

Legislative Assembly of Alberta

Title: **Thursday, July 2, 1992**

2:30 p.m.

Date: 92/07/02

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

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

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

Amen.

head: **Presenting Petitions**

MR. SPEAKER: The Member for Edmonton-Highlands, followed by Edmonton-Gold Bar.

MS BARRETT: Thank you, Mr. Speaker. I'd like to present to the Assembly a petition signed by several hundred University of Alberta students asking that the government reverse the policy which allows universities to charge visa student differential fees.

MRS. HEWES: Mr. Speaker, I beg leave to present a petition containing 32 signatures urging "the government of Alberta to provide flexibility in how the upper limit of home care is applied when there are special circumstances" and also "to provide an appeal process for recipients."

head: **Notices of Motions**

MR. McINNIS: Mr. Speaker, I rise to give oral notice that I will move at the end of question period under Standing Order 40

that this Assembly urge the government to refuse further funding for the Focus on Forests program and the education forestry tours sponsored by groups such as the Alberta Forest Products Association until such time as those programs are put under the control of professional educators to prepare a balanced view of the role and purpose of the forest as well as the forest industry.

MS BARRETT: Mr. Speaker, I'd like to give oral notice of a motion I intend to move later today at the appropriate hour. I'll be requesting that the House approve a motion to let Bill 213, Labour Relations Code Amendment Act, stand and retain its place on the Order Paper in the absence of the sponsoring member.

head: **Introduction of Bills**

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

Bill 51 Municipal Government Act

MR. CLEGG: Thank you, Mr. Speaker. I request leave to introduce Bill 51, the Municipal Government Act.

It is a great pleasure for me to introduce this Bill. It is the result of five years of work and consultation by the Municipal Statutes Review Committee. The Member for Rocky Mountain House and myself had the privilege to serve on this committee and had the pleasure of hearing from over 3,000 Albertans.

Mr. Speaker, this Bill introduces some new concepts that will put Alberta on the leading edge of municipal legislation in Canada.

It proposes that municipal corporations should, like businesses, have all the powers of a natural person except where limited by law. It gives locally elected officials authority to pass local bylaws in very broad areas as long as they do not intrude on provincial or federal law. The legislation establishes a local governance commission to facilitate local resolutions of intermunicipal issues. The goal of these and other measures in this Bill is to give municipalities the flexible legislative framework they need to serve Alberta into the 21st century.

[Leave granted; Bill 51 read a first time]

MR. ANDERSON: Mr. Speaker, I would move that Bill 51 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

MR. SPEAKER: Vegreville.

Bill 336 Local Authorities Election Amendment Act, 1992

MR. FOX: Thank you, Mr. Speaker. I request leave to introduce Bill 336, the Local Authorities Election Amendment Act, 1992.

This Bill, if passed, would protect municipal employees from potential conflict of interest or compromising situations by requiring the local municipality to hire someone other than an employee to act as returning officer during municipal elections.

[Leave granted; Bill 336 read a first time]

MR. SPEAKER: Edmonton-Whitemud, followed by Edmonton-Highlands.

Bill 329 Dog Owners' Liability Act

MR. WICKMAN: Thank you, Mr. Speaker. I request leave to introduce Bill 329, being the Dog Owners' Liability Act.

The purpose of this legislation is to make a dog owner liable for damages resulting from a bite or attack by a dog on a person or a domestic animal.

[Leave granted; Bill 329 read a first time]

Bill 327 Arts Board and Arts Council Act

MS BARRETT: Mr. Speaker, it gives me great pleasure to introduce Bill 327, Arts Board and Arts Council Act.

I think this is the third or fourth time I've introduced this Bill, Mr. Speaker. It allows for the democratic election of an arts funding agency which would allow independent funding for artists in Alberta. I hope one day this will also be moved to be under Government Bills and Orders.

[Leave granted; Bill 327 read a first time]

Bill 52 Miscellaneous Statutes Amendment Act, 1992

MR. ROSTAD: Mr. Speaker, I request leave to introduce a Bill being the Miscellaneous Statutes Amendment Act, 1992.

[Leave granted; Bill 52 read a first time]

head: **Tabling Returns and Reports**

MR. OLDRING: Mr. Speaker, I'm pleased to table the responses to questions 206, 208, 209, 210, 214, 216, 219, 280, and 314.

MR. SPARROW: Mr. Speaker, I'm pleased to file with the Assembly today four copies of lists showing the approved projects under the community tourism action program, which is administered by the Tourism Industry Association of Alberta, better known as TIAALTA. This list contains approved projects from the start of the program up to March 31, 1992.

2:40

MR. STEWART: Mr. Speaker, I'd like to table various ministerial responses to questions raised by members in Committee of Supply.

DR. WEST: Mr. Speaker, I'm pleased to file with the Assembly today the required copies of the answer to Written Question 358.

MR. SPEAKER: The Minister of Municipal Affairs.

MR. FOWLER: Thank you, Mr. Speaker. Just earlier the new Municipal Government Act was introduced for first reading as Bill 51. I wish to file a copy of a discussion guide with respect to Bill 51. It is designed to assist Albertans in their comments and views regarding the proposed new Municipal Government Act. Sufficient copies have been provided for all members.

I have a second filing as well, Mr. Speaker. I request leave to file a copy of a white paper on the proposed property assessment Act. This document is to be read in conjunction with Bill 51.

I look forward to the comments and opinions of Albertans so that both Bill 51 and the property assessment Act can be proceeded with during the next session of this Legislature. Again sufficient copies have been supplied for all members.

MR. GOGO: Mr. Speaker, I'm pleased to table the 1990-91 annual reports of the Students Finance Board and the Alberta Heritage Scholarship Fund.

MRS. MIROSH: Mr. Speaker, I rise to table the 1992 annual report of the Institute of Chartered Accountants of Alberta.

MR. McINNIS: Mr. Speaker, I wish to file with the Assembly written questions seeking details of the government involvement in various forest industry propaganda ventures.

MR. SPEAKER: Edmonton-Strathcona.

MR. CHIVERS: Thank you, Mr. Speaker. I have for filing copies of a report of my recent tour of the Edmonton penitentiary.

head: **Introduction of Special Guests**

MR. ADAIR: Mr. Speaker, it's my pleasure today to introduce to you and through you to the members of this Assembly a couple from Kamloops, B.C., Mr. and Mrs. Chubb Fraser. Chubb and Min are visiting Alberta today. Their beautiful daughter Heather is married to our youngest son, Rob. I would ask them to rise and receive the warm welcome of this Assembly.

MR. SPEAKER: The Minister of Advanced Education.

MR. GOGO: Thank you, Mr. Speaker. I'm very pleased today, sir, to introduce to you and members of the Assembly Mr. Fred

Hemingway, the chief executive officer of the Students Finance Board, and Mr. Leon Lubin, who's the director of the Heritage Scholarship Fund program. Both of these gentlemen have been extensively involved in the program review of the Alberta Heritage Savings Trust Fund scholarship program. They're seated in the members' gallery, and I'd ask that they please now rise and receive the warm welcome of members of the House.

MR. OLDRING: Mr. Speaker, it's a pleasure for me to introduce through you to the Members of the Legislative Assembly Mr. and Mrs. Dale Jodoin of Phoenix, Arizona. Mr. Jodoin is the nephew of Hugh and Peter Tadman and is an ex-patriot Edmontonian who distinguished himself on the football field while attending school in this city a few years back. They are accompanied by Mr. Jodoin's brother Jeff. They are seated in the members' gallery, and I would ask them to rise and receive the traditional warm welcome of this Assembly.

MR. SPEAKER: The Minister of Municipal Affairs.

MR. FOWLER: Mr. Speaker, thank you. Sometimes I believe that we in ministries tend to overlook or take for granted the work that is performed so well for all Albertans by people in our civil service. We have today in the members' gallery an assistant deputy minister who was greatly responsible for the preparation and placing of Bill 51 on the Order Paper today. Through five years of commitment and diligent work we do have a document which can change municipal government in this province. I'm pleased to introduce to you and through you to the Assembly Mr. Tom Forgrave, the assistant deputy minister who has been in charge of this in the department. I would ask for the acknowledgment due him.

MR. SPEAKER: The Minister of Career Development and Employment.

MR. WEISS: Thank you, Mr. Speaker. It's a pleasure today to introduce to you and through you to members of the Assembly a gentleman by the name of Mr. Linc Rogers from the city of Fort McMurray, who also is a political science student at the University of Alberta and is here to observe government firsthand. Mr. Linc Rogers is seated in the members' gallery, and I'd ask him to rise and receive the cordial welcome of the Assembly.

head: **Ministerial Statements**

Heritage Scholarships

MR. GOGO: Mr. Speaker, the Alberta Heritage Scholarship Fund was established by the government of Alberta in 1981 through a hundred million dollar endowment from the Alberta Heritage Savings Trust Fund. It has been an outstanding success: 70,000 Albertans have had their achievement recognized, and in excess of \$98 million has been awarded. In recent years approximately one in 10 Alberta students enrolled full-time in our postsecondary system have merited an Alberta heritage scholarship.

Over a year ago, Mr. Speaker, I authorized a review of the scholarship fund, and today I am pleased to announce the results of this wide-ranging consultation. The heritage scholarship program will continue to reward those Albertans who are achieving excellence. We have changed the existing programs to recognize the needs of the '90s. Scholarship income will now be used to reduce loans and indebtedness of scholarship recipients in order that they may receive a direct benefit.

The Alexander Rutherford scholarship program has assisted more than 46,000 high school students with a total of \$51 million. For the benefit of those students studying in French, français 10, 20, and 30 will be recognized. A new category will be added to the Rutherford program to acknowledge academic achievement of the province's top 10 grade 12 students. These students will be known as Rutherford scholars and will receive an additional \$1,500.

Revisions to the Louise McKinney scholarships have been made to increase the number of recipients by 180 to a total of 930. Recipients of the Charles S. Noble award for student leadership will now receive a monetary award as further recognition of this achievement. The Sir Frederick Haultain Prize program will be changed to provide \$20,000 scholarships in each of the arts, sciences, and the humanities.

Mr. Speaker, a number of new initiatives will be implemented to assist high school students. One, adult learners enrolled full-time to attain their high school equivalency in order to pursue postsecondary education will now become eligible to compete for adult high school equivalency scholarships valued at \$500. Secondly, the Alberta High School Citizenship Award will recognize citizenship and leadership and will be awarded by the Minister of Education and myself to one graduating student from each of Alberta's high schools.

I am proud as well, Mr. Speaker, to announce a number of new initiatives involving partnerships as a means of encouraging the achievement of excellence and meeting shared objectives by providing lifelong training opportunities for Albertans: international business awards, cosponsored college hockey scholarships, the Alberta Foundation for the Arts scholarships will enable students to study at the masters level and in short-term courses, excellence in teaching research fellowships will be established with postsecondary institutions, and we will also develop a program to encourage the improvement of small business entrepreneurial skills.

Mr. Speaker, this extensive review of the programs administered by the Alberta Heritage Scholarship Fund provided the opportunity to make the necessary adjustments to ensure that the fund continues to meet the needs of Albertans into the 1990s and beyond. I plan to introduce legislation in the near future to establish the Alberta heritage scholarship foundation, thereby giving our citizens a greater opportunity to assist in the establishment and the availability of scholarships for Alberta students. In 1997 the program will be reviewed again to ensure that further adjustments can be made. Maintaining the value of the fund at \$100 million in 1981 dollars will enable this legacy to remain intact for future generations.

It should be remembered, Mr. Speaker, that this scholarship fund was made possible by the government that had the vision to create the Alberta Heritage Savings Trust Fund.

In conclusion, Mr. Speaker, achieving excellence shall be the theme of the Alberta Heritage Scholarship Fund for many, many years to come.

2:50

MR. MARTIN: Well, Mr. Speaker, certainly I have no great problems with the expansion of what I think has been a good program in the past. If I may say so, when I had a real job as a high school counselor, I had to deal with the scholarship trust fund when it came in. I certainly have no problem with expanding what is a good program.

In saying that, though, I want to say to the hon. minister that we must remember that the funding for postsecondary institutions hasn't kept pace with the rate of inflation in the last nine years

except for election years. As a result of that, the more important point is that a lot of qualified students are either going back to high school, causing a problem at the public level, or just not getting into postsecondary education. That's the major challenge that we face in the minister's department, Mr. Speaker.

I think it's important. I notice that they talked about it coming from the trust fund and the vision about a trust fund. At the time the government set this up, they must have recognized that higher education was an investment, not an expense, and if we're going to compete in that global economy, this is one of the best investments we can make. We have to get away from that mentality that I hear in the Legislature a lot of times.

Mr. Speaker, in saying that, the government did say – I can't resist this – and I quote:

It should be remembered, Mr. Speaker, that this scholarship fund was made possible by the government that had the vision to create the Alberta Heritage Savings Trust Fund.

Well, I would remind the hon. minister that we've gone from a province with assets to a debtor province, including the trust fund. So the legacy of this government now is going to be NovAtel, MagCan, Myrias, and GSR, not the trust fund.

Thank you.

MR. SPEAKER: Additional ministerial statements?

The Minister of Municipal Affairs.

Municipal Taxation

MR. FOWLER: Thank you, Mr. Speaker. At this time I rise to speak on an issue which will affect all Albertans, no matter where they live, at some point. Property taxation is the single largest source of revenue for Alberta municipalities. The white paper that has been tabled today provides Albertans with an opportunity to participate in a significant reform of the property tax assessment system. The draft legislation in the proposed property assessment Act and the local taxation provisions in the proposed Municipal Government Act together constitute the major reform of the assessment and taxation system presently defined in the Municipal Taxation Act.

The proposed legislation owes much to the Municipal Statutes Review Committee, chaired by the hon. Member for Dunvegan, who introduced Bill 51 today, and which included the hon. Member for Rocky Mountain House. The draft was recommended by that committee in August 1991. The committee referred to its draft as a property assessment Act for the 21st century, and I believe that the legislation in this white paper can provide the structure for a system of property tax assessment which will in fact serve Albertans well for many years to come.

A major objective of the legislation is to make the assessment system more comprehensible to the taxpayer. When the process is obvious and logical, taxpayers are more likely to have confidence that it is reasonable and fair. This legislation incorporates a number of initiatives designed specifically to improve confidence in the property tax assessment process.

I will be urging all Albertans to consider the legislation carefully and to respond to me with comments before the end of November this year. It is my hope to introduce a property assessment Act to the Legislative Assembly at the spring 1993 sitting in order that market value assessments be in place for taxation in 1996.

Thank you.

MR. MARTIN: Well, again, Mr. Speaker, we never have any problem with white papers and consulting. I guess we're more concerned about the end product to see if the government actually listened or not after all the consultation they went through. In the

past that's often not been the case, but for the time being, we'll give the minister the benefit of the doubt. If I may say so, tax assessments are only part of the problem, and I welcome the fact that they are going to have the white paper and go out and consult.

At the same time, what was a major problem when I traveled around talking to local governments was their concern about downloading from this government to them, and there are examples in the past session of safety codes and provincial ambulance, but an ongoing one is education, where the bulk of revenues, 80 percent when this government took over, came from here. Now that's down to less than 60 percent. When I talked to them, that was as big a concern to them as anything.

The point that was brought to me by one municipal government – a mayor in fact said: “If you think it's important to pass it here, then you provide the responsibilities. If you don't think it's important, don't download it on us; don't pass laws here.” I think that makes a lot of sense.

Now, the other point I'd want to make in this partnership, Mr. Speaker, is that I don't think we got off to a very good start with what happened with a particular Bill, the Alberta Municipal Financing Corporation, which again has irritated many municipalities, especially the larger ones, where the \$300 million that they thought was theirs was taken by the government. So that's not a very good start to partnership.

In saying that, we'll wait and see what they eventually come back with on this paper.

head:

Oral Question Period

Electoral Boundaries

MR. MARTIN: Mr. Speaker, because of this government's clumsy and desperate attempt to cling to power, Alberta's electoral boundaries have still not been redrawn three years after the last provincial Election Act, in fact longer than that. Now the government is going to draw the boundaries when an independent commission could not agree on the parameters set by the government majority in this Legislature. As you're well aware, opposition MLAs have refused to participate in this fiasco because it flies in the face of what is right in parliamentary democracy. My question to the Premier is simply this: how can the Premier justify proceeding to draw boundaries when only the government is involved and the MLAs are in an obvious conflict of interest?

MR. GETTY: Well, Mr. Speaker, I find it hard to believe the hon. member is talking about it flying in the face of parliamentary democracy. We have a motion before the House, and it's being debated. That's democracy. That's in our Legislature. I'm not sure you'll allow me to even get into it too far, but we have the responsibility as members of the Legislature to come up with the legislation, and the members invited the expertise in their caucuses to participate. If they choose not to, they're making the choice.

MR. MARTIN: Mr. Speaker, obviously the Premier just doesn't understand conflict of interest. What we're supposed to do in this Assembly is be reasonable, fair, and democratic, and this motion is none of that. The Premier says that it is the right of the Assembly to do this. That's nonsense.

To come back to the Premier, my question is simply this: how can the Premier say that it's ethical for politicians to draw up the boundaries when they could unfairly determine boundaries to both ensure their own election and the election of this government? How is that reasonable and fair?

MR. GETTY: Mr. Speaker, I know the Leader of the Opposition is on some type of crusade to try and downgrade MLAs, who are

elected people from all across this province that come here to this Legislature, continually trying to somehow describe them as people who are feathering their own nest, conflict of interest. Finally, I find the constant knocking of this institution and of the people who are elected to this institution disgraceful. I think it's deplorable.

3:00

MR. MARTIN: Mr. Speaker, what is deplorable is this government being undemocratic. That's deplorable. I don't need to downgrade the government MLAs; they do it all by themselves, including the Premier.

Mr. Speaker, I'd hoped that the Premier would have come to his senses about this. I'll give him one last chance to stand up for democracy. My question: given that this process is morally bankrupt, will the Premier now do the right thing and appoint an independent justice to do the work that needs to be done?

MR. GETTY: Well, the Leader of the Opposition somehow feels that if MLAs vote on electoral boundaries, they are in a conflict of interest. Mr. Speaker, you know and every member in this Assembly knows that we have a responsibility to pass legislation with boundaries in it.

Now, the hon. member talks about something not being democratic. Let's just review for a moment. We started off with an all-party select committee. They then had hearings all across the province, then brought legislation before this Legislature, where we again debated, discussed, passed legislation. Then we had an independent Electoral Boundaries Commission, who again had hearings, who brought in an interim report. The interim report was passed throughout the province. We then had hearings again of this independent commission, actually two judges on it in the long run, and an independent commission then made another report. We now have the Leader of the Opposition in a phony, grandstanding way saying: let's have another independent commission. The government has a responsibility, all of you have a responsibility to deal with these boundary maps, and you've just got to get some courage and deal with it instead of trying to duck everything all the time. They just don't have the courage to deal with it. [interjections]

Speaker's Ruling Anticipation

MR. SPEAKER: Order. Order. The Chair allowed the question to proceed with some misgivings in terms of the rule of anticipation. Nevertheless, I allowed it to continue given the fact that I have only recently received notice that there's the possibility of Motion 24 being debated sometime very, very late tonight or early tomorrow or maybe in tomorrow morning's session, if there is indeed one tomorrow. Therefore, it's on that basis that the matter was allowed to continue.

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

MR. MARTIN: Mr. Speaker, courageous to gerrymander. What courage you have.

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

MR. MARTIN: Courage to be corrupt.

MR. SPEAKER: Order please. Second main question. We're finished with the first one.

MR. MARTIN: Yes, Mr. Speaker. I'd like to designate my second question to the Member for Calgary-Mountain View.

Gainers Inc.

MR. HAWKESWORTH: Thank you, Mr. Speaker. It's been nearly three years since this government took over Gainers from Peter Pocklington. It's cost taxpayers \$100 million, but not one nickel's been recovered yet from Mr. Pocklington. In fact, this government's incompetence has hurt the viability of that plant and the jobs of the people who work there. To the Premier: would the Premier tell us why his government agreed to let Peter Pocklington remove over \$38 million from Gainers on the very day the master agreement was signed?

**Speaker's Ruling
Sub Judice Rule**

MR. SPEAKER: I'm sorry. This is sub judice. The subject is sub judice. You're supposed to be aware of that. Whoever might answer the question is aware of it. [interjection] Order. It is sub judice.

MR. HAWKESWORTH: Mr. Speaker has allowed questions about this matter before. It's not about the suit. It's about the facts that were agreed to, Mr. Speaker.

MR. SPEAKER: Thank you. [interjection] Order. In this current sitting the Chair allowed one set of questions to proceed only. The onus of responsibility is on the members. The Chair has declared to the House that there's this very deep concern about sub judice. So ask your question, if you think you've got one.

**Gainers Inc.
(continued)**

MR. HAWKESWORTH: Is my first question in order, Mr. Speaker? If it is, I'm inviting the Premier to respond.

MR. GETTY: Mr. Speaker, obviously you're aware of the fact that it's sub judice, so am I, and I should not get into it. The hon. Provincial Treasurer may have some comment he'd make when I refer the question to him.

MR. HAWKESWORTH: Well, Mr. Speaker, I'd like to file some excerpts from documents from the Hong Kong Bank. They claim that the government not only knew about this \$38 million transfer to upstairs companies controlled by Mr. Pocklington, but they also approved them as a precondition for giving assistance to Mr. Pocklington. Given that this is different from the original reasons given by the government for giving help to Mr. Pocklington – that was to upgrade the Gainers' plant in Edmonton and build a new one in southern Alberta – would the Premier tell us why the government allowed taxpayers' money to be used, instead of the reasons given, to put over \$38 million into the wallet of Mr. Pocklington?

MR. GETTY: Mr. Speaker, the fact that he uses some phony speculation doesn't make the question any less sub judice.

MR. HAWKESWORTH: Mr. Speaker, the Hong Kong Bank says that the government was motivated by a concern for public relations and for their image. Would the Premier admit that the government did not want their aid package to Mr. Pocklington to be seen as a payoff for settling the Gainers strike, so they approved these transactions, which in effect resulted in Mr. Pocklington enriching himself at public expense?

MR. GETTY: Mr. Speaker, it's usual I guess when you get near the end of a session that the hon. members resort to digging up any kind of old question they possibly can get, whether it's sub judice or not. With that kind of phony speculation about the Hong Kong Bank's position, I think the hon. member doesn't know what he's talking about. [interjections]

MR. SPEAKER: Edmonton-Glengarry. [interjections] Order. Order please. Edmonton-Glengarry, on behalf of the Liberal Party.

NovAtel Communications Ltd.

MR. DECORE: Mr. Speaker, the NovAtel nightmare gets worse and worse. We've confirmed that NovAtel provided some \$10 million in loans to a Peruvian company known as Telemovil. It is my information that the moneys were given on sweetheart terms and conditions. My first question to the minister responsible for NovAtel is this: why, Mr. Minister, would you allow NovAtel to invest Alberta taxpayers' moneys in Peru?

MR. STEWART: Mr. Speaker, there was a loan granted by the NovAtel board of directors some years ago that allowed the establishment of a particular cellular facility in that area. The loan is still there; it is being repaid. There have been some claims with respect to the performance of the equipment because of the use of it. Northern Telecom has taken over the servicing of that contract, and we expect that it would be serviced in good order.

MR. DECORE: Mr. Speaker, Peru is under martial law. The regime has closed the parliament and has put elected representatives of that parliament in jail. Our own External Affairs department has issued a warning to Canadians advising them not to travel to Peru. My question to the minister is this: will the minister explain to Albertans the security that's been given for the \$10 million loan?

MR. STEWART: Mr. Speaker, the hon. leader seems to imply that the matter of this particular loan has not been taken into account with respect to the overall portfolio of assets that are there for moneys repayable. That's not so. The fact of the matter is that there's been full allowance taken into account for all and any losses, even potential, and indeed a very conservative approach applied to the entire portfolio as well as this one in particular.

MR. DECORE: Mr. Speaker, the nightmare gets even worse. Astonishingly, NovAtel used General Cellular Corporation of California to act as the broker to set this deal up. This is the same company that NovAtel gave \$78 million to and that we've already lost \$33 million on. I'd like to ask the minister: Mr. Minister, how could you allow NovAtel to use this California corporation to act as a broker to deal in Peru?

3:10

MR. STEWART: Mr. Speaker, the particular loan through that particular company was a matter that was dealt with by the NovAtel board at that time. The Federal Communications Commission of the United States set the parameters with respect to those loans. They oversee those matters. The loan was given at that time upon marketing conditions that they felt were appropriate. As I say, I would hope that all matters will be dealt with, as we indicated they would in all likelihood be dealt with, by Northern Telecom in servicing the account, and we would expect full payment.

MR. SPEAKER: Cardston, followed by Vegreville.

Constitutional Reform

MR. ADY: Thank you, Mr. Speaker. My question is to the Premier. Earlier this week, Mr. Premier, you attended a First Ministers' Conference in Ottawa to be a part of an attempt to resolve the constitutional deadlock. That deadlock really revolves around the historically powerful provinces in Canada being reluctant to give up some of the power they have by endorsing the triple E Senate concept, which would be so beneficial to all of Canada. Mr. Premier, did you see any inclination on the part of these provinces to give up any of this power that they've enjoyed?

MR. GETTY: Mr. Speaker, I must tell the hon. member and all members of the Assembly that the luncheon meeting at the Prime Minister's home was not a good meeting in terms of progress. It was not clear that we could see those who have, as the hon. member has suggested, called the shots in Canada over the years from the power base of Ontario and Quebec with their huge population dominating the House of Commons and the Senate – I must say that I do not yet see a movement, a consideration that we should have fairness and equality in Parliament, fairness and equality that is embodied in a triple E Senate, and I'm disappointed at this stage. Those who have this power want to continue to cling to it. I hope that in the second meeting we will be having regarding the triple E, they will see their way along the lines of the people of Alberta and, I must say frankly, the people of Canada.

One thing I was able to do, Mr. Speaker, is make sure that the other first ministers know that Albertans are very strong Canadians. Albertans are not threatening Canada. Albertans will be here today, they'll be here tomorrow, and they'll be strong Canadians in the future. It is not Alberta who is threatening Canada. The people of Alberta consider triple E would make a far stronger, unified country. We're very determined. We have started the momentum on Senate reform. We have had the first election of a Senator. That is sweeping across this country now. Reform of the Senate: an elected Senate, an effective Senate, and the people of Canada support this province in that we want an equal Senate.

MR. SPEAKER: Final supplementary.

MR. ADY: Thank you. My supplementary is also to the Premier. Mr. Premier, there's another meeting being convened tomorrow to further the discussions, and I understand that the triple E Senate is still on the agenda. Mr. Premier, my constituents and many Albertans want to know if you're going there to change your position.

MR. GETTY: Mr. Speaker, we are having a meeting tomorrow. It's in a way to some extent an extension of the lunch, although the Prime Minister is involved in G-7 meetings. If the lunch had extended into the kind of meeting we had with Meech Lake, I was going to invite the Leader of the Opposition down to help, as he has in the past, but it didn't work that way. The meeting was relatively short. We broke for Canada Day and the Tuesday before it, and now we are going back to Toronto. Basically it's Premiers, although Mr. Clark will be sitting in in an unofficial responsibility.

I would not have gone or agreed to this meeting, nor would the Deputy Premier be going with me, if triple E was not on the agenda. I'm not tremendously optimistic that we will have this

understanding about giving up some of this power for a fair, equal Parliament in Canada, but I hope we can make that kind of a breakthrough. The other provinces can understand the fairness that's needed. However, we find Ontario and Quebec and the federal government all with power that they don't want to give up, and that's going to be the key, Mr. Speaker.

We will be representing the people of Alberta to the best of our abilities. I assure the hon. member and his constituents that we are determined on these principles and we are not going to bend these principles of a triple E Senate.

MR. SPEAKER: Vegreville, followed by Westlock-Sturgeon.

Drought

MR. FOX: Thank you, Mr. Speaker. Recent tests done by Alberta Environment indicate that lake levels in east-central Alberta are the lowest they've been since testing began, confirming what thousands of farmers in eastern Alberta know and what the Minister of Agriculture and his department seem not to recognize: that there is a serious and prolonged drought in that part of the province. While he attempts to do his imitation of a modern day Nero, things get worse and worse. I'd like to ask the Associate Minister of Agriculture, who made reference to some committee that's monitoring the situation, what specific action this government is taking with respect to assessing the feed supplies for livestock in northeastern Alberta and developing an immediate plan to cope with shortages in the area.

MRS. McCLELLAN: Well, Mr. Speaker, the Department of Agriculture is certainly very much aware of the situation in northeastern Alberta. I think the comments are a bit unfair, because obviously there was a significant response in the past year with respect to water. I reminded the hon. member, I think, when I was asked a question similar to this a week ago that we have in place and have had for some 20-odd years a crop insurance program which protects producers on yield. We introduced a revenue protection program which protects them on price, and we have a forage and pasture insurance program that was put in place and extended to that area of the province to protect forage and pasture for people who are raising grazing animals.

Producers have the ability to contact the Alberta Hail and Crop Insurance Corporation if they feel that their crops are beyond productivity and have them assessed and then have the option of putting them up for feed and/or for grazing. This is an option that producers have. They must do it in consultation with the corporation.

The Drought Monitoring Committee is in place, and it was activated very early this year in response to what appeared might be a general drought in a number of areas in the province. I would . . .

MR. SPEAKER: Thank you, hon. minister. I think we'll look forward to a supplementary, please.

MR. FOX: Thank you, Mr. Speaker. With respect, Madam Minister, cattle can neither eat nor drink insurance policies.

Conditions in the area are serious indeed, and farmers want to know that they're being treated fairly. Given that the government implemented a disaster assistance program in other regions of the province which provided interest free loans of up to \$200,000 for five years and this has not been provided for farmers in the northeast, I'd like to ask the hon. minister when farmers in that

region of the province can expect to be treated as fairly as farmers in the other parts of the province.

MRS. McCLELLAN: Well, Mr. Speaker, certainly I won't comment on the comment about what cattle can eat.

I was responding to the fact that producers do have the option of using crops that are beyond productivity for grazing and/or for forage. We do have an assessment of feed supplies in the province. Probably the most significant problem for producers is water, and we are assessing that. The drought committee will be meeting again early next week, and particular attention will be given to the northeast area because of the difficulties there. I would say that we receive weekly updates from our regional people in that area as well as in others, and we are very closely assessing it and working with producers for the best interests of the producers, not just to make noise in the Legislature.

MR. SPEAKER: Westlock-Sturgeon.

3:20 Substance Abuse Programs

MR. TAYLOR: Thank you, Mr. Speaker. The Solicitor General has been quoted as crediting thirsty business executives in Calgary for making that city the libation capital of Alberta. Now, we know that despite the huge profits of the ALCB, about \$439 million, the same Solicitor General has refused proper funding for two alcohol treatment programs in that city, forcing their temporary closure. My question to the minister is: will he ensure that at least some of these huge profits go back to opening up these programs?

DR. WEST: Mr. Speaker, this follows on a question on Friday relating to the services that we provide. We're going to be reviewing them on an ongoing basis. We certainly don't downplay the need for counseling as it relates to alcohol and drug problems and addictions in this province. I can assure the hon. member that we will consider each and every program that we have on its merit and continue to serve the people of Alberta the best we can.

MR. TAYLOR: Mr. Speaker, possibly I could redirect this question, then, to the MLA in charge of AADAC. Could that individual let the House know whether, in view of the high profits that the liquor board is making, he has made a specific request of the cabinet that they put back in place two treatment centres, Riverside and McDougall, and also the temporary closure of the Sunrise and George Spady detox centres and that we get a set percentage of the profit of the ALCB?

MR. NELSON: Mr. Speaker, each year we go through a budgetary process with Treasury Board and ask for the needs for the ensuing year for our agencies and AADAC as a facility for Albertans. It is our belief that in general terms the moneys that have been allocated to our facilities this year are quite sufficient. At the present time it's a matter of our examining some of these locations, agencies where they have deemed that they have insufficient funds to continue. We believe that there are some alternatives available within the organization itself. As such, we're continually working with these people to ensure that they provide those services that we are funding in as complete a fashion as possible.

MR. SPEAKER: Calgary-Foothills.

Constitutional Reform

(continued)

MRS. BLACK: Thank you, Mr. Speaker. Today we've heard that the Premiers will be meeting tomorrow to discuss the triple E Senate. My question is really a follow-up from last week, and it's to the minister of intergovernmental affairs. Will the proposals for the economic union be part of these discussions, or will they evolve at separate meetings? Will they be ratified before the July 15 deadline imposed by the federal government?

MR. HORSMAN: Mr. Speaker, it's difficult to say what will take place tomorrow. The agenda is primarily concerning itself with the issue of Senate reform. Directly related to that, I expect the question of the amending formula will be discussed, because that relates to what is called by many people the issue of the Quebec veto, which is being asked for by Quebec relative to changes to the Constitution relative to institutions in the future. So those two items I think will be discussed.

If it is possible, I would think that the issue of economic union, or section 121 expansion, which would add significantly to the powers of the federal government to control the economy of Canada, may be discussed. If not, I think this must be understood: that issue has not been decided and would be logically the subject of further discussion at a meeting of the first ministers or by a reconvening of the ministerial meeting at which first ministers are invited to attend and participate. So I can't give a definitive answer at this stage, but it is a crucial question in the whole current round of discussions.

MRS. BLACK: Mr. Speaker, as a supplementary my question is again to the minister of intergovernmental affairs. Has there been an in-depth analysis completed on the proposed economic union to reflect the impact it will have on programs designed in Alberta, on our diversification and our economy?

MR. HORSMAN: Mr. Speaker, we can't say that it's an in-depth study at this stage. Clearly issues have been identified which are of grave concern to the smaller provinces. I refer here certainly to all of the western provinces, all of whom oppose this very major extension of the federal government's ability to intervene in areas of provincial governments' responsibilities. Certainly we have great concern that what would happen is that there would be a restriction on provincial practices that do not distort trade and would impede the ability of provinces to create economic development and regulate other activities and also then throw the matter into the hands of the courts.

We have identified some areas of a major concern, and there are certainly questions at this stage, the question of the future of the farm fuel distribution allowance, our interest rate shielding programs. Would this require uniform taxation rates across the country for small businesses? Would it no longer be possible for Alberta to provide the lowest small business corporate tax rate as a result of this new power being sought by the federal government and being endorsed by Ontario? These are all major issues that have to be clearly thought through.

From our perspective at this stage, while we have endorsed in principle and have supported enthusiastically the real removal of interprovincial trade barriers, we are not prepared to accept handing over to the federal government the enormous club they are asking for in section 121 expansion. We are supported in that by the smaller provinces in this country, who see that as clearly centralizing and continuing the centralization of economic control in the hands of the central provinces of this country.

MR. SPEAKER: Edmonton-Beverly.

Municipal Pollution Cleanup

MR. EWASIUK: Thank you, Mr. Speaker. My questions are to the Minister of Municipal Affairs. Alberta municipalities are concerned that they have no clear authority to recover costs for cleanup of spills that occur within their boundaries, and for several years municipalities have been in discussion and pressuring the government for such authority. Now, I would like to file a copy from the city of Edmonton concerning this particular issue and ask the Minister of Municipal Affairs the following question: given that the provincial government itself has the power to recover costs from companies responsible for spills of substances which pose a danger to the public, why does the government refuse to give the same power to Alberta municipalities?

MR. FOWLER: Mr. Speaker, I think the question is fairly raised. I am certainly willing to look into it, particularly at this time when the new Municipal Government Act is being studied as well as the Municipal Taxation Act.

I would believe, though, Mr. Speaker, that the municipalities are not totally precluded from recovering where they could in fact take an action, although that may not be the recommended or most desirable course. Where negligence could be shown on the part of somebody bringing that sort of damage, it seems to me that they would have a fair opportunity to recover it in court. However, the suggestion is accepted, and I hope that it will be coming forward in respect to the discussion paper that I have put out.

MR. EWASIUK: Mr. Speaker, still to the Minister of Municipal Affairs. I think the principle here is that those who pollute should be responsible for the cost of cleaning up the mess that they create. To the minister: given that the city of Edmonton has told us that Alberta public safety, Alberta Municipal Affairs, and Alberta Environment have indeed prepared wording to grant this authority to municipalities that would have been included in Bill 43, why did the government kill this proposed amendment at the last minute with no explanation to the municipalities?

MR. FOWLER: I can't fully respond to that question, not being responsible for Bill 43, Mr. Speaker, but I believe that the suggestion does have validity, and as minister responsible for Municipal Affairs, the new Act and the taxation Act, I'm willing to take it under consideration. I do agree, as suggested, that the municipalities should be in as good a position to recover damage to that property that is within the municipality's jurisdiction as the provincial government is.

Hospital Services Privatization

MS BARRETT: Mr. Speaker, several months ago a private, for-profit lab approached the Charles Camsell hospital and said, "We'd like to do a feasibility study of your lab services," and sure enough the conclusion was that they ought to be privatized. Now, the same company then wanted to make a bid to get the contract. I wrote to the Health minister about it, and she didn't have any serious concern. I'd like to ask the minister today before this matter proceeds: will she now commit to prohibiting hospitals from privatizing health related services to the for-profit sector? Remember, the for-profit sector wants to make money off our squeezed health care system. Will she commit to that?

3:30

MS BETKOWSKI: Mr. Speaker, the proposed action to be taken by the Camsell or other hospitals in this province is not in

violation of the principles under the Canada Health Act both in terms of public administration and medically required services. So I will not take the action which she suggests.

MS BARRETT: Well, Mr. Speaker, just a few weeks ago the Minister of Health announced that there will be flat funding – that is, not even increased for the rate of inflation – for the health care system over the next four years. I'll tell you what that means: they're even considering asking people who need hip replacements to go on the elective surgery list. This is a really serious issue. The government can save a lot of money if it doesn't allow hospitals to contract to the for-profit sector. On that basis alone, will the minister reconsider her position and tell hospitals the for-profit sector has no role in the public health care system?

MS BETKOWSKI: Again, Mr. Speaker, no, I will not, because the private sector does in fact have a role if it can prove that it is efficient, that it's operating fairly, and that it's meeting the responsibility of our health sector to provide access to health services.

The hon. member also slipped in – and I would be wrong if I didn't comment on it – the issue of hip replacements. The issue is not about whether something is medically required or not medically required. A hip replacement is deemed to be medically required. The issue is one of timing, which is what an elective surgery list is all about, and putting someone on a priority listing as to who needs that surgery first. So she confuses two issues, and I just want to clarify the issue for the House.

MR. SPEAKER: Edmonton-Whitemud.

Gambling

MR. WICKMAN: Thank you, Mr. Speaker. Tomorrow we see the beginning of the experiment on the coin-in, coin-out video machines at the Calgary Stampede, adding to the escalation of gambling throughout this province. At this time the province reaps millions upon millions of dollars from gambling. To the minister responsible: why does the minister insist that addiction to gambling may have a negative impact on some individuals and some Alberta families?

MR. KOWALSKI: Mr. Speaker, I didn't get the complete context of the latter part of the question. I simply didn't hear it, which is part of the difficulty in responding to the question. I'm sorry; I just didn't hear the latter part of the question.

AN HON. MEMBER: Second question.

MR. WICKMAN: Well, not the second question. Repeating the first question, Mr. Speaker, why does the minister continue to ignore the risk that addiction to gambling may have on some individuals and Alberta families?

MR. KOWALSKI: Mr. Speaker, at no time is the government or this minister ignoring any risk. Individuals in our society are adults, and they have options in their own life in terms of how they would want to determine the expenditure of their dollars. Some choose to go on holidays. Some choose to go to the racetrack, because I know the Member for Edmonton-Whitemud spends a great deal of time there. That's certainly his choice. Others choose to play bingo. Others choose to go to hockey games or football games or the like. I've said repeatedly and the government has said repeatedly over the last number of years that

if any group can come and provide information with respect to the risk factor associated with it, we'd be very, very pleased to take certain amounts of dollars that would come under the Lottery Fund and allocate them to in fact dealing with people who might find gaming to be of a compulsive nature. I've said that publicly both in the House and outside of the House, and to this date I've still not had any people come to me with any quantitative information with respect to that matter.

MR. SPEAKER: Supplementary, Edmonton-Whitemud, followed by Red Deer-North.

MR. WICKMAN: Thank you, Mr. Speaker. I'm going to send over for the benefit of the minister tonnes and tonnes of information that will assist him in making a determination.

My second question is to the Minister of Health, Mr. Speaker. The minister must realize that addiction to gambling is recognized by professional people as a form of mental illness. What additional resources is the minister prepared to provide to offset this escalation in gambling, this negative impact that is being caused by it?

MS BETKOWSKI: Well, interestingly, Mr. Speaker, we have just established the Family Life and Substance Abuse Foundation. I think one of the very important roles that we've given that foundation in legislation is to look at the issues of addictive behaviour, look at what drives people to addictive behaviour and perhaps some preconditions which drive people to addictive behaviour, all of which may well include an addiction to gambling. Now, the minister responsible for Seniors may well wish to supplement my response.

MR. BRASSARD: Simply, Mr. Speaker, that it could very well be a good research project for the foundation. I'd be very happy to present it to them.

Bicycle Helmet Legislation

MR. DAY: Mr. Speaker, yesterday I was one of several thousand Red Deer citizens enjoying several hours of festivities at Bower Ponds at Red Deer on Canada Day. I had the opportunity to chat with scores of people on a number of issues. The two that came up most were, number one, whether the Premier was going to be standing firm on Senate reform – he's already answered that – and number two, which I'll address to the minister of transportation, was related to possible legislation on helmets for cyclists. Many of the people who raised it were cyclists themselves, saying the cycling movement is already embracing in considerable numbers the aspect of helmets. I'd like to ask the minister if he could explain the process that he has in mind for this initiative.

MR. ADAIR: Mr. Speaker, the process that's in place now is the fact that in Bill 53 there is an amendment included that will sit over the summer and allow us to have a discussion of both the pros and the cons about seat belt use for children and families. I've had a number of requests come to me from families and also a number of the MLAs and a number of other people. There's no question about it: there are two sides to the issue. Introducing the Bill and letting it sit over the summer provides the opportunity for everybody to discuss it, both for and against.

MR. DAY: Mr. Speaker, can the minister indicate whether he's done any research showing that other jurisdictions may have

moved in this direction, where they have or they haven't, and what effects that might have had on fatalities and injuries?

MR. ADAIR: Well, Mr. Speaker, a number of things take place. There are quite a number of states and counties in the United States – Manitoba has a situation where children that are in carriers are to wear helmets. Ontario is presently in the second reading stage of their legislation to enact a law that would go into force sometime after 1993, I believe. One of the reasons that 1993 has been selected by us as the possible date of inclusion is the fact that we want to ensure that we have in place the proper helmets that are licensed for it. There are three on the market now that are suitable, apparently, given the information that I have. Presently when you look at the number of casualties that have occurred as a result of a number of things, 75 percent of all the bicycle casualty collisions in Alberta in 1990 involved riders between five and 25; almost 45 percent of them were between the ages of five and 14. There were 627 casualties and 10 fatalities in that particular time. There's no question there is a rising concern with the number of bicycles that are on the roads today as well as the increased number of vehicles. When you've got the two of them together, I would think it provides the opportunity for a great discussion.

MR. SPEAKER: Stony Plain, and if there's time, Edmonton-Gold Bar.

Fetal Alcohol Syndrome

MR. WOLOSHTYN: Thank you, Mr. Speaker. The recent report on fetal alcohol syndrome of the House of Commons Committee on Health and Welfare indicated that the highest rates are experienced in disadvantaged communities, including remote rural ones, poor, inner-city communities, and aboriginal communities. In fact, the report quotes a director of the First Nations Health Commission saying that the level of fetal alcohol syndrome and fetal alcohol effects among First Nations children represents a crisis situation. Given that consumption of alcohol during pregnancy is an extreme health risk to the fetus, when will the Minister of Health commit to working collaboratively with the identified communities to design and deliver aggressive public information campaigns to heighten awareness of the association between fetal alcohol syndrome, fetal alcohol effects, and alcohol consumption, especially in the communities that are deemed to be at high risk?

MR. SPEAKER: Thank you, hon. member. I think you've gone on long enough for a question, thanks.

3:40

MR. BRASSARD: Again, Mr. Speaker, if I may, this is another area that I have already referred to the Family Life and Substance Abuse Foundation for examination. As you know, through AADAC we fund a number of native recovery programs right at the moment, and this would fit in very well with exactly what we're doing in family life and substance abuse.

MR. WOLOSHTYN: Mr. Speaker, with all due respect, that's not what they're doing, because the problem has been ignored for years. It's only now coming to light, and I would like to see some definitive action taken.

However, I'll go to the Minister of Education. Given that children suffering from fetal alcohol effects usually don't have recognizable birth defects but have severe learning disabilities, are socially dysfunctional, and have behavioral disorders, they're

victims within our school system simply because they are not receiving proper learning assistance related to their particular problems. They end up with very poor self-esteem, affective disorders, loss of productivity. If they're not recognized, these children end up as victims of the school system and, in fact, potential victims of the legal system. To the Minister of Education: will the minister commit to working with educators to identify those who are learning disabled or behaviour disordered as a result of fetal alcohol effects and to work to develop more effective and appropriate school programs to deal with learning disabilities of individual . . .

MR. SPEAKER: Order. Order. Thank you. Take your place. The Minister of Education.

MR. DINNING: Mr. Speaker, the Member for Stony Plain has raised a very serious issue that challenges our schools and our children in our schools today, and I can assure him that I will do precisely that.

head: **Motions under Standing Order 40**

MR. SPEAKER: Edmonton-Jasper Place, a Standing Order 40 request.

Forestry in Education Curriculum

Mr. McInnis:

Be it resolved that this Assembly urge the government to refuse further funding for the Focus on Forests program and the education forestry tours sponsored by groups such as the Alberta Forest Products Association until such time as these programs are put under the control of professional educators to prepare a balanced view of the role and purpose of the forest as well as the forest industry.

MR. McINNIS: Thank you, Mr. Speaker. I believe the pages have distributed copies of a motion which urges the government to suspend funding on a couple of initiatives that the government has been involved in. The urgency of this matter is that a person who I think would be best described as a token environmentalist associated with the forestry tours this summer has declared that he regards this program as being "purely a propaganda exercise." I quote:

I don't know of any of the instructional material which is going to emphasize the problems and the degradation that comes from forestry operations.

He's not having anything further to do with it.

Earlier this week Jim Martin, who's executive director of the Friends of Environmental Education Society, told me that he is now requesting from the government funding for this tremendously expensive initiative where teachers are taken around the province and shown the showpieces - you know, the best work that the forest industry is capable of doing - but are not taken to places where there are problems associated with logging, and I think only a fool would deny that those areas exist.

Added to that is the ongoing involvement of the Alberta forest service in what's called the Focus on Forests program, which has produced curriculum material to date which is irreparably biased and in some respects just plain wrong. That material was prepared by staff of the forest service evidently on leave of absence seconded to an outside organization, although they continue to work out of government offices using government equipment, government supplies, and so forth.

So this motion is urgent in the sense that these things are taking place now, as we speak, and would quite possibly continue to take place over the summer in the same way that they have unless the Assembly takes some other action, which is proposed here.

MR. SPEAKER: Under Standing Order 40, a case is attempted to be made by the Member for Edmonton-Jasper Place with respect to the matter of urgency for the matter to be debated.

Those in favour of granting the request for the matter to proceed, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The matter fails.

MR. SPEAKER: On a procedural motion, I understand, Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. Yes, a procedural motion. Having alerted the Government House Leader and much earlier today having discussed the matter with the House leader of the caucus which would be sponsoring a subsequent Bill, I move that Bill 213, Labour Relations Code Amendment Act, be allowed to stand and retain its place on the Order Paper, as the sponsoring member is unavoidably away at a public accounts conference.

MR. SPEAKER: The motion before the House will be the first part, because the second part gives us the reason why. So the motion before the House is that Bill 213 be allowed to stand and retain its place on the Order Paper. All those in favour of the motion, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried; let the record show unanimously.

Thank you.

head: **Orders of the Day**

head: **Written Questions**

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

[Motion carried]

head: **Motions for Returns**

MR. GOGO: Mr. Speaker, I move that the Motions for Returns appearing on today's Order Paper stand and retain their places except for the following: motions for returns 197, 221, 232, 304, and 336. I'd ask House leaders to pay particular attention to those.

MR. SPEAKER: Thank you.

Speaking to the motion overall, Edmonton-Mill Woods.

MR. GIBEAULT: Mr. Speaker, I am concerned that the government is only proposing to respond to a couple of these motions for returns. We're almost at the end of this session. Who knows how much longer it may go? I'm concerned in particular about my Motion for a Return 375 asking for the government to submit to the Assembly mine inspection reports carried out by the Occupational Health and Safety department from 1988 to 1991 for the Grande Cache, Cardinal River, and Star-Key coal mines. I am concerned that the government has chosen not to respond to our request for this information. These reports are posted at the mine site at the time the inspections are done, so I don't think the government can claim that these are somehow secret documents. I have to be concerned whether or not the government is ashamed of those reports. Have they got information in them that could be embarrassing, or what is the reason why they're not being brought forward for the members of the Assembly?

We know, Mr. Speaker, about that terrible mine disaster just recently, the Westray Mine in Nova Scotia. Surely all of us here must be concerned that we don't have a repetition of any sort of disaster like that in Alberta. We're a coal producing province here, and we have to be very concerned about the status of mine safety. That was the intent of this motion for a return: that we get these inspection reports for the last three years from these respective mines so that we can be assured, so that all Albertans can be assured that an adequate level of safety is maintained at the major coal mines in the province.

I would like some explanation from the government as to why these reports are not forthcoming. If no such explanation is forthcoming from the government, I intend to vote against the government's motion.

MR. WICKMAN: Mr. Speaker, I wish to speak very, very briefly on the motion as well. I have the same difficulty as the previous speaker. If you look at the motions for returns we have in front of us, at the ones that are under the name of this member, 249, 251, 252, 253, 254, and on and on and on, I have 19 motions for returns on this Order Paper. I don't know as to whether any of them now are going to be addressed during this session. Some of them were submitted long, long ago. There's no excuse from the point of view that the time wasn't there. They're good questions – nobody will argue that – but for some reason the ministers responsible are indifferent to them, are simply not responding to them, and they leave them sit, sit, sit. I very, very much oppose this motion we're now dealing with.

MR. SPEAKER: Deputy Government House Leader.

MR. GOGO: Thank you, Mr. Speaker. As you know, sir, the government is of the view that it's a procedural motion. Even though it's based on your order, sir, that you allow debate, I'd like to close debate on this and simply point out to the hon. members that the government, I believe, has a responsibility to see that each and every member of this Assembly has equal opportunity on Tuesdays and Thursdays to bring forward business that affects the people who elect them. The government attempts to maintain a very even balance between motions for returns or written questions and the opportunity for members to put forward motions on the Order Paper, particularly on Thursdays with regard to private members' public Bills.

Mr. Speaker, the motion I just moved clearly points out that there are five motions for returns that the government is prepared to deal with today. The Member for Edmonton-Mill Woods may not like the order in which they're being dealt with. I'd simply draw to the member's attention that there's only 40 minutes left

today in which to deal with these motions for returns. I think the government is being extremely co-operative by agreeing to discuss these five motions for returns that are on the Order Paper. I would suggest that hon. members support that motion, and let's get on with it. Hon. members of the opposition hopefully will have the opportunity not only to debate but to listen to the reasons from the government in responding to these motions for returns.

[Motion carried]

Speaker's Ruling Debate on Procedural Motion

MR. SPEAKER: Now, before we proceed, hon. members, I'd like everyone to take note of the fact that last Thursday we did indeed have a procedural interruption. This matter of whether or not the motion which we have just passed should be just dealt with as a straight procedural matter, which would not allow the matter to be debated, is still under consideration because there are some other ramifications with respect to another aspect of Standing Orders. We have, as a matter of fact, discussed the matter at a Table officers' meeting today and are giving notice, of course, that we're going to be working on this to get this thing solved by the time the House comes back again in the fall. It also is probably an area that could be taken into consideration by this special select committee dealing with parliamentary matters. Perhaps as the item comes up about Standing Orders, this is indeed one example of one of the items in Standing Orders that needs to be addressed.

Thank you.

3:50 Forestry Company Loans

197. Mr. McInnis moved that an order of the Assembly do issue for a return showing copies of agreements covering a \$660 million U.S. first mortgage project loan among Crestbrook Forest Industries Ltd., MC Forest Investment Inc., Kanzaki Paper Canada Inc., Al-Pac, and a syndicate of banks.

MR. McINNIS: Mr. Speaker, in moving Motion 197 standing in my name on the Order Paper, I would just make a couple of observations. One is that it's extremely odd that the government has called this motion but not the preceding motion, 196. The two are in fact a package, the financing package of the Al-Pac project, and the two ought for that reason to be considered together. Motion 196 refers to a credit facility agreement of which the Alberta government is a party. The second is the first mortgage document to which the Alberta government is not directly a party but nonetheless is a very interested observer. In the relationship between the first mortgage and the credit facility agreement is found the true nature of the deal as it was structured between the government and the various partners that make up the Al-Pac project.

[Mr. Deputy Speaker the Chair]

This is a very important matter because it was said to me by a number of people within the forest industry that the loans made by the government to the Al-Pac project don't have to be repaid until such time as the joint venture shows a profit on its books. Now, at first I think the government made several steps to kind of fudge their way around that issue, but shortly after the final deal was struck, I believe the minister of forests admitted in an editorial board meeting – I'm not certain whether it was one of the Edmonton newspapers or one of the Calgary newspapers, but I know that he did admit it at one of those meetings – that in fact

Al-Pac doesn't have to pay back anything until it's good and ready to start paying back, and that's when it shows a profit on its books for the joint venture. Now, I think anyone with experience with a joint venture knows that it's possible to make the profit appear anywhere you want to with the right accounting method. So I think Albertans have an understandable interest in knowing some of the details of the agreement under which some \$275 million is advanced from the Heritage Savings Trust Fund in support of this project.

Now, the heritage fund is supposed to be a vehicle for obtaining something of value for future generations to compensate in some way for what we've given up through the sale of our oil and gas resources, a nonrenewable asset. I think an explanation is owing as to why our heritage is being used to prop up the financing on a foreign-owned project which utilizes essentially 19th century bleached kraft technology to make pulp, which involves enormous amounts of wastewater, more than can possibly be processed or recycled or any other such thing so it has to be dumped in the river.

That's an environmental issue, and I'm not here to debate the environmental issue but to say that the Alberta taxpayer, in particular the ones that are too young to vote, whose heritage is being invested in this project, are now equity participants, because if I understand the way the way that these so-called income debentures work, they're in fact a lot more like equity investment than they are like debt because repayment is contingent on financial performance. That, generally speaking, is the way equity is treated in a business venture as opposed to debt. So now that the government has moved itself into an equity position via the income debenture, it becomes incumbent upon the government to provide information about how the financing is structured. What is the repayment schedule? What type of security do we have against various contingencies such as cost escalation during construction? I understand that there are agreements related to that, that the taxpayers are on the hook, so to speak, for additional contributions to Al-Pac should the construction costs exceed the budget.

What is our security position in terms of other contingencies down the road? We know, for example, that the Alberta government does not appear to be involved in a first-mortgage position because the first-mortgage documents, which Motion 197 asks for, don't include the government of Alberta as a signatory partner. I think that implies, at least, that the first-mortgage position is not occupied by the government of Alberta in any sense. So where, then, does our involvement lie in terms of order of priority? The credit facility agreement: what security does it have against the assets of the company? Now, I think it's well known and well recognized in law that environmentally risky industries, of which the chlorine bleached kraft pulp sector must be considered one – there are certain liabilities that go with operating an environmentally risky operation, whether it's on the forestry side or at the mill site. That raises, to me at least, the question of what liability the government of Alberta has in respect of any environmental damage which is done or may be done by this project. I think the question of our potential liability that way or the position of our investment vis-à-vis other charges on that joint venture operation need to be clarified.

With that background, I move Motion 197.

MR. JOHNSTON: Mr. Speaker, if it was the intention of the member to speak on Al-Pac, I guess he has satisfied that objective, but if he's legitimately seeking information, then he has answered his own question. In fact, the government is not part of this particular motion, and if he wants to get that information, he

can turn to the mortgage participants. I'm sure they'd be pleased to co-operate.

Mr. Speaker, he's answered his own question here by saying that in his mind he was linking in some way motions 196 and 197, some horse and carriage linkage which led to love and marriage between 196 and 197. It just doesn't exist in any way that I see, in any procedural paper that I know of. So on 197 the member has answered his own question. *Beauchesne* is replete with comments, 446 in particular, that this question is out of order.

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

MR. McINNIS: We're not into a spurious procedural argument, are we? *Beauchesne* 446: "Papers that are private or confidential and not of a public or official character." I take it that the minister is indicating the government will be using its majority to vote down this request for information.

4:00

I think it's a bit of a distortion to say that the government is not involved with this \$660 million first-mortgage syndication because in fact it is. It's my understanding that the \$275 million income debenture from the Heritage Savings Trust Fund is what makes this \$660 million mortgage property happen. You wouldn't have that syndication in place without the \$275 million from the government. So the question that poses is the relationship between our \$275 million and the \$660 million which comes primarily from a syndicate of banks. It's well known in the financial community that it's easier to syndicate a project than it is to find a single lender. A lot of banks will go in for a small piece, in particular if they think that there's government backing. That's really the question that has to be answered and why 197 is on the Order Paper.

I said it was strange that the government would call 197 without calling 196. I think they're obviously doing it for a reason, and he's revealed the reason, which is that the government hopes to escape any responsibility for the terms of this agreement merely by the fact that his signature isn't on the paper. Well, the fact that he didn't sign has nothing to do with the more important fact that the \$275 million income debenture is what supports the first mortgage. The question I was hoping would be answered, either through the filing of the document or by the Treasurer in his capacity as the chief financial officer, is to describe the relationship between our \$275 million and the \$660 million put out by the banks. If I understand this correctly, he's saying we're not part of the first mortgage. So that means that the first mortgagees come first and then we come, presumably, second. Well, is it second, or do we come after a number of other charges?

So I think the minister's nonresponse to 197 invites a whole lot of questions, not least of which is when the government is going to turn around and approve 196 so that we can get the Alberta government paper on the table and Albertans will find out for the first time what commitments are being made on their behalf from the Heritage Savings Trust Fund.

[Motion lost]

Claiming My Future Report

221. Mrs. Hewes moved that an order of the Assembly do issue for a return showing a copy of the government's responses to the recommendations contained in the Claiming My Future report.

MR. ANDERSON: Mr. Speaker, the government agrees to support Motion 221 as indicated.

[Motion carried]

Flat Rate Tax

232. On behalf of Mr. Mitchell, Mr. Wickman moved that an order of the Assembly do issue for a return showing copies of all documents and correspondence exchanged by the federal government and the government regarding the implementation and administration of the flat rate tax.

MR. JOHNSTON: Mr. Speaker, this question can be denied on two bases. The first basis, which will appeal even to the member who moved it, including Mr. Mitchell, is the commonsense basis. That is to say that correspondence between two levels of government which surround the tax sharing agreement cannot be made public. Tax sharing agreements are important documents which set out a set of principles under which the current provinces which are in the tax sharing agreement, for personal income tax purposes at least, communicate established parameters, established principles and guidelines as to whether or not and what kinds of adjustments can be made to the income tax system. It is a consultative process. It's one where extensive discussion and extensive correspondence may emerge, so on a commonsense basis you can expect that correspondence of this type on a federal/provincial basis as between governments surrounding the area of taxation, tax policy, is not logically in the public domain.

This commonsense view is also held by *Beauchesne*. Again in 446(2)(d), *Beauchesne* is very clear and in fact specifically says – and I'm paraphrasing – words to the effect that if you have agreements on a federal/provincial basis, those also are exempt from tabling under Motions for Returns. So the government obviously will refuse this motion, Mr. Speaker.

I would encourage the members from the opposition to do more work and to at least satisfy the guidelines before they bring questions forward. It's easy to bring a question forward. Then they stand up and within the ambit of public information demand answers when in fact our guidelines, the framework under which we operate, clearly set out what we can and cannot do, whether it's the sub judice convention which you saw here in question period; whether it's a question now where the government's not part of a contract, as you saw in the last question from the Member for Edmonton-Jasper Place; or in fact this one, which is clearly spoken to in *Beauchesne* under 446(2)(d), that in fact there is no legitimate way in which this can be answered by the government. In fact it's outside the parameters.

Mr. Speaker, we reject this motion.

MR. WICKMAN: Mr. Speaker, you know, it's not like I'm sitting here asking for confidential documents, documents marked with that great big stamp “confidential.” All I'm asking for is general documentation that may have floated between the two levels of government pertaining to the flat rate tax.

The flat rate tax, let's face it, has been bandied about for quite some time by different parties involved federally, by different parties involved provincially, by many advocate groups out there for tax reform as to whether it's the way to go, and many people would question that. That's why there's always a need to try and gather that information to try and make a determination as to whether in fact it is being regarded seriously, because if it is being regarded seriously by another level of government or this level of government, if there's any correspondence that would indicate that

discussions are under way to initiate such a tax, I think in fairness to all Members of this Legislative Assembly we should be informed. In fairness to all Albertan taxpayers, they should be aware, and Canadian taxpayers should be aware as well, because they're the ones who are impacted by these types of decisions.

It doesn't surprise me that the Provincial Treasurer will find a reason not to release this particular documentation when he says he can't release it. That suggests to me there's documentation that he doesn't want to release, and when he doesn't want to release documents, I become really scared, because we've seen what's happened in the past with lots of documents that he's refused to release, whether they pertained to Gainers or other questionable government economic financial decisions that have been made. It doesn't surprise me that we have a Tory government in Alberta, a Tory government federally, and that the kissing cousins simply prefer not to do things in public, to do things behind closed doors.

I believe the Provincial Treasurer is using a section of *Beauchesne* to simply attempt to justify his determination to stop the flow of freedom of information. It's a government that's obviously not committed to freedom of information. It was in the Throne speech. I don't believe there's been any indication of any Bill that's still coming forward on that freedom of information, so it was a bit of lip service. We've become accustomed to that lip service. We just get more of it day after day.

HON. MEMBERS: Question.

[Motion lost]

4:10

Team Tourism Program

304. On behalf of Mr. Bruseker, Mr. Wickman moved that an order of the Assembly do issue for a return showing a detailed breakdown of all grants under the Team Tourism program indicating the names of the recipients, total value of each grant, purpose of each grant, and total amount of funds delivered under the program since its inception in March 1988 to December 31, 1991.

MR. SPARROW: Mr. Speaker, Motion 304 requests information on grants issued under the Team Tourism program from its inception to December 31, '91. I recommend that this motion be rejected on the basis that it's similar to Motion 263 in 1990, which was debated and rejected, and similar to Motion 252 in '91. *Beauchesne* clearly states that information that is being requested is already considered public knowledge because it's available through press releases. So this government will not be accepting this motion because it's in the public domain.

Furthermore, Mr. Speaker, in 1990 and 1991 copies of the specific information were delivered to the Member for Calgary-North West showing each and every one of the news releases. I don't know how much more open this government can be about providing information, but to go to the cost of piling this up again for another time to get it delivered to the member just because he put the question back in again similar to last year – I hope next year when we're in this Assembly they at least redesign the question.

MR. TAYLOR: Mr. Speaker, before the hon. Member for Edmonton-Whitemud closes off the debate, I want to point out to the hon. member that the cabinet minister in charge of this area said that it's available. It is, I suppose, if you dig around enough and total releases and so on and try to cross-match and all the rest. All we're asking the minister to do is that surely if his department

puts this out, he must have a computer printout of them listed out. Admittedly, maybe we could put the time in and maybe the NDs could put the time in, but that's all taxpayer money, and his is taxpayer funded too. It only takes a minute to run it through the computer because his department is the one putting it out.

I guess about all I can say is that it's a sense of sort of common courtesy. The minister was one of these lucky people who had friends, and the first time he ran he was elected. He's never served as a backbencher. So it's all right to get cocky and egotistical, but the worm might turn one of these days and you may have to look for information yourself. I would think the smart-aleck responses that you've come out with sort of indicate one of the things that's wrong with this government.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Whitemud to close debate on this motion.

MR. WICKMAN: Thank you. Mr. Speaker, under normal circumstances you would expect that a level of government would be proud to say to the world, "Look, we feel we're doing good for the community; we've given grants under a program called Team Tourism, and we're proud of these grants because they're all justified, they're all worthwhile grants, they're all grants that are going to be of great benefit to all Albertans; we've got nothing to hide," that they would be out there blowing their horn. But they're not blowing their horn on this one. They don't want to disclose all the names of the recipients, the values, the amounts, and so on and so forth because, I would speculate, there is information there again that they would prefer that members of the opposition don't get their hands on so that it's not relayed to Alberta taxpayers. Obviously, there is something that is embarrassing to them that they prefer not to disclose, not to just lay out on the table and say: "Here's for all to see. We're proud of what we've done, and here it is. We've got nothing to hide." Obviously, they have something to hide. They have lots to hide, and they continue to hide it.

[Motion lost]

Voluntary Service Sector Studies

336. Mrs. Hewes moved that an order of the Assembly do issue for a return showing every study made by or for the government since April 1, 1988, until March 25, 1992, on salary levels of employees working in any of the voluntary human service sectors.

MR. OLDRING: Mr. Speaker, I'm sure the Member for Edmonton-Gold Bar can somewhat anticipate what my response might be this afternoon as it is again a similar motion to one that the member brought forward in May of 1991. Let me say a number of things. As the member knows, I'm one individual that's very anxious to be able to provide the members opposite with factual information, with information that can help them with their responsibilities and help them better understand my responsibilities. I make every effort to be able to provide them with that kind of information. The member knows that earlier today I filed responses to many of the questions that this member has raised directly through the Order Paper. I was anxious to be able to provide her again with that kind of information. The member knows as well that a number of questions were raised through our departmental estimates. Again, through our Government House Leader, I have tabled exhaustive responses to the issues and the concerns and the questions raised there. So for the most part, if

I'm able, I am very anxious to be able to respond with information to all reasonable requests.

Mr. Speaker, the Treasurer earlier today alluded to common sense and knew that members opposite would appreciate the need for common sense as we carry out our responsibilities here in the Assembly. I have in front of me a request that's asking for every study made by or for the government since April 1, 1988, until March 25, 1992, on salary levels of employees working in any of the voluntary human service sectors.

Now, the member knows full well how sensitive salary negotiations are, whether they're salary negotiations within my department, which is a massive department involving thousands of employees, or salary negotiations in the private sector dealing with, in particular, the voluntary human service sector. The member knows that salary negotiations are very sensitive. Each of these agencies across this province that we work with has to sit down and negotiate with their employees fair and reasonable salaries.

Now, as we conduct our research and as we look for information, Mr. Speaker, obviously agencies will provide us with that information, but often it's on a confidential basis. That is to say, there are ramifications for them to have this kind of information released. So I would have to say that I wouldn't be acting responsibly on behalf of the citizens of Alberta, on behalf of the many, many agencies that we contract with right across this province to release information as sensitive as that which is being requested.

However, I would say this. I really think that the underlying issue that the member is trying to get at is the issue of discrepancies between salaries as they relate to the public sector and salaries that relate to the private sector. I will acknowledge that the gap between the two is wider than I'd like to see. There have been many occasions where I've stated publicly and candidly with agencies at public functions that I share the concern as it relates to the discrepancy that does exist. We're working very hard, Mr. Speaker, during difficult fiscal times to try to marginalize those discrepancies, to reduce those discrepancies. Last year at a time of fiscal restraint there was an additional 5.4 percent found; this year there is an additional 2, 2 and a half percent found: not nearly as much as I would like to have seen, to be honest.

I recognize the yeoman service that these volunteer agencies are providing across this province. They're very, very valuable partners in meeting the needs of Albertans today. I recognize the need to strengthen that partnership, Mr. Speaker, but I also realize that there are some fiscal realities that we all have to deal with today as Albertans. I'm looking for creative ways of establishing priorities within the funding that we have to perhaps target some of those agencies that are farther behind than others, recognizing that when we talk about discrepancies, obviously there are discrepancies within the agencies themselves.

So although I'm always anxious to provide the Member for Edmonton-Gold Bar with additional facts and information and always wanting to co-operate in any way that I can, Mr. Speaker, I have to in this instance recommend that we reject Motion 336 to indeed protect Albertans, to protect agencies in recognizing the sensitivity of salary negotiations.

4:20

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Gold Bar to close debate.

MRS. HEWES: Mr. Speaker, the hon. minister has used the word "reasonable" a couple of times, and I believe this is indeed a reasonable request. It has been made before in perhaps a slightly

different form, but it still remains a reasonable request. The other thing he has spoken to is "reasonable salaries," and that's what we're really talking about here.

Mr. Speaker, the government and the Family and Social Services department are increasing the numbers of contracts for human services with private nonprofit and with commercial agents in our communities, and they are asking for this kind of information. The minister says it wouldn't be fair to them. I believe that it's not fair to them not to share the kind of information that we know the minister and the department have on parity or the absence of parity between employees in the public service and employees in the various voluntary human service sectors.

I need only refer to the study on family and community support services done by the hon. Member for Highwood, the study that was referred to in the Throne speech of this year. The recommendations from that study, which I certainly support, have yet to materialize. The recommendations related to increase in the per capita revenue that went to municipalities to pay for FCSS have not materialized. So we see that that, among other things in the Throne speech, just doesn't seem to be anything more than a hollow promise. Mr. Speaker, there's no question that our community agencies, our private nonprofits, are experiencing far greater demands. The demands are higher in number, they are more critical, they are more acute, and they have less money to deal with them.

Mr. Speaker, I see no reason whatsoever that this reasonable request should not be met. I think the minister and his department would benefit from a far more open relationship with those agencies on whom he states this afternoon he depends. He believes they're doing good work. We need them. I believe the kind of information he has would lead to a far more open and balanced relationship with those agencies, who would better be able to serve those communities and constituencies that are his responsibility as well.

I guess I'm not surprised. This, once again, is one of those items that taxpayers pay for – this kind of study that agencies believe is being done to help them in their deliberations – and that are constantly kept away from us, kept a mystery from us. So much for freedom of information, Mr. Speaker.

[Motion lost]

head: **Motions Other than Government Motions**

Provincial Tax Regime

223. Moved by Mr. Hawkesworth:

Be it resolved that the Legislative Assembly urge the government to restructure Alberta's tax system to make it more fair, progressive, and open and that these changes should include requiring profitable corporations and the wealthy to pay their fair share of taxes, fully reporting the annual amount of unreported provincial corporate tax expenditures as recommended by the Auditor General, thoroughly reviewing the value of all provincial corporate tax expenditures and eliminating those which only serve to allow tax avoidance, replacing the regressive flat tax and ineffectual high income surtax with a fair and progressive graduated income surtax that would see taxpayers who earn more pay a greater percentage of their income as tax than lower income earners, and establishing an income based child tax credit to offset the disproportionate impact of the goods and services tax.

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

MR. HAWKESWORTH: Why, thank you, Mr. Speaker. It gives me a great deal of pleasure to open debate on Motion 223, which is an opportunity for this Assembly to focus its comments and its debate on how we can achieve a fairer tax system in our province, one that benefits ordinary Albertans whom we are here to represent as opposed to a system that has grown up over the years to become a greater and greater burden to ordinary Albertans.

Mr. Speaker, the motion basically calls for a somewhat comprehensive review of the corporate system. The changes I'm proposing that the Assembly urge the government to undertake are, first of all, to require profitable corporations and the well-to-do to pay their fair share of the tax burden, and secondly, to look carefully at the corporate tax expenditure policies of the government. That's tax expenditures where the government forgoes revenue from taxes in order to achieve some end. I think we need to look at those tax expenditures and eliminate the ones that effectively only allow people and companies to avoid paying taxes at all. Thirdly, I think that what we need to do in this province is get rid of the flat tax and the ineffective high income surtax. The fourth point in my submission is that we need to develop an income based child tax credit to help families compensate for the goods and services tax which has had such a regressive impact on our families and their incomes in this province.

Along with this is the notion that's getting more and more currency. We see it from respected business organizations in the oil patch now calling on the government to implement a provincial sales tax. I note in today's newspaper that one of the economists for the Toronto Dominion Bank is indicating that because this government has made such a fiscal mess in this province, a sales tax is everything but inevitable, Mr. Speaker, and I note from the last policy convention undertaken by the provincial Liberal Party that they themselves are now looking very carefully and closely at the implementation of a sales tax here in Alberta. I just want to make it very clear as a major point of my remarks this afternoon that this government must not fall into the temptation or become allured by the siren song, the siren call of a provincial sales tax, which, given the way they've been implemented in other jurisdictions and certainly with the federal goods and services tax, proves to be nothing more than a regressive form of taxation that takes a higher percentage of the incomes of low-income people. A much lower percentage of the incomes of high earning Albertans and Canadians goes to pay for sales taxes.

Given that the fiscal mess of the province is so deep, obviously this government is going to have to be forced to look at its taxation policies. I would say that the first and primary principle that should underline and serve as a basis for any tax system in this province, indeed in any jurisdiction, is that it should be fair and progressive, Mr. Speaker, and so I would hope that as debate carries on, we would hear from the different parties in the House about how they see creating a fair and progressive tax system in our province. I'm looking forward to hearing those remarks, but noting that under our Standing Orders time is almost upon us and we must hear the private member's Bill that's scheduled for debate this afternoon, I beg leave to adjourn debate, and look forward to continuing these remarks and hearing from others later on.

MR. DEPUTY SPEAKER: The hon. member has moved that debate be adjourned on Motion 223. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no. Carried.

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

4:30

Bill 214
Municipal Taxation Amendment Act

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

MR. MITCHELL: Thank you, Mr. Speaker. I'd like to address Bill 214, the Municipal Taxation Amendment Act, on a number of counts.

This Act might otherwise be termed the Domtar reassessment Act, because it was the Domtar case that recently and so clearly identified a very serious problem in the current municipal taxation assessment regime in this province. In that case, Domtar, which over the years had seriously polluted its 11-hectare site in Cochrane – polluted that site, I should add, with creosote – appealed the 1991 land assessment on that property, saying that the land was worth less than the assessment because the land had become polluted. Domtar objected to being asked to clean up their site and also objected to paying taxes based on the then established value of that site. Domtar appealed to the Cochrane assessment board, who sensibly refused their appeal to lower the assessment on that site because they ruled at that time that Domtar itself was responsible for contaminating the site and therefore reducing its value.

Domtar persisted and took its case to the Alberta Assessment Appeal Board, which of course has the final authority. The board allowed the appeal and granted Domtar, believe it or not, a 25 percent reduction in its tax assessment. This was done for the sole reason that the appeal board's mandate currently is restricted to considering only the market value of the land. It is not permitted to consider why it might be that that value has been reduced. Therefore, this strange and unsettling irony arose. Domtar, which contaminated its own site, would benefit from that contamination by using the contamination as the reason for having the assessed value of its land reduced. Therefore, its property taxes would be reduced. I believe that in this case the reduction in assessment ended up in a cost to the town of Cochrane of almost \$2,500 per year in reduced property taxes.

This Bill, Mr. Speaker, addresses that kind of case. It is not an isolated case. The Domtar circumstance is not an isolated case. In fact, service station owners who have leaking tanks or farmers who have overirrigated and caused salinization of their land also go to the appeal board and not infrequently get a reduction in their tax assessment due to these self-caused contaminations. The board will freely admit that clearly its mandate is that it can only assess the value of the land and cannot assess this other factor, and it is therefore very clearly hampered by the legislation.

[Mr. Jonson in the Chair]

My amendment under Bill 214 would simply state that in making an assessment, the assessor shall not take into account reduction in the value of land if this reduction is due to a contamination that has been caused by the owner. This amendment refers only to cases where the contamination has been caused by the existing owner. It would not affect someone who discovered contamination on their land after they purchased the land. This is not a complicated amendment. I think it is a very obvious need with respect to municipal taxation assessment in this province. If the government is not already considering such an amendment, it would be very, very difficult to understand how they could

possibly fail to support this Bill because of its obvious logic. If the government already is considering such an amendment, it would be an historic day if today they could at least see themselves clear to endorsing that idea in principle on second reading of this Bill.

This particular problem addresses a broader issue in government today. That, Mr. Speaker, is that inadvertently government policy, as complex as it is, may in fact have effects on the environment that were quite unintended and, in fact, in many cases go undiscovered as the bureaucratic processes of government grind on. It raises the importance and the need for governments today, this one in particular, to consider environmental impact assessments of government policy. That isn't just new government policy, new legislation, although I think that is an important role the Environment Council of Alberta might well be able to undertake. I'll address that in a minute. It also raises the need to consider environmental impact assessments of existing government policies, such as the Municipal Taxation Act, that would harbour this kind of unfortunate irony in its taxation assessment system, undiscovered if it hadn't been for some coverage given to this particular case. Environmental impact assessments on government policy of course couldn't be done tomorrow on every feature of policy, but I believe an important process is establishing an inventory of policies that might have even the remotest possibility of impacting the environment inadvertently – or even advertently, I guess, or intentionally or at least with our awareness – and then beginning to prioritize which of those policies should first be reviewed and so on for their environmental implications.

We can imagine a number of possible areas: for example, the Municipal Taxation Act, an obvious one; the government's vehicle purchase plan and the fact that ministers, members of cabinet, are allowed to select vehicles from whatever range without any consideration given to the fact that those vehicles should be more fuel efficient. It may be that we could review the policy of this Legislature to subsidize MLA gasoline and consider that if we are to continue to subsidize gasoline, it should be based upon some assessment of a level of fuel efficiency that puts a limit on how much gasoline we will pay for an MLA's travel.

Education curriculum has been a current issue this week and last week, Mr. Speaker. An environmental impact assessment of the curriculum in this province might well discover many such shaded or biased items that would determine or influence the thought of children on environmental questions. A review of tax policy, Mr. Speaker: an environmental impact assessment on tax policy possibly would determine that our tax system discourages many activities that we would like to encourage and is silent on discouraging activities that in fact pollute. We might, for example, begin to develop recommendations where we could stop taxing small business to the extent we do and begin taxing certain activities in our day-to-day life which replace that taxation on something we want to encourage – that is to say, small business – with a taxation on something we would rather discourage.

Our transportation policy: were we to review certain transportation policies, give an environmental impact assessment, Mr. Speaker, we might find that we could replace very, very cost efficiently materials used in road construction, in barriers, and in parking curbs that are not recyclable and weren't recycled in the first place with products such as the Sturdi-Wood products developed in this province – in this case, made from recycled plastic – that are recycled.

4:40

We might find that if we were to review parks and recreation policy, Mr. Speaker, protective designations – and I use the word

“protective” loosely – that are construed by this government to be designations that protect certain areas of our province in fact do not protect because they are not managed in a way that would allow the areas so designated to be protected properly.

A review of municipal zoning practices in this province would reveal that there are perhaps ways we can stop urban sprawl, limit it, and therefore reduce the amount of travel needed in an urban area, thereby reducing fuel emissions, thereby enhancing the efficiency of public transit and the likelihood of people using it.

We would perhaps find that a review of building codes in this province would have many implications for environmental practice. Among them, for example, would be the level of insulation required in construction of houses today and whether that could be improved.

A review of royalty policy in this province, Mr. Speaker, might conclude that policy neglect in the past to consider alternative uses of flared natural gas had an environmental impact that amounted to the unfortunate waste of millions of cubic metres of natural gas over the years.

I could go on, Mr. Speaker, but I think my point is quite clear: government policy has many inadvertent impacts on the environment. The Domtar case highlighted one of those inadvertent impacts. That specific case is being addressed in this Bill, and I think the logic of this Bill in addressing that case and many other cases like it that are dealt with, as I say, in the grinding of bureaucratic processes – that particular kind of case will be handled by this Bill. It is important to note that the implications of this kind of Bill are broad for our responsibility to consider the inadvertent impacts on the environment of much of what government does either by omission or by commission.

Mr. Speaker, I ask that members of the Legislature support Bill 214, whose logic and force of argument I believe speak for themselves.

MR. ACTING DEPUTY SPEAKER: The Member for Dunvegan.

MR. CLEGG: Thank you, Mr. Speaker. It's a pleasure and a privilege to speak on Bill 214. I want to congratulate the Member for Edmonton-Meadowlark for the time and energy he must have spent in bringing this amendment.

However, I think we've got a much broader concern out there. I think the member sponsored this probably because of the general fear of people in Alberta that they would pollute our ground and maybe even be compensated for doing that, but I think it goes far beyond that.

I just want to bring out a few facts. But before I do, the hon. Minister for Municipal Affairs and, I'm sure, the hon. Member for Edmonton-Meadowlark will spend a lot of time on this property assessment Act. It was filed in the House today. I know the Municipal Statutes Review Committee spent a lot of time on the proposed new assessment Act, hoping it will come in in 1993. So to single out one specific item in the Act I don't think is really going to do the job all Albertans want it to do. Also, earlier in this session this House passed the Environmental Protection and Enhancement Act, which puts very stiff penalties on people who pollute the air and the ground. I think that will go a long way to look after the problems this minor amendment to the Act would do.

You know, when we talk about assessment, we have to go back in history a long time. I guess being relatively old-timers in municipal governments, we look at the assessment formula, and it's been changed over the years. We used to have an assessment, and there was a formula, 50 percent of the assessed value. Then when the former MLA for Smoky River was Minister of Municipal

Affairs, he made some major changes to the assessment Act. Then a few years ago the AMD and C had a study group and involved many people throughout rural Alberta especially that worked for days on a new rural assessment policy that in fact didn't specifically look at this item but looked at a different format for assessment. And with this white paper that was released by the Minister of Municipal Affairs, we now are going to look at basically market value right across the province. I personally believe market value is something we should all take a good look at, because I think in the future that is the way to go.

Let me say that just because land is polluted, if we want to use those words, that does not mean that the assessment will be lowered. I also know it's been a problem on a couple of occasions. The Member for Edmonton-Meadowlark did mention one specific case, but there have been others. Officials in the Department of Municipal Affairs certainly have realized that and are trying to come up with a solution. Although we have fine assessors throughout this province, I'm not too sure how without some training you would come to the fact of how much pollution there is and how they even assess the amount of pollution damage on land.

I really think that just a small amendment under the Act would certainly be a step backwards when the whole picture has to be looked at. I'm not too sure. It would probably be costly, expensive. But we must make sure Albertans are stewards of this land of ours, and something should in fact be looked at and done in the near future. To pick out a specific part of this Act, with the kind of work that's been done with the department and now with the white paper that's out, I think is wrong. I look forward, as I know all members of this House do, to comments on both the municipal Act and certainly the property assessment Act. I do know that the Municipal Statutes Review Committee did send out information to anybody interested and to all the councils, and that's where this property assessment Act comes from, the Municipal Statutes Review Committee. They did get some ideas back. Certainly we as a statute review committee and as a government like to hear from people, and this is where this paper is coming from. I personally look forward, in the next six months, to hearing from all individuals or all councils throughout this province so we can bring in a whole new property assessment Act that will look after the member's concerns, because I don't believe and, in fact, I know that no Albertan ever would want to do anything that would pollute our air or our land.

4:50

We just kind of rent the land as owners of the land, and I don't think we have any right to pollute it. You know, in different countries of the world you're just like a servant of the land and it's passed down from generations. In some countries you never own the land; you just long-term lease it. So it's a very good Bill in one respect, but to pick it out, I can't support it at this time. I do congratulate the Member for Edmonton-Meadowlark for bringing it forward. I know there are many members in the House that want to speak to it today, and I look forward to their comments.

Thank you, Mr. Speaker.

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

MR. McINNIS: Thank you, Mr. Speaker. I would like to enter a few comments in the discussion of Bill 214. Like the previous member, I wish to congratulate the Member for Edmonton-Meadowlark for bringing his concern in this area forward in a

very appropriate way. I think it's appropriate that for members who feel situations out there should be remedied, we should take advantage of our privilege of being able to prepare and present legislation. I wish the government would take cognizance of those more frequently, because it's not necessarily the case that all wisdom resides in the PC caucus. In fact, I think probably it's been demonstrated that not very much wisdom resides in the PC caucus these days, so it's an idea that needs consideration.

I think every member of this Assembly would agree that someone who pollutes their property through an act of their own, whether covered by a permit to pollute or not, should not benefit from the act of polluting the land. In fact, in more than one case now the assessment system has said that a reduction in property taxes is owing to someone who has ruined their land, who's created a tremendous mess and a cleanup cost, and I think he's absolutely right on the money to say that a person or a corporation in that situation should be denied any economic benefit that flows from the way our taxation assessment system works.

Now, it's one thing for the Member for Dunvegan to say that the Act is under review and we should not be amending the Act while it's being reviewed, but I would like to note for the record that the property assessment Act white paper and the proposed legislation tabled today doesn't deal with this issue at all. So what's the credibility in saying we should wait? We should wait for a process that doesn't even address this issue?

If you look, Mr. Speaker – the pages aren't numbered in this document, but in the discussion portion, the authors of the white paper lead

logically to the conclusion that since the objective of the fair actual value standard is to achieve market value, it is reasonable to explicitly adopt market value as the value standard.

What the government is proposing is that there shall be only one criterion for assessment of property, and that's market value. Well, that's the trap we're in right now. If Domtar saturates the soil with creosote and other wood preservatives such as PCBs, then that inevitably would reduce the market value, and they're going to get a break on their property taxes. That's the proposition the government has put forward under the guise of reform of the legislation. I don't think it has any credibility at all to suggest that this review is going to solve the problem.

I'll take it a step further. If one turns to page 16 of the draft legislation, also tabled today, under section 8(1), duties of the assessor, it says:

Not later than December 31 each year, an assessor must prepare a valuation for each property liable to valuation and assessment in the municipality that reflects

(a) the physical condition of the property on December 31 of that year.

Now, that says to me that every year you can get your assessment changed based on the physical condition of the property. It says there's all the incentive in the world through the tax system to reduce the value of the property through any type of degradation, including environmental pollution, and to reap an economic reward for that. The Member for Dunvegan didn't lead me to the conclusion that this issue was going to be taken care of, because this issue isn't even addressed. The government is not deaf. There have been quite a few media stories about not only the Domtar property in Cochrane but, I think, some of the industrial properties in Edmonton as well, where exactly the same issue has arisen. I think we've got a problem here, and it's a problem that has to be dealt with.

Now, as I look at Bill 214, I see the Member has explicitly added to the section on valuation of property by saying that where an assessor is of the opinion that land has been contaminated as a result of activities carried out thereon by the owner, an assessor

shall not have regard to the effect of such contamination on the fair actual value of the land and the land shall be assessed as if the contamination had not taken place.

The only difficulty I have with that is it relates only to the owner. If the owner of the property fouls and pollutes land, it's clear that that particular owner wouldn't receive the benefit. But what about subsequent owners? Would it not then be rather too easy for the company involved to effect a transfer of the title and thereby ensure there's a flowthrough of the benefit? So I would just like to see that perhaps strengthened a little by passing that provision and grandfathering it on to subsequent owners, because there's a possibility that simply the name could be changed on the title for whatever consideration and the reduction in property taxation accrue as a result of that. I think that's an important point to add – it doesn't take away from the member's proposal – because we have a real problem in our society with the fate of properties involved in industrial production of one kind or another after the industrial activity has ceased altogether. That's more likely when the problem arises in the sense that that's when somebody else will attempt to occupy the property for another use or it's converted to another use or it's discovered that material is leaching into groundwater or a creek or a river stream, whatever. It's an issue we have to face squarely: the decommissioning of industrial sites of all kinds.

I'd remind members that throughout the province of Alberta we have a tremendous number of oil and gas properties which produced oil and gas in a very profitable way during their day, but eventually all those properties reach a point where there's a diminishing return: either they go dry or the volume production isn't worth the operating cost, whatever. The Energy Resources Conservation Board is now struggling with the decommissioning cost of thousands and thousands of oil and gas wells around the province, some of which are on Crown land, some on private land. It's pretty clear there's some liability there, but what is the liability of a company that's no longer in business or has no assets or what have you? We're involved here in a very serious, long-term problem. It's my understanding that the lending institutions have now come to a realization that they may be responsible for some of the decommissioning and cleanup costs because of their financial involvement. It's a complicated legal argument, which I'm not going to repeat here, but I think the result is that some of the banks are getting out of financing oil and gas operations for that reason, and we have a problem and the industry has a problem getting financing because of this environmental liability down the road. It's my understanding that the Treasury Branches have once again leapt in where others fear to tread and are backstopping a lot of projects at the moment which couldn't get private-sector financing. Therefore, it may be that the government of Alberta is once again assuming a private-sector risk or liability on the taxpayer's back for a problem which really ought to be solved at another level.

5:00

AN HON. MEMBER: Wouldn't that be out of character?

MR. McINNIS: My colleague says, "Wouldn't that be out of character?" We just see so much of this that it makes you want to cry sometimes, but we don't do that around here. We try and resolve issues through debate.

I think the member bringing forward this amendment to the Municipal Taxation Act is expressing his concern that the Assembly has to face the issue of the tax implications of pollution. I would suggest that this Legislature had better get on the issue of all the decommissioning costs of industrial activities: how they're

paid, by whom, where the liability is, how to backstop a situation where no one with assets can be found who is legally responsible, who is going to do the actual cleanup, and more importantly, who is going to pay for it. We could be dealing with something that's much bigger than NovAtel financially and which will cause a lot of pain to a lot of people over a long period of time. Much better to get on these issues before the rusting hulks are all around us. Much better to deal with these issues in a planning mode rather than a reactive mode.

I would like to see this Assembly, perhaps in the fall session, undertake a realistic assessment of a number of statutes. There were some last-minute amendments from the government to Bill 23, the Environmental Protection and Enhancement Act, to try to incorporate some of the findings of a task force that the Environment minister had created earlier this year. The task force reported just prior to the introduction of Bill 23, so there was an effort made in committee to bring some of that in. That's as close as we've had to a comprehensive look at the problem, but it only deals with it from an environmental point of view.

There are so many legal, financial, as well as environmental implications of the decommissioning problem. I think we as a Legislature would be irresponsible not to make sure that our law corresponds with the values of Albertans and also to make sure that contingency plans are in place, the financing is in place, that we have ways to deal with industrial pollution from damaged sites, whether they're orphan sites or sites that are in the decommissioning process, sites in the hands of companies which declare bankruptcy, because that often happens. We made some legislative provisions to protect trustees in bankruptcy, but the core problem is that the public is not well protected in an environmental sense, in a public health/safety situation, or in a legal and financial sense from the possibility that these things all may end up somehow dumped on the taxpayer's lap of responsibility. I don't think we want that because that's unfair and it's certainly not in the best interests of our province economically.

I congratulate the member for bringing this forward. In principle the New Democrats are supporting his initiative. If we're fortunate enough to get this Bill into committee, I would like to try to amend it to make sure the prohibition against a benefit for site contamination extends to subsequent owners as well as the original.

Thank you.

MR. ACTING DEPUTY SPEAKER: The Member for Bow Valley.

MR. MUSGROVE: Thank you, Mr. Speaker. I'd like to make a few comments about Bill 214. Certainly I am disappointed in the narrowness of the Bill. I thought we were probably going to talk about assessment and taxation in Alberta, and what we're talking about is only one small portion of what is involved in assessment and taxation. Now, I'm sure that the member has had quite a bit of experience with assessment and taxation, as have most of us that have been involved a long time in municipal government.

One of the things I have to say to start with is that what he's proposing in the Bill I don't agree with at all. I believe, though, that the new environmental enhancement Act will look after the problems he is addressing. In the case of Domtar having a reduced assessment because the land had been polluted, certainly you can't make new laws and make them retroactive over the last several generations. What I have to say is that when you're making an assessment, in all assessments the ability to pay is part of the formula that's used in assessing and taxing the people in Alberta. When you take out the ability to pay, you ruin all of the

principle of assessment and taxation. The new environmental enhancement Act will force people to clean up polluted sites they now own, but I don't believe it's the ability of this province to write legislation to say that people have to go back and clear up sites they once owned.

There are quite a few problems in what we are doing. Certainly I am in agreement with the environmental enhancement Act, but I can cite a few things that happened in my constituency recently and also what I'm hearing from the public as far as polluted sites. One example I'd like to give is that next to a twinned highway there was a service station. It operated there for the last 25 years, I believe. It had a paved area around it and a paved parking lot, and it had fuel tanks. Had the fuel tanks had leaks in them and polluted the ground underneath where that site was, I would be in full agreement, because we can't be polluting our groundwater with leaky fuel tanks. However, it's my understanding that wherever you have a service station or a bulk station, generally some fuel spills take place around there and there's some evidence always that there has been some fuel spilled there. However, these service stations were abandoned, and they were forced to bring in equipment and take all the asphalt and remove it and then remove a certain depth of the ground, to where I don't know, and then bring in topsoil and fill it back in again. Now, to me, if there is no groundwater pollution there, what better place could you leave that topsoil than right next to a twinned highway, whose very structure is made up of petroleum products that couldn't be polluted by that site having been left there? There are things like that that bother me.

Also, the Member for Edmonton-Meadowlark made some comment about farmers who overirrigate and cause salinity. Now, I'm sure he's had a lot of experience in irrigation, but I don't know where he came up with this information, because generally overirrigation does not cause salinity. Salinity is salt below the surface of the land that is brought up to the surface, and it's generally brought up to the surface by some water that's ponding some distance away. Overirrigating generally takes the salinity out of the soil where it happens to be. To suggest that a farmer's assessment be lowered because his land has become saline is absolutely absurd to me because the salinity could be caused by some other place on his farm. Yet when we're talking about the ability to pay, if you've got an acre of irrigated land and it becomes saline, then that reduces your ability to pay taxes. That's a whole lot of the principle behind taxation.

Now, I haven't read Bill 51, but I hope I know a lot of the things that are in it. Fair market value is one of the principles that I hope comes out in this legislation. By the way, Bill 51 is not a piece of legislation that's written in stone. It's a white paper that's out for public discussion that can be amended because it won't be passed with this spring's legislation and it's got till fall for people to react to it.

5:10

MR. TAYLOR: Let's amend it today then.

MR. MUSGROVE: Certainly we're not going to amend it with this proposal, I hope.

Bill 51 has your fair market value as your assessment. So if you have a piece of land that is polluted for whatever reason, its fair market value is going to be reduced. The new Act in that respect isn't likely to change this, and I hope it wouldn't. I think that when you're dealing with polluted sites, it's up to the owner to correct that before he sells it, or if he does sell it, the new owner should take that into consideration.

[Mr. Deputy Speaker in the Chair]

We have some problems in that respect too. Over quite a few years oil companies have been putting pipelines and compressor stations and meter stations and whatever throughout all the farmland in Alberta. Now banks are going out and doing an environmental assessment on all farms, and if there happens to be some spillage of some pollutant by a pipeline or a meter station or a compressor station, then that farmer will have some problems selling his farm because the environmental assessment will be part of the value of that land. Certainly his assessment should be reduced because of that.

Mr. Speaker, the royalty policy is an issue that I don't really think has anything to do with the pollution of the land, but for someone to say that once you buy a piece of property, you have to maintain that assessment forever I think is completely absurd. There are a lot of things. For instance, if you buy a piece of land in Edmonton with a building on it, 30 years from now, through the assessment of fair market value, the value of that building is going to be reduced probably by 50 percent. So to say that you have to maintain that – fair market value is what you have to deal with. Of course, our assessment has always been some formula with fair market value. I believe that to use the exact sale value of that property is the way we should be doing our assessment and always have. I've always been in favour of that. Also – and this could be an advantage in this Bill – I actually believe you should have a general assessment every two years. It could easily be done by a spot assessment on what the percentage of values are from two years ago. You put that percentage on a computer, and you come up with a new general assessment in a few minutes once you have done your spot checks on what's happening to the value of property in that particular area.

Mr. Speaker, I don't see where this has anything to do with changing assessment. I actually believe that if you've got a polluted site, you should be forced to clean it up, but I don't think it has anything to do with assessment, because when you realize that the ability to pay is one of the outstanding parts of the assessment and taxation formula, then it should be reduced in assessment.

Thank you very much, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Whitemud, followed by Banff-Cochrane.

MR. WICKMAN: Mr. Speaker, I move that we deem it 5:30.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Whitemud has moved that we call it 5:30. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: It was not unanimous consent.
The hon. Member for Banff-Cochrane.

MR. EVANS: Thank you very much, Mr. Speaker. I'm very pleased that that last motion was defeated so I have an opportunity to speak to this Bill. I do, as a matter of fact, applaud and thank the hon. Member for Edmonton-Meadowlark for bringing this forward. He's made specific reference to the Domtar site in

Cochrane, in the constituency I'm so proud to represent, as an example of where this legislative proposal could take effect and would be appropriate. It is very appropriate that he would bring that example forward.

I could perhaps begin by giving a little bit of background to the Domtar history and begin by stating that my own knowledge of the creosote problem that has arisen at that plant is because of many years of using the plant to create fence posts. Now, certainly when the plant was in operation, there was never any knowledge by Domtar or any of the other operators that were conducting the same kind of process throughout Alberta or elsewhere in the dominion of Canada that the creosote was creating any kind of environmental problem. That notwithstanding, there have been some problems identified with the use of creosote, and the Department of the Environment has done a number of studies to ensure that the potential damage to that site is contained within the boundaries of the site. The latest examination by Environment has concluded that that indeed is the case, and I believe the town administration, Mayor Verne Friesen and the rest of council in the town of Cochrane, are relatively secure in their own minds that this is the case. In fact, I met with Mayor Friesen yesterday, Canada Day, and we had a very good and long discussion about the Domtar site and about the response Environment has made to the town in regard to some inquiries they've recently made as to what kind of progress was being made to clean up that site.

Number one, the mayor felt that the response from Environment was positive in the sense that consistent with the new environmental legislation, Bill 23, the Environmental Protection and Enhancement Act, a polluter will pay, and the department is working with the co-operation of the Domtar company to ensure that the site itself is cleaned up. It's going to take quite some time, Mr. Speaker, for that to occur. There have been numbers quoted of as long as 10 to 15 years to do a complete reclamation of that site. That somewhat amazes me in terms of the length of time it will take, but again I'm going on the information I have from the experts in the field that it may take that long. While the town would certainly like to have that cleanup completed in a quicker period of time, given the contamination of the land on the site, they're content to continue to follow the process. If proactive steps continue to be taken by the Domtar plant, then it's my understanding the town will be quite satisfied with that process, knowing full well that the experts from the Department of the Environment are taking a very active role in overseeing that project, again, Mr. Speaker, recognizing that continuing tests will be done to ensure that there is no contamination off site. There are a number of concerns off site; number one, that the water-course of the Bow River is not too terribly far away and that there's a residential subdivision down the hill from the contaminated site. In point of fact, Spray Lakes Sawmills, which is a major employer in the town of Cochrane, is immediately across the street from that contaminated site.

5:20

That's a little bit of the history, Mr. Speaker. I also wanted to make it very clear to members of the Assembly and the people of Alberta, who may very well be reading this debate in *Hansard*, that one part of the history of the application by Domtar for tax consideration that's been left out by the Member for Edmonton-Meadowlark is probably one of the most important factors. That is that notwithstanding that the Domtar company took this matter through to a number of administrative hearings, nonetheless when the final decision came, the company decided not to take advantage of the tax exemption that they had the right to claim under

the Act, because they are good corporate citizens and they recognize they do have a responsibility. They worked with the Department of the Environment, continue to work with the Department of the Environment, and are not in any way, shape, or form trying to argue that they are not responsible for the cleanup of that site. I think perhaps the member was not aware of that good corporate citizenship by the Domtar company. If that is the case, then I'm glad I've had the opportunity here in the House to make that plain and clear to him. The company is taking a responsible position on this and is working with the town and the local community to ensure that the site is cleaned up.

I'd like to move on to the merits of Bill 214 itself, but before I do that, I do want to make reference to the White Paper for the Property Assessment Act that was tabled in the Legislature today. It's been referenced by my colleagues from Dunvegan and Bow Valley. If you take a look at the introductory page, Mr. Speaker, you'll see that clearly the intention of the Minister of Municipal Affairs is to review the Municipal Government Act, Bill 51, to review this property assessment Act, and to give Albertans an opportunity to give their input. I know that the town of Cochrane will be giving input into both these Acts, relative not only to this incident at the Domtar plant but with respect to their interpretation of the effectiveness of the legislative package. The intention, again, as the minister has indicated, is to allow municipalities to do everything they are able to do and to carry out for the purposes of municipal governments, within certain limits. That's the purpose of Bill 51, and the major objective of the white paper is to make the assessment system more comprehensible to the taxpayer.

Now, I think that is not only a noble gesture, which means not a heck of a lot in the practical world, but it is practical in the sense that municipal taxation, as with any other type of taxation in the province of Alberta, is unfortunately rather complex, and it will take some time to thoroughly review all the aspects of municipal taxation. Although there is draft legislation in the property assessment Act white paper, let's be clear that a white paper is an opportunity for input by the general public into an initiative of government. While the Member for Edmonton-Jasper Place has, I believe, been critical of the Member for Dunvegan, who said that there is an opportunity to change the law so the kind of situation that's occurred at the Domtar plant will be addressed, I think, with due respect, there is reference in the preamble to the white paper talking about the need to perhaps meld the fair market value approach with an equity approach. I think, Mr. Speaker, that the Minister of Municipal Affairs would be well advised to consider the concept of equity insofar as it relates to situations like the Domtar plant at Cochrane.

Specifically, the principle of equity is that you cannot ask for equity from a court unless you come to the court with clean

hands, and clean hands means that you have done everything you could possibly have done in the past to justify your presentation to the court at this particular point in time. I think the issue of equity can certainly be utilized with respect to property assessments: whether or not there is an equitable claim by the claimant who comes before the tax assessment court and asks for a reduction in tax, which could be viewed by that court as not coming with clean hands if there is evidence of a problem with the site that in fact has reduced the value of that particular site. I would encourage the Minister of Municipal Affairs to consider that use of the equitable principle in dealing with the issue that's been brought up by the Member for Edmonton-Meadowlark.

With respect to his Act, I do have a couple of concerns about the kinds of authority he would see going into the hands of the assessor. It does state in his Bill, "where an assessor is of the opinion that land has been contaminated." I'm not sure that under the current legislation, or perhaps under any other amendments that might come from the review that's taking place now, the assessor would have the kind of expertise or access to the kind of expertise that would give him the authority to feel comfortable coming to that kind of opinion. Going on, the amendment states, "as a result of activities carried out thereon by the owner." I think we must deal with the issue of willful, and that's one of the concepts that has been reviewed quite carefully by the Environmental Protection and Enhancement Act. I think there are provisions in the Environmental Protection and Enhancement Act that deal with polluter pay, with reclamation and conservation of contaminated sites, and I think the hon. member should be aware of that as well.

There are a number of other comments I could make on Bill 214, Mr. Speaker, but seeing the hour of the afternoon, I move that we adjourn debate.

MR. DEPUTY SPEAKER: The hon. Member for Banff-Cochrane has moved that debate be adjourned on this matter. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Those opposed, please say no. Carried.

MR. ANDERSON: Mr. Speaker, this evening when we sit once again, it is intended that we do so in Committee of the Whole. I would move that we now adjourn until the committee rises and reports.

[The Assembly adjourned at 5:29 p.m.]

