something that they wanted to get out of. Now we turn around and here again we have another motion asking the Legislature to vote \$73 million to the Alberta Mortgage and Housing Corporation.

We're not getting much in the way of information from the Deputy Government House Leader this afternoon, so one has to turn to the Budget Address by the Provincial Treasurer. Remember that? That, Mr. Speaker, took place on Monday, April 13, 1992. In his budget speech there are a number of appendices, and one of them in the back has to do with the Heritage Savings Trust Fund. Here we get some information, although very, very sketchy. I get the impression here that there is sort of a contest going on between the Provincial Treasurer and the Deputy Government House Leader, if they can ask for a million dollars a word. You know, can they get \$73 million out of the Legislature by using less than 73 words in explanation? That might be what's up, because all we get out of the Provincial Treasurer in his budget speech is that it'll be \$73 million to "finance social housing program commitments and to refinance a portion of principal payments on previously issued debentures." Now, I find that rather curious. Here's the Provincial Treasurer in control of everything, on top of everything presumably, and what are we doing? We're voting money to pay off previous debt. They've got debt outstanding; they want to refinance a portion of payments on previously issued debentures, \$73 million: that's all of the information that we get.

Furthermore, Mr. Speaker, in order to sort of look to the program commitments in the budget book, what do we get from this government? We get \$31 million. That's all that's found here: \$31,700,000 is what's being requested here for actual

housing. In terms of the information, community housing, senior citizens' lodge regeneration, senior citizens' lodge additions, lodge construction – there's nothing there – self-contained housing, special purpose, rural and native housing, and land: all of that, \$31 million.

[Mr. Deputy Speaker in the Chair]

I guess one just has to presume, then, that \$42 million – you take the \$31 million, subtract it from \$73 million, and we get \$42 million – is going to be used to refinance principal payments on previously issued debentures. Now, I find that to be a strange way of doing business, Mr. Speaker.

We've had lots of examples in this province over the years of financial institutions. You know, their debts, their loan portfolio is in deep trouble, and so they use all kinds of provisions, all kinds of accounting practices, all kinds of refinancing schemes, Mr. Speaker, to avoid recording a loss or taking a write-down. So in the absence of any explanation from the Provincial Treasurer about what the \$42 million might be used for, one has to wonder what's going on with the financing of Alberta Mortgage and Housing Corporation to refinance principal payments on previously issued debentures. It sounds like he learned something from his friend and from all the other people that used to work for Don Cormie about how you just circulate money from one pocket into the next, and by so doing you sort of make your books look better than they should. You know, you just keep the money flowing, and as long as the money's flowing, the stack of cards won't come tumbling down.

I think the Provincial Treasurer owes something more to the Assembly than some simple comment that they're refinancing a portion of principal payments on a company that ostensibly they've sold and gotten rid of. They moved their portfolio over to Mortgage Properties Inc., and Alberta Mortgage and Housing Corporation was no more. So far as I know, all the employees were moved over to Municipal Affairs and Alberta Mortgage and Housing was gone, kaput, finished, and yet we have \$73 million here, the bulk of which, the majority, is going to nothing other than refinancing debt.

Now, I also find it interesting, Mr. Speaker. We've had lots of discussion here in the last few months about the needs of senior citizens in our province, the needs for housing and the cutbacks that have been announced in this year's budget. Let's just take, for example, senior citizens' self-contained housing. According again to the information provided to the Assembly by the Provincial Treasurer during his budget debate – page 49, table B3 spells out some of this information – in 1991-92 the estimate called for the government to spend a little over \$7 million on senior citizens' self-contained housing. Wouldn't you guess? Demand was right up there, and this government actually spent \$7,100,000 for senior citizens' self-contained housing, according to the information provided by the Provincial Treasurer.

**3:40**

But given that demand, what do we find in this year's budget? Two and a half million dollars. Now, if the demand was there last year to fully use up the money that was voted, how can the Provincial Treasurer and the minister responsible for Seniors now allege in this Assembly, as they have in the past few months, that the demand is off, that senior citizens don't want self-contained housing anymore, that the budget has been cut because the demand has been cut. Well, that doesn't make any sense at all. If the demand was down, presumably it would have shown up in last year's budget. They wouldn't have spent all the money that

was budgeted if demand was down. But demand was up there, Mr. Speaker, such that they fully spent over \$7 million for senior citizens' self-contained housing. Now they have the audacity to claim that because senior citizens don't want it, they've cut it out of their budget. Well, senior citizens voted with their feet last year by making these applications and making these demands on the government. It makes no sense whatsoever that they would slash it by close to two-thirds, down to about a third of what it was.

Now, here's another one, Mr. Speaker. Senior citizens' lodge regeneration: last year the estimate was \$15 million for that, but the forecast was something different than that. It was \$17.7 million. Well, given this experience, what has the Provincial Treasurer done? Again, slashed it in half. This year the budget calls for only \$8.6 million to be spent on senior citizens' lodge regeneration. The story is the same or similar when it comes to the lodge additions. Well, these are accommodations that meet the needs of Alberta seniors, special needs that they have in the latter years of their lifetime of service and work in this province. Over the years this government, as have all governments across Canada, has made it a point to ensure that those people live out their years in dignity, and if they have special housing needs, special physical needs, those are provided through, in Alberta's case, lodges as well as self-contained housing. Those needs are not going away; they're getting greater.

There are more and more seniors in our province, and they're living longer. So when we see the budget for housing, especially for our seniors, one has to ask: why is it being slashed so dramatically? Is that fair to Alberta's seniors, especially after the cuts in some of the health programs last year? You know, last year it was health cuts; this year it's housing cuts. That's no way to be treating our senior citizens, especially after all the promises that were made in the last election about how seniors were going to be this government's number one priority, all the things that they were going to do for Alberta seniors. Now at the point when it's our time, our place to do something about it, to vote money out of the heritage fund for the people we owe so much to for our heritage, when it comes to housing for seniors, we see big cuts from this government. I don't think that's fair, Mr. Speaker.

Now, perhaps if the Provincial Treasurer had made some opening comments at some time in defence of this motion, he might have talked about community housing. There we see an increase. There's no doubt about it; this government over the last couple of years has slashed community housing to the bone. If memory serves me correctly – and I stand to be corrected; this is now going back over a year – last year this government's estimate was that they were going to build 89 community housing units in all of Alberta. The reason that sits in my mind from a year ago is that that was about one unit for every seat in this Assembly. If that 89 were divided, there would be one in every MLA's riding across the province. Well, that obviously was totally unrealistic, totally out of whack with the needs of Albertans, the need for good, safe, sanitary housing at a price that they can afford. That's what community housing is supposed to be all about. Well, last year that budget was \$5 million, Mr. Speaker. This year it's \$11.4 million.

There's a real, crying, desperate need for this kind of housing in our province. This government has responded halfheartedly, I guess, by somewhat doubling the amounts available, which means that instead of the 89 from last year they might have enough money for maybe 200 units of housing across the province. Again, if memory serves me correctly, going on the announcement last year and the budget figures in front of us, a jump from \$5 million to \$11 million would indicate to me that there would

be about 200 units of community housing available across the province. Well, that is also a pathetic response to a housing crisis in our province. There's no shortage of people desperately seeking accommodation that they can afford. In the absence of that kind of housing, they're forced in some cases to accept unfit housing, what ought to be uninhabitable housing in some cases, or in other cases they're spending a high percentage of their meagre income on housing costs.

So the Provincial Treasurer might have said, if he had made some opening comments, "Well, we're putting our housing money into community housing this year," which sets up two groups of Albertans in this situation where they're cutting money that should be going to the housing needs of Alberta senior citizens and transferring it into another pot for another group of Albertans who are facing a desperate housing situation. The problem, Mr. Speaker, is that there are more people with greater housing needs this year than the government acknowledges and the government is providing for, and that's where I feel that this government's request is out of line. They're not addressing the real housing needs of Albertans.

Mr. Speaker, what's even more unbelievable or incredible about all of this is that at a time when this government is denying money for housing, for the real needs of ordinary Albertans, the bulk of their spending is going not even to pay off debt; it's going into some revolving financial arrangement where they use some \$40 million to pay off existing debt. So they're not paying off the debt; they're replacing the debt. They're just refinancing a portion of principal payments on previously issued debentures. The bulk of the housing budget isn't even going to housing; it's going to finance something which the Provincial Treasurer doesn't give us any information about. It's going to refinance loans to Alberta Mortgage and Housing Corporation, which presumably doesn't exist anymore because this government, so far as I know, was dismantling Alberta Mortgage and Housing Corporation and transferring its assets over to another company.

**3:50**

So I find this all rather strange and certainly not defensible on any rational basis. If it were defensible, I would have thought that the Provincial Treasurer would have spent some time talking about it when the motion was introduced earlier this afternoon. He could have given the Assembly and given all Albertans some explanation, some details behind this \$73 million request, but that's not to be. Perhaps the Minister of Municipal Affairs will get in on this at some point and ask the Legislature for this \$73 million by giving some explanation of what that would be used for and why it's required. Or perhaps the minister responsible for Seniors could once again regale us about how senior citizens are not applying for housing any longer from his ministry, and so they've cut this money back because the senior citizens aren't asking for it. Well, I didn't believe it when the minister for seniors earlier gave that explanation some weeks ago in answer to questions from the Leader of the Opposition. I wouldn't believe it again if you were to use that same lame excuse.

Now, Mr. Speaker, the matter of special purpose housing is another one here that I have some interest in. The budget book indicates again on page 49 that the corporation "I presume that's Alberta Mortgage and Housing Corporation - "will support \$12 million of privately financed social housing targeted to special housing needs." Now, it's not clear to me whether that's some reference being made to a rent subsidy program. As you know, there has been a rent subsidy program in operation for some time, for a couple of years here, under the provincial government. It's not clear to me whether this \$12 million refers to rent subsidy or

whether it refers to something else. Perhaps it's an amalgamation of special purpose housing, some of the community housing, the rural and native housing, and perhaps the land components all being rolled in here to come up with a \$12 million figure. I don't have any idea. The information this government provides is so vague and often written with the purpose to falsely communicate a certain impression different from what the reality really is, so it's hard to sort of sort through the words and get to the meat and the truth of it.

I'm wondering why this year special purpose housing has dropped to \$5.6 million. I find that last year, for example, the estimate that was voted was \$2.7 million. The forecast came in at \$11.5 million. Now, I don't begrudge the Alberta government spending money like that if the needs are dictating how they spend money, but that seems to me to be out quite a whack, from \$2.7 million to \$11.5 million. That's almost five times, a 500 percent difference between the estimate and the forecast. That's a huge discrepancy. No explanation was given by the Provincial Treasurer in addressing this particular motion as to what the experience was last year in special purpose housing, why there was that big difference, and, consequently, why only \$5.6 million this particular year. For example, the 1990-91 even as to the actual makes the picture even more unclear. In 1990-91 this government spent over \$17 million on special - I'm sorry; on rural and native housing. I apologize, Mr. Speaker. I need bifocals. I can see that my eyes have slipped from one line to the next for special purpose housing. The amounts I've been quoting are for rural and native housing instead of special purpose housing. I apologize for that discrepancy. But the points remain the same, that in 1990-91 the actual figure was \$17 million, and the following year it was \$2.7 million. The '91-92 forecast ended up being 11 and a half million dollars, and now this year they're only estimating \$5.6 million.

That, Mr. Speaker, gives an impression of wildly out-of-touch sorts of forecasting, as well as wildly out-of-touch budgeting. Why are these numbers going way up and way down and way out of sync with one another? Surely there needs to be a commitment made here to rural and native housing, and it should be in tune with some overall strategy and programs. So these kinds of wild fluctuations from year to year are totally inexplicable.

Now, as far as special purpose housing goes, Mr. Speaker - and I've got my fingers on the right line here - last year over \$5 million was budgeted for that and over \$5 million was actually spent, indicating that there was significant interest or take-up in the amount set aside for special purpose housing. This was after the 1990-91 actual that budgeted \$600,000. A huge increase last year, in percentage terms at any rate, all taken up, but now a cutback to only \$800,000 in the current year. I don't understand, again, this wild fluctuation that obtains from one year to the next in terms of budgeting or in terms of actual expenditure. No explanation from the Provincial Treasurer as to how these figures are arrived at, what the experience was, why this big change from year to year. So special purpose housing, rural and native housing, it's a very similar pattern here, and I would like some explanation from the Provincial Treasurer. If he wants \$73 million out of the Assembly, why have they not been able to do better than that?

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Kingsway, followed by Westlock-Sturgeon.

MR. McEACHERN: Thank you, Mr. Speaker.

MR. TAYLOR: Mr. Speaker . . .

MR. DEPUTY SPEAKER: The Chair recognized the hon. Member for Edmonton-Kingsway. He was on his feet first.

MR. TAYLOR: Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: Order please.

MR. McEACHERN: I'll let him go first.

MR. TAYLOR: No, no, no. I'm sorry.

4:00

MR. McEACHERN: There are a number of things I want to say about this motion, Mr. Speaker. The Treasurer is back on his perennial question: asking the House to approve money for the three Crown corporations in the Alberta division of the heritage trust fund that have been losing money ever since 1981. The first one he's asking money for is the Alberta Agricultural Development Corporation: "in an amount not to exceed \$50,000,000 in aggregate." That's about usual, although the figure has gone up and down from that number in different years. The second one, the Alberta Opportunity Company: "in an amount not to exceed \$30,000,000 in aggregate." That's a little high for the Alberta Opportunity Company, but it's often been over \$20 million before and as high as \$40 million, I believe, in some years. Third, the Alberta Mortgage and Housing Corporation: "in an amount not to exceed \$73,000,000 in aggregate." If you add them all up, that's \$153 million the Treasurer is asking us to okay from the heritage trust fund - I guess you can only call them expenditures; I think he calls them "investments" - into these three losing Crown corporations.

It's rather interesting that he calls them investments. They are in a sense, in that the debentures that are issued will command a rate of interest and that money will be paid back to the heritage trust fund. So if you take the heritage trust fund in isolation and look at that as an investment, it's like any other investment and should actually make money. Yet you and I and the taxpayers of this province all know that it's going to go into three Crown corporations which the taxpayers own through the heritage trust fund, quite frankly, having done this year after year after year and having funded these particular Crown corporations, and so we are really paying it back to ourselves and running the money around in a little circle. What that does, Mr. Speaker, is a rather odd thing to the books of the province. It allows the Treasurer to stand up and brag that we're getting 1 and a quarter billion dollars from the heritage trust fund every year. Every year about \$300,000 to \$400,000 of that comes from these three Crown corporations, which we all know are losing money every year. It's the most extraordinary little circle of passing money around from the Treasurer's left pocket - let's say the heritage trust fund pocket - into the Crown corporations, the Crown corporations pay it back to the heritage trust fund, and then the heritage trust fund puts the money into the Treasurer's right-hand pocket, and the Treasurer says: "Gee, look; I'm making more money with all this money from the heritage trust fund. Isn't this wonderful?"

So this silly little triangle that the Treasurer has developed - I've often asked the Auditor General why he tends to spend so much time complaining about how the Treasurer handles the deemed assets. He took a little less time this year. The whole world knows that the Treasurer is now the only person in the world who thinks that the deemed assets are somehow part of the \$15.3 billion that he claims is in the heritage trust fund. Everybody else knows that the financial assets are around \$12 billion. The deemed assets are not supposed to be counted because the

Auditor General has made such a point of saying that year after year after year. The other day I thought he had even Dick Johnston convinced, until he stood up in the House and said otherwise. The Treasurer of this province said: no, no; there's still \$15.3 billion in the heritage trust fund.

I say to the Auditor General and to the Treasurer of this province: when are you going to sort out this other mess with these three Crown corporations and get the books organized in such a way that the people of Alberta have some kind of understanding of what's really happening with the finances of this province? Clearly, it's a circular passing around of money in a way that's totally confusing to the population of the province. Nobody really believes the Treasurer anymore when he says anything about the budget. In fact, he brought in the Spending Control Act, Bill 36, the other day. In it he lists those things that will be counted, and guess what, Mr. Speaker? These three expenditures, if you wish to call them that, are not going to be counted as part of the budget that's under the control of his spending limits. Another year, in other words, he might come back and ask for twice as much and not have to worry about the 2.5 percent increase allowed this year, 2.25 next year, and 2 percent the year after. It has no effect on this particular expenditure, and it is an expenditure.

I want to spend a few minutes on the Alberta Mortgage and Housing Corporation. If you look at the last financial statement we have for the heritage trust fund, you'll find that the Agricultural Development Corporation had about a billion dollars of investments in the Alberta division of the heritage trust fund. That doesn't particularly change in the Treasurer's projections for March 31, 1993, but what does change very, very significantly is the Alberta Mortgage and Housing figure.

On March 31, 1991, the Treasurer said that there was \$2.1 billion in the Alberta Mortgage and Housing Corporation from out of the heritage trust fund. That was down from \$2.9 billion the year before. Now, he projects in his budget book for 1992 that by March 31 of 1993 the amount in the Alberta Mortgage and Housing Corporation will be \$1.6 billion. That's a significant drop, although I suspect that it's not the whole picture, because what the Treasurer tends to do in his address in projecting the heritage trust fund revenues is he doesn't really tell us what he's going to do in the current year of the budget; he tells us what happened last year. So I suspect that his figure of March 31, 1992, would be a more accurate figure to say what he shows in this statement.

In any case, what it does make clear is that the Alberta Mortgage and Housing Corporation is dropping in value rapidly. The Treasurer of course puts this forward as a good thing, as does the Minister of Municipal Affairs, saying that they are rationalizing the investment in housing and particularly single-family housing recently. They have also been rationalizing since 1981 the incredible debt load incurred in the Alberta Mortgage and Housing Corporation when the real estate market collapsed in 1981, and that's what's been going on for the last 12 years. We have seen the government pump into Alberta Mortgage and Housing year by year often as much as \$200 million and even \$300 million a year to make up for some of the shortfall, some of the losses of the company. We have seen them build up the amount of money that Alberta Mortgage and Housing has been allowed to carry on their books up to the neighbourhood of \$600 million. We have seen them every year write off anywhere from \$150 million to \$300 million in bad debts.

So, Mr. Speaker, we have seen the biggest boondoggle of all boondoggles, probably bigger even than NovAtel, although NovAtel is more obvious and more ridiculous in the concentrated

way in which we're seeing it. Alberta Mortgage and Housing has been an incredible mess that this government created. In the late '70s and early '80s they ran around the province buying up land all over the place at inflated prices and became by far the biggest landowner in the province, and it's mostly those losses that have been the reason for the gradual write-down of the value of the portfolio of the Alberta Mortgage and Housing Corporation.

We have said all along that instead of financing Alberta Mortgage and Housing this way, through the heritage trust fund and having this circular financing arrangement that the government has built up, to the extent that it provides seniors' housing and low-cost housing, Alberta Mortgage and Housing is a worthwhile social program that this party is quite willing to support and in fact probably more generously even than the government. We would not mind if the government spent that money under the Department of Municipal Affairs, where it belongs, and said straightforwardly to the people of Alberta, "Here is this program, and it's going to cost us this much money each year." That's where it should be, and that's how it should be financed. Anything else is just a charade to cloud the books and cover up the mess.

You know, it's really interesting that the Auditor General finally persuaded the Treasurer this year – and it held up the public accounts for about five months. Well, that's what the Treasurer claims. Actually he's been releasing the public accounts later and later each year, trying to get them closer and closer to the time when he brings in his budget so that the population of Alberta has three budgets all at once to try to comprehend and it keeps everybody confused about what's going on. In any case, he claimed that the Auditor General was refusing to sign the public accounts and that's why he didn't put them out in October or November. He held them over right until the Friday before he brought in his budget, which I believe my colleague said was on April 18 this year. In any case, finally the Auditor General persuaded the Treasurer that he should account for losses when they occur.

#### 4:10

Now, certainly Alberta Mortgage and Housing has had more than its fair share of losses that should have been accounted for further back. What the Treasurer did, I believe as a countermeasure to the Auditor General's suggestion, was to say, "Well, okay; we'll do that," although what he has preferred and has been doing is put forward as far as possible the accounting for any losses. That's been the program in the past. The Auditor General says, "No, they should be accounted for the minute you know that they're going to occur." So the Treasurer said: well, okay, if we're going to do that, then we're going to take, for instance, all of the losses since I became Treasurer and Don Getty became Premier, and we're going to put all those losses back into the years in which they were first known to the government.

Now, I think that's totally unfair and quite ridiculous, Mr. Speaker, because while it's okay to change accounting principles, you change them from the year forward when you change them, and you explain to people how the books were a little different than last year's books. You might even rewrite last year's numbers in the new book so that you can contrast what happened last year to this year; in other words, use the same terminology in both cases. Rather than have people trying to compare apples and oranges, you want the same procedures to be used so that you can make the comparison to last year when you see this year's numbers.

So I would have understood if the Auditor General and the Treasurer had decided to present this year's public accounts –

now, this year's public accounts really means the 1990-91 budget year, right? If they had changed the year before that's numbers also to conform to the new accounting procedures, I would have understood that and said that's a good thing to do. But the Treasurer wasn't satisfied with that. He said: we're going to project these losses right back to when we first knew about them. So we have the rather ridiculous situation of accounting for the losses in the credit unions right back to 1985-86, a year in which there was a balanced budget, and it now has a \$700 million loss for that year, totally upsetting all the figures for the last six years that this government has been in power. Of course, the Treasurer sees that to his advantage because it means it's going to shove a lot of numbers that are going to affect budgets last year, which still haven't been accounted in public accounts yet, and this year and next year – he's going to take all those kinds of numbers and shove them back into previous years that people have already forgotten about.

If you carried that idea to its logical and ridiculous conclusion, you would take the losses in Alberta Mortgage and Housing Corporation and push them all back into the year 1981. You would do the same thing with AADC, and you'd do the same thing with Alberta Opportunity Company. Clearly that is nonsense. If you did that, I am sure that the 3 and a half billion dollars which was the investment in Alberta Mortgage and Housing when we were elected in 1986 would have had to have been written down back in '81, even before we were elected, to something in the neighbourhood of \$2 billion or maybe even less. Mr. Speaker, clearly that is sheer nonsense, and so I wish the Treasurer would quit messing us around with all these numbers and these weird ways of accounting for the dollars in this province.

What this financing of the Alberta Mortgage and Housing and AADC and Alberta Opportunity Company out of the heritage trust fund does is set up a circular system that just makes it confusing to everybody as to what's going on. You have no way to really check, particularly in the Alberta Mortgage and Housing one, how much of the money is actually lost due to purchases of land that should never have been made, how much is due to proper spending on seniors' housing and low-cost housing for people who can't afford very much for their houses. It leaves everybody wondering exactly what's going on because the dollars just chase each other in a circle. You just have to cut into it at different points and say, "Well, this is what we know is happening," but it still doesn't tell you the cost of those programs. The only person who really knows that is the minister. Sure, he puts out an annual statement each year and there is some breakdown, but it still leaves the overall picture confused when you try to claim that the companies that are losing money are making money.

Mr. Speaker, I don't understand why the Treasurer should come before this Assembly, put this motion on the Order Paper every year and say: if you don't agree to these expenditures, then you're against helping farmers through the AADC or helping small businesses through Alberta Opportunity Company or helping seniors or against low-cost housing for people with low incomes. We're not against those things. People on this side of the House would be more generous in those programs, I say, than the present government, but we would not waste so much money on the NovAtels and on the speculative land investments that they got into in the late '70s that caused the problem with Alberta Mortgage and Housing.

So the Treasurer, because he does not look after the dollars of this province properly, because he does not explain what's going on properly, has no right to ask this House for this money, and I for one am not willing to give it to him.

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

MR. TAYLOR: Thank you, Mr. Speaker. I notice the minister is not here, but I actually want to appeal more to his caucus than I do to the minister because I think I sometimes find fellow souls over there more often than in the front bench.

One of the things I want to touch on, because I don't want to get into the details that maybe later speakers will speak on, is whether we shouldn't be backing off now and looking at this whole area of supplying government moneys to mortgages, to farms, to businesses, to opportunity companies and taking the realization that if you look at the history of the capitalist system for the last hundred years, we're now moving into an era where banks – and there's a great deal of private money out there. As a matter of fact, interest rates – as you know, prime is down to 7, 7 and a half, and the Bank of Canada is at 6 percent. Now is the time when the government or any government, particularly one that likes to call itself conservative, should be taking a look at their whole card and wondering whether they should be in the financing business at all, of any sort, whether it's housing, farming, or anything else.

There's a lot of private capital out there, and maybe the government would be better off trying, through the means of maybe the odd little grant here and there or a tax incentive system, to get the private sector to put up the lion's share of the money. We should be putting our own money in it, and by doing that, we'd save ourselves a great deal of overhead. We'd get ourselves out of bollixes like NovAtel, because there will be others that will come along, and I don't care – this government is going to be the one that's going to take the brunt of that. I'm afraid that if we or any other party had the kind of money that this government tried to get rid of in the 1970s and '80s, we'd have made some awful boo-boos also. That doesn't give them an excuse to get re-elected again. Times have changed. At that time one of the things was that we had surplus money. We had money running out of our ears from the oil and gas and what the federal government had left us and what we had in our funds, so we set up these organizations, literally to try to push the money we were getting out. We had two choices. We could have done the Alaska choice and started saying, "Well, we'll distribute our largess amongst the taxpayers." But no, we said, "Maybe the taxpayers aren't smart enough to do it that way, or on the other hand we might cause too much inflation." Instead, we taxed or took the money away and then we went into the banking business.

All I'm saying now when I address this motion is that the government seems to be continuing to make the mistake. They're expanding, going into getting more money, going into doing more banking, more lending. I maintain that through the trust companies and the banking industry we now have out there, we have plenty of people to weigh the credit risk and to look at the responsibilities and the opportunities, whereas our bureaucrats and elected representatives – politicians are probably the last people in the world that are good investors. They have no business – nor do the bureaucrats they hire, who I don't think are that much better. The free, competitive interplay of a number of banking and trust institutions with the cheap money that we can now get should be the ones that should be taking over the sector.

What we should be doing is seeing Bills from this government on how to get out of business, not how to get into the lending business. I know, I know: your cabinet minister is measured by the number of employees he or she has. They in turn have a bunch of bureaucrats under them saying: "Go out and get some money. We can do this good and that good. We'll create this

many jobs, and we'll do this and do that." They're doing all sorts of wonderful things. All I'd like to do is get up and appeal to you backbenchers that when the cabinet comes up and starts asking for more money, you start saying, "Hey, fellows, there's lots of money out there; let somebody else supply it." We should be cutting back and getting out of business, not getting into business.

Thank you.

4:20

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Mill Woods.

MR. GIBEAULT: Thank you, Mr. Speaker. I have a few comments on Motion 23 as well this afternoon. In terms of Alberta Opportunity Company, I have to say that I have trouble voting for this allocation of funds from the Heritage Savings Trust Fund, because while we're being asked to approve "an amount not to exceed \$30,000,000," I wonder if we're really getting the bang for the buck out of AOC that we should be getting. I know that in my constituency of Edmonton-Mill Woods there are a number of enterprising people who've been very interested in trying to establish new businesses that would provide new services in the community and provide employment opportunities where we need them so badly in this time of high unemployment. I always thought that Alberta Opportunity Company was supposed to be the kind of agency that tried to support people who have a sound business plan but who were not able to get financing from the traditional lenders, the chartered banks and so on. Yet I'm not aware of many – in fact, I might even be able to say that I'm not aware of any – constituents who have applied for financial support or capitalization through Alberta Opportunity Company who have been successful.

So if Alberta Opportunity Company is simply going to conduct itself like the banks, then I have to wonder if we're really on the right track there, Mr. Speaker. As I said, the small businesses are the ones that create the new ideas and come up with innovative products and services and so on and are a boon to the economy. They are the people who get new ideas going, new services going, and as many of the reports and figures have shown, they are the ones that create most of the job opportunities in the economy. So in terms of Alberta Opportunity Company, it really ought to be very aggressive and show perhaps more initiative in trying to capitalize some of these new business enterprises. I think that if we were to do that, then I'd be more inclined to support it, but as I said, Mr. Speaker, it's difficult for me to do that and give my support to Motion 23 here this afternoon when my own experience with this agency and my constituents' experiences with this have not been very positive.

In terms of the housing allocation for Alberta Mortgage and Housing Corporation, Mr. Speaker, I would only say that I'd have to be a little more convinced as well in terms of the utility of the money we're being asked to allocate here. I know that in my own constituency I haven't seen very much in terms of what we could call social housing being supported and developed. We used to have a number of multifamily projects, co-operatives and one kind of housing development or another, but in recent years virtually all of the new development in my constituency has been very upscale, single-family housing, which is fine for those who can afford it, but a lot of those houses are going for \$200,000, a quarter of a million dollars, and more, and that's well beyond the ability of most people who work honestly for a living in our economy. So I think we need to get some assurance that this \$73 million is going to do something to meet the demand and the need for the low and modest income.

I haven't heard the sponsor of this motion, the Treasurer, tell us whether any of that is going to be targeted for co-operatives, housing co-ops. You know, Mr. Speaker, that the federal government has totally absconded and rejected its commitment to co-operative housing as a federal public policy. I would have hoped that the Provincial Treasurer would have been able to say something encouraging in terms of the provincial government trying to fill that void, because co-operative housing has been proven to be an extremely successful alternative housing mode. Several members of our own caucus here are or have been in recent years members of housing co-operatives and know how important they are as a component of the overall complement of housing stock.

So, Mr. Speaker, without some more explanations and assurances, I would have difficulty supporting Motion 23.

MR. MITCHELL: Mr. Speaker, I'm rising to say that we will oppose this motion. This motion is very difficult to accept, particularly with respect to the Alberta Mortgage and Housing Corporation allocation contemplated under the motion. The problem is that Alberta Mortgage and Housing Corporation's balance sheet raises some very, very serious unanswered questions, questions which the Treasurer and the minister have consistently refused to answer.

I would like to draw the Legislature's attention to the consolidated balance sheet for March 31, 1991, of Alberta Mortgage and Housing Corporation. There is this entry called net deficit, \$461 million, dangling at the bottom of that balance sheet. That admittedly is down from the preceding year, in which it was \$581 million.

AN HON. MEMBER: What page?

MR. MITCHELL: Page 6.116.

The fact is, Mr. Speaker, that there is an unfunded deficit allowed to dangle at the bottom of this financial statement. I am surprised, in fact, that the Auditor General would even have signed these financial statements. He says he's done that consistent with generally accepted accounting principles. I don't know what generally accepted accounting principle would allow a \$461 million unfunded deficit to dangle at the bottom of a financial statement. [interjection] It's the NovAtel generally accepted accounting principle.

Mr. Speaker, the fact is that the government hasn't come to grips with this particular deficit, and they're still pumping more money into Alberta Mortgage and Housing Corporation. It may be that that money is required to do something worth while, but until such time as we know what is the status of a deficit of that size and what is the government's plan to do something about that deficit, it's very difficult for us to responsibly authorize this \$73 million expenditure out of the Heritage Savings Trust Fund.

I would like to point out to the Legislature that the Alberta Mortgage and Housing Corporation debenture with the Heritage Savings Trust Fund has amounted to, at its maximum, I think about \$3.2 billion. It's important to note that over the last nine or 10 years in total the government of Alberta's General Revenue Fund has subsidized Alberta Mortgage and Housing about \$2.8 billion or \$2.9 billion. That means that the General Revenue Fund has actually subsidized Alberta Mortgage and Housing Corporation in an amount equal to the total debenture it has received from the Heritage Savings Trust Fund. So in fact that debenture has been sustained or fulfilled, as it were, only by subsidies from the General Revenue Fund. What makes this even worse is that the minister, the Treasurer, takes a great deal of delight in telling people: look how well the heritage trust fund is doing; look at the

earnings we have on these investments we've made in the heritage trust fund; look how that money is coming to the General Revenue Fund to offset taxes and so on. Well, in fact, Mr. Speaker, the only way that Alberta Mortgage and Housing Corporation has ever been able to pay the interest it has owed the heritage trust fund, which in turn is paid to the General Revenue Fund, is by the General Revenue Fund subsidizing Alberta Mortgage and Housing Corporation.

This is the most blatant form of circular accounting, and how this government can stand up and in addition to not answering any questions or giving us some idea of how it is that the \$461 million unfunded deficit is ever going to be dealt with, in addition to not acknowledging that they are only able to sustain the earnings on the heritage trust fund on investments like this by in turn subsidizing these companies, in addition to the fact that this company has been subsidized by about as much as it's been loaned by the heritage trust fund over the last 10 years – Mr. Speaker, it is almost incomprehensible that we would be asked under those circumstances, in light of that lack of information and lack of proper explanation, that this Treasurer would have the gall to ask us to advance another \$73 million to this corporation. The fact is that these people here can be irresponsible, but now the Treasurer is actually asking the rest of us to be irresponsible, and we categorically can't do it.

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

MR. FOX: Thank you, Mr. Speaker. I'd like to speak to just one part of Motion 23. That would be part one, with respect to the Alberta Agricultural Development Corporation and the \$50 million in aggregate the Provincial Treasurer is asking be given to the ADC for the coming fiscal year's operation. I must say I look forward on an annual basis to the Treasurer's soliloquy on funding for ADC and AOC and AMHC and the requisite amount of scorn he heaps on members of the opposition for our anticipated lack of support for the motion he puts forward. He likes to imply that we don't support his motion, we don't support housing or farming or programs for entrepreneurs in the province of Alberta.

4:30

I hope it's been made abundantly clear to the Provincial Treasurer and his colleagues that when we vote on this sort of thing, if we vote no on this motion, for example, it's because we have no faith in this government's ability to manage the money given to them. There's absolutely nothing in the record over the last six and a half years that would indicate the Provincial Treasurer or indeed anyone in that government knows how to manage anything. They're good at running the economy all right, Mr. Speaker. They're good at running the economy right into the ground. I'd be willing to bet – if I had the money to speculate and the time to do a survey, I'd like to give \$20,000 to any one of those 58 government members and see if they could run a popcorn stand without going broke, without driving the taxpayers of the province into debt on the operation. So the general concern, the background concern we have in granting any sums of money to the Provincial Treasurer and his colleagues is their obvious, time-honoured, proven inability to manage money.

That being said, I do think there's an important role for the Alberta Agricultural Development Corporation to play in the agricultural community in 1992. Though I've often expressed concerns and been outright opposed to some of the policies of the ADC, the lending policies that have been in place in years past – and I articulated them last week – and sometimes expressed great concern about the foreclosure practices of the ADC, in general I

think they do a good job and provide an important service to the farming community, especially through the beginning farmer loan programs that help in bringing young people into agriculture and help stabilize their operations the best we can under the circumstances. I think they have an important role to play.

Indeed, I was advocating in this Assembly in question period last week – the Provincial Treasurer may be interested in this; the Minister of Agriculture was going to brief him about my queries that day, pass them on – wanting to point out that if you compare the cost per billion of loan administration through the ADC, you can see that they consume about \$11 million a year to administer a portfolio that approaches a billion dollars in outstanding loans. Compare that to the farm credit stability program. The government set up this program ostensibly to help farmers. It does, but when you examine it, it benefits bankers in a much more generous way. That program, just slightly over \$2 billion in outstanding loans, Mr. Speaker – the banks get 58 and a half million dollars for administering that \$2 billion loan portfolio. The inefficiency is obvious. The sweetheart deal negotiated with the banks is scandalous and needs to be examined by this Provincial Treasurer.

I think one can see in a hurry that you don't have to sharpen too many pencils to figure out if that \$2 billion portfolio that is now in place, arrangements negotiated, very little risk to the banks because some of the loans are guaranteed up to 80 percent – contrasting that with the ADC loan portfolio that requires a lot of management and their beginning farmer loan program is relatively higher risk, risk fully assumed by the public, I think you can see that if we were to turn over the administration of the farm credit stability program to the ADC, granted the cost of administration in the ADC would increase, of course, but it sure as heck wouldn't increase by \$58.5 million. I'd be willing to venture it wouldn't increase by much more than \$10 million when you work through it, which would mean we could save the taxpayers between \$40 million to \$48 million a year by changing the administration of the farm credit stability program. I should point out that that amount would cover the amount in aggregate that the Provincial Treasurer is asking the Assembly for today for the ADC. That point needs to be made. It has not been addressed by the Provincial Treasurer in terms of the inefficient administration of the farm credit stability program.

I guess what I'm doing is sticking up for the ADC and trying to tell people that all things considered, we've got an administration that seems to be pretty efficient and can certainly be improved upon. I await the Provincial Treasurer's comments.

MR. JOHNSTON: Mr. Speaker, I've listened with some interest to positions taken by the members of the opposition, who dance very carefully on the head of a pin on one hand, suggesting that they are strongly in favour of providing money to these three entities and therefore obviously committed to the end-point objective of ensuring that housing, social housing in particular, agriculture – young farmers certainly – and small business through the AOC are funded by the heritage fund.

[Mr. Speaker in the Chair]

It's always quite remarkable to see how they are on both sides of the issue: as always, on one hand reluctant to transfer money from the Alberta Heritage Savings Trust Fund to these particular entities, and on the other, full of all kinds of criticism for the way in which the process works. It seems to me that to do nothing would be their policy . . . [interjections]

MR. SPEAKER: Order please. If the various members would like to meet with each other, especially over here, we have nice facilities out back and it's springtime, I understand.

AN HON. MEMBER: Summertime.

MR. SPEAKER: Thank you for the correction.  
Please continue, Provincial Treasurer.

MR. JOHNSTON: Accordingly, Mr. Speaker, the opposition parties would rather opt for doing nothing than try and frame a policy which is dynamic to the times and reflects the ongoing transition all these receiving entities are facing.

I should say, Mr. Speaker, that the opportunity to debate this resolution of course confirms what we have said all along about the investments from the Alberta Heritage Savings Trust Fund, that there is a very full and complete opportunity to put forward ideas about how the Heritage Savings Trust Fund should operate. This is one more opportunity for the Legislative Assembly to be involved in the decision-making process inside this important vehicle, a vehicle which has allowed the diversification of our economy and has allowed us to do unmatched investments in particular assets, special assets which are the envy of all other provinces.

I won't spend much time on that particular aspect, but I will spend some time talking about what has been a success story in terms of our diversification attempts and our attempts to cope with rapidly changing situations in the small business sector, agriculture, and the dynamic area of housing. Accordingly, Mr. Speaker, that's why we're providing these dollars to these entities, and that's why I want to just say a few words about three of the areas.

First of all, with respect to the Alberta Mortgage and Housing Corporation, which in fact has a request here for some dollars, the heritage fund will be providing some money to the AMHC. We've heard the discussion here about wasted money. I tend to think that's the wrong position for the opposition to take. I do think, however, that inside the Alberta Mortgage and Housing Corporation, as the minister may in fact comment upon, there have been some dynamic changes. In fact, the portfolio has been changed considerably over the course of the past year. Looking at the Heritage Savings Trust Fund, for example, one will note quickly that the fund's investment in the Alberta investment division, which is a segmented part of our assets, has in fact been reduced over the past year, not increased. In fact, AMHC has repaid money to the Alberta Heritage Savings Trust Fund. Of course, that's because we have been moving mortgages out of our portfolio, both the conventional home mortgages and other kinds of mortgages, including the so-called core housing incentive program and the modest apartment program.

So the company is rethinking its position. Many of the activities have been taken back to the department, but there is a core which is still being funded by the Heritage Savings Trust Fund. That core in particular is presented in tables B2 and B3 in the Budget Address. Many people have drawn attention to that. I'll simply confirm what is in there and note that of the changing dynamics of the housing situation that I talked about, we have in fact moved in a very large way from the conventional house mortgage. Accordingly, we are then refocusing our dollars in that area of social housing, so-called social housing, which may include such groups as the senior citizens, for example, very difficult situations in terms of the inner-city demand for housing spaces, low-income housing, and handicapped housing.

4:40

Now, the opposition across the way resents this; they resent us providing dollars to these housing demands. But what we're doing as a government is responding to the new changes, the new societal needs in terms of housing. We've responded with the dollars, and we're fortunate that we have two vehicles for doing that: one, the heritage fund is a source of money, a large amount of cash, over \$12 billion in cash; and of course the Alberta Mortgage and Housing Corporation, as operated through the Department of Municipal Affairs, has the expertise to allocate on a priority basis dollars for these projects.

Now, some concern has been directed to the area of special-purpose housing. I won't spend much time here except to say that this is not just housing funded by the government. Here the government takes a complementary role and assists the private sector and in fact moves in should the private sector need additional dollars. That's why you see such variability in the budget between, say, \$600,000 one year, \$5 million the next, and \$800,000 the next. In fact, if you look at the total projects, as the budget points out, which are driven by our own direct assistance or by the private sector, the combination of both is quite constant. Clearly what can be seen here is that the proportion of our dollars going toward housing needs over the course of the past few years certainly has been focused on the social housing side more than anything else. So again, it's hard for me to understand the reluctance of the opposition parties to be positive about these initiatives, to talk about the new dynamics and the changes in the entity itself, to talk about the new priorities inside the Alberta Mortgage and Housing Corporation, and to confirm that we should be fortunate to have these assets to provide to AMHC to carry out its work.

Still further, on the Ag Development Corporation, what could be more important to Alberta than to provide a secure source of financing for our farming community both in terms of farming operations and in terms of agribusiness? That's just what the Agricultural Development Corporation does. Of course, we are funding here again additional money through the heritage fund for the Ag Development Corporation. As well, there are some dollars in Alberta Public Safety Services, who actually handled the drought assistance program, which I think flowed through the Ag Development Corporation for a while. Nonetheless, the call on the heritage fund for expanded financing for farming activities in my mind beats everyone's objectives. I think everyone agrees that agriculture is important to us and must be funded, and again we're providing that priority.

With respect to the Alberta Opportunity Company, I think the minister has said that AOC has gone through some interesting times. It is attempting to develop a venture capital fund. That's not funded from the heritage fund, Mr. Speaker, but funded by the General Revenue Fund. However, it does continue to provide a significant amount of money to support its activity. There are some property sales inside AOC which essentially will help the funding requirements, but it's going to issue at least \$30 million of debentures to the heritage fund over the course of the next year, and that will support its loan commitments and other disbursements, which will total some \$42.8 million. It's doing its business. It's at work serving Albertans' needs. It certainly is dealing with one of the important sectors of our community – that is, agriculture, the value-added sector – and ensuring that a strong source of money is available to Albertans.

Well, Mr. Speaker, those are my comments. As the Member for Vegreville points out, every year the opposition opposes it. Every year the opposition stands up and says: we don't want to put this

money in there, we don't agree that agriculture should be a priority, we have no care for the social housing side, and we don't really care about small business. That's essentially what they say. The minister from Vegreville . . . The Member for Vegreville is absolutely right.

MS BARRETT: You're right. He's going to be a minister.

MR. SPEAKER: Order.

MR. JOHNSTON: That will happen when they put . . .

MR. FOX: Cows on the moon.

MR. SPEAKER: Or if he gets ordained.

MR. JOHNSTON: All of those are good ideas. What it does point out is that it will never happen, Mr. Speaker. We all agree with that.

What the Member for Vegreville has said is in fact right. They want to be on both sides of the issues, and they know that when I speak, I always say very clearly that the opposition parties have opposed this particular request for money. They always oppose it. They're hesitant to be on the proactive side, to be a part of the positive aspects of this investment. I like to remind people across Alberta when I speak that if you check the record, the opposition parties have voted against these very important aspects of the transfer to these key sectors of our economy. Now, they hedge their bets. They talk about administrative problems and they talk about what this government is doing with money, but I can tell you, Mr. Speaker, that when it comes right down to it, they're opposed to agriculture, to the diversification agriculture provides, to the hope the farming community has for the future during this depressed time of world wheat prices, prices moving up a bit but still generally depressed. They're opposed to the small business sector, because they would not have a small business sector at all; they'd have it all controlled by the central government. And they're opposed to social housing programs. That's what it comes down to, because I haven't heard one speech here suggesting they are in favour of what we're doing on this policy dimension.

Mr. Speaker, I hope Members of the Legislative Assembly in speaking for their own constituencies know how important these transfers and the work of these agencies have been to further the needs of Alberta, to further the needs of Alberta citizens in these key sectors. I would in fact support this resolution. The final opportunity to debate the spending of the heritage fund still is ahead of us, but this is one important step in terms of how we manage the heritage fund where all members of the Assembly are involved in the process, all have their say. I would look in the future to more positive recommendations than simply this negative, nay-nay-nay position.

Mr. Speaker, I move that this resolution be passed unanimously by the Assembly to show our support for these important priorities.

SOME HON. MEMBERS: Question.

MR. SPEAKER: There's a call for the question with respect to the motion. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Is this to be a recorded vote? [interjections]

[Several members rose calling for a division. The division bell was rung]

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

MR. SPEAKER: There's no point of order. The division has been called. [interjections] Hon. member, that means the clock stops.

4:50

[Eight minutes having elapsed, the Assembly divided]

For the motion:

Anderson	Fowler	Moore
Black	Gesell	Musgrove
Brassard	Gogo	Nelson
Calahasen	Hyland	Oldring
Cardinal	Johnston	Paszkowski
Cherry	Jonson	Payne
Clegg	Klein	Rostad
Day	Kowalski	Schumacher
Dinning	Laing, B	Severtson
Elliott	Lund	Shrake
Evans	McClellan	Tannas
Fischer	McFarland	Trynchy
Fjordbotten	Mirosh	

Against the motion:

Barrett	Hawkesworth	Pashak
Chivers	Hewes	Sigurdson
Fox	McEachern	Taylor
Gibeault	Mitchell	Woloshyn

Totals	For - 38	Against - 12
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[Motion carried]

#### Point of Order Procedure during Division

MR. SPEAKER: Westlock-Sturgeon, on a purported point of order or not? [interjections] All right. Next item of business.

MR. TAYLOR: Mr. Speaker, on a point of order . . .

MR. SPEAKER: Thank you, hon. member.

MR. TAYLOR: I thought you'd refused to take the point of order.

MR. SPEAKER: That is correct.

MR. TAYLOR: So I didn't get the statistics, but what I wanted to challenge was your beckoning or waiting for the government representative to dig up the people to stand up. The call was made, yea and nay, and that was it. All that happened, Mr. Speaker: you waited, you looked over there a number of times, and then he had to turn around and recruit people to stand. I'm saying that if we did the same thing, you would have called us to task very, very quickly. They should be prepared to call the count, and neither you nor the minister should have to encourage them to stand up. [interjections]

MR. SPEAKER: Order please. [interjection] Order please, hon. member. There's a citation in *Beauchesne* about you keeping your silence.

Well, hon. Member for Westlock-Sturgeon, you were not recognized at that time because once the division was called, the House is actually adjourned. The Chair, then, at the end of the vote, called for you if you wanted to rise on a point of order. You seemed to be somewhat preoccupied. So again we've gone another step further on your behalf.

Now, it's perfectly clear from *Beauchesne* 320: "If attention is called to a breach of order in the course of a division, the Speaker has directed that the division be completed." That's precisely what took place.

The other fact that you have gone further is really nothing more than a very thinly veiled attack on the Chair and the credibility of the Chair. Hon. member, there have been a number of occasions over the past six years when it's taken a while for some members of the opposition to sort of get to their feet about divisions. In this case, the Chair recognized three members from the government. That follows Standing Orders. That makes a division.

Now, your other comments are totally out of order. If you wish to make a motion to censure the Chair, then you darn well do it tomorrow.

There's no point of order. Next item of business.

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

5:00

#### Bill 31 Employment Pension Plans Amendment Act, 1992

MR. SPEAKER: Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Speaker. It is my pleasure to move second reading of Bill 31, the Employment Pension Plans Amendment Act, 1992.

Mr. Speaker, Bill 31 contains a number of housekeeping amendments to the Employment Pension Plans Act, which first came into effect on January 1, 1987. Since that date a number of requests for housekeeping changes have been made by pension plan members, plan sponsors, and the pension industry. In addition, other changes are required due to recent tax amendments and to clarify the legislation. The changes are aimed at providing greater flexibility, meeting the demands of pension plan members and plan sponsors, and streamlining some administrative procedures under the legislation.

There are a number of key changes that I would like to highlight, Mr. Speaker. First, the Bill provides for alternative life retirement income options and greater flexibility for holders of locked-in registered retirement savings plans, and a plan option for members of private-sector pension plans. Currently, pension plan money must be used to purchase a life annuity at retirement; the Bill provides for payments to also be made out of retirement income arrangements. These arrangements will be prescribed by regulation. Details are currently being discussed with the pension industry, financial institutions, and the other jurisdictions and should be finalized over the summer. These additional retirement income arrangements will be based on existing registered retirement income funds but will ensure the provision of income for the entire retirement period of an individual. This amendment will provide individuals with greater flexibility and greater control over their retirement money.

Secondly, Mr. Speaker, the Bill provides for changes that are required to ensure that the plan sponsors can amend their plans to comply with the recent changes in the federal Income Tax Act.

Thirdly, Mr. Speaker, the Bill enhances the reciprocal agreements provisions of the legislation. Under existing reciprocal agreements a pension plan for a national plan sponsor is registered in the jurisdiction having the greatest number of active plan members. The jurisdiction of registration supervises the plan and applies each applicable jurisdiction's legislation to that jurisdiction's members. The legislation between the jurisdictions has many differences, which are of a major administrative and cost concern to plan sponsors and the industry. Compliance of these many differences is causing some plan sponsors to abandon their plans and other potentially new plan sponsors from entering into pension plan arrangements. The various jurisdictions are discussing a new reciprocal agreement that would permit a plan to be governed by the laws of the jurisdiction in which the plan is registered for all plan members irrespective of where they are employed in Canada. Such a new reciprocal agreement will assist the pension industry and should assist in preserving and encouraging pension plans. The changes will allow Alberta to enter into such a revised reciprocal agreement.

Fourthly, Mr. Speaker, the Bill provides for additional options for plans. Certain single-employer plans will be able to be administered by a board of trustees. Plans will be able to allow members to choose to suspend membership where flexible compensation arrangements are being put into place by an employer. Plans will have additional options in the treatment of certain aspects of preretirement survivor benefits. Multi-employer plans will have additional options, which will ease their administrative requirements.

Fifthly, plan members will have enhanced ability to review certain plan documents. Members of defined contribution plans will have full portability options upon retirement. Also, transfers of benefits will have to be completed within a prescribed period of time.

Finally, Mr. Speaker, the Bill provides for unremitted contributions to be deemed to be held in trust by an employer until they are actually deposited into the pension fund. This provision will be of particular assistance to multi-employer pension plans in collecting unremitted pension plan contributions so that they can be applied to the retirement income of affected plan members.

Mr. Speaker, I look forward to the comments on Bill 31 and recommend the support of the members.

Thank you very much.

MR. SPEAKER: Edmonton-Strathcona.

MR. CHIVERS: Thank you, Mr. Speaker. The Bill indeed does have many worthwhile and progressive features with respect to the employment pensions situation in Alberta. I might say at the outset that it's a shame that the government hasn't done as well in the public-sector area as they have in the private-sector area of pension legislation.

The Bill does introduce some much needed changes in the definitions provisions of the legislation. I do have some concerns with respect to some of the aspects of the Bill, however, with respect to surplus assets and the way in which they are handled with respect to some of the subtleties concerning defined benefit plans and defined contribution plans. The feature that the member sponsoring the Bill just spoke of, the reciprocity between jurisdictions, is indeed a much needed change to the Act. However, I think it would be worth while for the legislation to make a specific provision with respect to the registration requirement, as to what jurisdiction the legislation should be registered in. As the member pointed out, the present ad hoc way of determining that registration requirement is on the basis of plan membership in the

different jurisdictions, and it seems to me that would be something that could be included within the statute. I intend to be commenting on that in later proceedings in the Assembly.

With respect to the reporting requirements that the member spoke of, indeed there are some improvements in this area, but there are also some matters that cause me some concern. I'd be interested in knowing what the rationalization is with respect to the provision that the superintendent can exempt from the filing of valuation reports in certain circumstances. It's the provision dealing with valuation reports. My question is: what is the rationale for providing the superintendent with the ability to exempt from that requirement for tabling or filing of valuation reports? With respect to the examination of documents, there are indeed some changes there, but one of the changes to the Act is a change which removes the ability to examine documents, pension fund investment agreements. I'd be interested in knowing the rationale for removing from the scope of the Act the ability of members of the pension plan and their trade union representatives to examine pension fund investment agreements.

There are some changes with respect also to the transfer of surplus assets to an employer. It seems to me one of the principles of pensions should be that they should be regarded as what they are, which is deferred wages, and that there should be a clear-cut rule with respect to pension surpluses, and surpluses should not on any account or in any circumstances be remitted to the employer. Indeed, they are negotiated on that basis - pensions are established on that basis - and they do in fact represent deferred wages. Therefore, they should go to the people who have deferred their wages in order to obtain the benefits of a pension plan.

I have some concerns. I'd like perhaps some comments with respect to the provisions dealing with retroactive amendments. I can understand the need for amendments, but I am concerned about the implications of retroactivity, and this is another example of a Bill which permits unrestricted retroactive amendment of the plan, and of course that can undo in certain circumstances that which was provided initially in the plan. There are provisions with respect to suspension of membership and the implications of that for a pension plan. There are circumstances where indeed that is justified. However, it's an extremely tricky area, and I wonder if the Bill has provided adequate protection in that area.

#### 5:10

The member sponsoring the Bill has spoken of the withheld contributions, as I call them; unremitted contributions, perhaps, is a better way of describing them. The Bill does not make any provision for payment of interest in respect of unremitted contributions to the pension plan. It's a good approach to the issue of unremitted contributions, but it seems to me it should also carry with it the requirement that there be interest paid on those unremitted contributions.

With respect to provisions dealing with windup, the Bill deals with termination by suspension of members. That is another area that's open to abuse. There doesn't seem to be any restrictions or limitations on the ability of an employer in effect to be able to jockey his position through the option of suspension of members, which ultimately can lead to the termination of the plan. In this area also, dealing with windup, there is the matter of partial terminations.

With respect to the matter of investments, the Bill provides that permissible investments are to be set out in the regulations. Generally speaking, I think that is not a wise course. It seems to me that the types of permissible investments with respect to pensions are well established. In most jurisdictions they appear

in the legislation and not in the regulations. I anticipate the answer will be that the regulations are easier to amend, perhaps, and therefore there's some more flexibility. Of course, that is true, but by the same token, that creates the potential for ill-considered changes to investments in this area. This is an extremely important area, and it seems to me that only the safest of investments should be permissible investments for pension purposes. It would be wise to have the additional safeguard that these could not be changed except through a change to the statute.

There are, indeed, key changes in the Bill. It does provide additional flexibility with respect to the retirement options if a person's coming under the ambit or the scope of the Bill. It does provide for, as I've indicated earlier, some much needed reciprocity between jurisdictions. It does provide for an enhanced ability in some areas to review – with the exception of some of the areas that I've already indicated – documents in the plans, and it does make for some needed improvements. Generally speaking, I think the members of our caucus find favour with the provisions of this Bill, subject to some of the reservations I've indicated, and I would be interested in hearing comments with respect to those matters.

Thank you, Mr. Speaker.

MR. SPEAKER: Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I would like to establish that I and my caucus are generally in support of this Bill, that a review of it indicates it does provide a number of advantages, improvements over existing circumstances with respect to employment pension plan administration in this province. The only comment I would have to make beyond that addresses not so much what is in this Bill but something that is excluded. We are concerned that while pressure has mounted to improve pension plan administration with respect to settlements arising out of divorces, such provisions are not included in this Bill. In fact, this is an ongoing problem, where there are insufficient legislation requirements to govern the problem of dividing pension benefits at the time of divorce despite the fact that pension benefits will not be paid for as much as 20 or 30 years into the future. This Act seems like an opportunity to address this particular issue, to address it in a comprehensive way that would solve this problem. The member sponsoring will of course be aware that it is particularly to the disadvantage of a female spouse frequently when it comes to dividing up pension benefits. Clearly, this is an inconsistency and in fact a lack of fairness that this kind of Bill could address at this time. We are concerned and disappointed that in fact it doesn't, while being relatively pleased with what this Bill does do.

MR. SPEAKER: Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. Just a couple of brief comments to emphasize a few things raised by my colleague for Edmonton-Strathcona, and that is the transferring of surplus assets of a pension plan. As I read the Bill, one of the sections that's added is (4.1), which in essence simply allows an individual "to examine any provision of the plan that is or ever was in force." I was just going to emphasize – and if the member moving the Bill would like to sort of expand somewhat on this area – that we've been through some experiences in this province, and I know in some other provinces in the past as well. Funds were put into company pension plans, and as a result of the investments, they grew much more rapidly than the actuarial basis would have indicated, so surpluses were created in those plans.

Then a company came along and claimed those moneys as theirs, and basically there was nothing in the legislation to prevent them from doing that. As has already been pointed out, the plans are in place for the employees in terms of helping them with their retirement years. The contributions are made in good faith. It seems to me that if the plan performs better than anticipated, that is a benefit of the employees and ought to be treated as such.

Simply to require that the administrator allow a person to examine any provision of the plan doesn't seem to me to resolve the conflict that was created when employers in this province moved in and tried to put their hands on – did in fact put their hands on – those surpluses. It doesn't resolve the question, really, other than to reinforce the status quo. Now, if there's more to it than my comments would indicate in terms of providing greater powers to an employee receiving a benefit under a pension plan, I would welcome the member pointing that out to me. It seems to me it would be wrong to simply state that a plan – even if there is a surplus, there should be perhaps some process for helping the two sides resolve that, either through arbitration or mediation or something like that rather than simply allowing that status quo to carry on.

Now, if I'm misreading the Bill, I'm sure the member will point that out to me, but it seems to me this provision is one I've been hoping to see amended for some time, and I would like to see some stronger commitment to preserving the integrity of pension plans once contributions have been made.

5:20

MR. SPEAKER: Additional?

Summation, Calgary-Foothills.

MRS. BLACK: Thank you very much, Mr. Speaker. I want to thank the hon. members for their valuable and very well researched comments. I think that changes were necessary to be made, and I appreciate the comments they have made. I will get into a more detailed discussion and a response in committee when we next address the Bill. That's all I have to say at this time.

Thanks.

[Motion carried; Bill 31 read a second time]

### Bill 39

#### Alberta Corporate Tax Amendment Act, 1992

[Adjourned debate June 19: Ms Barrett]

SOME HON. MEMBERS: Question.

MR. SPEAKER: There's a call for the question. Thank you.

The hon. Provincial Treasurer earlier had moved second reading of Bill 39, Alberta Corporate Tax Amendment Act, 1992 . . . No? Wrong Bill?

MR. HAWKESWORTH: Sorry, Mr. Speaker. I wanted to make a few comments on Bill 39.

MR. SPEAKER: Well, the Chair really has a problem with it. I'm sorry, hon. member. I called the question.

What's the will of the House? All those in favour of allowing the member to make comments on this Bill?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?

SOME HON. MEMBERS: No.

**Point of Order  
Speaker Not Recognizing a Member**

MS BARRETT: Point of order.

MR. SPEAKER: Thank you. The point of order?

MS BARRETT: Mr. Speaker, just to advise that I was looking at the Chair at the time, and the Chair had started to look down at his notes to read out the references to which Bill was being called while the Member for Calgary-Mountain View was standing.

MR. SPEAKER: Well, all right. We just need a simple majority to allow the matter to proceed, and the Chair allows it to be reopened.

The Chair had looked at Edmonton-Highlands, and the response was no. I looked around for summation.

MS BARRETT: Yeah.

MR. SPEAKER: So as we come to the closing days of session, we're going to have to watch this much more, working on the theory we're going to close in the next six weeks sometime.

Calgary-Mountain View.

**Debate Continued**

MR. HAWKESWORTH: Thank you, Mr. Speaker. I think what I was doing was standing and then going down to get my notes under my desk as you were calling the Bill. I certainly appreciate very, very much your willingness to let me in on this particular debate this afternoon.

MR. SPEAKER: The House's willingness, hon. member.

MR. HAWKESWORTH: Thank you, Mr. Speaker, to the House indeed.

Mr. Speaker, Bill 39 provides a tax cut to Alberta's manufacturers and processors. There are a number of provisions included in the legislation in addition to the tax cut. There was one that particularly interested me, and that has to do with a principle that I have never seen before in any legislation that has been brought

forward in my experience here in this Legislature. I don't understand it; I don't understand the implications of it or why the Provincial Treasurer would want to even implement it. There is a provision suggested in Bill 39, amongst other provisions, that the Provincial Treasurer can "waive or cancel the imposition of or liability for any penalty or interest imposed or payable under this Act." I just don't understand the ability to cancel penalties or interest, Mr. Speaker, just why that open-ended provision would be included in the Bill. As well, it's retroactive for the years 1985 and subsequent taxation years. It's quite a curious principle that's being requested of the Legislature here, to give these powers to the Provincial Treasurer. It seems to me that if a company has a liability under this Act, proceeds through the process, and there's a penalty or an interest involved there – how the Provincial Treasurer could waive that or just cancel it. Particularly, I note that there are some new provisions being incorporated in this Bill that include a matter of tax evasion. It allows for a notice of objection to assessment that a company can launch. The Provincial Treasurer can give an extension of time. The court can provide an extension of time in terms of appeals of assessments. Then the time to appeal can be extended. There's a whole raft of provisions included in the Act that allow for a company to appeal the assessment that they owe under this Act. Then to come to a section with a brand-new power being given to the Provincial Treasurer, to waive or cancel a liability or a penalty, strikes me as being quite odd. Furthermore, it's not just from here on in, but it takes us backward in time almost seven years. I just don't understand why the Provincial Treasurer needs that kind of legislated power.

Given the time, Mr. Speaker, I beg leave to adjourn debate.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries.  
Deputy Government House Leader.

MR. GOGO: Mr. Speaker, by way of business this evening, we'll continue with second readings.

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