

Legislative Assembly of Alberta

Title: **Thursday, September 30, 1993**

1:30 p.m.

Date: 93/09/30

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

Our divine Father, as we conclude for this week our work in this Assembly, we renew our thanks and ask that we may continue our work under Your guidance.

Amen.

head: **Introduction of Bills**

MR. SPEAKER: The hon. Member for Sherwood Park.

Bill 254 Alberta Youth Conservation Corps Act

MR. COLLINGWOOD: Thank you, Mr. Speaker. I'm pleased to introduce Bill 254, the Alberta Youth Conservation Corps Act.

Mr. Speaker, this Bill will provide employment opportunities for high school students and undergraduates to work in the area of environmental conservation.

[Leave granted; Bill 254 read a first time]

MR. SPEAKER: The hon. Member for Redwater.

Bill 260 Native Peoples Representation Statutes Amendment Act, 1993

MR. N. TAYLOR: Thank you, Mr. Speaker. I'd like to introduce Bill 260, the Native Peoples Representation Statutes Amendment Act, 1993.

Mr. Speaker, this Bill will establish seats in the Legislature for three MLAs, one for each of the three treaty areas in the province – treaties 6, 7, and 8 – so aboriginal people would have the option of voting from a voters list of their own or voting on the present voters list.

[Leave granted; Bill 260 read a first time]

MR. SPEAKER: The hon. Member for Edmonton-Glenora.

Bill 261 Mental Health Amendment Act, 1993

MR. SAPERS: Thank you, Mr. Speaker. I request leave to introduce Bill 261, the Mental Health Amendment Act, 1993.

Mr. Speaker, this Act would expand the role and the mandate of the mental health advocate to include voluntary patients.

[Leave granted; Bill 261 read a first time]

MR. SPEAKER: The hon. Member for Edmonton-Roper.

Bill 263 Government Open Contract Act

MR. CHADI: Thank you, Mr. Speaker. I request leave to introduce Bill 263, being the Government Open Contract Act.

This Bill requires that all government contracts valued at more than \$50,000 must be filed through a tendering process and all

qualifying bids received through tender must be published. It further requires that the minister of public works publish the guidelines for tendering all contracts with the Crown.

[Leave granted; Bill 263 read a first time]

MR. SPEAKER: The hon. Member for Peace River.

Bill 9 Municipal Government Amendment Act, 1993

MR. FRIEDEL: Thank you, Mr. Speaker. I request leave to introduce Bill 9, being the Municipal Government Amendment Act, 1993.

This Bill deals with two issues. First it enables the government to include special conditions which are designed to address unique requirements of a municipality in an order in council which incorporates an improvement district into a municipal district. Secondly, the amendment would provide further flexibility to municipalities to borrow for capital purposes.

I move first reading of Bill 9.

[Leave granted; Bill 9 read a first time]

MR. SPEAKER: Is there a motion to transfer this Bill to Government Bills and Orders?

Hon. Deputy Government House Leader.

MR. EVANS: Indeed, Mr. Speaker. I would move that the Bill introduced by the hon. member be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

MR. DINNING: Mr. Speaker, I have the pleasure today of filing a number of documents with the Assembly: the annual report for the fiscal year ended March 31, 1992, of the department of Treasury; the Alberta Resources Railway financial statements for December 31, 1992; an addendum, an additional table, to the supplement to the public accounts of '91-92; reports pursuant to sections 31(6) and 43(4) of the Legislative Assembly Act for the year ended March 31, 1992; and finally the public accounts of the province for the year ended March 31, 1993, as promised and as committed by the government that we would do so by September 30. I might add that the supplements to those above that are often of interest will be available later on in the year, but the actual public accounts themselves I am proud to table for the first time as early as we ever have in the history of this province.

MR. SPEAKER: The hon. minister of advanced education.

MR. ADY: Thank you, Mr. Speaker. I'd like to table four copies of the Alberta Apprenticeship and Industry Training Board annual report for the year 1992-93. I think it's notable that this is the first annual report of this committee.

MR. SPEAKER: The hon. Member for Taber-Warner.

MR. HIERATH: Thank you, Mr. Speaker. Pursuant to the provisions of section 4 of the Election Act I am pleased to table with the Assembly an addendum to the report of the Chief Electoral Officer concerning the provincial election which was held on June 15, 1993, and tabled in this Assembly on September

1, 1993. Copies of this addendum are being distributed to members of this Assembly.

head: **Introduction of Guests**

MR. KIRKLAND: Mr. Speaker, it's my pleasure to introduce to you and through you to the Assembly 49 grade 6 students from Leduc's Notre Dame school. They are here this afternoon with their teachers Anne Hughes and Paula Tichler. They're assisted by six parents Mrs. Demers, Mr. Hansen, Mrs. Kealey, Mrs. Tabler, Mrs. Bristowe, and Mrs. Aubé. I would ask that the Assembly give them a warm welcome this afternoon.

MR. CARDINAL: Mr. Speaker, it's my pleasure to introduce to you and through you to the Assembly the Metis Nation of Alberta's newly elected executive: the president, Gerald Thom; the senior vice-president, Lyle Donald; the zone 2 vice-president and treasurer, Cliff Gladue; and the zone 3 vice-president and secretary, Jim Penton. They are seated in the members' gallery, and I would like them to rise and receive the traditional warm welcome of the Assembly.

1:40

MR. SPEAKER: The hon. minister of advanced education.

MR. ADY: Thank you, Mr. Speaker. I'm very pleased to introduce to you and to the Assembly four members of the Alberta Apprenticeship and Industry Training Board. They are four members of the board who compiled the report that I just tabled, which covered some 15 months of work by that board. They provided excellent direction to the industry and to this ministry on the direction that training should take in the apprenticeship areas. I'm pleased to have seated in the members' gallery – and I'd like them to stand as I name them – Mr. Jake Thygesen, the chairman of the board; Mr. John Briegel; Mr. Jack Strause; and Mr. Tony Gnanasihamany.

MR. HENRY: Mr. Speaker, I notice an old friend and colleague in the gallery Mr. Ralph Haeckel, a past president of the Urban Reform Group Edmonton and I think a current board member of the Canadian Mental Health Association and of many other voluntary organizations. I'd ask him to stand and receive the warm welcome of the House.

head: **Oral Question Period**
Education Roundtables

MR. DECORE: Mr. Speaker, once again the government has made a decision behind closed doors, made a decision in secret, and then created a process to manipulate the public to make it appear as though the public is behind the decision. The government is planning a series of roundtables on what it calls the future of education. Yesterday the government released a document which is supposed to tell Albertans that it's planning for the future of Alberta's education program and system. In point of fact, this document focuses in on cuts of some \$569 million that the government intends to take out of the system. The government is ruining health care, they have abandoned the poor and the handicapped, and this is the next target. My first question to the Premier is this. Mr. Premier, I'd like you to confirm that this is part of the same old process: the die has been cast, you know what you're going to do, and these roundtables are a sham.

MR. KLEIN: I won't admit to any of that, Mr. Speaker. That's absolutely wrong.

The roundtables are designed to get input from the people directly involved, to achieve a new and different and better way of doing things, to deliver the same level of service with less money, to draw into the process administrators, teachers, students, parents, and the public at large. That's what it's all about. This workbook, Mr. Speaker, simply puts forward a number of questions to those who will be attending the roundtable. It doesn't set government policy. It doesn't espouse any kind of a program. There is nothing sinister about it. It's out there for all to see. Basically it puts before the public and those who will participate in the roundtable process some questions, some very serious questions that need to be answered.

MR. DECORE: Mr. Speaker, given that we were first in Canada in terms of support to students on a per student basis, given that we will have gone from fifth to last place if these cuts are implemented, I'd like the Premier to explain to Alberta students why he and his government are abandoning the students of Alberta.

MR. KLEIN: You know, Mr. Speaker, that is a ridiculous statement. We are not abandoning in any way, shape, or form the students of Alberta. I guess we ask the fundamental question: what is the school system there for? Is it there for the administrators, is it there for the Liberal Party, is it there for the teachers, or is it there for the students? We start with the fundamental premise that education is there for the students, and they will be our number one priority.

MR. DECORE: Mr. Speaker, a few days ago the Premier said that observations that our caucus made about health care were high melodrama. Today he talks about how ridiculous these observations are on education.

Toward 2000 told your government that the key to Alberta's prosperity is education. Why, Mr. Premier, are you shirking that? Why are you undermining that? Why are you walking away from what your own consultative processes told you to do?

MR. KLEIN: Well, Mr. Speaker, we're not. That is to answer the question. We are not.

Relative to the statement "ridiculous," I was referring quite specifically to the hon. member's assertion, which is ridiculous.

Mr. Speaker, while I'm on my feet, I would like to remind the opposition Liberal Party what they said during the election campaign: we will cut \$1.1 billion from the budget in the first year, and we will be brutal. That's what the Liberals said.

MR. DECORE: We also said, Mr. Premier, that we would add resources to education. Get the record straight. When you read, read the whole script, Mr. Premier.

Special Education

MR. DECORE: Second question, Mr. Speaker. The government has released what it says is now a new policy on education for children with exceptional needs, special education for Albertans. The so-called policy was developed after wide consultation with Albertans, and I think the process was a good one when that policy was pursued. After that consultation, the consultative process clearly concluded that you needed programs and you needed adequate resources to fund those programs. The key words are "programs" and "resources." Mr. Premier, the public input was clear: that we needed these resources. Explain to mothers and fathers, particularly those mothers and fathers that need special

education, how an integration program can work, how a policy can work when you have cut 2.5 percent from that overall program.

MR. KLEIN: Mr. Speaker, I'm going to have the first acting minister respond in detail, but I want to make it abundantly clear that Education and advanced education were the only departments this year to receive funding increases. I think that is quite significant and demonstrates our commitment to high quality education in this province.

Mr. Speaker, what this hon. member doesn't understand is that the roundtable process is there to seek input from people throughout this province, the stakeholders, as to how we can find new and better and different ways of doing things. Is there something wrong with that?

I will now have the hon. minister supplement relative to the specific question.

MR. DINNING: Mr. Speaker, acting in the stead of the hon. Minister of Education, who is out of the city this afternoon, I would advise the hon. members across the way as to the specifics of the education special needs policy. The minister will be back to respond to those questions in detail on Monday.

I would refer the hon. member to the estimates of the government, which note that there is a total increase of some \$63 million in education funding from the general revenue fund this year in addition to \$30 million that's being paid out of the lottery fund for the fiscal inequities that exist among school boards, almost a \$100 million increase this year in education financing. I think that's a considerable commitment.

Mr. Speaker, I just go back to the hon. Premier's comment. Those kinds of questions are in this workbook. They are asked of Albertans. Taxpayers and parents and teachers are asked: what is the right kind of policy, what should be a basic education, what should be adequate funding for education in Alberta, how should we measure results in education, and how should we change the delivery of education in this province? Appropriate questions that Albertans should help us answer.

1:50

MR. DECORE: Mr. Speaker, I think that the Premier and the Treasurer should be more careful and shouldn't attempt to fool Albertans by talking about increases when increases relate only to increases in the number of students that go to schools. That's a fact.

Getting back to what should be the answer – we're talking about special needs, Mr. Speaker – I want to ask this. One of the programs was a program for children from two and a half years to five and a half years old. That program was cut by 8 percent, Mr. Premier. I'd like your explanation to those mothers and fathers who are in that category with their children on how they're going to make ends meet, how they're going to adjust to this kind of program for children with special needs.

MR. KLEIN: Mr. Speaker, again, that's all part of the process. That's part of this process. Overall we have increased funding to education, and our commitment to education is as strong now as it ever was and will always be.

MR. SPEAKER: I believe that was the second . . .

SOME HON. MEMBERS: No. It was the first.

MR. SPEAKER: First supplemental? Sorry. Excuse me. Without preamble, please.

MR. DECORE: Mr. Speaker, the Premier should know that that 8 percent cut is already a fait accompli. It's happened. It's over. You did it.

My last supplemental is this. One of the boards of education in Calgary has already announced . . . [interjection] The public board, Mr. Premier. Because of the cuts they will lay off one-third of the aides that are necessary for special education. Mr. Speaker, I'd like the Premier to admit that really the agenda is a hidden agenda. It is to strangle, to curtail, to kill these programs and eventually force it back on the local ratepayer. That's the real agenda.

MR. KLEIN: Well, there was no question. If you want me to . . .

Speaker's Ruling Oral Question Period Rules

MR. SPEAKER: Order please. [interjection] Order please. We have spent the last six minutes on a main question and a supplemental, and that is too long. That last supplemental was not a question. It was a request to admit something. That is not a question that is properly admissible in the Chamber.

The Chair has hesitated to interrupt the hon. Leader of the Opposition. The Chair has made some oral comments about without preamble, but because the Leader of the Opposition has a special status in the House, I didn't want to sit him down during his question. The Chair is rising now because the Chair earlier this week gave warning that we were going to enforce the rules that all members, including the Leader of the Opposition, agreed to when we started this session: there would be a brief preamble to the main question, and supplementals would be without preamble.

Now, over the weekend the Chair hopes that the people who assist in the preparation of questions will pay some attention to this. They should not be encouraging the spokesmen for the various parties to extend the time of questions and answers because long preambles lead to long answers. We've already had examples this week of answers from the government side sounding like speeches, but when the questions sound like speeches, then the answers are going to sound like speeches.

Therefore, I hope that this message is clear now for those who will be continuing in question period: there will be a brief preamble, and no preamble to supplementary questions, and the question must be a question, not a request for somebody to comment on something or to admit something.

So with that, the hon. Member for Calgary-North West, who I know is usually crisp and rippling.

Skimmer Oil Separators Ltd.

MR. BRUSEKER: Thank you, Mr. Speaker. The public accounts just tabled in the House earlier today by the Provincial Treasurer show that the government has committed a \$1.7 million loan guarantee to Skimmer Oil Separators of Lloydminster. My question to the Treasurer is this: why would a government that claims they want to get out of the business of being in business still commit to a \$1.7 million loan guarantee to this corporation?

MR. DINNING: Well, Mr. Speaker, as to the specifics of the information the hon. member is seeking, I would refer him to the Minister of Economic Development and Tourism, who I'm sure would be happy to comment on it when he returns to the Assembly. I think that for the information of the hon. member, as the Premier and the minister of economic development have said in the past, these matters, all of them, are under review to review

the legal and financial obligations and commitments that were made in the past and to assess the appropriateness of those kinds of commitments. That process is under way right now, and we will be bringing that matter before the people of Alberta so that they will fully understand it.

MR. SPEAKER: Supplemental question.

MR. BRUSEKER: Thank you, Mr. Speaker. I'm sure that the government reviewed their loan guarantee to their good buddy Mr. Pocklington, so I'm wondering how serious this review will be of Skimmer Oil Separators since the board of directors includes their good buddy Rick Orman.

MR. DINNING: Well, Mr. Speaker, what I hear the hon. member questioning is our commitment to doing a review. There should be no doubt about our commitment to doing that review. There are legal implications involved. We respect those. We will not flaunt the law, as the hon. member might suggest we do. That review is under way, and I can assure all members that the Minister of Economic Development and Tourism and the Premier and the cabinet will be doing a serious review of all of these matters.

MR. BRUSEKER: Mr. Speaker, since the deficit of this corporation has doubled in the last year, why doesn't this government just say no to this corporation?

MR. KLEIN: Mr. Speaker, if you want to talk about inconsistencies, there is the best example. On one hand the hon. leader of the Liberal Party is trotting around Redcliff, Alberta: a Decore Liberal government will honour a \$15 million provincial loan guarantee to Consumers Paper, he said during a stop in Redcliff Tuesday. God knows how many other commitments he made relative to these particular projects as he trotted around the province. This one is okay; that one's not okay; this one's okay; that one's not okay. Talk about inconsistencies. You see it all over there.

MR. SPEAKER: The hon. Member for Calgary-Cross.

Charitable Fund-raising

MRS. FRITZ: Thank you, Mr. Speaker. Yesterday I had an opportunity to ask the hon. Minister of Education a question about integrated students, so I'm hoping the Leader of the Opposition will listen to the question today so it's not re-asked on Monday.

Mr. Speaker, my question today is to the Premier. Charitable organizations as well as ordinary citizens have expressed concern over the coverage of the Premier's remarks earlier this week that they should share the burden of balancing the budget. That's not my understanding of our policy. Our goal is to restructure government, deliver better and more relevant services and not just to download.

SOME HON. MEMBERS: Question.

MRS. FRITZ: Are you listening?

Therefore, could the Premier please explain the context of his remarks?

Thank you.

MR. KLEIN: Well, you know, Mr. Speaker, anyone who attended with me the rally in Hawrelak park held by provincial government

employees – and I'm very proud of those employees – to kick off the public service section of the United Way campaign, I said to them: if ever there was a time for giving, for those who have to give to agencies like the United Way, it's now. We are going to depend on those who have the money to give to work hand in hand with government to provide social services and to create more in this province in the spirit of volunteerism and that sense of community and that sense of pride. How it got to where it is today, I really don't know, but I have some suspicions.

2:00

MR. SPEAKER: Supplemental question.

MRS. FRITZ: Thank you, Mr. Speaker. I understand that Calgary agencies have publicly supported the Premier's program and are willing to work with the government on the way of delivering services the new way. How will the Premier facilitate this new opportunity to enhance our relationship with the volunteer sector?

Thank you.

MR. KLEIN: Well, Mr. Speaker, I had the opportunity today of having a very pleasant chat with the president of the Edmonton United Way, and I'll have a similar chat with the Calgary United Way or the United Way in other centres. The president said: Mr. Premier, what you said to the public service employees was dead on and reflects the attitude of the United Way here in Edmonton. Dead on. I also talked to the vice-chairman of the campaign, Mr. McLean, and he also said that my remarks were dead on, that there is nothing wrong with encouraging the people of this province to give and give with their hearts to the United Way campaign. Only the Liberals see something wrong with that.

MR. SPEAKER: Final supplemental without preamble.

MRS. FRITZ: Thank you, Mr. Speaker. I'd like to ask the Premier, then, whether the unfortunate coverage resulting from these remarks has affected our ability to work effectively with the volunteer sector.

MR. KLEIN: No. As a matter of fact, the president of the United Way said today that this raises a good question, and perhaps there is an opportunity now for government to get together with business and labour and the various social service agencies to see how we can more co-operatively work together, Mr. Speaker. It's unfortunate that the coverage in the *Journal* came out the way it did today, but as I said to one reporter: it probably allowed them to sell enough papers for the paper to buy a brand new torque wrench.

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

Loans and Loan Guarantees

DR. PERCY: Thank you, Mr. Speaker. Yesterday in this House those members of the government voted down our request for information on over \$462 million in outstanding loan guarantees. They said that Albertans did not need that information. They said that they did not want to offend the corporate sensibilities . . .

Speaker's Ruling

Oral Question Period Rules

MR. SPEAKER: Order. [interjections] Order please. We had a question yesterday that should have been ruled out of order because it was reflecting on a decision of the House. Surely if the

hon. member has a question concerning motions for returns, he can craft his question without reflecting on a decision taken by the House.

MR. N. TAYLOR: Reflecting on them, Stan.

MR. SPEAKER: Well, I'm just saying that surely it can't be beyond the realm of imagination as to how to ask for information properly. That also goes for the last question, the supplemental. There is a better way of giving the Premier the opportunity to say what he wanted to say than the platform that was used to give it to him. So I urge members to spend this weekend maybe going back to old *Hansards* that are maybe 10 or 15 years old as to the form for questions.

MR. DINNING: No. No.

MR. SPEAKER: I'm not suggesting five or six years old. I'm saying: 10 or 15 years old.

The hon. Member for Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Speaker, for the advice.

Loans and Loan Guarantees

(continued)

DR. PERCY: Mr. Speaker, we want information on outstanding obligations that exist out there. That government has made Alberta taxpayers cosigners for over \$3.1 billion in outstanding loan guarantees, and we seek the information. My question is to the hon. Premier. We have requested information on the six or seven loan guarantees that are still outstanding, yet we have received nothing. When will you commit to giving us that information?

MR. KLEIN: Well, Mr. Speaker, relative to loans and loan guarantees, I think that this government has been more than forthcoming relative to the status of those loans and those loan guarantees. I have indicated . . . [interjections] Quit your cackling. Are you listening? Have you got your ears open? Close your eyes, sit back, meditate a little bit, and listen to what I have to say.

We have been forthcoming, Mr. Speaker, relative to loans and loan guarantees and business activities of the past. What we have said is that there are some loans and loan guarantees out there that were committed to by a previous administration. A couple of them have been named. The Liberals support at least one of them. They don't support another. What we're trying to do, as the hon. Treasurer pointed out, is put together a detailed review of all of these outstanding commitments to determine our legal and our moral obligation to these commitments that were made by a previous administration.

DR. PERCY: My first supplemental, Mr. Speaker, is directed to the Premier. Since the Treasurer is on record as saying that they have no consistent framework for evaluating guarantees, how is he going to do it? Is it the political colour, the political card that's going to determine who gets what?

MR. KLEIN: I don't want to speak for the Treasurer, but I don't recall the Treasurer ever saying that to me. Perhaps the Treasurer would like to respond.

MR. DINNING: Mr. Speaker, is "fast and loose with the truth" unparliamentary? Well, then I won't use fast and loose with the truth.

Where the hon. member would draw that conclusion escapes me. While I'm on my feet, may I remind the hon. member that this government today has released the financial statements of the province earlier than it's ever done in the history of this province and in a more comprehensive fashion, as recommended by the Financial Review Commission and the Auditor General. The hon. member hasn't even looked at the books, and he's calling them into question. That's typical. They don't do their research; they ask the question. I would encourage them to do just that.

DR. PERCY: My final supplemental, Mr. Speaker, is to the Premier. Why is the Premier so concerned about his moral obligation to these corporate welfare recipients when he's cut people off AISH, he's thrown them out of hospital beds? Why are they important, but Albertans aren't?

MR. KLEIN: Well, no, no. I'm just looking forward to the document I alluded to earlier. Why is the leader of the Liberal opposition so committed to a particular project in the city of Redcliff? I'll repeat again: a Decore Liberal government will honour a \$15 million . . .

MR. SPEAKER: Order. Order please.

The hon. Member for Cypress-Medicine Hat.

DR. L. TAYLOR: Thank you, Mr. Speaker. Perhaps some sanity will return to the other side. [interjections]

MR. SPEAKER: Order. Order please. Is the Assembly ready to continue with question period?

HON. MEMBERS: Agreed.

MR. SPEAKER: The hon. Member for Cypress-Medicine Hat.

Human Rights Commission

DR. L. TAYLOR: Thank you, Mr. Speaker. The Alberta Human Rights Commission spends approximately \$1.6 million of taxpayers' money every year in Alberta. Its mandate covers three main areas, Mr. Speaker: basically disabled, gender, and age-related cases. I should point out that these are presently covered by other legislation as well. It is my understanding that there is a review either upcoming or ongoing, and I'm wondering if the Minister of Community Development can provide a date when the report of that review will be tabled in the House. [interjections]

2:10

MR. MAR: Mr. Speaker, it's very difficult to answer in this House because of the din from the dullards on the other side of the House. [interjections]

MR. SPEAKER: Order. Order. [interjections] Order. [interjection] Hon. Member for Edmonton-Rutherford, you know better than that. You've been here a little longer than some of the others. Now, keep it down.

The hon. Minister of Community Development.

MR. MAR: Thank you, Mr. Speaker. Human rights legislation in this province and in Canada and in the United States is very important, and it's designed to ensure that individuals have full participation in society. It's designed to correct the imbalances of access to society and to bring all individuals to the same starting

line. The legislation is currently 20 years old, and it requires a review.

The hon. Member for Cypress-Medicine Hat is correct that there is a review ongoing right now. At this time the status of that review is that we're attempting to determine where these consultations should take place, who should participate in the consultations, and what the terms of reference should be for that consultation. As far as a specific date on which a report might be available, I don't have that right now because we're just in the process of determining what the terms of the review are going to be.

MR. SPEAKER: Supplemental question.

DR. L. TAYLOR: Thank you, Mr. Speaker. Since 98 percent of these cases dealt with are labour related, could the minister please inform the House why a nonelected quasi-judicial body is dealing with these issues as opposed to the Department of Labour, where these cases rightfully belong?

MR. SPEAKER: Hon. minister.

MR. MAR: Thank you, Mr. Speaker. The hon. Member for Cypress-Medicine Hat is correct that many of these cases do involve labour-related relationships between employer and employee. However, I would point out that the Human Rights Commission has a very specific and specialized knowledge in the areas relating to discrimination on the basis of age and of religious beliefs and religion and so on and so forth. As a result, in my view the Human Rights Commission continues to have a very important role in an area which is much more specific than matters relating to labour such as collective agreements.

MR. SPEAKER: Final supplemental.

DR. L. TAYLOR: Thank you, Mr. Speaker. I would like the minister to respond as to whether or not the mandate of the review committee is open enough such that the review committee has the option of recommending the abolishment of the Alberta Human Rights Commission.

MR. MAR: Again, Mr. Speaker, the terms of reference for the review are being put together right now. I think it would be open for the Human Rights Commission to review itself and determine whether or not to be abolished, but I find that to be a highly unlikely outcome.

Bakers' Convention

DR. NICOL: Mr. Speaker, in the past weeks we've heard stories of cutbacks in patient care in hospitals, we've heard of children's support in education cut, and we've heard of a support cut for people on social services. It's been brought to my attention that now the government is offering subsidies to Alberta bakers to go to conventions in Las Vegas. My question to the Premier is: how can your priorities be so far out of whack that you abandon the poor, the sick, and Alberta's children while still supporting corporate bakers on trips to Las Vegas?

MR. KLEIN: Well, Mr. Speaker, I'm not aware that we are, but I'll have the hon. minister of agriculture respond.

MR. SPEAKER: The hon. Minister of Agriculture, Food and Rural Development.

MR. PASZKOWSKI: Thank you, Mr. Speaker. As I mentioned yesterday, Alberta's agriculture is the future of this province, not the past. For the benefit of the hon. member that doesn't realize: bakers use agricultural products. It's very, very important, and it's very unfortunate that that urban member doesn't recognize the fact that it's agricultural products that are used by bakers. We have made a commitment to our agricultural community that we would indeed work with them to try and enhance their final line and their final product. The farmers have told us: we don't want grants; we don't want subsidies; we want a fair price for our product. It's only through the process of value added that we will be able to achieve that fair price to the value added. In the process we will also provide employment for the urban members' people who are looking for jobs.

DR. NICOL: Mr. Speaker, my next question to the minister of agriculture: could the minister explain to the House why national chain bakeries, who are the ones with millions of dollars worth of sales, were the ones that were invited to participate in this program while the small bakers, the backbone of the communities, were not informed?

MR. PASZKOWSKI: Mr. Speaker, this is a process that has been in place for 15 years. All bakery products, all bakery machinery is put together in one building and everyone is allowed to come and access and see firsthand the opportunity that is out there. Rather than travel around the world and travel to various places, anyone who is interested in this process is eligible to attend.

AN HON. MEMBER: Who pays the bills?

MR. SPEAKER: Order. There's only one member asking a question at one time. The hon. Member for Lethbridge-East has the floor.

DR. NICOL: Thank you, Mr. Speaker. Could the minister of agriculture inform the Assembly if any process has been put in place so that the people who attended this convention can pass on the information they gained to those bakers that were not told about this opportunity and could not afford to pay their own trip?

MR. PASZKOWSKI: Mr. Speaker, this is exactly the reason these people are traveling to see this machinery and this equipment that's available: it's to develop the opportunities this province presents, to work with the primary producers, to enhance the opportunities. Value added is the growth area of our agricultural community. Agriculture is a growth area of this province, and it's unfortunate that our hon. members across the way – and I realize most of them are urban and don't understand the needs of agriculture. Those are the facts. What we are trying to do is work with our agricultural community to enhance the overall benefits to our province, and we will continue to do so.

MR. SPEAKER: The hon. Member for Lacombe-Stettler, followed by Edmonton-Ellerslie.

Advisory Council on Women's Issues

MRS. GORDON: Thank you, Mr. Speaker. I'm sure you're glad that this is Thursday.

Mr. Speaker, the Minister of Community Development recently stated:

The Advisory Council on Women's Issues has played a very important and significant role in advising this government what the needs and concerns are of women in this province.

Many of my constituents are concerned. My question to the minister: what is the council's mandate, and does it truly reflect equal opportunity and full participation by the majority of Alberta women?

MR. SPEAKER: The hon. Minister of Community Development.

MR. MAR: Thank you, Mr. Speaker. The Advisory Council on Women's Issues has played and will continue to play a significant role in advising me and this government of the views and the needs and concerns of women in this province.

MR. SPEAKER: Supplemental question.

MRS. GORDON: Thank you, Mr. Speaker. In light of today's fiscal realities, can the hon. minister justify to my constituents administrative costs of close to a million dollars for the women's secretariat and the Advisory Council on Women's Issues?

MR. MAR: Mr. Speaker, the budget for the women's advisory council is approximately \$338,000, which represents approximately 13 cents per Albertan per year.

North Saskatchewan River Boat Ltd.

MS CARLSON: Mr. Speaker, many charitable groups are owed money by the North Saskatchewan River Boat company. The Edmonton City Centre Church Corporation, a charity, reports in their recent newsletter that they are owed \$3,800. The Capital Care Group, another charity, confirmed that they have not had their \$3,400 deposit returned. The Alberta Breast Cancer Foundation is owed \$3,700, and the riverboat company won't even return their phone calls. This government has granted the riverboat company a loan guarantee of almost \$1 million. Mr. Premier, these charities need your help. What are you going to do?

2:20

MR. KLEIN: Mr. Speaker, I'm not sure whether they have approached my office directly. I will certainly check into it. If they would prefer to come to the government rather than the opposition, I'm sure that we can provide them with some form of assistance. We'll at least talk to them and find out what the problem is.

MS CARLSON: Will the Premier table in this Assembly today the loan guarantee documents setting out the terms and conditions of this loan?

MR. KLEIN: What I'll do, Mr. Speaker, is I'll summon someone up there just to send them down. How ridiculous that they would expect that I would have every single document in government at my fingertips.

MS CARLSON: Mr. Premier, you are partly to blame . . .

MR. SPEAKER: Order please. Through the Chair.

MS CARLSON: Mr. Speaker, to the Premier. These charities have been set up for a fall, Mr. Premier. Is your government going to reimburse them? Yes or no.

MR. DINNING: Mr. Speaker, I appreciate that the hon. member is seeking information about a company in this city, this company that is trying to put a recreation, a tourist operation on the water

of Edmonton to create jobs in the city of Edmonton. You would think that the members across the way would support that kind of economic development in this city. So what I would encourage, as the hon. Premier has suggested, is that if those charities have a legitimate concern – and it sounds like they have. I feel that they have every right of access to the owner of the riverboat to ensure that the owner exercises his proper and full responsibility, not just to citizens but in this case especially to charities. If the hon. member would like to call his office, as the Premier has suggested – or more importantly I would suggest they call the owner of the riverboat, because he has a moral and he has a financial obligation to those charities.

RCMP Volunteer Program

MR. TANNAS: Mr. Speaker, my questions today are to the Minister of Justice and Attorney General. A constituent of mine who had served for some time as a volunteer RCMP officer in the province of British Columbia was recently transferred to Alberta. He was turned down, albeit reluctantly, by the local Highwood RCMP detachment for volunteer service as an auxiliary officer apparently for regulatory reasons. Would the minister confirm or deny that members of Canada's armed forces are prohibited by Alberta's laws or regulations from serving as auxiliary RCMP volunteers?

MR. ROSTAD: Frankly, Mr. Speaker, they are denied that opportunity because of a potential conflict of interest if they're called out for a natural disaster; as an example, if the military is called out and they have to have commitment to their first job.

MR. TANNAS: Will the minister affirm that auxiliary volunteer RCMP officers provide some valuable service to the people of Alberta?

MR. ROSTAD: Absolutely, Mr. Speaker. I think the auxiliary RCMP provide a significant added benefit to law and order and to policing. I think there are about 450 members presently serving as auxiliary, and I think they're important.

MR. TANNAS: Given that it's valuable, will the minister commit to undertaking discussions with the RCMP and others to consider changing Alberta's rules and regulations that do not permit members of the armed forces, like my constituent, to serve as volunteer police officers?

MR. ROSTAD: Yes, Mr. Speaker, I undertake that. The minister responsible for public safety services is away. I will meet with him, discuss the parameters of his regulations, and see if there's some way we can accommodate them.

MR. SPEAKER: The hon. Member for Sherwood Park.

Special Waste Treatment Centre

MR. COLLINGWOOD: Thank you, Mr. Speaker. Just moments ago the Minister of Environmental Protection released a news release announcing a fundamental change in government policy on the importation of hazardous waste. Two weeks ago the Premier stated that no importation of hazardous waste would be allowed until NRCB hearings conducted full public consultation. This news release is contrary to that statement. My question to the Premier: Mr. Premier, would you please tell us that this news release is a horrible mistake?

MR. KLEIN: No, I won't do that. It's not a horrible mistake. If the hon. member had been following this, he would have learned that there was a public participation process relative to the Northwest Territories only. If my memory serves me right, that was a policy and a program that was endorsed quite heartily by the NDs and the Liberals at that time, because it made a lot of sense to take N.W.T. waste and drop it off at Swan Hills rather than have it travel all the way through the province to a landfill site in Oregon. I think that if you check the record, you will find that the Liberals and the NDs both supported that as being something very sensible. Certainly a series of public consultations were held. The people all along the route were consulted, and now the policy is coming about. This is something that was started and announced some time ago.

MR. SPEAKER: Supplemental question.

MR. COLLINGWOOD: Thank you, Mr. Speaker. Given that the policy of this government is Alberta-only incineration of hazardous waste, when did the policy change, Mr. Premier, from your statements two weeks ago that there would be public consultation when it's not Alberta-only incineration?

MR. KLEIN: Mr. Speaker, there have been special circumstances. I can recall when I first took on the ministry of the environment. The hon. member, at least for the NDs – I'm not sure where the Liberal critic stood; I'm never sure where he stands. I can remember at that time saying that it was reasonable for this province to accept waste, for instance, from Quebec, those PCBs that were rendered harmful as the result of a fire at St-Basile-le-Grand. We were going to take those on humanitarian grounds, but the Quebec government decided to do otherwise.

Subsequent to that, there was a request from the Northwest Territories to have the Alberta government consider taking their waste at Swan Hills rather than having that waste travel all the way through the province of Alberta. On the basis of that – and it was well announced, publicly announced – there was a public consultation process, and the minister is now bringing forward a policy to accommodate that process.

Relative to the overall situation, if there is to be a fundamental change – that is, to accept waste from other jurisdictions generally, B.C. and Saskatchewan and Manitoba and the United States – if we are to open completely our borders, then I said that that would be the subject of full-blown public hearings.

MR. SPEAKER: Supplemental.

MR. COLLINGWOOD: Thank you, Mr. Speaker. Given that this press release says that the Alberta Special Waste Treatment Centre in Swan Hills will accept some hazardous waste from the Northwest Territories, when are we going to be accepting all of the hazardous waste from the Northwest Territories?

MR. EVANS: Mr. Speaker, I regret even having to get up and speak on this matter, because the hon. Premier has certainly made the point extremely well, given a history of this issue. For the member opposite to stand up and express surprise or shock at this is just the height of hypocrisy. Back in September of last year – September of last year – public notices were in all the newspapers along the route from Pine Point down to Swan Hills: well advertised, interest groups and stakeholders advised of what was going on. Throughout that process Albertans had an opportunity to input.

2:30

Well, what have we heard? We've heard that this makes abundant good sense. This Assembly has heard the same thing. In point of fact, it's heard it from the Liberal House leader on the other side who I know supported this initiative because I heard it from him. It made abundant good sense. Why would we send waste beyond the borders of Alberta, by the Swan Hills facility, and outside of our country or outside of our province for disposal elsewhere when we have a state-of-the-art facility, an extremely safe transportation mode, and there's an economic gain for the province of Alberta in doing this?

Now, if that's not clear enough, Mr. Speaker, I would be happy to meet with the hon. member later and give him more information on this initiative.

MR. SPEAKER: The hon. Member for Pincher Creek-Macleod.

Crowsnest Pass Layoffs

MR. COUTTS: Thank you, Mr. Speaker. The program for older workers adjustment, referred to as POWA, is a joint provincial/federal program for participating provinces. The Minister of Labour outlined this week why Alberta does not participate in that program under its present form. Has the minister made a concentrated effort to have the B.C. government honour its commitment under that POWA agreement to those Albertans who have worked in the Westar mines in B.C.?

MR. DAY: Mr. Speaker, I can say clearly that I've communicated on more than one occasion directly, verbally by telephone, and through written communications to my counterpart in British Columbia about our concerns about how B.C. is interpreting their commitments to Alberta workers on POWA.

MR. SPEAKER: Supplemental question.

MR. COUTTS: Thank you, Mr. Speaker. What services or programs has the minister and this government put in place to offset the passive federal program for those people affected by the mine closures in the Crowsnest Pass?

MR. DAY: Mr. Speaker, it's one of the roles of our department, Labour, to communicate to people who are involved that there are certain options available to them. These would be a variety of options which may be available in Advanced Education and Career Development, possibly through our department, Labour. We try to communicate the message that we will try to assist in this work force adjustment. It's not necessarily a guarantee of a job, but it is a guarantee that we're concerned about what may be happening to them. There may be some programs that can be fit especially to their needs.

MR. COUTTS: Will this minister and this government continue to discuss with the federal government new and better ways to restructure a workable POWA agreement for the future?

MR. DAY: Yes. There is an industrial adjustment services committee in place also, and I appreciate the input the Member for Pincher Creek-Macleod has had on this. This is also ongoing. Ongoing discussions with the federal government . . . I want to make it very clear, because of concerns raised by the member and others, that in no way are workers being displaced without being cared for or about. We are doing what we can to make this transition something that they can handle.

head: **Members' Statements**

MR. SPEAKER: The hon. Member for Vegreville-Viking.

Waste Management

MR. STELMACH: Thank you, Mr. Speaker. I wish to bring to the attention of this House a concern on behalf of the constituents of Vegreville-Viking. Local boards of health have had to assess on numerous occasions applications from private operators of landfill sites. Local boards of health in Alberta are responsible for approving and issuing permits for waste management facilities. This authority stems from the Public Health Act waste management regulations. Section 17 of this regulation states, "approvals and permits shall be issued free of charge."

In assessing these applications, the responsibility is the protection of public health. In assessing it, we need to address: is it in the public interest to proceed? No other legislation has the direct requirement for the protection of human health. These applications are very detailed and expensive to assess. They require health units to engage legal and engineering expertise which they don't possess. The waste management regulation does not allow health units to recover the legal and engineering costs. Health units do not possess legal or engineering expertise in-house, nor are they funded by the province to carry out such reviews. These reviews are a legislated responsibility under the Public Health Act, and failure to reimburse them means that they either incur deficits or are placed in the position of having to rob other programs.

In requesting an amendment to section 17, the purpose is to allow local boards to recover their out-of-pocket costs. This is a reasonable cost for the operator to absorb as an element of doing business. Mr. Speaker, otherwise the cost will have to be absorbed by the taxpayer at large.

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

Inner City Housing

MS HANSON: Thank you, Mr. Speaker. A housing problem that is becoming increasingly serious in Alberta and indeed in North America is the decay of housing in the urban core. Edmonton-Highlands-Beverly has large pockets of substandard low-rental housing in both the east and west ends of the constituency. Our proximity to the river as well as being close to downtown has resulted in new high-priced homes, condos, and apartments exerting great pressure on accommodation that has traditionally been rented to or belonged to low-income people.

To compound the problem, a significant number of the large low-rental complexes are falling into serious disrepair. Some of them are in receivership. Over a hundred units that I know of are condemned, so they're not even occupied but they're sitting in the middle of occupied apartments. The people who live there in these developments are experiencing increasing privation due to poor living conditions and alienation from the surrounding communities. The costs to landlords are high. The costs to the city and the provincial government are enormous: there's teachers; there's policing; because of increase in crime, all kinds of social problems.

To avert the degree of hopelessness and violence and crime that has become common in large American cities, we've got to find ways to reverse this situation. An encouraging initiative has developed lately. Over the last six months a group of people including residents, an alderman, a police officer, a schoolteacher, some high city employees – all volunteers – as well as interested

people from surrounding communities are taking serious action to try to save one complex before it's too late. They feel this complex has about two years before it's had it. It has 248 family units in it, two storey. Possible strategies include . . .

[Ms Hanson's speaking time expired]

MR. SPEAKER: The hon. Member for Calgary-Fish Creek.

Free Votes

MRS. FORSYTH: Yes. Thank you, Mr. Speaker. I would like to take this time to give my views on the recent changes to the Standing Orders of this Assembly to allow free votes. I feel that allowing free votes is one of the most progressive steps forward this Assembly has ever taken. I think it takes a lot of courage to step away from caucus solidarity and make it possible for members to vote according to their own feelings and the feelings of their constituents.

There has been criticism from the opposition and the press that these votes aren't really free and that allowing free votes is just window dressing. I disagree with that view.

The word "free" as defined means:

Enjoying political independence or freedom from outside domination . . . not [being] subject to the control or domination of another . . . choosing or [being] capable of choosing for [oneself.]

Our new Standing Orders fit well into the conception of freedom. The members of this Assembly now have the ability to vote as their constituents and their consciences direct them. I feel that this is a bold and brave new step forward for this Assembly. It will result in a more dynamic, responsive government, and I feel that is good for this province. It is my hope that we in the Assembly will begin to realize the full implication of the power these changes have given us and use that to best work on behalf of our constituents and for all Albertans.

Thank you.

head: **Projected Government Business**

2:40

MR. SPEAKER: The hon. Opposition House Leader.

MR. MITCHELL: Thank you, Mr. Speaker. As is now our custom, I am rising to ask the Deputy Government House Leader if he could outline for the House the government's anticipated business for next week.

I will take this opportunity to say that as is our prerogative, we are specifying for estimates debate next Thursday the department of transportation. As is also our prerogative, I am specifying the following departments for recall. Some of them may be recalled by the Deputy House Leader immediately following my comments, because I sent this message earlier to the House leader. They are the departments of economic development, Community Development, Energy, Municipal Affairs, transportation – which I've already specified for next Thursday – agriculture, Justice, public works, Education, and the Treasury.

Thank you.

MR. DAY: In response and pursuant to the revised Standing Orders I'm happy to indicate the government business for next week. On Monday, October 4, we anticipate being in third reading of Bill 7, Alberta Energy Company Act Repeal Act; and if there is time allowing in Committee of the Whole, Bill 8, the School Amendment Act, and Bill 5, the Financial Administration Amendment Act. In the evening Committee of Supply would be considering the estimates of Environmental Protection.

On Tuesday, October 5, at 4:30, under Government Bills and Orders, again Bill 5, Financial Administration Amendment Act, and Bill 8, the School Amendment Act, given the consideration of time that may have been spent on that previously on Monday. In the evening for Committee of Supply we had been considering Transportation and Utilities. That has now been designated for Thursday, so I will communicate as soon as we possibly can to the Opposition House Leader a change that we might have there given their designation.

On Wednesday in the evening we would have under consideration in Committee of Supply Community Development, and as already indicated by the Opposition House Leader, Thursday we'd be in Committee of Supply considering the estimates of the department of transportation.

MR. SPEAKER: The hon. Member for Edmonton-Mayfield rose on a point of order, as did the hon. Member for Edmonton-McClung.

Point of Order

Oral Question Period Rules

MR. WHITE: Thank you, Mr. Speaker. On the point of order I rise today citing Standing Order 23(c) and *Beauchesne* 409(3), (5), and (6). I cite the Member for Calgary-Cross.

To refresh your memory, sir, 23(c) makes mention of needless repetition. I submit to you that the first question was an original question, and listening to the answer, the first and second supplementaries were then repetitive.

I submit to you also, sir, that under section 409(3) of *Beauchesne*, the question should seek information and not merely opinion, and it was clear that the question asked for an opinion.

Section (5) speaks of urgency. It certainly wasn't urgent. The questions solicited an answer that was relevant to the press the Premier was getting as of yesterday as opposed to tomorrow, which is certainly not urgent.

Last and most important is section (6) which speaks of "within the administrative competence of the Government." Sir, I submit to you that the media and media reports are no longer in the sphere of competence or confidence of the Premier.

MR. DAY: Well, Mr. Speaker, in *Beauchesne*, in the same section referring to oral questions, it's plainly pointed out that if the Speaker were to apply every single injunction that is listed here, there would probably not be a question period because all of us in the framing of our questions could trip over any number of these. So, as usual, whatever you decide on today we are happy to abide by, and I know your ruling applies to all members of the House on both sides.

MR. SPEAKER: The hon. Member for Edmonton-Mayfield has brought forward a complaint. The Chair feels that the complaint is sort of related to the complaint of the Chair earlier and would urge all hon. members to seriously consider the rules regarding question period when thinking about their question and how they're going to ask their question in the least number of words so that the Chair can then be diligent about enforcing a brief, crisp, speedy answer and not long lectures.

The Chair certainly is sympathetic to the hon. Member for Edmonton-Mayfield's comments, but it doesn't just apply to the hon. Member for Calgary-Cross. She shouldn't be singled out specifically either. This week that complaint has been applicable to a very great number of members and answerers. So again the Chair would reiterate its plea at the beginning of question period

for members to seriously consider the form of their questions. Let's see how we can get started off in this area in a new month on Monday.

Point of Order

Explanation of Speaker's Ruling

MR. MITCHELL: For my point of order, Mr. Speaker, I rise under Standing Order 13 to ask whether you could give us your reasons for your ruling on the preamble to the question by the Member for Edmonton-Whitemud when you said that he was unable to address a matter that had been decided upon by the Legislature.

I would like to say, first of all, that as I review the Standing Order manual, I can only find a remote reference to such a rule under 23(f), but 23(f) doesn't apply to oral questions in any event; it applies to debates. While some of our preambles may seem to the government to be debate like or debatable, the fact of the matter is that our three-sentence preambles – and I believe he was only on his first or second – wouldn't constitute debate.

As I pursued the matter further under *Beauchesne* sections 407 to 420, all of which refer to Oral Question Period, again I can see no prohibition against asking a question on a matter that's been voted on in this Legislature.

With respect to the specifics, the member was talking about the \$462 million in loan guarantees and loans about which we have been unable to get specific information. That \$462 million figure which apparently caught you is, in fact, new information. It would have been logically impossible for us to have come up with that figure before today because we couldn't have added up the figure until the end of the votes yesterday. We couldn't speak after the last vote, and not knowing until that vote that it was one of the loans that would be turned down, we simply logically could not have come up with the \$462 million figure until today. So it's new information.

I will also point out, Mr. Speaker, that as recently as the last speaker on Members' Statements today we saw somebody speaking on a matter that has been very recently voted on in this House, free votes. We settled that matter four weeks ago in this Legislature. The Member for Calgary-Fish Creek herself eloquently spoke of this matter in her member's statement. I do not deny that. The fact is she voted on that particular issue, as the rest of us did. If we applied your ruling, she wouldn't have been able to speak today. Therefore, I know that you probably didn't mean it in the way that it sounded, and we'd like a little more flexibility.

2:50

MR. SPEAKER: The Chair undertakes to review this situation and will say something on the matter on Monday.

Before calling Orders of the Day, the Chair would like to note that three hon. members will be celebrating birthdays before we meet again on Monday. Those will be the hon. members for Dunvegan and Olds-Didsbury, who reach a milestone tomorrow. On Saturday, October 2, the hon. Member for Calgary-Montrose will be celebrating.

Speaker's Ruling

Motions for Returns

MR. SPEAKER: The Chair did also yesterday undertake to say something on the point of order made with respect to motions for returns. Yesterday during debate on Motion for a Return 168 there were several comments and points of order made about the nature and process involved with motions for returns. The Chair refers specifically to the question posed by the hon. Member for

Edmonton-Centre in the form of a point of order about the role of the Chair in determining the appropriateness of motions for returns placed on the Order Paper. The Chair would like to address briefly this concern.

As hon. members are aware, some of the amendments to the Standing Orders related to motions for returns and written questions. The Chair refers specifically to Standing Order 34. The only substantive criterion in Standing Order 34 concerning the nature of motions for returns and written questions is that they are to seek information "relating to public affairs." It is the practice of this Assembly that Parliamentary Counsel and Table officers review the motions for returns prior to their introduction so as to advise to the Speaker whether the form of the motions for returns is in order. As stated in *Beauchesne* 442, it is the Speaker's responsibility to see that the motion is, quote, "in the proper form; that is, whether it is the appropriate motion to do what is sought to be done."

The Chair and the Table officers do not advise with respect to the appropriateness of the content of the proposed motion for a return but only the form. The decision with respect to whether the motion for a return is acceptable or not acceptable or whether it is acceptable with amendments is the responsibility of the government to move. The Assembly then votes, and the result is an order of the House. It is therefore the House that ultimately decides on whether the document sought will be tabled or not. Hon. members are referred to *Beauchesne* 445.

Although the practice of this Assembly differs to some extent from that of the federal Parliament, there are several applicable passages from *Beauchesne* on the grounds upon which the government may refuse notices of motions for production of papers, which are similar to our motions for returns. The Chair would refer members to paragraphs 443 to 453 in this regard.

There are also the conventions with respect to matters which are sub judice, which the hon. Deputy Government House Leader referred to yesterday. That issue is to be addressed by the Select Special Committee on Parliamentary Reform.

With respect to confidential material the Chair would like to quote from *Beauchesne* 447 which states in part:

Any determination of what constitutes "confidential documents" is not a matter for the Speaker to determine. It is up to the government to determine whether any "letters, papers, and studies" are of a confidential nature when deciding how to respond to a Notice . . . for the Production of Papers.

The Chair hopes that this will clarify matters relating to motions for returns.

head: **Orders of the Day**

head: **Committee of Supply**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: Good afternoon. Before asking the minister to make his comments, we'd make a comment to the gallery. For the information of the gallery, this is Committee of Supply. It's an informal session of the Legislature in which the members are allowed to be in a more relaxed mode. That is to say they can move around, take their jackets off, have coffee or juice while they're here, and indeed even move across the House to the other side. They are invited to carry on lively conversations outside the Chamber so that all members in the committee can hear the minister and the people who are questioning the minister.

head: **Main Estimates 1993-94**

Municipal Affairs

MR. CHAIRMAN: With that, I'll call on the Minister of Municipal Affairs to make his comments on the estimates of his department.

DR. WEST: Thank you, Mr. Chairman. I'm pleased today to present the 1993-94 estimates of the Department of Municipal Affairs, which includes also consumer services, which is part of the old corporate consumer services division, as well as the Alberta registry, program 5, which was previously included under Executive Council. The total department request today is \$551,999,900, a reduction of 6.5 percent from the comparable '92-93 budgets.

Before I start today, I want to make a few comments as it relates to where we are going and how we are looking at our departments as we move through this budgetary process. I think it's fair to say that we must redefine the role of government. If you go back in history and look at government, what was its role? To provide collectively for things that a society couldn't provide in an organized state for itself. It's evolved through education, health care, police forces and protection, a criminal justice system, and programs that help those less fortunate than others that for reasons beyond their control needed help by the whole of society.

After you analyze that and look at it, you have to ask the question in 1993-94: what happened? What happened as we went through the last 30 to 40 years and became everything to everybody, increasing taxes, taking on every role that we could foreseeably get government into? And then the wake-up call: massive public debt.

Massive public debt. Let's just have a look at what that is. Provincial government expenditures from 1981 to 1993 went from \$5.6 billion to \$12.7 billion, a 127 percent increase in 12 years. Federal expenditures increased \$60 billion to \$160 billion from 1980 to 1990, a 167 percent increase in 10 years. Municipal governments' expenditures in Alberta went from \$4.2 billion to \$6.8 billion from 1981 to 1991, a 62 percent increase. Of course, we could go on to see that health care costs in Alberta that totaled \$1.1 billion in 1981 are now \$3.3 billion to \$3.8 billion and mounting. Education costs have increased 134 percent in the last 10 years, from \$728 million to over \$2 billion. We've seen an accumulated net debt - federal, provincial, and municipal governments - of over 90 percent of all goods and services we produce in one year. We have interest payments alone on debt of \$55 billion per year, or \$2,000 per person, in Canada. About 49 percent of the interest payments in this country are borrowed from foreign sources. Deficits are deferred taxation. Our children will pay taxes to deal with these deficits if we don't start to make substantial deficit reductions now.

3:00

Those are shocking realities, what we have to deal with not only with the Department of Municipal Affairs today but all departments as we go forth on the next four-year plan of deficit elimination. Bearing witness to what we're about to discuss today, keep that in mind as you ask your questions. We have a Deficit Elimination Act, and we are on target to eliminate this deficit in 1996-97, and the cuts or directions that are demonstrated here today are only the beginning of the tough chore that we have to cut even deeper and deeper into the role of government, the programs we deliver, how we administer them, and in what time frame.

We all know that the '93-94 consolidated deficit was reduced by \$714 million or 22 percent. In 1994-95 we must reduce it by another \$1.8 billion, and in '95-96, another \$800 million reduction.

Government has no money itself. The other thing to keep in mind is that this is not this government's money or some individual department's or some program's or some agency's. It belongs to the people of Alberta. [interjection] It's a nice thought you had there. It is the people's money. By borrowing extensively, are we in fact borrowing the children's money or the future's money?

You'll say, "You're introducing your budget today with a whole lot of ideological rhetoric." No, I'm not. These are facts. There's no way we can go back in history. We must go forward. So we are going to have to start looking deeply into the cuts we have to make.

Let's have a look at where we're going today in this budget. I'll try to move through it fairly quickly, Mr. Chairman, and then we can get to questions. I just wanted to highlight a few areas that we're looking at and look at the objectives we used as we prepared this budget and those objectives that we're going to look at, as I said when I started, the role of government, the task at hand, and then we look at the department overview.

We have to look at reducing the layers of management, eliminating the nonessential administrative procedures, examining the rationale and relevancy of the programs, services, and grants – and some of the roundtables, both the seniors and health roundtables, will help us in Municipal Affairs as we look at the seniors' programs – consolidating programs, services, and grants which have similar or identical purposes, and transferring or consolidating functions which are duplicated in other departments. That's a very important point: overlap in government must be looked at. Based on these objectives, we went forth and started to prepare the '93-94, and we're carrying that into our three-year plan as we go to a '96-97 balance.

The first program, Departmental Support Services. We see an overall decrease this year in administration expenditures of \$2.6 million, or 17 percent, from the '92-93 estimates. This is due to restructuring and consolidation, and we're moving from our assistant deputy ministers downward. We're looking internally at every avenue we can to make the administrative overload less. In that area we've reduced 37 full-time equivalent positions, from 273 to 236, which is a 14 percent reduction.

In program 2, the Support for Municipal Programs, the administrative savings is \$2.9 million, a 12 and a half percent decrease from last year's budget due to downsizing and restructuring. We reduced 70 full-time equivalent positions, from 411 to 341. That's another 17 percent reduction. We gave no increase in municipal assistance grants. That's the one you've read recently where they are concerned about a target of a 20 percent reduction for next year. Remember that grants were not touched in this budget year. If you have to take this year and next year and average them and we're talking 20 percent in the first two years of budget cuts, it's only an average of 10 percent cuts. Somewhere along the line we have to serve notice that there are going to be deeper cuts, and then those other areas of administration and management in the municipalities must gear up for those cuts.

We also saw a 42 percent reduction or \$18.5 million in savings in the provincial municipal debenture interest subsidy. You recently saw the board of directors of the Alberta Municipal Financing Corporation see a cash distribution of \$38 million to the municipalities and a reduction of the borrowers' high rate to 12 percent from 12 and a half. That's effective July 1, 1993. This is a hundred million dollar benefit flowing back to municipalities, schools, and hospitals from the surplus that had been accumulated

and to accommodate, as I said before, that \$18 million cut that we're going to make in that program.

[Mr. Sohal in the Chair]

We also are going to see a \$1.3 million reduction in the grant to the Alberta planning fund. For those areas in the province that have planning commissions that traditionally generally got half their money from the province and half from the application of a mill rate to the local areas, we are taking approximately \$6.5 million and have stood notice that we reduced it 20 percent last year, and we'll be phasing it down. We will be going in two weeks or so to the planning conference in Red Deer, and we'll be discussing the future of this program in the years coming.

We had a 20 percent reduction on general association grants and a 50 percent reduction in hosting grants. We're going to look at that. We wanted to phase them out. We used grants, as I say, to help put on luncheons for the AUMA or the counties and MDs' conventions, and we stood notice that we're going to 50 percent and we're going to phase out of this. They're a body that can put on their own lunches. We know that we didn't want to give it an abrupt cut. These to some may not seem like a lot, but every dollar counts. I ate quite a few sandwiches. Maybe we can go to sandwiches instead of full course meals.

Assessments grants in this area are also no longer paid to municipalities with greater population than 10,000. There were still some out there getting grants for their assessment, but many other jurisdictions were paying for their own assessment. We are bringing in a model that will see all populations greater than 10,000 paying for their own. We will be looking at assessment in future years and the role of the provincial government's Municipal Affairs department in assessment. We will be discussing those when the three-year plan comes out.

Program 3, Administration of Housing Programs. We have administrative savings this year of \$6.2 million or 22 percent from last year's budget due to downsizing and restructuring. We are looking at the housing division and the programs and streamlining the administration. We reduced 61 full-time equivalent positions, from 405 to 344, a 15 percent reduction. We will really streamline this area over the next couple of years and redefine its function. We had a savings of \$1 million due to changes in the eligibility for the home adaptation program and moving the threshold that was allowable for the \$2,500 grant. We simplified a grant to the unique home program, going to a straight \$645 per day. We have a situation up in Hythe, Alberta, and that sort of thing where we have defined what we call unique homes, which are senior lodgings and were originated a few years ago. We were still giving them funding to accommodate their needs the same as we do in the lodge program and the other programs.

A savings of \$2.8 million is due to declining numbers of applications for seniors in the independent living program. Again, that's self-explanatory. A saving of interest costs under the Alberta family first home program was \$6 million. This will be phased out. It was brought in and helped a lot of first home buyers in the province during higher interest rates, but obviously it doesn't even beg the question of why you still have it. The interest rates are low. Accommodations are high out there. Over 40 percent of the people renting today by our nearest estimates have the capability of purchasing homes but are looking at that marketplace worrying about the economy and that sort of thing. But they have the downpayments and the ability to move into it. We hope they access the new home market, and that'll drive that construction area and development in our province. That's the

highest interest we've seen in homes that have the potential of buying.

3:10

A \$3.2 million savings as a result of not extending the time limit for accepting prior year's application for the renters assistance program and property tax reduction. We are saying that you can only go so far in life before self-determination or responsibility should kick in. I said before that we would redefine the role so we protected everybody. Every year we gave an advance. If you didn't get in on time, "Oh, here's a year to make your application." You know you're becoming 65 years old. You've been waiting your whole life to trigger into some of these programs. Then you say: "Oh, I'm sorry. I missed it. Would you extend the deadline?" No longer.

I give notice to some of you people that are getting elderly in the Assembly to pay attention to the programs. If you're eligible when you're 65, you take the initiative and get in there and apply. Don't come back later and say: "I'm sorry. I missed it." Because you did miss it.

A 2 and a half million dollar saving from the elimination of the rural home assistance programs and innovative housing. We are going to have to look at better models as we look at helping people in their housing throughout the province. The federal government is looking at backing out of their traditional way of funding social housing. We're going to have to, too, to ensure that we go to a needs-based or emergency type housing, follow the clients who are less fortunate than others, as I defined in the role of government, but not get into the construction business as badly as we did a few years ago.

Now, I go to that area: Alberta Mortgage and Housing Corporation, 3.3. We see that we had to provide \$104 million this year. How did we estimate this? That question came up from the hon. Member for St. Albert. Well, we've had a tremendous hangover of properties from the late '70s and '80s, and we put into this year a figure of \$104 million to realistically approach the sales and the losses we may have in selling not only the surplus housing of CHIP and MAP, but some of the others we'd been in, the three- and four-bedroom apartments, land banks, and mortgages that we hadn't worked out.

We have moved a tremendous amount of property in the last six months. We took out what we had Mortgage Properties Inc. doing before, put in Municipal Affairs Sales Ltd., reset the policies – stringent, to the Auditor General's recommendations of checks and balances – went fast and furious into the private sector and have got tremendous response. There will be losses based on the fact that many of these had capitalized interest and costs on the pieces of property and were built in high-interest-rate and high-construction-cost times and carried forward at those market prices. Some properties came a lot better in the last couple years with the low interest rates collapsing the losses than we would have had if we had sold 10 years ago.

Program 4, the Consumer Services is new in Municipal Affairs, because they were the old corporate and consumer affairs. We collapsed the ministries from 26 down to 17, and at that time corporate and consumer affairs was split, part of it going to Treasury and the other part going to Municipal Affairs. We had to look at that. They had about a \$60 million budget, \$59 million-something, and we decreased that some \$9 million. We looked at administrative savings of \$2.9 million. No. I've got that wrong. The registry had a \$59 million budget. This area here had about a \$10 million budget, and we took the administrative savings of \$2.9 million or 30 percent from last year, a fairly big cut in this area for a small budget. You must appreciate the pressure it put

on that area, because you can take that kind of money out of a \$100 million budget, and it's fairly easy to find it administratively. Take this type of money out of a \$10 million budget and find out how you have to scramble.

I must give credit to consumer services. We took quite a chunk out of their budget this year. We also reduced their staff by 44 full-time equivalents from 127 to 83, which was a 35 percent reduction. Some of the programs we phased out were the education program and mediation services. We want to see the Better Business Bureau and some of the other areas take on these arbitrations and mediations in a private-sector environment.

Program 5, Alberta registries, is a new heading, as we moved many areas of government into one place called the Alberta registries: the land titles, corporate services, the land registry programs from forestry, vital statistics from Health, and motor vehicles from the solicitor general's area. We moved it and did a detailed analysis of the budgets and administrative services that went with it and extracted those from those other departments, because they were either in Health, as I said, or in Justice or in the solicitor general's area. They had to be extracted out and put into this year's budget. We came up with a \$59 million component and some thousand people that worked in that area. Then we had to work on meeting our fiscal responsibility. About \$9 million was taken out of their roughly \$60 million budget. As we move forward, the manpower component of that will be decreased sufficiently.

Again, we had a decrease last year of 109 positions through use of the early voluntary options and voluntary severance agreement packages, but as we move to the registry initiation – October 1 was the end of the selection program – we'll be seeing major cuts in manpower in that area and further decreases in their budget.

[Dr. West's speaking time expired]

Is that bell for me? It's a lot shorter than it used to be. All right. I'll wait for their questions, Mr. Chairman, and try to answer anything I didn't cover in my introductory remarks.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Chairman. I congratulate the minister on his appointment and look forward to working with him for the benefit of all Albertans. During the last four years I've had the privilege of visiting over 15,000 homes in St. Albert and listened to their concerns and frustrations. Today I will share their concerns and questions and await answers to take back, Mr. Minister.

The operation of a department is judged not only on the wise use of tax dollars but also on the inner runnings of a department. One must examine the political leadership, the flexibility of a department, and the utilization of ideas and wisdom of our frontline workers, the most important people, closest to the scene.

With this in mind, I will start with seniors' housing. According to population projections, the number of seniors will double in Alberta by the year 2000. Planning is essential now for the future. My first question: will the minister provide me with the government's strategic plan for my constituents that deals with seniors' housing over the next 20 years, to relieve the anxiety of our seniors? If not 20 years, then at least the next 10.

Another question: in what ways is the province working with municipalities and private enterprise in planning for the present and future housing needs? Next, what innovative and creative ideas will your department be using in meeting future needs?

How have you involved seniors and the public in general in assessing these needs? As a member of the St. Albert city council appointed to the Sturgeon Foundation, I had the opportunity to be involved in building a new seniors' lodge right from the application stage to completion and in the operation for a year. As one who believes every tax dollar should be used wisely, the following concerns and questions come up. Location of a lodge. In St. Albert we had an ideal location for the lodge between the old hospital and the Youville home, a continuing care facility. This site was not selected. Six sites were chosen, and not one was appropriate. The sites are away from transportation routes, shopping centres, and professional services. My question is: has the site location process been improved, and will the minister supply me with a copy of the tools or guidelines used in site selection?

What is the size of the most cost-efficient lodge? I believe this is one of the most important questions we needed to ask. High amounts of tax dollars are at stake here. We were assured that a 45-room lodge was the most efficient. I asked for data to verify this but did not receive any. Either they did not have any or would not give me any. With a budget of \$15 million for research and administrative staff, will the minister explain to the residents of St. Albert and all Albertans why this valuable information on lodge size versus cost was not provided?

3:20

I had to phone other foundations and find out that an 80-room lodge was the most cost efficient for operating expenses. A 45-room lodge costs the taxpayers \$80,000 a year. An 80-room lodge breaks even. We, of course, pursued the 80-room lodge with Municipal Affairs, but we were informed that an 80-room lodge would never be built again. However, only four months later Lethbridge had approval for an 80-room facility. Question: does your department perform cost-efficiency analysis on the construction of new lodges, Mr. Minister, and would the minister provide me with a copy of the tool you use?

The North Ridge Lodge cost \$2.2 million. As in the case of purchasing a house, a responsible politician wants to know the terms and financial responsibility. "How many years is a lodge mortgage?" is a very important question. Of course, with the heritage fund we had hoped no mortgage would be necessary. We were unable to get specific information from the province on years of mortgage. My question is: will the minister release this needed information to housing foundations so municipal politicians can make informed decisions?

At the ground-breaking ceremony we received a letter from the federal minister of housing stating that we would receive \$266,000 for 35 years. A simple calculation shows this comes to \$8.8 million. As I mentioned earlier, the cost of the lodge was \$2.2 million. The first question that came to my mind was: why the extra cost of \$6.6 million? So I called both CMHC and Municipal Affairs for further information. The result was that I got bounced back and forth between the two like a ping-pong ball. Finally, CMHC sent me to Municipal Affairs to get the formula for funding. I was told the formula was too complex to understand. However, I demanded that they explain the formula so I could understand and explain to the residents of St. Albert and the Sturgeon Foundation. They had great humour. My request was passed on to a series of six people, with the last person being on holidays. I never received the information I required. The Premier listens; the Premier cares. Do we have freedom of information?

My next question is: what steps has this minister taken to eliminate these communication and withholding of information

problems? The economic experts tell people the best investment they could possibly make is to pay off the principal of a mortgage on one's home. A great number of Albertans have done so. They used their resources wisely. However, this government was out of tune with the simple economic wisdom of the day. The senior lodges were mortgaged over 35 years.

My question is: why was this government and their federal Tory brothers and sisters so out of tune with reality?

DR. WEST: It started with the Liberals.

MR. BRACKO: Mr. Chairman, if he wants to be enlightened, I'll be glad to enlighten him at a later time. I was quiet when he gave his presentation. I expect the same from him.

MR. ACTING DEPUTY CHAIRMAN: Through the Chair, please.

MR. BRACKO: It's easy to point fingers, but let's look at the truth. It says in the Good Book, Mr. Chairman, "Ye shall know the truth, and the truth shall [set] you free." We want to set that side free, and I know the backbenchers want to set the front benches free also.

A simple calculation, Mr. Chairman, shows that an \$18,000 a year increase in principal payments could reduce the mortgage years from 35 to 15 at a tremendous savings of \$4 million to \$5 million: our children's future. I went to the press and finally forced a meeting with Municipal Affairs management who were open to reducing the years of the mortgage. They were willing to be creative and flexible to save taxpayers' money. However, as soon as the politicians got word, everything changed. There was a further meeting to inform me that I was terribly ungrateful. How dare I ask any intelligent questions and challenge the power and might of the provincial government. They had given us a new lodge, and there were hundreds of municipalities in Alberta who would be grateful and not ask questions. As a government who has the public trust in mind, it was unbelievable that the government would not welcome and encourage ways of saving money. It would only serve to make them look good. My next question is: when will this government take and use the wisdom of others who have more expertise than themselves and become a mature government as their backbenchers would want?

We challenged the governments, both the provincial and federal Tories, to reduce the mortgage years to save \$4 million to \$5 million. Their answer: absolutely not. No rationale or explanation. However, a short time later the federal Tories saw the light. They had a Damascus road experience. They eliminated the wasteful 35-year mortgages, and I quote:

CMHC will no longer fund housing through 35-year [mortgages] which impose most of the cost of today's housing support on future taxpayers.

Federal budget 1993.

My next question. How many seniors' lodges does this government have on 35-year mortgages? How many other subsidized housing projects are on 35-year mortgages? When the mortgages on subsidized housing come up for renewal every five years, will this government reduce the mortgage years to save taxpayers millions of dollars? Will the government use the money saved from reduced interest rates to reduce the debt on subsidized housing?

Changes in regulations. This government had a policy of telling us exactly what the changes will be with no consultation. In fact, they'd promised us three separate times that they would meet with us and explain the changes. This never happened. In fact, we

had to not take the keys to the lodge because this government did not give us the information, and we could not be irresponsible in taking seniors to the lodge where they did not know the new rules and new regulations that the government was saying they were giving. Further, one of the gentlemen who moved in who went on TV was given poor treatment by the Conservatives in St. Albert. They insulted and degraded him because he went forward. To me, Mr. Minister, this was unacceptable.

Further to that, the minister for seniors at that time, the Member for Olds-Didsbury, did not even know what was going on, and the province had to spend large sums of money going around doing damage control. My question is: what has the minister done to ensure that there will be full consultation in regard to changes in regulations with stakeholders and municipalities? I believe municipalities should have more say in local affairs while being accountable to the province. Local governments should not have to live with the mistakes of the province or the federal government.

Will the minister supply me with a list of priorities for new senior lodges and subsidized housing in Alberta? Will the minister also supply the criteria used in making these decisions? Will the minister supply us with a list of lodges that need upgrading and the priority list? Another very important issue: will the minister meet with the Minister of Health and work out the problem that exists in many lodges, staff time spent providing personal care to seniors which is outside the lodge mandate? This tremendously impacts on the time staff spend doing their own jobs.

Next. Subsidized housing is getting older and needs repair. Will the minister show us his plan to deal with these needs? Further, the more money a lodge spends, the more money the lodge will see from the province. The province rewards incompetence and penalizes efficiency. My question to the minister and to the Premier is: when is the government going to change this wasteful formula and start using tax dollars wisely? Another question: what increases will the seniors and lodges face in rent over the next three years, and how much warning will this minister give them? Changes in regulation and eligibility will soon be made in the operation of lodges. Will this minister agree to our input before implementing them?

3:30

Page 245 of the Government Estimates shows a loss of \$104,200,000. Will the minister provide a list of all the projects and amounts of the estimated losses for each one?

Next, I would like to ask a couple of questions regarding ALCB. Would the minister supply us with his cost analysis of privatizing the ALCB?

**Point of Order
Relevance**

DR. WEST: Mr. Chairman, I don't mind the questions . . .

MR. BRACKO: I only have a couple more, Mr. Chairman.

MR. ACTING DEPUTY CHAIRMAN: Hon. Minister of Municipal Affairs, on a point of order.

DR. WEST: It's relevancy, because today we're dealing with Municipal Affairs, which takes in registries and consumer affairs and municipal affairs but not ALCB and not Access Network. Access is under Executive Council. So I'm just saying that those questions are not relevant to these estimates.

MR. ACTING DEPUTY CHAIRMAN: Thanks for the information.

The hon. Member for St. Albert.

Debate Continued

MR. BRACKO: Thank you. My next question is: does the minister plan to privatize seniors' lodges, and if he does, will he consult with others before he does so, or have a plan ahead of time so people know what's happening?

In conclusion, I guess I just want to add that there were a lot of cost savings that could have happened if the government had listened. They've indebted future generations. It seems like they were drowning up to their neck, and they decided to take action. That's great, but it should have happened 10 years ago. My final question is: why didn't it?

Thank you, Mr. Chairman.

MR. ACTING DEPUTY CHAIRMAN: Hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Chairman. I want to, first of all, acknowledge that the minister is a straight-shooting, no-nonsense type of . . .

MR. ACTING DEPUTY CHAIRMAN: Hon. member, did you make a point of order?

MR. WICKMAN: No.

MR. ACTING DEPUTY CHAIRMAN: It's the turn of the hon. Member for Vegreville-Viking.

MR. WICKMAN: Oh, I'm sorry. I thought you had recognized me.

MR. ACTING DEPUTY CHAIRMAN: No. You raised your finger; that's why I mentioned your name.

The hon. Member for Vegreville-Viking.

MR. STELMACH: Thank you, Mr. Chairman. I have a number of questions for the Minister of Municipal Affairs. One is in the area of assessments. I'd like to inform the House that the county of Lamont along with other jurisdictions in Alberta has gone through a general assessment. In our experience we used a private assessment company to do our general, and we also computerized our general so that we could factor in on an annual basis the modifiers and do a general, quite frankly, every year. It's proved to be very successful. The number of people appearing before the court of revision has been greatly reduced, and people seem to be satisfied with the process. We also found that the company assessors took a considerable length of time in explaining assessments and working out problems with the ratepayers. My question to the minister simply is: when do we anticipate getting out of the assessment business and privatizing that particular area, based on the good experience that we've had in Alberta thus far?

I also have a question dealing with the planning commissions. I know that we do spend a considerable amount of money in planning, and I wonder if in the future we could be addressing that and downsizing, reducing the costs, maybe having municipalities participate more in their own planning.

The other question to the minister is that many locally elected officials are awaiting the new Municipal Government Act, and perhaps we could get an indication from the hon. minister when

the process will be completed and when we'll be expecting the new Act.

I would like to complete my comments by saying that, personally, as the MLA for Vegreville-Viking I've had extremely good service from the department. Any questions raised by various constituents were answered very promptly, and many calls were returned that same day. That sure helps us answer their many questions and some of their concerns and really does make us look like we're interested in our constituents. So I'd just like to leave it at that.

Thank you.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Chairman. I'll start again. I first want to acknowledge the minister as being a straight-shooting, no-nonsense type of a fellow. He started off by philosophizing a bit, and I want to philosophize a bit, too, just prior to getting into the actual estimates.

He talked in terms of a house that had gotten out of order, a problem that has accumulated over 10 years. I have to agree with him, Mr. Chairman. I look at the public accounts. Unless I'm wrong, the way I read it there was a projected deficit in '92-93 of \$2.2 billion, and it seems now to be in the neighbourhood of \$3.8 billion. When you talk in terms of financial accountability, there is something lacking there, and the question I would have to ask the minister is: where was he in that period of time? Where were the other ministers? This is my province. My grandchildren will live in this province. I don't want to see the mess that we're now in due to that front row that still is there and now is trying to bail out of a problem that they got themselves into - if it were a private corporation, none of them would be there any longer. We know that. They would be gone.

It's quite interesting that he makes reference to the last 10 years of the federal government, to an increase in their spending of 167 percent. The province: it was somewhere in the neighbourhood, I believe he said, of 130 percent. Then the municipalities: I believe the figure for the municipalities was 62 percent. Now, there's a message there, Mr. Chairman, and the message is that you have the feds totally out of control under a Tory government; you have the province totally out of control under a Tory government. Municipalities are the closest thing to accountability that you have. When we look over the last 10 years at the major municipalities in Alberta, I can look here at our Member for Edmonton-Glengarry, who put a plan in place and got the finances of the city of Edmonton under control before it was too late. I look at the city of Calgary, and the same does not hold true. Yet which level of government is going to be penalized? Not the feds, not the province, but the municipalities.

In the definition of partnership, the very first program we look at, partnership with municipalities, the nonconditional grants are the ones that are slashed back 20 percent next year, slashed right back. They're the ones that have never had an operational deficit, and they're the ones that now have to pay the price because of the incompetence of this government and the incompetence of the federal government. I say that it's not fair to point the finger at the others and say, "You've done wrong and now we're going to penalize you," when they haven't done wrong. I don't know why they're being forced to pay the price.

I would say that the first thing the minister has to do is go to those municipalities and admit that he was part of that mistake and say that he now wants to work jointly to find a solution and ask for their help. Ask for their help, not just impose upon them that

they've got to share that burden of 20 percent next year. How much the year after, and how much the year after that? We have no idea as to what that's going to amount to. That's not a partnership to me. That's somebody sitting back dictating, saying: it's going to be this way; it's going to be that way. That's why I opened up saying that the minister certainly is a straight shooter, no-nonsense, decision type, except the decisions that are being made are very, very questionable, and they are being made in isolation, without the benefit of the others that are involved.

Now, to his credit, Mr. Chairman, as he has brought out that axe and has slashed, slashed, slashed, he has slashed his own department, his own office by 17.2 percent, and I commend him for that. The same is true of the deputy minister: slashed by 13 percent. Finance and administration: slashed by 17.2 percent, although I still don't understand why they have a budget of \$12.5 million.

As I go into the programs, I see that some of the programs have been cut quite significantly, and I think the minister owes us a written response to these types of questions. The Home Adaptation Program, for example, a cutback of 40 percent. What is the impact of that on the people that have utilized that program in the past or the people that will potentially utilize it? Does it mean that the \$5,000 ceiling is going to be decreased? Or is there going to be a targeted approach similar to what we see in Family and Social Services, that so many are going to be deprived of that benefit?

3:40

I look at the Seniors' Emergency Medical Alert Program, a reduction of 30 percent. This one is quite interesting, program 3.2.5. It's quite interesting to me, Mr. Chairman, because I've had a number of other companies in the city approach me. I've told them to write to the minister; he's the one that's going to make this decision. They have asked: why has their product not been approved, when they can put it out for a lower price than what we see out there at the present time that is being approved by that department, in terms of utilizing that \$700?

[Mr. Tannas in the Chair]

I see the Innovative Housing Grants program is gone. That may be a mistake, because that provided the stimulus, provided the incentive, the avenue for architects, for developers and such to come up with creative methods of housing, new styles of affordable housing and trying to balance or counteract what we see happening out there in the housing market at the present time, particularly in the inner city, where we have homeless people, where we have people that do not have proper accommodation. Those are the ones that seem to be targeted. In fact, if we look at the whole style of this government, it seems that those who can't speak out for themselves, those that are the least able to defend themselves are the ones that seem to be targeted, the ones that seem to be hit the worst. Social services, Health, Education, Municipal Affairs: it all seems to follow that same steady pattern.

The minister made some comment, very little comment but some comment, to the municipalities. I touched on the partnership with municipalities program, but under the minister's style that term "partnership" should be taken out, because it is not a partnership. I look at the CRC program that used to be in place. I recall the Premier's commitment. He said very explicitly that if he were elected Premier, if he got the leadership of that party, he was going to extend that program for one year. I don't recall that program being extended for one year.

Point of Order**Questions Outside Ministerial Responsibility**

DR. WEST: Point of order.

MR. WICKMAN: What's his point of order?

MR. CHAIRMAN: Citation, please.

DR. WEST: CRC was a community recreation and cultural grant. It was under the old recreation and parks department, which I was minister of, and then was transferred to tourism and has been ended. So I don't know what the reference is in these estimates.

Debate Continued

MR. WICKMAN: The reference to it, Mr. Chairman, is part of the definition of partnership with the municipalities. The responsibility of the minister of municipalities goes beyond just what's in the budget. That responsibility entails looking at items, working with the other ministers in areas such as cultural activities, recreational activities. Transportation, for example: the minister is not responsible directly for transportation, but he can't close his eyes to the fact that there are roadways in the city of Calgary, in the city of Edmonton. In Vermilion there are roadways. The minister cannot close his eyes to it because he's part of that cabinet. He doesn't work in isolation. He might try to work in isolation, but he shouldn't be working in isolation.

We've also seen within the minister's department the impact of the Alberta Mortgage financial corporation. In the public accounts that I've referred to, we saw that transfer, that \$300 million in funds that rightfully belonged to the municipalities and school boards siphoned off, and this year the \$100 million. There's still some question as to who's going to benefit. I still submit, myself, that the greatest benefiter is going to be the city of Calgary, who are the most inefficient in terms of managing their finances. It's like the previous speaker said: those that are rewarded are the ones that are the most inefficient. Yet the city of Edmonton, that was so efficient under the leadership of the Member for Edmonton-Glengarry, is penalized for being efficient. For being efficient he is penalized.

To the minister also responsible for privatization. I look at two aspects, one being the Alberta registries. I had questions yesterday on the impact of the privatization of Alberta registries and how it's going to impact, for example, on driver examiners. I just want to touch on that again, just very briefly. There are questions that the minister is going to have to respond to. What's going to become of the unsatisfied judgment fund, for example? Will it be impacted? What's going to happen to persons with disabilities and seniors when it comes to their testing, because for a fee of \$15 I'm not sure they're going to be given the attention that they require because of their special needs. Some of those vehicles that persons with disabilities drive are very, very specialized units. I'm not sure that under this system that is going to be taken into consideration or fully accounted for.

I still have questions of the so-called five-day wonders that I referred to yesterday. If at the current time it takes six months to train them and under the new process it's going to take five days, either the old system was totally out of whack or the new system is out of whack, but something is out of whack.

The minister brushed off the comments on the privatization of ALCB, but I don't think he should have brushed that off. I don't think he should have brushed that off, because as minister he is responsible for that portion of government, ALCB. When the Minister of Labour's budget was in front of us and workers'

compensation questions came to him, even though it was not part of that budget – it falls under Executive Council – that minister didn't stand up and say, "You can't ask those questions because it's not specifically in that particular budget." He's responsible for it. If he doesn't want to answer the questions, if he's afraid to answer them, if he doesn't have the knowledge, stand up and admit you don't have the knowledge, but don't try and brush it off by saying . . .

**Chairman's Ruling
Relevance**

MR. CHAIRMAN: Hon. member, I hesitate to interrupt, but I'm not just sure . . . If we are on the estimates of the department, should we not stick to the estimates of the department? You have opportunities to ask questions that the minister may be responsible for under other headings and, of course, during question period.

Debate Continued

MR. WICKMAN: I respect your comments, Mr. Chairman. I was just going to conclude on that note, saying there are other members of our caucus that want to ask a series of questions – I want to give them the opportunity to do that – specifically on housing, specifically on Municipal Affairs. So I'm going to conclude my notes.

Thank you.

MR. CHAIRMAN: Thank you.
Cypress-Medicine Hat.

DR. L. TAYLOR: Thank you. Just a couple of questions for the minister. He has a number of offices around the province, and I'm just wondering if he's got any ideas about streamlining these offices. It seems to me that we have offices where we don't need them. They surely could be amalgamated, the staff reduced, and the offices streamlined and certainly, hopefully, handling a wider area. In fact, we might be able to just have one office for the whole province. So I would like the minister to respond to that.

We've also got 430 housing authorities in the province. Now, I would question the minister as to the value of having 430 housing authorities. Why wouldn't we just have one or two or three – one for southern Alberta, one for central Alberta, and one for northern Alberta – instead of having 430 housing authorities?

Of course that carries over to the foundations delivering programs for seniors. I am not sure how many of those we have, but we've got a huge number of them, Mr. Deputy Chairman. Is that the correct title? [interjection] Oh, sorry; Mr. Deputy Speaker.

MR. CHAIRMAN: Actually, right now I'm serving the function of Chairman of Committees, so that would be appropriate.

DR. L. TAYLOR: Okay. Sorry, Mr. Chairman.

We've got a number of foundations delivering programs for seniors. Once again, I don't believe that we need all these foundations. If we can amalgamate, certainly with economy of scale in almost every area there are dollars to be saved. That goes for Education, it goes for Health, and it goes for Municipal Affairs. I would like to see this minister comment on the possibility of amalgamation in these three areas.

Thank you, Mr. Chairman.

3:50

MR. CHAIRMAN: Thank you.
Edmonton-Mayfield.

MR. WHITE: Thank you, Mr. Chairman. I would also like to rise to speak to the Municipal Affairs budget estimates. Before doing so, I'd restate the opinion of a member on this side of the minister's no-nonsense attitude to dealing with the department. Having had some experience with the department in a former employ, I can tell you it's refreshing to know that when a municipality asks a question, they get an answer. It's not always the answer that they want, but it certainly is an answer. As a matter of fact, it's usually the answer that they do not wish.

In speaking to the estimates, there's a common theme throughout the entire estimates: it's obviously to cut, cut, cut. We can see that. This series of estimates being under this minister's control only for part of the year, not the full year, we suspect we'll see many, many more cuts and much more drastic cuts in the ensuing year. So the '94-95 estimates will be even more devastating.

The questions that the severe lack of information raises are so many and so varied that it would almost have to be a one-on-one questioning of the minister and his officials, which time does not permit under the present system. So as a first question I would ask the minister whether, knowing that there is a great deal of information to be contained in here, he can in fact provide in subsequent years a little broader information so that those who rely on things such as municipal grants, those who rely on some transfer payments insofar as the transition finance assistance programs and the Alberta Planning Act, all of those, might make some sort of decisions on the basis of this information.

Recognizing that the minister does not have any direct municipal government experience, it is a shame. In this House we heard some remarks in response to questions, I should imagine – maybe it was a ministerial statement; I can't quite recall, Mr. Chairman – that were way off the wall. He was rightfully chided in the public press for those statements. Yes, if you do take the simple mathematics and say that the amount that is cut represents a mere .4 percent of a budget in Edmonton, that is true. It is very true. Unfortunately, that is the total expenditure. When you're talking about the income side that is generated from taxpayers, it is less than half of that. When you're talking about the income side, you're talking about inclusion of all the expenditures that would relate to school boards and the like. That's different, very, very different. You just can't include them all, and you cannot just work those kinds of numbers around to throw those out. Now, I don't think he tried to mislead the public. Certainly, when you want to go to bloody some noses, come with the facts and swing straight, Steve.

Sorry, Mr. Chairman, I won't do that again. I have to excuse myself. We've known each other for quite some time, and I have difficulty referring to him by anything other than that. We have had a number of discussions outside and inside the realm of government and had numerous disagreements and always remained, I think, friends. We haven't done a full term here together.

Mr. Chairman, what I'm speaking about here is the minister's reliance on his government officials as opposed to some of the members that he has in this Chamber. I recognize that there is considerable municipal experience in this Chamber. The Member for Vegreville-Viking has a long history in municipal government. The Member for Little Bow has considerable experience. The Member for Calgary-Cross has a great deal of experience. The Member for Dunvegan, I understand, has some. There are so many that it is difficult to cite them all.

MRS. HEWES: To say nothing of this side of the House.

MR. WHITE: Yes, I'm getting to that.

If the minister runs out of advice on his side of the House on how to deal with municipalities and how to understand what goes on in their councils and how they deal with problems, he needn't go any farther than across the floor to speak to some of those people that are on this side of the House. We're more than happy to speak to him. [interjection] I'm sorry; I'm having a great deal of difficulty listening to the questions.

Chairman's Ruling Decorum

MR. CHAIRMAN: Hon. member, you're actually not supposed to be listening. You're supposed to be speaking, and the people who are speaking are supposed to be listening. So would you please continue, Edmonton-Mayfield?

Debate Continued

MR. WHITE: Thank you, sir. I would prefer to do some listening and not just speak because the members opposite do have a great deal to say and to do with how this province is managed. I would really like to hear what they have to say, as we hang on every word in question period and virtually everything that is said in and outside of the House for fear that we might miss something that is said of significance. The difficulty is that there is never anything said of any significance. There's absolutely nothing. We have reams of paper.

AN HON. MEMBER: We have substance.

MR. WHITE: Substance. Thank you. No substance to the matter, absolutely none. Look, there's a whole wad of paper here. The sum total of that printed on less sheets of paper than it takes the average municipality, which the Member for Vegreville-Viking will know. His budget for a relatively small municipality was twice the weight of the document, and you can actually find some numbers that make some sense in them. You can actually find where people actually go to work and do something. Not what you have here. There are five numbers for a budget of millions and millions and millions of dollars, \$160 million on just this one page alone, which I happen to know reasonably well after spending nine years of my life spending some of these taxpayers' dollars and, I think, fairly wisely.

The member for formerly Edmonton-Whitemud and now Edmonton-Rutherford is quite right when he says: look, there's need to come clean here. If you're going to cut 10 percent, and you think it's nothing, then cut the whole lot. Why not? It doesn't seem to make any difference to you. You seem to make the assertion that it doesn't matter what you do. It doesn't seem to matter whether municipalities have income or they don't.

DR. WEST: Put a recommendation in.

MR. WHITE: Far be it for this side of the House to make recommendations to that side, not that they would ever, ever, ever be followed, let alone listened to. It's amazing that the other side is even listening today. It's a little different, but it's quite nice.

When one gets down to dealing with the philosophical statements that he made – which, I have to admit, at least this member on this side of the House believes there's a great deal of truth in – that governments must take a much more responsible role in dealing with their finances, you cannot run off willy-nilly and spend the taxpayers' money. The Municipal Government Act, which in fact is set by this House, says you cannot do that. You must balance the budget; you must. You go to borrow any money

at all, and there's a board appointed by the minister primarily and through an order in council, I believe, that reviews the matters over and over and over again to see exactly how the municipality that is borrowing the funds is to pay them back. If they want some assistance in repaying these notes or the amount that they wish to pay on those, there's another board that must review how they are going to pay these moneys back – again reviews the moneys. For the minister to sit opposite and chide municipalities for not taking on the responsibility of spending those moneys wisely and, furthermore, then beating them up withdrawing the money and lording it over them and saying it is small potatoes to deal with those kinds of moneys is really hypocritical. It really is hypocritical.

4:00

We have municipalities in this province that do their darndest to scrimp and save and count, and when they deal with a budget document, they deal with every single dollar that is spent. And rightly so. I know some of those people in the smaller municipalities that have spent virtually the latter part of their adult lives desperately trying to keep their municipalities afloat, to keep the people living in the municipalities able to afford the taxes. To tell these people with the stroke of a pen and the wave of an arm that their efforts amount to so very little, that I in my wisdom can just throw out 10 percent of their grant, is very, very difficult to take. I don't understand – and neither do the members of the urban municipalities or the rural municipalities of this province – why it is we do not get a little more consultation. There's ample opportunity.

Later on this year in October – I think it's the 5th through the 8th – the AUMA, which is the urban municipalities, gathers in Calgary to speak of precisely these things. Now, it wouldn't hurt the minister and perhaps some of the members – I hope to get there myself – to sit and talk to these people, to understand the extent these municipal assistance grants do help them and what infrastructure they need and, as the Member for Vegreville-Viking asked, how they can make better use of computers and that sort of thing to make their systems more efficient in the assessment of tax and collection of tax. Those are the kinds of things the minister should be speaking of, not waving his arms in this House and announcing there's a cutback. Yes, notification of this House is absolutely mandatory under any parliamentary procedure, but certainly those that are most directly affected, that give of their lives to do those things – it's most necessary to talk to them.

I turn my attention to the transfer programs that are provided to Transportation and Utilities. The Member for Edmonton-Rutherford was mentioning that the transportation policy has a great deal to do with it. Now, I can't get into that as much as I'd like to here, because the chairman has indicated that he will rule should there be questions, that questions must be put to the particular minister that is in charge of the ministry we're speaking of in the estimates today. I would think that the transfer payments brought that into it, but I'm not able to enter into debate because I can't cite anything in the rules that would say it should or shouldn't be. So I'll have to leave that for another day.

I'll then move on to the Alberta planning fund. As I'm sure you're aware, Mr. Minister and Mr. Chairman, this government puts out a great deal of money to that program to provide planning services throughout the province, and to a large measure I do not believe it is well spent. It's difficult to assess that, of course, because what is good planning? No one knows until 20 years and 30 years out. There's no way of telling. It's also true that no one is sure whether any finite number is the right amount of money to spend. We don't know but presumably the more money that is

spent in finding information out, that is given to decision-makers before the decision-makers make a decision – the gathering of that information to get the best decision possible is expensive, but who's to determine that?

All I can speak of is from my own experience and planning that is done in and around the city of Edmonton. I believe, like many councillors both present and past in the city of Edmonton, that the money is in large measure not well spent. The inclusions are only land use. They are in planning and, of course, require transportation. Transportation is not part of the planning process. One department that does not want it to happen is Transportation and Utilities. Utilities are not part of that mix either. Now, how does one go about planning municipal land use when municipal land use is directly related to transportation facilities and utility planning? It's nigh impossible. It simply cannot be done. The region has a separate entity that manages a regional sewage commission, which is different than the city of Edmonton's planning, which is different again from the Alberta Planning Board through to the Edmonton regional planning commission. They are supposed to somehow co-ordinate their efforts in order to design and build an infrastructure in the city of Edmonton and around the city of Edmonton.

MR. CHAIRMAN: Order. Could we cut the subsidiary conversations down to a lower level. There's a whole bunch of them.

Thank you, hon. member.

MR. WHITE: Mr. Chairman, I thought it was kind of low level. Actually, I thought it was pretty good. I was going to compliment the members opposite for keeping it low. I was able to speak over it. They weren't asking me any questions directly, so it was much easier. But thank you for your assistance, sir.

Speaking again about my personal interest and experience in municipal planning, I will take an area that you'd think would be relatively simple because it doesn't have a lot of people in it. It borders three different municipalities. I cite an area not far from here called the Big Lake area. That particular area had three municipalities, five different planning boards, and at least 50 councillors that were trying to come to some kind of agreement as to what should happen in the area. The Alberta Planning Board could do nothing to aid and abet in that. They put out a wonderful plan that was wonderful for one municipality. It was revisited again by two other municipalities. It was revisited again by a special study. Literally hundreds of thousands of dollars were spent on that particular study in that area. To what effect? One city decided they were not going to follow that plan, and another city decided, "Well, I guess we can follow this part of the plan." The municipality that was most directly affected had difficulty following the plan because they didn't have any money to follow it. The municipal services followed three different paths. The only one that could have benefited from any of those plans was the supplier of natural gas. There happened to be one supplier for that region, which is totally out of the area of concern for this particular minister, so I'm unable to speak of it.

I cannot suggest to the minister that funding for the planning board be cut back, because certainly planning is required. It is sorely required for all the areas. I cannot do that. I would like to. I would like to have the information to do that. I would like to be able to say that it can be cut back. If it were cut back, I would like to know why and how it could be and what the new direction would be to solve the problem of this partial planning in so many different areas and, in effect, no planning at all in some other areas.

4:10

Mr. Chairman, there are so many other areas to speak of that we don't have time for today, and we certainly don't have the information at the present time. My first question, as you'll recall, Mr. Minister, was about further information in subsequent years, which as minister I'm sure you'll provide.

MR. CHAIRMAN: Calgary-Currie.

MRS. BURGNER: Thank you, Mr. Chairman. It's timely, and I will follow on some of the lines of commentary my hon. colleague has just spoken on. At the heart of some of our problems with municipalities is the issue of planning. I want to take it back to the white paper on assessment and the Municipal Government Act and, I think, some areas where confusion has developed.

I go back to some involvement I had in my community with the white paper on assessment, partly the process of issuing a white paper that had as its mandate revisiting a process and perhaps bringing recommendations forward and the fact that we struggled in Calgary without having an adequate opportunity to respond. We had approached the then Minister of Municipal Affairs for an extension and did not really receive appropriate information. We requested that the mayor of the city of Calgary deal with it, and we did have some informal conversations that these things would be deferred down the line. I appreciate that with an election pending, the leadership change, and all those things that happened, there were lots of reasons for the review to be put on hold, but in the meantime a good number of our senior citizens, who are both concerned and active as well as very much about to be affected by the changes to fair market value assessment of their properties, were thrown in quite an air of distress. So I have some concerns that come from that. I'll speak to them not as an expert but perhaps as someone who just had an opportunity to listen to the issues.

One of the concerns had to do with the two-tier assessment in that we assess the property and separate the actual physical value of the house or the residence. That is our current method. And in going to fair market value, we are assuming a value to a piece of property – i.e., the physical building – that may not necessarily exist. I will not even pretend to have enough technical awareness of all the details that implies, but I know that the seniors and the residents of some of the inner city communities were very, very concerned about this inappropriate assessment on the physical property they owned.

Now, having said that, there's also a great deal of support for the land value being assessed regularly. I appreciate that in some places where the market value argument rallied on way beyond proportion, as in Ontario and particularly the Toronto area, they had not assessed their property on a regular basis. It leaves a number of questions, and I'm hoping that as we review assessment and bring new direction to the government to be more in line with the accurate value of properties, the Toronto situation – and I guess it would be the same in Edmonton, because they struggled with some delay in the annual assessment area. If we are going to have a mechanism that brings it in annually and you've had a few years where that didn't happen and go through a peak and a valley in the economic slump, what is the mechanism in our assessment to refund to our taxpayers when their property has diminished in value? We've certainly seen that case in Calgary in the '82 to '85 and '86 period. I'm assuming we see something like that now. I didn't see that issue addressed. I obviously haven't seen all the regulations, but it was a specific question that was raised.

On the other hand, I feel that the annual assessment issue was one that was quite properly addressed. However, in the white paper they talked about having an agency or a department operated by the provincial government to conduct the annual assessment. As they touched on every property in every municipality in every corner of the province, which was a grand and appropriate scale of operation, we had support within the municipalities for doing that until the government decided they would not operate that controlling organization. I think it's fair to say that in Calgary the enthusiasm kind of fell off a bit when they had to maybe do it themselves. I'm not certain what the tax cost, the implication to the taxpayer would be to implement assessment on an annual basis on every property in any municipality.

Also, a number of the measures in that – including the right to enter a person's home and do the assessment, and not being able to deny access even though you are the homeowner – raised a lot of concerns about privacy. The issue of what happens to the neighbour who has put on the renovation without getting an appropriate building permit, never completing it, or whatever game they choose to play: that puts the neighbour who has followed the rules, the law of the land, at a disadvantage. I don't know how you police that with a great deal of efficiency, but it's at the core of some of the concerns: all right, we'll go to fair market value or we'll pay our fair share of taxes, but how on earth are you going to police the person who upgrades their home and then doesn't complete the process vis-à-vis the final siding on the house or whatever it is and is allowed to live in a fully renovated establishment without having to pay the tax implication.

So I have a great deal of concern about the tax assessment issue. I also would like to talk about it in terms of some of our seniors who are maybe asset rich but cash poor. Not enough attention was given to the fact that some of these residences are owned by seniors, and it is an asset for them. As fair market value comes into play, whether it's on an annual basis or however we end up implementing it, that doesn't mean they have the cash to deal with it, and to put them at risk in maintaining their homes is a crisis for them as individuals and for our communities as a whole. Because what you'll end up doing, of course, is displacing members of the community on a large scale. Suddenly you will have the potential of a dozen or two dozen families having to leave their homes, dumping those residences on the marketplace and no place for the people to go. Those are heart-stirring questions but real ones. Seniors in the community or people living in an older home who may be putting their children through school and so their opportunity to access their cash isn't as great as they would like – fair market value penalizes these people for maintaining their homes in an older section of the city, and I don't think that's appropriate.

I would also ask, and I asked these questions of my municipal counterparts in Calgary at the time and the then Minister of Municipal Affairs – I have a great deal of difficulty understanding what the implications to our urban core will be when and if fair market value comes into place. When you have a large corporation with a major centre, whether you call it Petro Canada's tower or the Bow Valley centre, whatever institution you want to reflect on, coupled with that are going to be the small parking lots, the small florist shops, the little bakeries we were referring to earlier this afternoon that, because of a specific market they can access with a specific product, are suddenly caught up in a real estate issue that is beyond their ability to deal with. My sense in that area would be that they would be unable to maintain their business in that location, particularly because my understanding of the assessment issue was that business tax was also going to be affected by the fair market value assessment. I would ask the Municipal Affairs office to look at the issue of urban rot as it

exists in the United States and the core deterioration in a number of large centres where they have no viable quality of life either through residences or small business affecting that downtown core and keeping it viable, and have a sense of where this tax initiative is going to lead us. Because if we don't have residences in the downtown core and don't have small business in the downtown core, the infrastructures we build our cities around, be they churches, schools, community centres, or hospitals, are not going to be accessed to the same level. I believe we put them at peril. I don't believe it's appropriate if a tax structure or a tax regime puts at risk some of the basic premises our cities are founded on.

I'm not going to suggest we go as far as the NDs did in Ontario, and that was to put a moratorium on this issue and wait 10 years for an environmental assessment. But I do believe we have an opportunity – in fact, I'm certain we have a responsibility – to do an appropriate assessment of fair market value on our city cores, because we need to maintain them in a viable way.

4:20

I would like to talk briefly about the issues with respect to seniors, having spent a fair deal of time since I was elected talking to our seniors' community and working with the minister about the issue of housing because I respect the fact that it is a concern. It's more than a concern at this point, because in our planning practices in the past it was a right for the provincial government to provide housing for our seniors. I'm not so certain at this point that that is the only route seniors can look to as we develop an appropriate housing plan for them. In the first place, I guess my arguments go around the fact that building homes for seniors requires a tremendous amount of capital. At a time when we are inviting business into the province, I don't necessarily believe the only people who can build facilities is the provincial government. I would like to suggest that some of that capital is better served assisting seniors to stay in their homes or access rental suites.

I would also like to suggest that the concept of an isolated seniors residence is something that has to be revisited in the light of integrated residential opportunities. I do not see why the provincial government would not look at specific guidelines a developer could use to access and enhance the seniors market in their area and have quality housing in either a residential setting or a lodge setting of some sort that is not restricted to only seniors. I know there are guidelines in place, because the housing authorities have to build them. Certainly in the Bankview senior citizens' home, of which I was the founding board chairman, I understand we had to deal with a lot of the regulations in order to make it habitable by seniors. But as I say, I don't believe it is the sole purview of the provincial government to provide those units for housing. I believe the dialogue should be with the developers and with the stakeholders and with the cultural, religious, community-based groups who want to provide housing for their seniors. I believe if we as political advocates for appropriate housing for seniors would take the time to become informed about other housing opportunities, we could educate and assist our communities in providing quality housing for seniors, not at huge capital expense but certainly incurring the best return in quality of life for our seniors.

I guess my final comment is that I believe that in the past, because of the mentality we've had in government, we have controlled a lot of the excitement and a lot of the innovation because we've contained it within regulations and within planning. I don't believe we know how to access the marketplace yet with respect to areas like housing and planning. We talked a little earlier – the Member for Edmonton-Mayfield – about the planning issues, and I believe we have to go outside our own

provincial government and talk about planning issues. I have a hard time with developing in areas – and I've mentioned this before in the House – where we cannot support the roads, we cannot support the utilities at the expense of our infrastructures that are currently in place, and I would urge the minister to open those dialogues up. I don't know how comfortable he is with the roundtable process, but I suspect he'd listen to a fair amount of open dialogue in this area. I would encourage him to do so.

In conclusion, I would also say that whatever decisions, whatever initiatives come forward as we look at revisiting the housing situation, as I just talked about, or the planning situation, if my experience with the white paper on taxation is any example of our ability to communicate, we have a lot to learn. I don't know whether that should be done with the MLAs through their local municipalities and their alderpersons or their school boards or whoever, but I would continue my comments to say that the dialogue must come from the people who are seeking information, and we have to be out in the community ensuring there is input. I believe if that process is dealt with, the fiasco of the white paper on fair market value and tax assessment won't necessarily happen again. I daresay I hope it won't happen again.

So to the minister, once again, my comments are often philosophical and not driven by dollars, but I'm sure you'll find a place for them in your remarks.

Thank you.

DR. WEST: I'd like to make a few comments on what's been said so far, because as we go forward we'll get farther away from the actual comments and maybe my statements won't be relevant.

I'll start with what's fresh in my mind: Calgary-Currie's comments. I just want to preface my remarks by saying that if we go back and look at *Hansard* and what was just said, I want to congratulate you on your comments, the common sense incorporated into them. Perhaps many of the things you just commented on will come true in the future, because you have caught the essence of what we have to do with the taxation issue in this province with assessment and where we're going in the future. On your last comments, if we're not listening – and I'll relate this back to Edmonton-Mayfield's comments also – don't underestimate the taxpayer. Don't underestimate the person living on Elm Street that pays the taxes as a source of intelligent conversation when it comes to running municipalities.

The Member for Edmonton-Mayfield said that I don't have a background in municipal government; therefore, I should listen to some people in municipal government. I'll just tell you. I'll represent myself as well as all the friends I've had that have been in business and have owned homes and have contributed to the tax base of Canada and this province. They are the ones we should be talking to on a constant basis in gathering our information, because just talking to each other about our vision of how municipal governments or provincial governments should be run is probably the reason we've got so tunnel visioned on the future and how to solve it.

The person that's a taxpayer knows a lot about municipal government. They know how the laws relate in the planning of their home or their business and where they are – all the planning laws they went to, the appeal boards, the permits they took out. They know all about construction and how they had to go and get permits to get electricians and other people in to inspect it afterwards. They know about paying taxes, because every year they go to town hall to mail it in or to see where the assessment was, where the mill rate was, where the school. And they pay it. They've raised their children and sent them to schools. They drive on the roads daily. They flush their toilets. They know whether

the sewer system's working or whether the water's clean. They know so much about municipal government that some of the people elected to municipal government have forgotten who they're serving. So never underestimate . . . It comes back to what was said when we went out for the white paper on assessment. Who did we listen to? Municipal councillors? Elected people? Managers? Or did we listen to the people that I just described, that run businesses, that know what all the rules and regulations that have been applied on them are?

What do we do when we take roundtables out? Who do we invite in? Do we invite in the people that from day to day get up in the morning, go out and start their cars, go to work and go back. They don't ask too much, they have never served, but they feed the system that extracts money from them to provide what somebody else says is their essential services. I trust that roundtables – you'll say, "Well, I believe in roundtables." Let's invite the real people to the roundtables, and let's talk about assessment and full market value and the seniors that live in their homes and are asset rich but cash poor. Let's talk about whether there's a different model of reverse mortgage. Is there some way we can help them pay their increases without taking it out of their cash flow. Let's talk about urban rot, what happened in the United States, and see if we're going to go to a model that's correct or not. I hope the task force that's looking at taxes and its problems takes *Hansard* and listens to it for what you just said.

4:30

The Member for St. Albert. You know, I wouldn't ever chastise the questions, point-blank questions on lodge programs, good questions, because that is the essence of where we have to discuss it in the future. Calgary-Currie, you alluded to that too. Does government become paternalistic in providing seniors' housing by establishing a lodge program and staying with it for 50 years? The lodge program has shown in a mere 24 years – or 34 years. It started in '59, I believe. That would be 1960; we're at '94, so 34 years. It probably has to be relooked at and rethought, because it's falling apart. We built a lodge system in '59 for 65-year-olds that were upwardly mobile, healthy, that were leaving – they didn't want to cut the grass anymore. They didn't want to cook. They wanted a small place to put their suitcases. Their cars are in the parking lot, and they travel.

Now the average age in some of the lodges I looked at is 85 going to 90. Certainly they're healthy individuals for their age, but geriatrics takes its toll, and they need some assisted living. But our lodge says: "No, we're housing. Don't touch us. That's our turf. We were established in 1955, and we're proud to be the founding members of this foundation." Well, look at your clients. I turned to the Health minister and said, please, we've heard it here today. Let's get together, and let's get to the private sector. Let's get to those organizations that are nonprofit and talk to them about assisted-living models that will be built in the future to help the seniors adapt and go into the 21st century without some of the things I've seen in the lodges.

The member asked about renovations and where the list is. Well, we stopped the list this year. The capital's been stopped. We're going to revisit it. We're going to the foundations, the ASCHA board. We've got beautiful lodges like the one in Lethbridge, yet I go to some up north where four or five rooms are still using a common bathroom. Many of the people are 85 to 90 years old, and there isn't a lift to get into the bathtub because it's Health. This is housing. Many lodges, and I give them full marks, have breached their own Act and have moved out and bought lifts and are serving – but they're breaching our legislation. We must change the legislation.

The comments made are all valued.

MR. N. TAYLOR: Who put in that legislation?

DR. WEST: Yes, we put it in, in good faith, because it was a product of the time. That's right.

MR. N. TAYLOR: Let's get going on it.

DR. WEST: I will. Somebody said that I shoot from the hip and I move quickly, and I hope that in the very near future we can complete some discussions with ASCHA and get to some models – we're discussing it with some private-sector individuals – get some commitment from all the members of cabinet and caucus and the government and the opposition and move forward. We're going to go to that consultation.

Planning commissions came up. I heard some comments on planning commissions that both criticized them and said, "Yes, but I think they're a model that we have to continue." I agree that there has to be some planning in place to continue the Planning Act and some of the things that we have in this province. We probably have the best planned province in North America. There is absolutely no doubt about that, but it is the most regulated and most complicated for some businesses to get into.

It's time to review the Planning Act, review whose authority should be where. It's time to review the planning commissions and set them on their own destiny with the municipalities they serve, rather than stacking services that the department of transportation did, doing plans and surveys that environment did on river basins, doing recreational studies that the departments of recreation and culture used to do, and going in and stacking, and advisors and planners running around the province. Refocus. If you cut the dollars back – and yes, we're going to be cutting the dollars in the planning commissions, going to them and discussing with them. Let's look at the Planning Act and what part of it you want. Then go to your municipalities, and if it's subdivision authority that they want to take over, see how you can help them. See how much more mill rate they want to pay, because on a general basis the province can't pay that other 50 percent at this time. We want to refocus how we administratively spend the dollars and the role of planning commissions in the future.

I'm sure the hon. Member for Edmonton-Mayfield, who served on council, knows the frustrations of having planning commissions and everything else but not having solved the waste management problem. After all the grandiose meetings and all the things that were done, we're still sitting there. We're part of that because we joined it. When the hon. Ray Speaker was in the House, he set out to put a member out there to help the city of Edmonton find that, but we haven't found the solution yet. With planning commissions and with municipal government, why do we run amuck, with all of that money spent, all the time, all the meetings? Well, let's move into the future and refocus on that so perhaps we can work together to find the answers and put the authority where it should be and have people make decisions rather than talk turf and turf problems and things like that that come up.

Now, let me have a look here. Streamlining. Cypress-Medicine Hat brought up a question on streamlining our offices and amalgamation of offices and housing authorities. We talked a little bit about foundations. We do have 430 housing authorities in the province of Alberta, with everybody from those foundations looking after lodges to small fourplexes to seniors accommodation to manors. We have close to 15,000 seniors apartment and manor complexes in the province. We have about 8,000 lodge beds under certain foundations. These have to be amalgamated, and we think that our 13 or 14 offices in the province can be streamlined down to three. We believe that we can set a plan – and I have to

take it forward to discuss it – to amalgamate housing authorities. You mentioned three regions. I don't know that we can get to that. There are many areas of the province that can't be served in the same manner, so I think that would be streamlining a little too close. But there is a way in order to get this thing amalgamated and streamlined and, yes, close our offices and have the local housing authority or regional housing authority look after it.

I don't want to see this scenario. You have a nursing home over here; you have a manor and foundation here; you have a lodge over here. You may have another municipal area over here that's being served, parks and that sort of thing, and they've all got brand-new ride-on John Deere lawn mowers. In fact, I've been where two authorities side by side cut the grass. It was less than half an acre, and two machines worth \$18,000 each were going right beside each other. The one guy stopped and said, "Who do you work for?" "I work for this housing authority here. Who do you work for?" "I work for the foundation. We could cut this grass together." "Oh, yes, but our budgets are different, and our administration is different. We're just as happy, because these are nice lawn mowers, aren't they?" The guy said, "Yeah, they're very nice." But they're breaking us, so let's get one ride-on lawn mower out there. I don't pick on John Deere; they are beautiful lawn mowers. I think it's good advertising.

I talked to Edmonton-Mayfield. I said on here – that was the taxpayer. Remember, you said that I don't have a municipal background. I'll reiterate it. Maybe I don't, but I've paid lots of taxes. I've gone through lots of planning bodies. I've obeyed lots of regulations that I didn't believe in. I've paid lots of workers' compensation premiums for staff. I've been through UIC. I've been through all the business taxes and that that come in. It's time that we corrected some of it and started thinking of those people that really drive the wealth in this province, and that's the small businesspeople or the people that work for them, the taxpayer.

Last of all, Vegreville-Viking again was talking about assessments, as Calgary-Currie was, but talking to it in a different light: that we have assessors in the province. I said in the budget that any municipality over 10,000 would supply their own assessment function. I think in the end we're going to look down and streamline assessment and address some of the Calgary-Currie issues, where we will go and update the assessments, work on the books to look at what the local modifiers are throughout the province, both commercial and residential, bring them in to a time where we could automate them, bring them so that you could index on recent sales or developments, and do it every one to two years or whatever that time frame would be.

4:40

With the new computerization that we have, to take all those homes, those seniors' homes and that sort of thing, and put them into that, you wouldn't get the fluctuations in assessment. You wouldn't get it in the commercial areas like was seen here in Edmonton not long ago, and it would give a truer picture of what taxation is to the taxpayer. It would also save the problems of fair market value and fluctuations that we've seen in property values versus structural values. Toronto got into that as well as many other jurisdictions. They tried to go to almost full, not fair, market value, and they found that when you moved up 10 years and went to the older districts of your communities, you destroyed. You just destroyed people's ability to pay their tax, because you hadn't upgraded them and you brought in a new system and didn't graduate it. I think that's the essence of some of the comments made by Calgary-Currie.

The other point made by Vegreville-Viking was: could we have assessment bodies that are private sector, and then we hire those services? The answer is yes, obviously, but we need an assessor base that's professionally trained, that understands where the policies are going with governments on taxation. We must never lose, I believe, that assessment body within the provincial government, because taxes are going to go on for a considerable length of time, and it must be directed with professional people. I would say, in looking at our books in our assessment department, that I've heard comments outside this province that we in Alberta, although we have some faults as we move through it, have a tremendously professional assessment body in our government. If some of those end up in a program of privatization, they'll still be in the province of Alberta and still be doing the job they're doing today.

Edmonton-Rutherford, I was going to berate you a little bit for some of your comments. You started out saying some complimentary things about me, and then you lost it there. I know you've been a municipal councillor, and I know you talked about some of the things that need to be done in consultation. Perhaps I can agree with you that we must continually consult on things when we're going to make changes. I know the comment comes from the fact that a recent 20 percent cut projected for '94-95 is a shock, you say, to municipalities. I don't believe so. I think some were planning 10 percent, and when 20 percent came out on this one grant structure, certainly they raised some eyebrows.

You're well aware that at no time before in history since I've been here, in seven years, has any minister of the Crown or government gone to you at this time of year with the details of a budget for '94-95, the next year. That usually happened late in the fall, and in many years I was here, it happened in the spring. I can remember one time here that I had just become minister of recreation and parks, and they challenged me with a cut to the CRC grant 10 days before the budget came down in June, after all the budgets had been set in the municipalities. I apologized for that because it gave no advance notice to the municipalities. They were caught in a crunch because they'd already set their recreational budgets, and it was wrong.

This is, well, not a year in advance, but you'll be setting your budgets. It's the first time that in September you've heard what's going to happen in the spring of the following year. We'll be at meetings with the AUMA, and we'll be there with the counties and MDs and with the improvement districts. We'll be talking, just as I've talked to the executive council of the AUMA, where this information came from, and I'll be telling them about what the future holds in budgets coming up. I think that's the most advance consultation of any government, and I'm sure we'll be out in November with three-year plans and directions from this government, as the Treasurer has indicated. You'll certainly find, I think, that that's better consultation than in the past, but we will improve it. I hear what you're saying. I'm not disagreeing with you. If I was planning anything in private business, I had to set a long-range plan in place in order to make adjustments if my banker was going to raise my rate to 22 percent. He did, by the way. If he had let me know that when I borrowed at 12 percent, I probably wouldn't have done it.

You asked about home adaptation, the 40 percent decrease. We changed the threshold on that and changed the amount; that's why there was a 40 percent decrease. Anybody under \$25,000 got \$5,000; \$2,500 for \$25,000 to \$30,000. So we did put a type of means test on income in there and increased that threshold. That's why there'd be a 40 percent drop in the utilization of that. It was done strictly to individuals that could afford to assist their own adaptation, that we felt should be able to. I think the seniors'

roundtables to this date are demonstrating that many are recommending that those who have the capability in the future certainly are willing to look at some formulation of policy that would make them accountable.

MR. CHAIRMAN: Would you like to get some of the other people that are on our list and . . .

DR. WEST: Yes. Any questions we haven't answered – we have the departmental officials here. We will get *Hansard*, and I'll bring you back some more detailed answers on your specific points.

MR. CHAIRMAN: The Member for Edmonton-Roper.

MR. CHADI: Thank you, Mr. Chairman. Well, Mr. Minister, I want to join with my colleagues and congratulate you as well on your appointment as Minister of Municipal Affairs. I learned a long time ago in business that if you want to get somewhere, firstly you have to soften up the third party. Certainly the hon. Member for Edmonton-Rutherford did that by congratulating you, and of course you acknowledged that and you answered him quite nicely. So accept my congratulations, sir, and I hope that softens you up a little bit. Certainly after the comments you had for me the other night, I think perhaps we should congratulate you and we would be on better ground.

I have a couple of comments to make before I ask you a few questions, hon. Minister. That is with respect to comments that you made in the House a couple of days ago with respect to property taxes, inasmuch as members on this side of the House, if they knew anything about property taxes, would know – and you went on to answer this question. I felt really insulted, simply because this member on this side of the House has paid hundreds of thousands of dollars in property taxes per year, sir. It's just not a fair comment on your part.

With respect to people that – these were comments that you made another day, not today. You were commenting on something, I believe, referring to a question.

Point of Order Clarification

DR. WEST: A point of order.

MR. CHADI: I just wanted to throw that out. You can keep your point of order, and I'd apologize if it inconvenienced you in any way.

MR. CHAIRMAN: Does the minister have a point of order?

DR. WEST: Well, I think conversation outside the House, or that sort of thing, taken inside has to be – you have to specify those in court. I don't think you can do that in the House, can you?

MR. CHADI: Mr. Chairman, it wasn't outside the House. It was in the House, actually. He was answering a question by the Member for St. Albert at the time. That's all. It's very easy, and it's no big deal.

DR. WEST: Maybe I did make the comment that he knew more about socialism than I did.

MR. CHADI: Careful, hon. minister. I could pull those congratulations.

MR. CHAIRMAN: Edmonton-Roper, continue.

Debate Continued

MR. CHADI: With respect to the Alberta family first-home program, I'm happy to see that indeed this program has ended as far as I'm concerned and as far as I know. A simple nod would do for this answer, hon. minister. Is it fair to assume that it's going to be a couple of years longer that we'll be enduring some of these expenditures? From \$15 million down to \$9 million for this year . . .

Chairman's Ruling Gestures

MR. CHAIRMAN: Hon. member, it is the custom of the committee and the House that you direct your questions through the Chair, and we don't get the nods and the pointings of fingers and other kinds of body language being interpreted in various ways. The minister is going to, and has indicated that he will do so, answer the questions of hon. members.

MR. CHADI: Fair enough. Thank you, Mr. Chairman. I thought I'd save him a little time, but that's okay.

4:50 Debate Continued

MR. CHADI: So I would like perhaps just clarification on that. Is it fair to assume, then, that it'll be done in a couple more years and we won't be seeing any more of those expenditures?

With respect to 3.2.8., Seniors' Home Improvement Program, I note it was \$975,000 in 1992-93, and the 1993-94 estimates are substantially reduced, down to \$182,000. I'm questioning: because of these massive reductions in expenditures, why are we even bothering with this any further? It seems that we're down by about 75 or 80 percent. Why do we have to even look at it anymore? Why didn't you just scrap it totally?

Mr. Chairman, I want to make it perfectly clear that the privatization of our services and of our departments I am fundamentally in agreement with, but there are some aspects of privatization that indeed I am not. I want to ask a couple of questions to the minister, particularly with respect to the registries. The reason I bring up registries is because it's somewhat dear to me. Years ago when in rural Alberta we were privatizing things like the motor vehicles branches that were with the Treasury Branches in the old days, residents of rural Alberta could apply at that time and indeed get appointed to sell things like drivers' licences and motor vehicle licence plates and abstracts, this sort of thing. It was a good move for people in rural Alberta, simply because most offices then kept normal business hours, being the hours, say, between 8 and 5, and even opened on Saturdays. Indeed, the Treasury Branches didn't keep those sorts of hours. They probably had about four or five hours per day, certainly closed on Saturdays, and therefore inconvenienced a tremendous amount of people.

The move to privatizing in the rural was a good one in those years. We took advantage of it and kept it for about two years in conjunction with one of my companies that was operating in a small town. We ran into problems, though, and those problems are the ones that bring me concern, problems such as people from the urban areas traveling into the rural and asking for unethical things. It scared me to a great degree. A lot of our motor vehicle branches were actually being broken into in the small towns. Things like driver's licence forms were being stolen. Things like stamps and paraphernalia that are used in the motor vehicle offices were indeed being stolen. We eventually gave that up and moved to Edmonton. Nonetheless, I really felt that in the rural parts it

was a good move. With respect to privatizing here now, I've got major, major concerns with respect to the large centres. I would hope and encourage this minister to consider relooking at that, checking it over, and perhaps consulting with the stakeholders here, the people of Alberta, whether or not this is a good idea.

One thing that comes to my mind is that a few months back, perhaps six weeks ago, there was a news release by the government saying that privatization of these registries will indeed save us something to the tune of \$5 million. I'm looking at the expenditures here. In Program 5, 5.0.2 in particular, Property Registration, I see expenditures to the tune of \$17 million. Yet when I look at the budget update of September 8 and look at the operating position and particularly the revenue side, Mr. Chairman, and I look at things like land titles, I see \$43 million in revenue. So if we've got a situation where it's \$17 million in expenditures and we're knocking back \$43 in revenue, unless I'm missing something here, and maybe the minister could enlighten me later as to these numbers, why are we getting rid of it then? Why would we consider privatizing things like Property Registration? I believe that's land titles.

I also take note of 5.0.3. Within that vote is Motor Vehicles. We look at the expenditures, and the expenditures are \$21 million, yet when you look at the September budget update document, on the revenue side it clearly indicates that the Motor Vehicle licences estimates for this fiscal year are somewhere in the range of \$155 million. That's a considerable difference, Mr. Chairman. I would hope that again the minister would enlighten me as to why we would have put out a news release saying and suggesting that we will indeed save \$5 million in the 1994-95 year when we are producing that sort of revenue off these operations.

I also have a concern with the current sale of West Edmonton Village and Municipal Affairs Sales Ltd. One of today's papers indicated that there was a \$54.5 million sale that is pending, and the realtor that is also quoted is suggesting that he had an offer of about \$62 million not more than eight months ago. Why would we consider accepting an offer of \$54.5 million now when we were looking at offers in the range of \$60 million-plus, and indeed were getting those sorts of offers, six or eight months ago?

Also, I have another concern. That is that we've got here in West Edmonton Village an income-producing property. Obviously, 1,100 units, or whatever the number is, produces income and produces income for this department. It makes me wonder as to why we would consider rushing into a sale now when indeed we've got an income-producing property that can carry itself. Until we get our price or whatever money we've got in it or close to that, indeed why the haste at this point in time? If it were a raw piece of property where there was no income coming from it, I would suggest to you that indeed let's get rid of it. But we do have income, and we can hold out. I believe that in the best interests of all Albertans we should indeed hold out, that we should not look at a \$10 million reduction just for the sake of getting it off our books.

My other concerns are, of course, however they are related now, with Alberta Mortgage and Housing, MPI, and Municipal Affairs Sales Ltd. or whoever holds these properties now. Do we have an accurate listing somewhere of how many properties we actually have in the province, and can I get a copy of that, Mr. Chairman? I know we have bits and pieces of information that do come through to different offices with respect to certain parcels of property, but I've never really seen a complete listing of properties that the province has from Alberta Mortgage and Housing that trickled down to the corporations we now own that are handling these properties.

5:00

Also I know that we are selling a lot of these properties on the open market, and I appreciate that. That's a good move. We as legislators have constituents that are real estate people, people who would be interested in dealing with the government and this department. My question is: who do we list these properties with? Is it an in-house arrangement, or do we list them with different realtors? If we do list them with different realtors, what criteria do we use to choose the different real estate firms? I know in Edmonton there's probably 3,500 or 4,000 real estate people, and across the province I'm not sure of the number, but I suspect it's quite high. It would appear to me that each and every one of those people should have the opportunity to at least try to get a listing from the government and work with the government. I certainly would like to see that happen.

Mr. Chairman, that's all the comments and questions that I have for now.

Thank you.

DR. WEST: Just a few comments while it's fresh in my mind too. I appreciate your comments on some of these. You did talk about West Edmonton Village and then got into municipal sales. Fair enough; I think people need to know more about Alberta Mortgage and Housing and where it's been and what it's done and what properties are out there. I will certainly go and see about that list you're talking about, see the availability of how to compile it and get it for you. There are many of the pieces of that list out there through multiple listing.

To answer your question: is this out there for real estate people? Yes, most of it's on the multiple listing, and real estate agencies can access that. Most of them are aware that Municipal Affairs Sales Ltd. has properties, and many phone and get in touch and then use that in their portfolio as they're selling different properties. I know a lot of real estate agents out there that are working that at the present time.

We work on appraisals, and we try to work on the market system as best we can. Some of the larger mortgage workouts have been very difficult. There's no doubt about it. Some of them have been around for nearly 15 years. We have had trouble, as I say, moving them through.

West Edmonton Village: you're right; we've had an offer back in the \$60 million range, but when they came up and they walked in and investigated the property and looked at its cash flow – like you say, it has a fairly good cash flow – and then they saw the right of first refusal and some of the things they had to deal with, they walked away. So you're absolutely right. A real estate agent said that, but that doesn't mean that the market would have given that price. We appraised this at \$56,750,000 approximately, and we had an original mortgage of \$60 million. The losses he quoted – I gave more here. I'm glad he says the losses are only going to be \$6 million. I attributed a potential loss at \$10 million here not more than two days ago in the Legislature. So I find I'm starting to feel better now that we're being more forthright with the information than even the *Edmonton Journal* can print.

I share with you a concern, but in a market-driven system the cash flow at West Edmonton Village is good, and that's why you pick a window to sell it while it is. I mean, we do have a flow there. The vacancy rates are dropping a little bit. This market at \$54.5 million, if this is sold for that, is awfully good value in this day's market. You say: why are we in such a hurry to sell it? We've held this off the market for a long time, and it's been through a rough, rough, rough road, along with \$882 million written off in 1982 on CHIP and MAP.

I'm sure the hon. member is aware because you were involved in one of the ones where we lost a considerable amount in town that was sold here recently. I'm not getting into that personally and I'm not criticizing you for being involved. I'm saying that you're well aware in your real estate background that we took losses and we had difficulties in many of these mortgage workouts and these pieces of property, and it hasn't been easy. We'll try to give as much information as we can. It's all there in public accounts when we bring it forward. I think you'll find this administration and this government most forthright or we wouldn't have written \$104 million worth of losses up front in this budget.

On some of the other comments you made about registries, I appreciate that in the early running of the 149 private-sector registries when we moved from Treasury Branches, there were ripples. On basis – and I can ask members from rural Alberta – the service we get and the risks that we've had out of those 149 have been minimal. There are people that go out from the city and maybe go out and try to register and that sort of thing, but in smaller communities you'd be surprised that people know people who come through the door.

When I was solicitor general, our report on the amount of fraudulent misrepresentation and problems that we had was minimal compared to the size of the system, knowing that we had close to 2 million registries of vehicles. I'll never stand here in front of any member of this House and say that there won't be risks and there won't be times when mistakes are made when people try to fraudulently misrepresent themselves and access the system. That happens with the government system too.

So with the new technology and the checks and balances we put in and comments such as yours, to be wary of the past and the present, we'll move into the future I think with a pretty good system. I think that your experience is well noted, and we will take recognition of the fact. I'll look back in history. I'll ask my registry people for the historic nature of some of the mistakes that have been made.

We have, as I say, moved far enough on this. You say: would you stop and have a relook at this? We've moved now. As you're aware, today is the day when we have finally done the selection. We'll be coming out soon with the people who will be representing motor vehicles and registry in the nine cities. So today is a good day in that sense for privatization because not only is today the day that we opened the tenders on ALCB – and I shouldn't mention that – but also registries hopefully will be up and starting within the next couple of months.

MR. CHAIRMAN: Calgary-Egmont.

MR. HERARD: Thank you, Mr. Chairman. I, too, want to congratulate the hon. Member for Vermilion-Lloydminster for his appointment as Minister of Municipal Affairs. I want to make sure that the people on the other side understand that the minister is just as straight with us as he is with you, so don't feel that you're the target.

One of the questions that I have relates to your preamble where you discussed the fact that you're looking at ways to reduce middle management. I'm not sure if you said layers of management or middle management, but I'd like you to comment on the processes and procedures that you might have in place to meet the objectives of the overall plan, which is to balance the budget in four years.

The other question that I have is not related to the estimates. I want to ask you about what Municipal Affairs can do to assist this province with respect to the Seizing Opportunity document that was released and assist the province to attract new business into

this province. One idea that a constituent of mine had – and I just want to reiterate that idea and see what you think of it – would be to allow municipalities that apparently have huge inventories of land to in fact have some of this land available for new business, and the price of the land would be directly dependent upon how many man-years of employment would be created by the new enterprise. Now, I would like to know from the minister if municipalities under the current legislation could in fact do this sort of thing or would it require changes to the legislation and whether or not he believes this sort of initiative might help attract business to this province.

Those are all my questions. Thank you.

MR. CHAIRMAN: Leduc.

MR. KIRKLAND: Thank you, Mr. Chairman. I, too, would add my name to the long list of those that have congratulated the hon. minister on his appointment to Municipal Affairs. I would also commend him. I've been involved with Treasury, public works, transportation, and agriculture, and it looks like, in fact, his target of a 17 percent reduction is one of the larger I've seen. I think it's moving in the right direction quite frankly.

5:10

I will belabour one point that perhaps he has spoken of on many occasions, but it's something that's dear to me. It's something that I think in fact we are making a step, and that is mobile homes. I know the hon. minister referred to it in *Hansard* as a loan guarantee of \$134 million. I think if that is a loan guarantee, certainly the 3 percent of the mortgage that is paid into that insurance fund probably has got to be one of the best loan guarantee backings we've had in this province. I would ask that in fact we look at that particular again.

The hon. member suggested that the banks would probably mitigate something between 15 and 25 percent as far as down payments are concerned. Well, in researching it, the fact is that the best the banks will ever do is mortgage a mobile to the point of 75 percent, and that's only if your credit rating is exceptional. Usually it's between 60 and 65 percent. Generally speaking, when we're looking at that affordable type of home, it's not those people with the money to put down that can move into them. I would suggest that it's the role of the government really. If the private sector doesn't meet a specific niche or area, then the government should intervene, and I think when the government intervened five or six years ago in this case, it was an excellent program.

From the research I can't find anywhere where it's cost the government a lot of money. I think that in fact it would be a desirable one to carry on. I would refer to a letter that I was privy to. Ed Kinsmen, who was the manager of the mobile home insurance program, indicated that the program was discontinuing even though it was a very successful program, Mr. Chairman. I have a concern and I'm really perplexed as to why we have to discontinue it if it hasn't been a large cost to the government. Is it not the minister's concern or opinion that if we remove this mortgage for mobile homes that in fact their values will drop and we may find ourselves exactly in the situation we're trying to avoid here? People will have to walk from them because the equity is not there and the saleability is not there.

I'll take the hon. member over to Financial Assistance for Housing. I think in our walk to strive and find efficiency and accountability, I wonder if the minister and his department – and certainly some very excellent programs here. When I look at the seniors' independent living program and the seniors renter's assistance program and the minimum benefit claims, there are

certainly some good programs here. I would suggest that probably we're looking at some recipients of this program that can well afford to carry themselves, and I wonder if the hon. minister is looking at a rationalization to ensure that in fact the needy really receive it.

On that note, Mr. Chairman, I will keep my comments brief at that point. I know there are other members that want to speak, and I think most areas that have to be covered are covered at this point.

Thank you very much.

DR. WEST: A quick word to the Member for Leduc on the mobile home guarantee. I just want to say one thing. Yes, the program did expend \$134 million, and although the administration costs were real, it didn't cost much in the loan guarantee that was there as far as recall.

[Mr. Sohal in the Chair]

No time in the history of the world that I can study did a subsidy ever help the consumer. It created privilege in a society. What we have been doing in this government and throughout the world where governments have got into subsidies is created privilege. It's privilege for the people who utilize the subsidy. It never helped the economy, because as you flowed through with privilege and subsidy, you didn't help the consumer, and the taxes had to be increased slowly and incrementally until you bankrupt the country: New Zealand. We're on that rocky path. Although all these programs can be demonstrated to have helped a certain group of people in privilege, the economy has suffered because of it.

I'll tell you why in this example. You just stated it. You said that the price of mobile homes will drop because they're not worth what they are today in our economy. We have artificially kept the price of mobile homes bucked up because of a loan guarantee which is false in the economy of 6 and 10 percent interest. If it's good for the consumer when it drops, it's good for the economy, but if it creates privilege for some consumers over others, it destroys a country. Canada and Alberta must re-evaluate all their ad hoc programs that create privilege under the guise of subsidies, loan guarantees, whatever it might have been. I say that not in criticism to what you've said, because you're right. For those people that have used it, certainly it was access to affordable homes, and when interest rates were 12 and 16 percent, it helped them have less deposit down and enter. But with interest rates the way they are and with the way we're going in our tax system, to continue those type of guarantees is not good for the economy. It isn't good for the consumer. It balkanizes prices, and it destroys a country.

We must re-evaluate what we've done, because we've damned ourselves on a path. I want to continue health care and education, the role of government as it was intended, as I said in the beginning, but I don't want to segment this society into those with privilege and those without until I've destroyed it and I can't sort it out. So please help us. I know you believe strongly in that one, but please help us sort this out, because we can no longer expand our contingent liability on the International Monetary Fund any higher. We have got \$134 million of this one on the Moody report.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Calgary-Bow.

MRS. LAING: Well, thank you.

MR. CHADI: Mr. Chairman, can I make a point of clarification here? Just a point. Thank you.

The hon. minister made mention that . . .

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Calgary-Bow has the floor.

Point of Order Clarification

MR. CHADI: Yes, but I want a point of order for clarification. The hon. minister made mention that I was involved in a transaction whereby we as a province lost a substantial amount of money. I want it noted for the record that my company acted as commission agent on behalf of the province. That was my extent of involvement.

Debate Continued

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Calgary-Bow.

MRS. LAING: Thank you, Mr. Chairman. I would also like to congratulate the minister for the job he has done in restructuring and downsizing in his department, for the many new initiatives that he has undertaken which emphasize the new way of doing business, such as the privatizing of the registries. We're all looking forward to that.

The Department of Municipal Affairs has a long history of consultation with the community through advisory committees such as the Edmonton housing committee and the Calgary housing committee. These committees were involved as early as 1990.

I'd like to explain a little bit about the Calgary housing committee. Members of this committee are made up of the departments of Municipal Affairs, Family and Social Services, and Health, members of the city council, the province and city housing authorities, and community agencies and groups who are involved with housing issues for some of the special-needs communities. The members of this committee have helped privatize the proposals for the city and have passed their recommendations on to the minister, who views them in light of the needs of the entire province. Mr. Minister, I'd like to ask: do you foresee continuing this consultative model?

Out of the funding that comes for the social housing dollars, 70 percent comes from the federal government. There have been some very real, significant cuts in that funding, and this will certainly impact the way that we do business in the future.

Some of the things that the community housing committees have suggested are making use of existing buildings and renovating and retrofitting them to help house people who have special needs, such as the brain-injured or the physically handicapped. The use of rent supplements is another excellent use of resources in these times. We aren't left with a large number of buildings which are no longer needed when the population changes, and it also is a win/win for the public sector as the landlords become involved with this as well. It helps to protect the people with the subsidized housing who are in the most need of housing. Hon. minister, could you tell us what percentage of housing dollars is made up of the rent supplement?

5:20

Also there are some of the special groups that have been done with a special partnership between Family and Social Services and Municipal Affairs by allowing some of the Family and Social Services' housing to go towards the purchase of their counseling needs, so these people have a chance for housing and also the

counseling that is necessary to help them readjust to a normal way of life and perhaps get back into employment and become contributing society members again. In view of the short time, I'd like to ask the minister if he could comment on looking at new initiatives, looking at new models for delivering of social housing in the cities, especially the larger cities.

Thank you.

MR. ACTING DEPUTY CHAIRMAN: The hon. Minister of Municipal Affairs.

DR. WEST: Thanks very much. Very quickly, the feds have indicated that they will be discontinuing their 70-30 split on dollars as of December 31, so we're going to have to sit down with them as they go into the new year and the years ahead to see what model they're going to bring forward. I know that if they aren't going to be involved any longer in a meaningful relationship with the provinces, I'd like to discuss tax credits and perhaps transferring those dollars back to us so that we could find those innovative new models but get some leeway within the tax system to help us do that. We want to consult with the housing authorities or the advisory boards that are there. I said we'll be reviewing the model to see how many we need in the province and how we can best facilitate those.

As far as innovative housing for those with need, because of the ending of the 70-30 split model, we have really decreased the capital building this year, but I have been communicated to yourself and others that we will be proceeding with about 10 projects in Calgary and Edmonton. One in Edmonton is a women's shelter, where if we didn't, we would lose our window to the 70-30 dollars, and I won't do that. I am in consultation with some of the authorities. We have several societies that need special housing: those for the disabled, autism, and different types of homes. We will be proceeding with those at this time only, and we'll be coming forth with those announcements as soon as we can co-ordinate that and make sure that we can get it in this year.

So I'll end on that, and seeing the hour perhaps I'll just move that the committee rise and report, please.

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. SOHAL: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions of the Department of Municipal Affairs, reports progress thereon, and requests leave to sit again.

MR. DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.
Deputy Government House Leader.

MR. EVANS: Thank you very much, Mr. Speaker. Earlier today we were dealing with the projected government business for next week, and I believe there was some commentary made about the designated department for next Thursday, October 7. I've had an opportunity to speak with the House leader on the opposite side of the House, and as I understand now, there is agreement – and it will require unanimous consent – that the designated committee for next Thursday would be Economic Development and Tourism. As a result of that, the Committee of Supply on the evening of Tuesday, October 5, would consider the estimates of the Department of Transportation and Utilities. I would so move.

MR. DEPUTY SPEAKER: I don't have the script for it, but I would ask the Assembly then: do you agree with the request of the hon. Deputy Government House Leader?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.

[At 5:27 p.m. the Assembly adjourned to Monday at 1:30 p.m.]