

## Legislative Assembly of Alberta

Title: **Wednesday, March 29, 1995**

1:30 p.m.

Date: 95/03/29

[The Speaker in the Chair]

head: **Prayers**

THE SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.

Amen.

head: **Presenting Petitions**

THE SPEAKER: The hon. Member for Lac La Biche-St. Paul.

MR. LANGEVIN: Thank you, Mr. Speaker. I beg leave today to table a petition signed by roughly 1,250 Albertans asking this government to deinsure abortion under the Alberta Health Care Insurance Act and to promote community-based resources to promote positive alternatives to abortion.

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

MR. CHADI: Thank you, Mr. Speaker. I would like to present two petitions today. The first is from 28 residents of northern Alberta, my old stomping grounds. They're urging the government of Alberta

to ensure all Alberta school boards provide the opportunity for each eligible child to receive a minimum of 400 hours of Early Childhood Services instruction per year.

The second petition, Mr. Speaker, is from 2,475 residents of Alberta that have asked that the Legislative Assembly do the following: urge the government to "de-insure the performance of induced abortion under the Alberta Health Care Insurance Plan Act" and, secondly, to "use the community-based resources that are already in place that offer positive alternatives to abortion."

THE SPEAKER: The hon. Member for Edmonton-Strathcona.

MR. ZARIWNY: Thank you, Mr. Speaker. I'd like to present today a petition from residents of Wetaskiwin and area urging that the government of Alberta

ensure all Alberta school boards provide the opportunity for each eligible child to receive a minimum of 400 hours of Early Childhood Services instruction per year.

Thank you.

THE SPEAKER: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. I'd like to present a petition this afternoon on behalf of 1,029 residents of Lethbridge and area. They have a concern about the funding of abortions from public dollars.

Thank you.

MR. BRASSARD: I wish to present a petition, Mr. Speaker, on behalf of 1,648 constituents dealing with the deinsurance of the performance of induced abortions in this province.

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

DR. L. TAYLOR: Thank you, Mr. Speaker. I rise to present a petition signed by 2,525 Albertans in the Medicine Hat area asking to "de-insure the performance of induced abortion under the Alberta Health Care Insurance Plan Act" and, two, to "use the community-based resources that are already in place that offer positive alternatives to abortion."

THE SPEAKER: The hon. Member for Lesser Slave Lake.

MS CALAHASEN: Thank you, Mr. Speaker. I wish to present a petition from 1,283 residents of northern Alberta urging the government to "de-insure the performance of induced abortion under the Alberta Health Insurance Plan Act" and to "use the community-based resources that are already in place that offer positive alternatives to abortion."

THE SPEAKER: The hon. Member for Highwood.

MR. TANNAS: Thank you, Mr. Speaker. I wish to present a petition from approximately 2,000 petitioners from my constituency and the south end of Calgary asking that the Assembly give consideration to deinsuring "the performance of induced abortion under the Alberta Health Care Insurance Plan Act."

THE SPEAKER: The hon. Member for Red Deer-South.

MR. DOERKSEN: Thank you, Mr. Speaker. I want to present a petition on behalf of 2,724 residents of central Alberta, including Red Deer, Three Hills, Rocky Mountain House, Lacombe, and so forth to "de-insure the performance of induced abortion under the Alberta Health Care Insurance Plan Act" and to "use the community-based resources that are already in place that offer positive alternatives to abortion."

THE SPEAKER: The hon. Member for Stony Plain.

MR. WOLOSHTYN: Thank you, Mr. Speaker. I, too, would like to present a petition from 1,163 people from the Stony Plain area asking the same, that's to "de-insure the performance of induced abortions under the Alberta Health Care Insurance Act" and to also utilize community-based resources that are in place.

THE SPEAKER: The hon. Member for Edmonton-Beverly-Belmont.

MR. YANKOWSKY: Thank you, Mr. Speaker. I rise to present a petition signed by 2,819 Edmonton and area residents requesting the government to end tax-funded abortions.

THE SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. I feel duty bound this afternoon to present a petition delivered to my desk at 12:30 today by the Committee to End Tax-funded Abortions. The 1,147 signatures on the petition range from all constituencies throughout central Alberta, including the Leduc constituency.

head: **Reading and Receiving Petitions**

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

DR. PERCY: Thank you, Mr. Speaker. I would request that the petition I tabled on March 23 now be read and received.

CLERK:

We the undersigned Residents of Alberta petition the Legislative Assembly to urge the Government of Alberta to ensure all Alberta school boards provide the opportunity for each eligible child to receive a minimum of 400 hours of Early Childhood Services instruction per year.

We also request the Assembly to urge the Government of Alberta to allow Alberta School Boards to use money from the Alberta School Foundation Fund to fund 400 hours or more of Early Childhood Services, as determined by the local community, so that there are no ECS user fees for 400 hour programs and so that all Alberta children have an equal opportunity or "level playing field" to succeed and compete in life by having equal access to basic educational resources.

head: **Tabling Returns and Reports**

MRS. McCLELLAN: Mr. Speaker, I am filing with the Assembly a correction to information provided by me during Committee of Supply to the Member for Edmonton-Manning during my Health estimates on March 22, 1995, pertaining to forensic services funding. I have communicated with the hon. member as well.

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

MR. CHADI: Thank you, Mr. Speaker. I'd like to table four copies of a document that'll show that yet another province in Canada has delivered a balanced budget.

THE SPEAKER: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. It gives me real pleasure this afternoon to table two letters, one from the Park Meadows Elementary School ECS Parents Group and the other from the Park Meadows Parents Advisory Council. These letters are requesting that I ask the Legislature to fully fund 400 hours of ECS in these schools.

head: **Introduction of Guests**

MR. TANNAS: Mr. Speaker, I'm delighted this afternoon to introduce to you and through you to members of the Assembly special guests in your gallery. Mrs. Pat Laird is the mother of our page Carolyn Laird, who is hereabouts - good; right here working, Mother. She's accompanied today by Carolyn's twin sister, Christine, and family friend Rose Ferguson. I'd ask them to stand and receive the traditional warm welcome of the House.

THE SPEAKER: The hon. Member for Edmonton-Centre.

MR. HENRY: Thank you very much, Mr. Speaker. I would like to introduce to you and through you to members of the Assembly two groups this afternoon. Firstly, I'd like to introduce 11 participants in the employment action English as a Second Language program from my constituency. They're accompanied by their group leader, Danette Erout, and they're in the public gallery. If they could stand and receive the warm welcome of the Assembly.

Mr. Speaker, the second group I'd like to introduce, if I may, is a group of 39 young, enthusiastic men and women from Neil Dunnigan's Karate School in my constituency. They are accompanied by Neil Dunnigan, Peter Hanington, and Ron Shannon. I had the privilege of meeting with these young people just before we began in this Assembly, and they presented me with a Neil Dunnigan T-shirt and for once got the size right. They're sitting

in the public gallery. If they could stand and receive the warm welcome of the Assembly.

1:40

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

MR. HIERATH: Thank you, Mr. Speaker. I would like to introduce to you and through you two constituents that are here today attending AMD and C meetings at the Edmonton Inn for the last three days. They are Allan Romeril, the county administrator, and Emma Hulut, councillor, of the county of Warner. I would like them to rise and receive the warm welcome of this Assembly.

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

DR. PERCY: Thank you, Mr. Speaker. I would like to introduce to you and through you to members of the House Michael and Melissa Zacour, the children of the deputy leader of the loyal opposition and Member for Edmonton-Ellerslie. I would ask that they stand and receive the warm welcome of the House.

THE SPEAKER: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thank you, Mr. Speaker. I'm delighted to introduce to you and to members of the Assembly this afternoon 44 students from the Alberta Vocational College in Calgary-Buffalo. Accompanying them are three instructors: Ms Susan Jolliffe, Ms Jeri Wylie-Smith, and Mr. Daryl Landiak. These students will be the first class who will not have the benefit of a full school library after June 1 of this year. I'm asking that these students and the accompanying instructors stand and receive the usual gracious welcome of the House.

THE SPEAKER: The hon. Member for Little Bow.

MR. McFARLAND: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to this Assembly a constituent of Little Bow, Mr. John Vandenberg, who is an engineer and educator and a concerned parent who has children at home that he's educating along with his good wife. Would you please stand and receive the warm welcome of the Assembly.

THE SPEAKER: The hon. Member for Edmonton-Manning.

MR. SEKULIC: Thank you, Mr. Speaker. It is my pleasure to introduce to you and through you to the Assembly two very special guests. They are Diana Warrington and her son Alan. They are here with us today from the beautiful constituency of Edmonton-Manning. They are seated in the public gallery, and I would ask that they stand and receive the warm welcome of the Assembly.

MR. SAPERS: Mr. Speaker, today it is my privilege to introduce to you and through you to all members of the Assembly an exceptional young man by the name of Terry Urquhart. Terry is accompanied by his parents, Kathy Urquhart and Moe Fillion, by his uncles Patrick and Dafydd Urquhart, and by his grandmother Hilary Urquhart. Along with the family are Mr. Bruce Uditsky and Joan Charbonneau from the Alberta Association for Community Living. They're visiting the Legislature today and the city of Edmonton in the hopes of achieving some just and nondiscriminatory policies regarding transplantation. I would ask them to please rise and be welcomed by the Assembly.

head: **Oral Question Period**

THE SPEAKER: The hon. deputy Leader of the Opposition.

### Calgary Regional Health Authority

MS CARLSON: Thank you, Mr. Speaker. The resignation of Dr. Larry Bryan, chief executive officer of Calgary's regional health authority, is evidence of the serious cracks emerging within health reforms. The fact that Dr. Bryan, a seasoned health administrator, is leaving after only eight months on the job and just before the release of the authority's budget does not speak well for the coming changes and obvious cuts in Calgary's health services. Here is one more piece of evidence that the system is cratering in this province. My question is to the Health minister. Is the minister acting on this serious message from Calgary, where the chief administrator, the very person responsible for implementing Calgary's health care, is leaving after only eight months on the job?

MRS. McCLELLAN: Mr. Speaker, the chief executive officer of the Calgary regional health authority has tendered his resignation to the authority. As I understand it from the chairman of the authority, he has based his resignation on personal reasons. There are 17 regions in this province. They have a variety of administrative staff. I would say that we should value the contribution that has been made by that individual in both his tenure on that authority and his past and wish him well in his future endeavours. Any questions that the hon. member has on the administration of the authority I'm sure she would be welcome to take up directly with the board and the chair.

MS CARLSON: Mr. Speaker, this is the minister's responsibility.

Is the minister going to take this seriously enough that she will attend the meeting tonight in Calgary with the doctors who are having a crisis control meeting on the health care in this province?

MRS. McCLELLAN: Mr. Speaker, I do not believe that the hon. member can hold this minister responsible for a person's personal decision as to their job. There is no indication that there is any tie of that resignation to the health restructuring. I think that the hon. member would do well to respect a person's decision in this way.

On the second issue, the meeting with the doctors, I can tell the hon. member that I have met with the chair of the organizing committee of that meeting. I have discussed the meeting, and I have indicated that because of other commitments that I have, I personally will not be there. However, I will have representatives there. I am fully aware of the agenda of the meeting tonight. It was not outlined to me as a crisis meeting. It was outlined to me as a meeting and an opportunity for the doctors in that region to come forward and present their information and input. Certainly the regional health authority from the Calgary board will be present at that meeting. I will have representatives there. Frankly, I look forward to the very positive input that I believe we'll receive from those physicians.

MS CARLSON: This is just one more example . . .

THE SPEAKER: Order. [interjections] Order. Final supplemental.

MS CARLSON: . . . that this minister is doing something terribly wrong and . . .

THE SPEAKER: Order.

MRS. McCLELLAN: Mr. Speaker, I'm not sure what the question might relate to. I have already indicated to the hon. member on the two issues she raised what I am going to do about them. I believe that was the question she asked. Unfortunately, the hon. member can't change her train of thought from her prepared questions.

THE SPEAKER: The hon. Member for Redwater.

### Regional Health Authorities

MR. N. TAYLOR: Thank you, Mr. Speaker. To the same minister. It is fitting for this government that it is on April Fool's Day that every regional health authority in the province will take full control of health care delivery. While the Minister of Health, like Pontius Pilate, continues to wash her hands of all uncertainty facing Albertans over the health care system, regional authorities, both rural and urban, are having a great deal of trouble coping with bed closures, lab services, physiotherapy, home care, long-term care. My question: why didn't the minister insist that the community health councils, which were to advise on these issues, be in place before the takeover?

MRS. McCLELLAN: Mr. Speaker, the hon. member raises a very important part of the health restructuring. I can tell him that in consultation with the regional health authorities there was a request that we do some further work on development of models and that, with the work of restructuring and so on, they would prefer that the movement into community health councils occur in the year that they actually do begin the operation of the authorities. So the implementation of community health councils is clearly in the legislation. It will occur.

I think it is important that we have some models or some guidelines for the province recognizing that we have to have flexibility. We have 17 regions with very different demographics, geographical challenges, and each region should have some flexibility in how their community health council is put in place. So this is a very important development. There is a committee who have done an extensive amount of work in providing some models for community health councils. They will be implemented this year.

1:50

MR. N. TAYLOR: Mr. Speaker, the appointed are anointing other appointments.

The next question then: will the minister bring some accountability to the system – because these appointed boards are gods unto themselves – and call for elections for all of these regional health boards this fall?

MRS. McCLELLAN: Mr. Speaker, the regional health authorities that are in place now are in place till June of 1996. I spent some time this morning with a number of my cabinet colleagues at the Alberta Association of Municipal Districts and Counties, and we had a discussion on this. I again asked the members present, who are very knowledgeable on elections, on how to put boards and authorities in place, to please give us some input as to how an election process would work. I have asked for that at previous meetings, and I frankly have yet to get that.

I think the important thing is not the date that we do it – we have boards that are in place until June – but that the process for

putting in place our future boards is right, and to do that we need input from people such as the Alberta Association of Municipal Districts and Counties, such as AUMA, who really are our municipal associations in this province. I value their input a great deal, and I intend to work with them and with other groups to ensure that the process we have in place is right and that it will work.

THE SPEAKER: Final supplemental.

MR. N. TAYLOR: Thank you, Mr. Speaker. We did it for school boards in three months. Why couldn't you do the same thing here? When old Halvar is faster than you are, it's bad. [interjections] I have the floor here.

THE SPEAKER: Unfortunately for the hon. member, the hon. member asked his question.

MRS. McCLELLAN: It is true that the process for putting in place school boards will occur this fall. That is a procedure that has been in place and has been historic for some time. Mr. Speaker, I would remind the hon. member, in case he has forgotten, that when school boards were amalgamated, they were amalgamated in boards, so there really was not a difficulty in accomplishing that. I would remind the hon. member that there were over 200 boards and agencies in Health. It was extremely complex where we had health units that had a different boundary than many small hospital districts.

Mr. Speaker, there are some key issues here. If the hon. members opposite would be proactive, I am waiting for them to provide me with some input. I asked for that in this House. However, what I told them was that simply to say that election is the only way is not sufficient. Tell us how to do the process. If they truly care – and I believe they do – that this process is right, they must have some opinions on how an election process would work. I wait with great anticipation for that first productive piece of information.

### Organ Transplants

MR. SAPERS: "It is appalling that . . . parents should have to appeal through the media to secure access to a needed operation for their child." That is a quote, Mr. Speaker, from a letter which I now table regarding the circumstances of Terry Urquhart. Terry's case is well known to the public and to many of the members here, but after months of trying, Terry's family still has no assurance that their son will have equal access to the operation that he needs. To the Minister of Health: why is it that this Calgary teen, who has already gone through a medical workup back in January, has faced so many obstacles just to get his name on the waiting list for a lung transplant?

MRS. McCLELLAN: Mr. Speaker, the questions as to placement on the waiting list would certainly be better addressed to the transplant team. However, I believe I have answered the questions in this House on the issue of someone being precluded from placement on that list. I have said that I reviewed the policies and the guidelines that were in place. I saw no part of that policy that precluded an individual for one particular reason. In communication with the transplant team at the University of Alberta hospitals, I was informed that they felt it was extremely important that they update their policies and that new information, new knowledge made it integral to that. It is my information

from them that they have about completed that policy update. Again, I have to say that the placement of a person on a transplant list should be dealt with by the transplant team.

MR. SAPERS: It is unfortunate that the minister does not understand that this is an issue of ministerial . . .

THE SPEAKER: Supplemental question.

MR. SAPERS: Why does the Minister of Health deny that lung transplantation is a provincial program that needs provincial leadership instead of just passing it off to a regional health authority? It is the minister's responsibility.

MRS. McCLELLAN: Mr. Speaker, nothing could be further from the truth, that this has been passed off. We should be proud that we have a transplant program in this province, and indeed the program is provincial by nature. The program is delivered in this instance at the University hospital in this city. That hospital is managed by the Capital health authority. However, that hospital and that authority have the responsibility for delivering not only that provincial program but others. They fully understand that these are provincial programs and the mandate that they carry out. When there are guidelines in place for transplant or for renal programs or any of our other programs, they are provincial guidelines. However, those guidelines are brought forward for approval from a professional clinical team.

MR. SAPERS: When is the minister going to take the initiative and prevent the unthinkable from happening – that there would be discrimination built into the transplantation programs in this province – and instead of just standing by and watching this happen, take action to make sure that a nondiscriminatory policy is put into place immediately?

MRS. McCLELLAN: Mr. Speaker, I have already told the hon. member that I reviewed the present policy, and I will review the updated policy to ensure that discrimination is not part of it. I have stated that in this House. Discrimination is not part of that program. I do not believe that the hon. member is suggesting that the Minister of Health or anyone in this House should be the deciding person that puts somebody on a program. That has got to be done by professional people. What our responsibility is to ensure that appropriate guidelines are in place, and I stand in this House and tell the hon. member one more time: we will ensure that.

2:00

### Trade Mission to Texas

MR. DOERKSEN: Mr. Speaker, Albertans recognize the importance of trade to Alberta. A recent conference on internationalization held at Red Deer College discussed the concept of trading companies as a way of promoting Alberta to the rest of the world. The minister responsible for Economic Development and Tourism has recently returned from Houston, and my question is to him. Mr. Minister, what were your objectives at the recent trade mission?

THE SPEAKER: The hon. minister responsible for Economic Development and Tourism.

MR. SMITH: Thank you, Mr. Speaker. In fact, it's a pleasure to return and report to this House how important the trilateral

conference on the weekend was. We're dealing with a state, the state of Texas, that has trade figures with Alberta of over a billion dollars per annum and an emerging market in Mexico of over \$121 million per annum. Those figures are up substantially from last year. The objectives of this conference were to reinforce the private sector and their ability to capitalize on natural north-south trading ties that exist between Alberta, the state of Texas, and Mexico. In fact, these objectives were forwarded quite substantially by the private sector.

MR. DOERKSEN: Mr. Minister, how will this visit further your stated goals of building partnerships and alliances?

MR. SMITH: Well, Mr. Speaker, that's an excellent question. Alluding to the preamble of the question, access to capital growth and trading markets by being able to provide either trading house money or syndicated money was a hot topic in the area. In fact, what we achieved there was the private sector cementing relationships with foreign trading partners. The Alberta Chamber of Commerce will be exchanging an office with the Mexican chambers of commerce, and that will build these bridges where commerce can start to take place. It's one more lane in the express highway of free trade.

MR. DOERKSEN: Mr. Minister, what benefits can Albertans expect to see as a result of your participation in this conference?

MR. SMITH: Well, that's actually the reason why we were there, for benefits to the private sector, for all those in that private sector, whether they carry a lunch bucket or a laptop. What we see from export opportunities – Statistics Canada indicates that for every billion dollars you increase your exports, you generate 12,000 to 15,000 jobs in the marketplace. It's important that the government, consistent with our business plan, support the private sector in being able to build these relationships in this trilateral area.

We look forward to the response, the outcome expectations that the chambers have with their members. They have forged an agreement with over 389,000 businesses in Mexico. The greater Houston partnership represents a population of 3.7 million people. NAFTA represents 360 million people doing 20 percent of all the trade on Earth and a marketplace of over \$8 trillion. It's important that Alberta come to the table and participate keenly in this emerging market.

THE SPEAKER: The hon. Member for Sherwood Park.

### Special Places 2000

MR. COLLINGWOOD: Thank you, Mr. Speaker. A lot of Albertans have been responding to the government's new economic development proposal called Special Places 2000, and from the responses so far they don't like very much what they're hearing. This plan was supposed to set aside representative natural regions from industrial activity. It wasn't supposed to find ways to include industrial development. The plan was supposed to create certainty, but what we got was a process where local committees are going to have to fight over whether or not to allow industrial activity in nominated sites. My first question to the minister without portfolio responsible for economic development: why is this department promoting the intrusion of industrial activity, not tourism but industrial activity, in every corner of the province rather than promoting a provincial plan that protects certain areas?

MR. SMITH: The answer is very clear. The answer is in jobs. It's important to note that the initiative was put forward by the late Don Sparrow, and it was an initiative that was teamed with the minister of the environment. In fact, without recognizing the importance of economic development, historic preservation, and the environmental sensitivity of an area, you couldn't come forth with a recognition of how important these areas are to Albertans.

THE SPEAKER: Supplemental question.

MR. COLLINGWOOD: Thank you, Mr. Speaker. The minister didn't understand the plan from the beginning.

My supplementary question to the Minister of Environmental Protection: given that oil and gas development is already taking place in 20 percent of our natural areas, 36 percent of our ecological reserves, and seven of our provincial parks, isn't it true that no area of the province will be off limits to industrial development?

MR. LUND: Mr. Speaker, there will be areas that will be off limits for development. As we described yesterday in the announcement, one of the pillars of the program is preservation. So there will be areas.

You know, Mr. Speaker, it is really interesting. I noticed a comment that the hon. member made relative to the report from the Environment Council of Alberta, and I just want to read to you what he said: Liberal environment critic Bruce Collingwood said he was encouraged by the report; it essentially says that the environmental priorities are the same as economic priorities.

THE SPEAKER: Final supplemental.

MR. COLLINGWOOD: Thank you, Mr. Speaker. Point 9 of that report said: completely protected areas program.

Mr. Speaker, my final supplemental to the same minister. Let's just talk about some specific areas of Special Places 2000. To the minister: will drilling activity be allowed in the Wind Valley or in Willmore wilderness area? Yes or no?

MR. LUND: Mr. Speaker, all of the areas will have a management plan with them, and the management plan will define what will occur in those areas. If in fact the management plan says that there is no industrial activity, then there will be no industrial activity.

Mr. Speaker, to the best of my knowledge, Willmore is under legislation. It has never been nominated for special places.

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

### Federal/Provincial Fiscal Relations

DR. L. TAYLOR: Thank you, Mr. Speaker. My questions are all to the Treasurer. In a previous session of this House I raised questions regarding the inequities in the economics of Confederation. Published reports indicate that the problem is even much worse than I expected in that Albertans have overcontributed to Confederation by \$139 billion. What action does the minister intend to take in light of the fact that federal transfer payments to Alberta will decline by 14 percent whereas they will decline by only 4.5 percent to Quebec?

MR. DINNING: Mr. Speaker, Albertans believe in the principle of equity. Clearly those who have sometimes are going to be

asked to pay more than those who have not. I would think that there were some in the past who were in this Legislature in the '20s, in the '30s, in the '40s who would have said, "Gosh, you know, we think that Confederation is a pretty good deal." We are in fact net beneficiaries of being a partner in this country.

Clearly the Member for Cypress-Medicine Hat knows perhaps better than all of the members in this Assembly, coming from a region of the province that has vast industrial wealth, that parts of this province in fact are asked to contribute more than others who are less able to pay. I know, because I had the opportunity to be with the hon. member at a meeting in Medicine Hat where he spoke to constituents of his and said to those constituents: we have more so we have an obligation to pay more. Mr. Speaker, here we are. We as a government strongly believe in the principle of equity.

THE SPEAKER: Supplemental question, hon. member.

DR. L. TAYLOR: Thank you, Mr. Speaker. How does the minister rationalize the fact that we are asking Albertans to make sacrifices when at the same time it costs every Albertan in effect a franchise fee of \$2,100 to belong to McCanada?

**2:10**

MR. DINNING: Mr. Speaker, we are Canadians from one end of the country to the other. The fact is that Canadians living in Alberta will probably pay more to Confederation during this time and certainly during the '70s than Canadians living, say, in Saskatchewan or Canadians living in Newfoundland. I don't believe and I don't believe this government is a believer in cheque book federalism. Canada is much more than that.

Yes, this province, the government of Alberta will go to the table, where we will negotiate with other provinces and with the federal government to fight for fairness for Albertans, Mr. Speaker. We believe in fairness, and we will fight for it. But we are fighters; we are not quitters. We will fight for what is right for Albertans, and we will stand on guard for Albertans to ensure fairness.

DR. L. TAYLOR: In light of these facts, will the minister now concede that it is time to take control of our own financial destiny and, as a first step, begin to collect our own personal income tax as we do with corporate taxes?

[Mr. Dinning held up a Canadian flag]

THE SPEAKER: Order please. [interjections] Order. The Chair would remind the hon. minister about the use of exhibits.

MR. DINNING: Well, Mr. Speaker, as a government we believe that the only way to gain control of your financial destiny is to get control of your financial house, and make sure you've got your financial house in order. Now, what the hon. member is suggesting, as he regularly has suggested in the past, is promoting the expansion, the thickening of the tax jungle, and we don't want to make it thicker. We want to make the tax jungle thinner and smaller. We want in fact to make the tax system better.

So we have gone one step further than what the hon. member is suggesting and said that we need a national tax collection agency, not a federal one but a national tax collection agency: one agency, not 10 separate ones, not a number collecting income tax or sales tax or fuel tax or tobacco tax, but one in this country. We have also called for a tax not on tax but a tax on income so

all Albertans know exactly what they are paying to their provincial government when the tax portion of their paycheque is calculated.

No, Mr. Speaker, we will not advocate for personal income tax collection here in this province. We will not call for overlap and duplication. I know that the hon. member has supported me in the past, has supported the government in the past in eliminating that tax jungle, eliminating overlap and duplication, and I know that the hon. member will stay true and consistent with his word.

THE SPEAKER: The hon. Member for Calgary-North West.

### Calgary Learning Centre

MR. BRUSEKER: Thank you, Mr. Speaker. Despite exceeding the Minister of Education's 4 percent target for administration, the Calgary public board is now faced with a decision that will directly impact the effective use of classrooms by eliminating funding to the Learning Centre. Now, the Learning Centre is a collaborative effort, just like the government says that they want, yet it faces closure because of funding cuts to education. My question is to the Minister of Education. How can the minister say that there won't be any impact on the classroom when special-needs kids that this centre serves won't be able to get the assessment and the special programs they need to have developed?

MR. JONSON: Well, Mr. Speaker, there are certainly important decisions to be made by school boards across this province with respect to the budgets they are planning, and that includes the Calgary board of education. I respect the point the member across the way is making with respect to the importance of adequate diagnosis of special needs within the student population. It would seem to me that school boards across the province would consider that function as a very, very important one, and along with providing a sound basic education for students in this province, that would be one of the highest priorities they would identify in terms of preparing their budgets.

Now, in terms of the overall directions of government in terms of the Calgary public board of education, yes, they will be experiencing according to our projections – and we have met with them over this – a \$6 million reduction in terms of the funding framework. But in terms of our new directions and our emphasis on instruction over administration and other costs, there will be an additional \$13 million going into the instructional block in the Calgary public system. I would hope that after due consideration – I understand that they are giving it that due consideration – the Calgary board of education would see fit to provide adequate programs for special-needs students.

MR. BRUSEKER: This is support for instruction, so how can the minister say that he's maintaining a public education system when, on one hand, for the parents that can pay the \$800 fee for their special-needs kids, there's going to be one level of service, and over here, where the parents can't afford it, there won't be any service at all?

MR. JONSON: Mr. Speaker, let's not confuse things here in terms of fees. It is a responsibility of school boards in the province to focus on and provide programs for the needs of their students. I think that certainly school boards – and I respect the responsibility they have – have to set their priorities. I suggested in my previous answer that we do have the overall responsibility to provide a sound basic education for all students in this province, but certainly special-needs students are to have proper

programs as well. I would expect – and I hope that there is a great deal of will among the people involved in the Calgary board of education and their network of professionals – that they will address those needs.

THE SPEAKER: Final supplemental.

MR. BRUSEKER: Thank you, Mr. Speaker. With the cutbacks to the Learning Centre, how will the minister ensure that the special-needs kids that need to have this assessment will continue to be able to get it? The Learning Centre can't survive on fee for service alone.

MR. JONSON: Mr. Speaker, the Learning Centre provides a service with respect to the assessment of special-needs students. I'm sure that if that service is called upon and needed within the Calgary public board of education system, they would be identifying that as a priority. I would certainly expect so. The centre has been in place for some time. I note that they do good work. In fact I visited the centre. But it is a decision and a priority that the Calgary public board of education must grapple with here.

In terms of the amount of money for instruction in the Calgary public board of education system or as decided in the schools that they need support services, there has been an increase, as outlined earlier, of several millions of dollars available for the instruction component as decided by the schools at the local level focused on students in Calgary public.

THE SPEAKER: The hon. Member for Edmonton-Beverly-Belmont.

### Employment Outlook

MR. YANKOWSKY: Thank you, Mr. Speaker. On the good news side a recent report states that Grant MacEwan Community College has been very successful in placing their graduates in jobs. In fact, the report indicated that almost 90 percent of last year's graduation class found work within six months. Eight courses indeed experienced 100 percent employment. To the hon. Minister of Advanced Education and Career Development: could the minister tell us if the employment procurement trend at Grant MacEwan reflects what is happening at other institutions in our postsecondary education system?

MR. ADY: Mr. Speaker, our institutions continually monitor the market demand to ensure that graduates do find employment. They do this through contacts in the labour market and with their advisory committees. Institutions also monitor graduate employment through graduate follow-up surveys. For example, SAIT reported that 93 percent of their 1993 graduate class had found suitable employment within six months after graduation. NAIT similarly reported an 80 percent rate. Subject to the response rate from graduates to surveys, institutions are indicating that there is a positive trend in graduate employment.

The new accountability framework of the department requires that each institution report as to graduate placement, and this will allow us to monitor the trend to make adjustments to labour market requirements. We see this activity as one of the essential key performance indicators in our system.

2:20

THE SPEAKER: Supplemental question.

MR. YANKOWSKY: Thank you, Mr. Speaker. My supplemental is to the minister of advanced education also. In view of the restructuring and reductions in our public service departments and agencies, how is the city of Edmonton doing in employment statistics?

MR. ADY: Mr. Speaker, considering the substantial role that public-sector employment has historically played in this city, the employment statistics during this period of restructuring are really quite promising. Edmonton's unemployment rate is 9.1 percent. This time last year it was 11.3 percent. So as of the end of February there were 444,500 Edmontonians employed, up some 27,100 from the same time last year. Yes, there's been a job loss in the public sector, but the private sector, which the government has always believed is the true engine of job creation, has generated more jobs than those being lost in the public sector in Edmonton.

THE SPEAKER: Final supplemental.

MR. YANKOWSKY: Thank you, Mr. Speaker. Could the minister tell us if this government's initiatives have been successful in helping disadvantaged Albertans get back into the workforce?

MR. ADY: Mr. Speaker, that's really a good question. Most people think of my department as being totally focused on university and college students, but my department also has five pre-employment training programs that provided services to more than 24,000 clients, those who used to be on passive welfare programs with such programs as life skills, work experience, training on the job, and job placement services. That's in order to help them get a job and keep their job.

Helping welfare clients get back into the workforce at this level is new for our department, but we've begun evaluating our initiative in that, and I'm pleased to report that it's working. On average 75 percent of the welfare clients who successfully complete the program of pre-employment training are employed or in further training. Seventy-five percent of them.

MR. DINNING: How many, Jack? How many?

MR. ADY: Seventy-five percent.

Some programs, like the pre-employment training programs in Calgary, are reaching levels of 95 percent success rate. So I can assure Albertans that they are getting good value for the money that they spend in this area. We'll continue to assess our programs as we look at ways of making them even better.

THE SPEAKER: The hon. Member for Edmonton-Manning.

### Gainers Inc.

MR. SEKULIC: Thank you, Mr. Speaker. The potential losses on this government's business relationship with their friend Peter Pocklington and Gainers just keeps on ticking. Back in November 1993 this government announced that it had sold Gainers to Burns Foods at a loss of \$172 million to hardworking Alberta taxpayers. Only four months later the Auditor General disclosed that the loss was at least \$209 million, and now a recent ruling opens the door to a further \$61 million in potential losses. My questions are to the ever ready Provincial Treasurer. Mr. Treasurer, will you tell Albertans how much more of their taxpayer money will be forked

over to get this Tory government out of this corporate welfare deal with Peter Pocklington?

THE SPEAKER: Of course, the Chair and all hon. members, I guess, have had knowledge that there are numerous lawsuits pending. So within the confines of that situation, the hon. Provincial Treasurer.

MR. DINNING: Well, Mr. Speaker, clearly there were losses as a result of the government's not-so-wise involvement in the Gainers company. Clearly our directive under Premier Klein's leadership was to get out of those kinds of businesses. We did exactly that in December of 1993 after an awful lot of hard work by a lot of people, especially the people who ran the Gainers operation, the people who worked on the management side and the workers.

I must remind the hon. member, of course, that we almost lost it. We were faced with selling it to Burns or bankruptcy. As I recall, some Liberals from Edmonton were advocating that the place go down the tubes, that it be put into bankruptcy. I remember the Member for Edmonton-Roper was the one who basically said that.

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

MR. DINNING: It's a tragedy but the fact is that today, Mr. Speaker, Gainers is a viable operation. It's being run successfully by Burns Foods. People are employed there. Edmontonians, I'm sure some members of the hon. member's constituency, some of his own constituents, are working at that plant, have a future with that company. It's good for Albertans, and it's good for Edmontonians, and it's good for his constituents.

THE SPEAKER: Supplemental question.

MR. SEKULIC: Thank you, Mr. Speaker. Another Tory success, only a quarter billion dollars damage to the . . .

Will the Treasurer admit to taxpayers that as a result of his government's bungling the potential loss on Gainers could run as high as \$301.5 million? It's currently number three and climbing on the long list of Tory government business bloopers and blunders.

MR. DINNING: Well, Mr. Speaker, the way the member is throwing around numbers, it's reminiscent of the Leader of the Opposition's little briefcase that he used to bring out in the middle of the election campaign. Do you remember the clock, the one that . . .

AN HON. MEMBER: The one they lost.

MR. DINNING: Oh, that's right. That was June of 1993, Mr. Speaker, when the Liberals had that clock, and the numbers were going round and round, but the fact is that on election day the numbers didn't go their way.

The fact is that we have gotten out of the business that we should never have been in. Today, Mr. Speaker, the court cases between the government and Mr. Pocklington and various of his enterprises continue. We are there in the courtroom to get back what Albertans deserve and rightfully deserve. We will do that through the courts, which is the appropriate place to do it.

THE SPEAKER: Supplemental.

MR. SEKULIC: Thank you, Mr. Speaker. The numbers I threw around were in fact from the Auditor General's very own report, and if the Treasurer will read them, he would confirm those numbers to be quite true.

Now, my final supplementary is: how can taxpayers be certain that the government has learned its lesson from Gainers and that there aren't any more loan guarantees or indemnities that have been authorized through cabinet's back door, not a single one? Can you assure us, Mr. Treasurer?

MR. DINNING: Well, Mr. Speaker, I know that the Auditor General, Mr. Salmon, and the Acting Auditor General, Mr. Wingate – and I will wait for the report of the current Auditor General for the year ended March 31, 1995. He has to write an opinion and make sure that he spells out an unqualified opinion as to the accuracy of our financial statements.

As the hon. member knows full well, this government has been doing its level best to get out of the business of business. We were successful in the case of Gainers. We've been successful in the case of getting out of the North West Trust business. We've sold a 5 percent interest in Syncrude. When I look at the number of other initiatives that the government was a part of and in hindsight should not have been a part of, I will look all Albertans in the eye and say that we are getting out of the business of business, focusing on what government's business ought to be, doing that and doing it well.

THE SPEAKER: The hon. Member for Lethbridge-West.

2:30

### Health Care System

MR. DUNFORD: Thank you, Mr. Speaker. Yesterday I mentioned that many MLAs were getting closer to physicians within their area. My question today is actually from a physician. I'm going to direct it to the Minister of Health, but I recognize that it falls perhaps on a line between Health and Justice. It would come under the heading of litigation lottery. What is happening in Alberta is that physicians are finding themselves practising more defensive medicine wherein they have to order, then, unnecessary medical tests and consultations.

SOME HON. MEMBERS: Question. Question.

MR. DUNFORD: How does it feel? How does it feel over there? I don't know about you, Mr. Speaker. I'm enjoying this question period much more today.

THE SPEAKER: Order. Time is of the essence, hon. member, please.

MR. DUNFORD: Can the Minister of Health put a process in place which would cause plaintiffs to be held responsible for all costs if frivolous litigation should fail?

MRS. McCLELLAN: Mr. Speaker, I agree with the hon. member that there are some aspects of this question that should be dealt with by my hon. colleague the Minister of Justice, and I will invite him to comment when I conclude my remarks.

There are two matters that affect the health system, Mr. Speaker, and one is the cost of malpractice insurance to our practitioners and certainly the unnecessary utilization of health dollars for litigation. This would cause us concern. I would



mention that this is of greater concern in the United States than it is in Canada, but it's still a concern here.

I think that defensive practice in this province or in this country is practised in a couple of ways, and one is perhaps through development of practice guidelines which give physicians acceptable standards by which they might practise and the cost of the overall utilization under the cap that we have on physician expenditures. Certainly, it is an area of concern.

In the area of litigation I would invite the Minister of Justice to make comments, if he might like to do that. [interjection] No? He doesn't want to?

THE SPEAKER: Supplemental question.

MR. DUNFORD: Thank you. Again under a general heading of litigation lotteries: will the Minister of Health be prepared to put in place a system that would cause Alberta health care premiums to double or triple or even quadruple for convicted impaired drivers?

MRS. McCLELLAN: Mr. Speaker, certainly our health care insurance plan was not put in place to be a deterrent or a punishment. I would suggest that we would be better served by looking at other avenues to approach this. Injury and illness can be caused by a number of factors not just a single factor. They can be caused by lifestyles, and I think it would be very difficult for us to become the persons who made that determination. [interjections] Our health system is designed to care for people regardless of how their illness or treatment might be determined.

MR. DUNFORD: Again, I might mention that I'm finding this day a little more interesting. We seem to have the natives restless over there.

Mr. Speaker, will the minister provide a system and put it in place where minor complaints coming to emergency rooms will be turned away?

MRS. McCLELLAN: Mr. Speaker, I think the hon. member is raising an area of concern, and we should be concerned about this. There is a concern about the proper utilization of our emergency departments. However, I believe that we could better utilize them by knowledge and by education of the people in this province as to what emergency departments are there for. Certainly in many of our centres there are 24-hour clinics that can be accessed by other methods and methodologies. What we really have to let people know in this province is that the health system is not free, that each and every one of us pays for that system, and each and every one of us has a responsibility to utilize that system in a manner that is correct and proper. I think that we can deal with that issue in that manner.

THE SPEAKER: The time for question period has expired. The hon. Member for Edmonton-Roper has given indication that he wishes to raise a point of order.

#### Point of Order

#### Allegations against Members

MR. CHADI: Thank you, Mr. Speaker. Yes, indeed, I'd like to address this point of order. The citation is Standing Order 23(h), allegations against another member. Earlier in question period the Provincial Treasurer alleged that I advocated the closing of the Gainers plant in Edmonton once the government had already

owned this plant. Nothing can be further from the truth. As a matter of fact, I tried to facilitate a deal with the employees, a buyout deal with the government, and in fact when Burns had made a deal with the government, it was contingent on the employees accepting that deal.

I remember coming along with certain members of our caucus – and at the time the Member for Edmonton-Beverly-Belmont was one of the members that in fact was advocating the shutting down of this plant. I did not at any time advocate the shutdown. I the Member for Edmonton-Roper wanted to ensure that there was an opportunity for the employees to buy the facility. I think that when Burns ended up getting \$23 million in cash, almost \$25 million in inventory, almost \$50 million in equipment, and the government said, "Nobody can do this except Burns," they gave away the plant. They paid to have it taken away, and he says that I wanted to shut it down. That is false.

MR. DINNING: Speaking to the member's alleged point of order, Mr. Speaker, it should be made perfectly clear that he is absolutely right: the deal to sell Gainers to Burns was contingent upon the workers taking a three-year standstill agreement, accepting it. What the hon. member advocated to workers is that they reject this standstill agreement. A rejection of the agreement would have driven Gainers into bankruptcy, and those workers would have lost their jobs, their future.

The very fact that that is what the hon. member advocated is on the record. It's a fact. It's on the public record. If he wants to back away from it now, two years later, that's his choice, but he must look himself in the mirror every morning. He must look his constituents straight in the eye and tell them the truth. I have spoken the truth today, Mr. Speaker, and let the facts speak for themselves.

As for a point of order, Mr. Speaker, I would encourage you to recognize, sir, that this is a disagreement over the interpretation of the facts and that in fact there is no point of order.

THE SPEAKER: Before concluding this matter, the hon. Member for Edmonton-Beverly-Belmont has been sort of mentioned and has given an indication that he wishes to clarify the record.

MR. YANKOWSKY: Thank you, Mr. Speaker. My citation is 23(i), imputes false or unavowed motives. Gainers is in my constituency, and I never ever said that Gainers should be sold. I had a big argument over that in my constituency when a statement was made by someone that Gainers should be sold. All the Gainers workers descended on me. I never did ever say that Gainers should be sold. I lost a lot of votes over a statement being made that Gainers should be sold. [interjections]

THE SPEAKER: Order. [interjections] Order. Well, we've had a nice little debate, and the Chair rules that there certainly is a disagreement as to the facts between hon. members. Therefore this is not a point of order, but it is a question of debate.

head: **Orders of the Day**

head: **Written Questions**

MRS. BLACK: Mr. Speaker, I move written questions appearing on today's Order Paper stand and retain their places with the exception of 185, 186, and 190.

[Motion carried]

**2:40 Provincial Park Rangers**

Q185. Mr. Collingwood moved that the following question be accepted:

How many provincial parks in Alberta have a park ranger in residence all year, how many have a ranger in residence for part of the year, and how many have no ranger in residence; and of those without a ranger, how many have a person in residence who is under contract to the government?

MRS. BLACK: Mr. Speaker, on behalf of my colleague the Minister of Environmental Protection the government is pleased to accept the question.

[Motion carried]

**Supports for Independence Program**

Q186. Ms Hanson moved that the following question be accepted:

How many supports for independence recipients have been working in the employment skills program, ESP, for the period September 1, 1993, to September 1, 1994, and how many of these ESP clients, following completion of their six-month program, found full-time employment for this period?

MR. CARDINAL: Mr. Speaker, I accept Question 186.

[Motion carried]

**Oldman River Dam**

Q190. Mr. Collingwood moved that the following question be accepted:

What area has been brought under irrigation using water contained by the Oldman River dam between the time of the dam's completion and December 31, 1994?

MRS. BLACK: Mr. Speaker, on behalf of the Minister of Environmental Protection the government is pleased to accept the question.

[Motion carried]

**head: Motions for Returns**

MRS. BLACK: Mr. Speaker, I move that motions for returns appearing on today's Order Paper stand and retain their places with the exception of Motion for a Return 196.

[Motion carried]

**Fish Bioassays on Pulp Mill Effluent**

M196. Mr. Collingwood moved that an order of the Assembly do issue for a return showing a list of the companies and their subcontractors that have concluded fish bioassays on pulp mill effluent which were submitted to the government in accordance with licences to operate under the Clean Water Act for the period January 1, 1992, to December 31, 1994, indicating which company or subcontractor conducted the bioassays and for which periods of time.

MRS. BLACK: Mr. Speaker, on behalf of the Minister of Environmental Protection the government is pleased to accept Motion 196.

[Motion carried]

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

**Bill 205  
Debt Retirement Act**

[Debate adjourned March 28: Mr. Sekulic speaking]

THE SPEAKER: The hon. Member for Edmonton-Manning.

MR. SEKULIC: Thank you, Mr. Speaker. I'll start off by tabling four copies of the Debt Management and Retirement Plan. The Provincial Treasurer yesterday during debate asked for these copies, so I figure it's only appropriate to respond as quickly as I can with positive solutions to Alberta's current debt problem. I certainly hope that the Treasurer has some time to go through the document, because I think it's very worth while, and if he's having difficulty, the hon. Member for Edmonton-Gold Bar said that she'd contribute some of her time to walk him through it.

One of the things that I'm sure the Treasurer will see and will be interested to know when he starts to review this document is that this plan leaves Alberta with a projected \$839 million unmatured debt and \$76 million in annual debt servicing costs, while the plan that he has proposed, that his government has proposed, leaves Alberta with a \$14.97 billion unmatured debt and \$1.272 billion in annual debt servicing costs. So right away you can see that the Liberal opposition plan is worth while, worth the Treasurer's time, and once again I'd certainly encourage him to take the time to read it.

It's interesting. The Treasurer may have this byline article; however, he may have thrown it away. The byline says, "To some, his plan seems remarkably timid." I've included in the Debt Management and Retirement Plan, on the last page, an article from *Alberta Report*. I know that the Treasurer subscribes to that magazine; perhaps he would take the time to read page 11. I'm not sure what the date is on it. It will advise him . . .

MR. DINNING: Send it over.

MR. SEKULIC: Send it over? It's in the document. You know, it's got a flattering picture right there of our Treasurer discussing a plan. I'm not sure which one.

There are some interesting comments that have been made about our plan in comparison to the Treasurer's. Patti Croft, an economist from Wood Gundy, is quoted as saying, "But given how much debt needs re-financing, it helps to present as aggressive a debt reduction plan as possible." I think Patti Croft was referring to the 2020 Vision when she made those comments.

Fazil Mihar from the Fraser Institute has stated that he "favours the Liberal 20-20 Vision plan."

AN HON. MEMBER: The Fraser Institute said that?

MR. SEKULIC: Yes, the Fraser Institute, which the Treasurer is so fond of.

MR. DINNING: What did they say?

MR. SEKULIC: They prefer the Liberal's 2020 . . .

MR. DINNING: That's not true. Oh, Mr. Speaker.

MR. SEKULIC: It's true.

This will come as equally a large surprise to the Treasurer: Jason Kenney of the Canadian Taxpayers' Federation is quoted as saying . . .

MR. DINNING: Would the hon. member accept – Mr. Speaker, on a point of order.

#### Point of Order

#### Questioning a Member

THE SPEAKER: Order please. The hon. Provincial Treasurer is inquiring whether the hon. Member for Edmonton-Manning will accept a question.

MR. SEKULIC: Of course, Mr. Speaker.

#### Debate Continued

MR. DINNING: Mr. Speaker, is the hon. member aware that the Fraser Institute, to which he refers, and the Canadian Taxpayers' Federation are opposed to a government running a deficit and that his legislation allows governments to run deficits? Is he aware of that?

MR. SEKULIC: Mr. Speaker, you know, positive contributions: that's what I appreciate about the Treasurer. He's looking for an area to provide an amendment to a solid proposal, to a wonderful piece of potential legislation. I know that when the time comes, he will provide an amendment which will clean up and tighten up that area about which he has concern, and we welcome that.

AN HON. MEMBER: There's nothing in it relating to deficits.

MR. SEKULIC: Certainly I'm correct in saying that there is nothing relating to deficits in the document, so that must be something that the Treasurer is reading into the document. Perhaps, like I said, the Member for Edmonton-Gold Bar will take some time and walk our Treasurer through the document.

As I was saying, Jason Kenney, whom the Treasurer thinks very highly and fondly of, is quoted as saying, "For a government that was so ambitious about eliminating the deficit, this plan is remarkably timid." Now that surprised me. So that's why it's worth while to listen to some of the benefits of this plan.

Bill 205 will require the Provincial Treasurer – maybe this is where he has some reservations – to prepare reports on the progress of debt reduction. Given the importance of debt retirement to securing Alberta's economic and social futures, similar to the Deficit Elimination Act, quarterly reports on the progress of debt retirement will be required on August 31, November 30, and February 28. An annual report on progress will also be required on or before June 30 of each year and will be released in conjunction with the consolidated financial statements of the province. So once again we've built in an accountability mechanism for the Treasurer to adhere to, because sometimes there's a little bit of difficulty. If you don't have it written in the legislation, sometimes things slip and they don't come out. They aren't followed as closely as they should be. If we do build it into a piece of legislation, then it will be forthcoming on a regular basis.

The reports on progress shall contain:

- (a) a . . . consolidated statement of assets, liabilities, unmatured debt and net debt for the . . . fiscal year [in question] and projections for each succeeding . . . year [under the plan] . . .
- (b) [a breakdown of] outstanding unmatured debt . . . [by] length of maturity, [prevailing interest rate and] . . . any borrowing requirements to refinance maturities or redemption of unmatured debt,
- (c) a forecast statement of the economic assumptions underlying the debt repayment schedule . . . [such as] foreign exchange rates . . . interest rates, consumer price index, real and nominal GDP . . .

So once again we're building in a number of economic variables and assumptions that could be included in these quarterly reports which would not so much justify as provide information to Albertans as to how decisions are being made and exactly where we're going. So it's an important aspect of accountability. Given the priority on measuring performance and improving accountability, progress reports would also require

- (d) an assessment of results achieved through use of [such] performance [measures as]:
  - (i) net and unmatured debt as a percentage of . . . nominal and real [GDP];
  - (ii) net and unmatured debt as a percentage of personal income;
  - (iii) debt servicing charges as a percentage of total revenues;
  - (iv) net and unmatured debt per capita;
  - (v) U.S.-denominated term debt as a percentage of the total term debt; and
  - (vi) average-weighted term of unmatured debt.

Bill 205 would require that the Auditor General shall report on the reliability, appropriateness, and accuracy of the performance indicators and data used to measure results with respect to debt retirement. In addition, the Auditor General would be required to "inquire into any matter relating to [debt retirement on the] request of the Provincial Treasurer or the Standing Committee on Public Accounts."

#### 2:50

To go into some background on Bill 205, the Bill will operationalize the various components of debt retirement laid out in the Alberta Liberal caucus 2020 Vision plan, the one I've just tabled and I'm sure the Treasurer will take some time to go through and perhaps add amendments to. It establishes an unfunded scheme which will apply an annual debt retirement amount as laid out in the attached schedule to Bill 205, on the final page, in order to eliminate the \$16.8 billion net debt within a maximum 24-year period or by the fiscal year ending March 31, 2020. The debt retirement amount will be applied on an annual basis to retire the stockpile of unmatured debt owed to third parties, i.e. the \$24.5 billion, as of April 1, 1996. The incidence of \$32 billion in gross debts costing \$1.863 billion in annual debt servicing costs is putting increasing pressure on the viability of health care, education, and social services. One reason for the large interest payments is that a significant portion of our debt is held at high interest rates and is payable in U.S. currency.

Mr. Speaker, it's interesting to note that debt servicing, I believe, is the third or fourth largest department in government. Now, any government which could bring us into a fiscal position where our debt servicing is the third or fourth largest expenditure – certainly, there's a question as to the accountability that was there and some of the people who were around the cabinet table making those decisions at that time.

As of March 31, 1994, \$5.364 billion of the debt carried an interest rate of 9 percent or more, and \$5.619 billion, 25 percent of the unmatured debt, is payable in U.S. currency. In 1993-94 the \$18 billion general revenue fund debt had an 8.7 percent weighted average interest rate. Between 1996 and 1999, \$6.163 billion of long-term Canadian dollar debt and \$2.225 billion of long-term U.S. dollar debt will come due and require financing. We feel that it would be more prudent to retire debt with available assets from the heritage fund than to lock ourselves into further interest payments down the road by refinancing our debt on the bond markets. We don't believe that Albertans deserve to be left at the mercy of interest rate and foreign exchange rate fluctuations. I know I've said in this Assembly sometimes and I believe at the budget roundtables in Red Deer, which the Treasurer hosted, that we have to look at those components of the heritage savings trust fund which are earning lesser amounts than the interest which we're paying on our debts, and we should liquidate and apply that to the higher interest areas of our debt.

The Liberals chose April 1, 1996, as a starting point for the application of the Debt Retirement Act because we wanted to get on with debt retirement and debt reduction. We believe the government must resist the temptation to make policy decisions based on short-term political considerations. Fiscal policies must be developed which are sustainable for the long term, with the ultimate objective of ensuring the stability of core programs the government delivers. The sooner we get on with this debt reduction and debt elimination plan, Mr. Speaker, the sooner we'll realize some sense of security in the future of our core programs, our health and education programs, which Albertans are currently so concerned about. In fact, we heard earlier this afternoon that there's a large meeting of medical professionals, doctors I believe, in Calgary. They are having a crisis meeting because they believe that's the current state of health care in Alberta. It's in crisis. [interjections] You have to wake them up every now and then. So we feel that April 1, 1996, is the most appropriate starting point since the province will have achieved a structurally balanced budget at that time rather than the balanced budget mirage caused by revenue windfalls.

Bill 205 lays out a minimum debt retirement amount for each year. It does not preclude applying any revenue windfalls to the debt in 1994-95, in '95-96, on an ad hoc basis to reduce the accumulated debt, as required under section 5 of the Deficit Elimination Act. It does not preclude higher debt retirement amounts for each year under the 24-year plan. [Mr. Sekulic's speaking time expired] Is it all over, Mr. Speaker? I had so much more to say.

THE SPEAKER: The hon. Member for Red Deer-South.

MR. DOERKSEN: Thank you, Mr. Speaker. I'm pleased to be able to rise today to speak to Bill 205. In fact, I'm very pleased that all members of this Assembly realize and understand just how important debt retirement is and that all of us are prepared to take the necessary steps to ensure our children and our grandchildren are not saddled with an unmanageable debt. That is why we need a plan, a plan for the future, a plan which demonstrates this Assembly's commitment to fiscal responsibility, to international markets, and to the people of Alberta.

Mr. Speaker, talking about a plan reminds me of a little witty ditty. I don't want you to miss this one because this is about the most poetic I'm going to get.

AN HON. MEMBER: Witty ditty?

MR. DOERKSEN: That's right. It goes like this:

You've gotta have a plan, man  
A plan for what you do  
A plan for what you don't  
What you should, what you shouldn't  
Where you go and where you won't  
You gotta have a diagram, a blueprint, a list  
Yeah, you gotta have a plan, man. [some applause]

AN HON. MEMBER: Is that it? It's a nice little ditty; yeah. [interjections]

MR. DOERKSEN: Mr. Speaker, members of this House are asking me: is there no end to this man's talent? I'm pleased to say that, yes, there is an end to my talent; we just haven't discovered it yet.

Mr. Speaker, I am in general agreement with the intent of Bill 205. I believe the intentions of the hon. Member for Edmonton-Whitemud are important to recognize. I also want to say that having served with him on the heritage savings trust fund review committee around the province, I've come to appreciate him for the fine person that he is. He shows us that debt retirement is important to him and hopefully to the rest of his caucus.

But good intentions are not enough. The people of Alberta need a plan for the future, and they need the assurance that this and future governments will remain true to the idea of fiscal responsibility. Unfortunately, Mr. Speaker, Bill 205 does not give Albertans that assurance. Because this is a private member's Bill, it is necessarily restricted in its content, and therefore the details of a debt retirement plan are absent. Details for the future of this province are needed. Fortunately a plan for debt retirement has been presented but not in Bill 205. The plan for the future lies in Bill 6, the Balanced Budget and Debt Retirement Act. Bill 6 makes Bill 205 redundant. The amount of detail for the future of debt retirement is present in Bill 6 and will make Alberta an even more attractive place to work, invest, and live.

Mr. Speaker, Bill 6 includes all the intent and some elements of Bill 205, but it does so much more for Alberta's future. The two Bills have some similarities, but they also have vast differences. Both Bills would require that the net debt be reduced to zero in about 25 years and that both the public and the Auditor General can monitor the progress on debt reduction. In addition, both Bills require the Provincial Treasurer to table the net debt value at the start of the plan and report on the progress made in retiring the debt. These are all important elements of a debt reduction plan.

But that is where the similarities between Bill 205 and Bill 6 end and where Bill 6 begins to shine high above Bill 205. Bill 6 is a comprehensive plan to reduce the government's net debt to zero by the end of the 2021-22 fiscal year. The Bill requires the government to pay down 20 percent of its net debt every five years. These milestones keep the government on track and pay down the net debt quickly, resulting in interest savings. This is done while still allowing for flexibility in revenues from year to year.

3:00

As I'm sure you are aware, revenues can fluctuate dramatically from year to year. In light of this, Bill 6 allows for accelerated payment of net debt. The fluctuations are also countered by requiring the Provincial Treasurer to make conservative forecasts for revenue. By making corporate tax and nonrenewable resource revenue forecasts more conservative, the Treasurer can make better estimates of how much money will be available to pay

down the debt as well as maintain our social programs. Conservative forecasts will allow for better long-term financial planning, and this makes good sense.

When we pay off our mortgages and other loans, we make the payments we can every year and try to plan for the future. We buy RRSPs. We invest and save for the future. We plan for future problems and plan our children's future. This is what Bill 6 requires the government to do. Good financial planning is essential for debt retirement, and Bill 6 legislates this by building in revenue cushions. As I discussed earlier, the government reduces the possibility of unforeseen revenue shortfalls. Legislating this type of financial planning is a good idea.

In January, Mr. Speaker, the Liberal opposition released their 2020 Vision plan. The plan has good intentions but is flawed. It would create what they call a debt retirement and fiscal stabilization fund. This is unnecessary and could potentially not give Albertans what they want. First of all, it retains the liquid assets of the heritage fund. This might not seem to be a bad idea, but the thought of doing this while we are still consulting Albertans about the future of the fund seems a little undemocratic. It does seem a little odd to me that the sponsor of Bill 205 has already decided what should be done with the heritage fund when he is on the task force to decide what Albertans want done with the fund. The stabilization fund also makes no sense, because consolidation accounting practices make this fund no different than the heritage fund. In fact, such a proposal promotes a smoke-and-mirrors approach to accounting.

AN HON. MEMBER: A what?

MR. DOERKSEN: A smoke-and-mirrors approach to accounting. It would allow the Treasurer to utilize the fund as a buffer for balancing budgetary shortfalls, deficits, to pretend they weren't there. Rather than count on my word, Mr. Speaker, let me refer to the document that was tabled in the House yesterday from the Auditor General to back up my statements. He states, and I'd like to quote from the memorandum:

The idea of a stabilization fund runs counter to the move to fully consolidated reporting. I believe that the government and the public must continue to focus on the Province's consolidated position. The extent of the government's responsibilities, risks, and expectations about the use of public resources can best be considered if a total consolidated picture is given to the public. Therefore, I encourage you to avoid the establishment of a stabilization fund and the resulting confusion it could create with the public.

Mr. Speaker, that's the Auditor General speaking. Bill 6 already has a better way by requiring conservative revenue estimations and a balanced budget.

Another item I feel must be addressed is the opposition's desire to have more private-sector managers involved in managing the liability portfolio. They state in their 2020 plan that they want to maximize the rate on government assets and use more alternative financing instruments. There's an important caution to be considered here. While a higher rate is a good objective, it must be remembered that the rate of return must be balanced with the risk involved. If the government wants a higher return, they must take on more risk. That means an increased risk of losses, and I don't think Albertans want to risk losing large sums of taxpayers' money just so the government can have more money. That is exactly the point of the government Bill, Mr. Speaker: what is appropriate for taxpayer dollars. The government Bill holds the government accountable and sets us on a clear path for retiring the

debt. Bill 6 disallows any deficit budgets, creates a definitive debt retirement plan, creates five-year milestones, and holds the government accountable. Albertans need the kind of security for their future that comes with Bill 6. Bill 205 certainly has the right intent, but Bill 6 renders it redundant. The hon. Member for Edmonton-Whitemud has fully recognized that.

We appreciate his intent to bring this forward and to put it up for discussion, but it doesn't make sense in light of what the government is already doing with Bill 6. Thank you so much.

THE SPEAKER: The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Speaker. I'm sorry I was a bit slow, but the Member for Edmonton-Whitemud requested that I wade in with my constructive remarks here. I'd like to start off by commending the Treasurer – a rare occasion, indeed, and I'm glad that he's returned from Texas.

SOME HON. MEMBERS: New York.

MR. VAN BINSBERGEN: Oh, well. I mean, he's been traveling around anyway, and he's done well for the province.

I was pleasantly surprised that he saw fit to wrap himself in the Canadian flag a little while earlier today, and I can see why the Member for Cypress-Medicine Hat gained the opposite impression from the Treasurer because of remarks that he's often made that are sort of adversarial towards the federal government. But I was very pleased to see that the Treasurer turned out to be a splendid Canadian indeed and professed to that particular status. I did, however, find that he was far too gentle with the Member for Cypress-Medicine Hat. I think that he should have punished him far more severely for his lamentable lack of knowledge and understanding of Canadian history: that in fact we have benefited indeed from Confederation on many occasions.

Getting to the Bill at hand – this was just a warm-up, Mr. Speaker. I know you were getting ready to tell me this. This Bill, which seems to cause the Treasurer great concern, in fact establishes a debt retirement amount to be set aside annually from the generation of annual surpluses. That principle all by itself I think makes eminent sense. It also requires that the Provincial Treasurer prepare reports on the progress of debt reduction. Now, I think the Treasurer yesterday made good and sure that one of his own backbenchers threw him the puffball question on the stabilization fund, which is a good fund. The Treasurer hasn't recognized the inherent goodness of that particular fund. I think it's time that the Treasurer allow at least some of the members on his particular side to vote in favour of a perfectly good plan to demonstrate that the free vote does in fact exist.

I think, Mr. Speaker, that I will keep it very short because all has been said and done, but I wanted to go on record as being very much in favour of Bill 205 to propose an unfunded scheme to eliminate the province's \$16.8 billion net debt by the fiscal year ending March 31, 2020. Thank you very much.

MR. DINNING: Mr. Speaker, I rise to address the Bill that is before us, Bill 205 presented by the hon. Member for Edmonton-Whitemud. I must applaud the remarks of my colleague the Member for Red Deer-South. At the outset of his remarks he said something that we don't say very often in this province. He said that we are in this Bill or in Bill 6 taking the very responsible, long-term, and unusual approach of wanting to pay down our debt, having accumulated debt over the last 10 years in this

province and, even more than that, across our country. This kind of initiative by legislators one would hardly call breathtaking, but it is a bit unusual, given the propensity of governments in the last 20, 25, 30 years in this country to spend beyond the taxpayers' means. It's actually quite surprising that taxpayers have tolerated it for as long as they have, notwithstanding some strong criticism from Albertans and indeed all Canadians as to the profligate spending of governments, that there perhaps wasn't a stronger reaction from Canadians to this kind of fiscal mismanagement that has occurred across the country.

### 3:10

I think that the Bill brought forward today by the Member for Edmonton-Whitemud and indeed the government Bill are something – it is recognized that they are the first of their kind in this country. We have not been paying our bills, and now we're coming clean, admitting that we've made mistakes, trying to clean up our day-to-day fiscal situation, and then looking farther down the road and taking that yoke, that burden, off our children's backs so that you don't spend 13 cents out of every dollar you take in on debt. You can do something smarter with that 13 cents. You can either spend it on education programs that focus on our youth or on health programs or on programs for those who are in need. Those are Albertans' priorities. Maybe another priority might be that Albertans would say: "Well, don't spend it all. Just put it back from whence it came, back into the pockets of Albertans. That 13 cents doesn't belong to government; it doesn't belong in the public sector. It belongs in the jeans and the wallets of the people from whom government has taken it, saying that we as a government know smarter, know better. We're smarter as to how those dollars ought to be spent." So may I applaud the hon. Member for Edmonton-Whitemud for bringing forward this Bill.

The Member for Red Deer-South has said it well, as has my colleague the Member for Lethbridge-West in leading off the government's reaction to this Bill: we believe that there is a better way. We believe that Bill 6 is a more responsible Bill. It's a more comprehensive Bill. You know, I've heard – and I've quipped back and forth yesterday with the Member for Edmonton-Manning as to where was his Bill. He said he couldn't do it: "I'm not allowed to do it. I'm not a member of government; I can't put a Bill down." You're right, Mr. Speaker. At that part of the day, after Notices of Motions and before Tabling Returns and Reports – I have it right here on my desk – at the Introduction of Bills: no, the Member for Edmonton-Manning could not introduce a money Bill. But there is right after Introduction of Bills a matter called Tabling Returns and Reports. Having seen some of the tablings that the members across the way have tabled in this Assembly, it would be breathtaking, it would be refreshing, it would be scintillating to see something useful from the members across the way.

Such a Bill, such a proposed outline, draft, structure, principles, whatever they'd like: to put that before this Assembly would be a wonder to watch. I encourage them, just as I have encouraged the Member for Edmonton-Whitemud to bring forward his plan as to how he would get the government's finances in order. Don't send me the one that I got in 1993, where you said that you were going to cut transfers to businesses of some \$800 million. Mr. Speaker, the member across the way already knows that if he did that, he'd be shutting down all the government funding for private nursing homes. The nursing homes in this province would get absolutely no more dollars. I digress. Je m'excuse, M. le Président. I have digressed, but it

is such a tantalizing distraction to say to the hon. member: put it on the table; table what your Bill would actually look like.

In fact, the leap between the 2020 Vision – and the Member for Stony Plain of course would be more inclined from his days past to call 2020 Vision more like a hallucination than a vision. Having been the object of the barbs of the Member for Stony Plain when he sat in a different corner of the Assembly, talking about visions and hallucinations, I couldn't help but introduce, inject that brilliant bit of witticism, a witty ditty, as the Member for Red Deer-South would call it, into the debate. Mr. Speaker, I would ask them to put that on the table.

Mr. Speaker, the chasm between Bill 205 and the 2020 Vision is a chasm that the member has tried to cross in three or four leaps. As a result, he's somewhere down in that river valley groping on the rocks. [interjection] As the Member for Three Hills-Airdrie has said, he's not made it. You know, the 2020 Vision had the makings of a good piece of legislation, but the tragedy is that he and his sidekick from Edmonton-Manning could not convince the NDP-oriented members of his caucus that the wisdom of the 2020 Vision was the way to go. So instead they wimped out.

What we've got before us, Mr. Speaker, is not a debt retirement Act. It is: let's talk about a debt retirement notion, and when or if we decide to get around it, we might do something about it. Act. Now, I know that's probably a very long piece of legislation for *Hansard* to write into *Hansard*, but that's exactly what it is. There's no action in here. The only action is buying some ink and some paper and writing down some numbers. There's no paying down debt here. Section 2 says, "The purpose of this Act is to propose an unfunded scheme which would demonstrate the retirement of the net debt." It's an academic Bill. It's a maybe Bill.

My colleague the Member for Calgary-Nose Hill – Nose Creek, je m'excuse – has used the word "poltroonery" and "poltroon." I'm fascinated by that word, Mr. Speaker. I think it would be wrong to describe Bill 205, certainly not the author – but poltroon is a word that's in *Concise Oxford*: "spiritless coward." Well, I think there's something that's appropriate that the Member for Calgary-Nose Creek would say that. This is a proposed Bill. This is a shall prepare Bill.

The Debt Retirement Schedule shall show . . .

- (a) the amount by which the . . . debt would be reduced if the . . . Retirement Amount for that fiscal year was applied to the unmatured debt, and . . .

The . . . Treasurer shall table . . . a report on the accuracy of the . . . Schedule.

There's no action here, Mr. Speaker. Verbs are unknown. Active, action-oriented verbs are at best something that Willson Stationers would find exciting here in that ink and paper must be purchased, and that is the extent of this Bill.

Mr. Speaker, the tragedy about the 2020 Vision, even though it doesn't quite come up to the speed of Bill 205, is that the 2020 Vision – and the Member for Red Deer-South said this so eloquently; I won't elaborate at length – allows deficits. I know the Member for Edmonton-Whitemud on March 24 made some musings in a press release where he said: maybe what you could do, if things get tough, is you could run a deficit here and a surplus there, and the following year, if they had trouble, they could run a little deficit again as long as they run a surplus the following year. As the Premier has said, this is the military party. This is the marching party: left, right, left, right, left, right. The member across the way has shown again that he is – the Member for Edmonton-Manning talked about the Fraser

Institute. They couldn't look the Fraser Institute in the eye today with this March 24 release by the Liberals talking about running deficits. We're out of that business.

You know what I find so interesting is the inconsistency of the members across the way. They voted for the Deficit Elimination Act, Mr. Speaker, in May of 1993, wherein it says that there shall be no deficit run by the provincial government. Here they are back saying they want to make amendments with 2020, with the 24th of March. They're willing to run deficits and run them every other year. Albertans simply have said no to that, Mr. Speaker. I could not support a plan that's backed up by a Bill that tries to promote just that.

3:20

I know that the Member for Edmonton-Whitemud is caught on the horns of a Calgary Stampede bull type of horns dilemma here. Because here he was: he traveled the province with the Member for Lethbridge-West, heard Albertans say: "What should we do with the heritage fund? Keep it. Change it, but keep it because it's something we're proud of. It's our heritage. It's our savings. It's our trust, and we've got it in a fund, and we want to make sure that fund stays there, that it's removed from the political actions of politicians, but it's something that we're proud of." Then when I read the 24th of March press release and I read the 2020 Vision and I read Bill 205, between the thin lines I see the fact is that what 2020 does is sell off the assets of the heritage fund to fund the stabilization fund. That, Mr. Speaker, would be a travesty of the highest order, Albertans having said: "Don't do that. Don't run deficits. Pay today's bills with today's revenues. Live within the means that we've provided you." What the Liberals have proposed in the 2020 Vision is a means by which we would be allowed to continue to run deficits.

That's the dilemma he faces, and I'm glad to acknowledge that I saw the Leader of the Official Opposition say yesterday, having had the Member for Lethbridge-West and his four colleagues on the committee table their report in the Assembly, that the Liberal Party is going to have to go back and revisit its position on selling off the heritage fund assets. I welcome that. I think it's sensible. It's good common sense that Albertans have spoken, and I pray that the Liberal Party, having suffered in not being able to convince Albertans that the Liberals were right and that Albertans were wrong – effectively what they were saying – has now decided to revisit the issue, and I clearly, Mr. Speaker, welcome that.

The other thing that astonishes me is about this deficit and being able to run deficits. We've seen that. We saw it when the Leader of the Official Opposition read his speech to the throne the night of the day that the Speech from the Throne was read. Therein that statement was a commitment to restore funding, to return to, quote, the old norm in health, education, seniors' programs, and a number of other areas, and the total cost of these commitments, as best as we could calculate, because we couldn't get the numbers from the Liberals – they wouldn't fess up as to the cost of their plan – was an additional \$1.44 billion in '95-96 and another 1 and three-quarters billion dollars in '96-97. Without any revenue measures the deficit under a Liberal administration in '95-96 would be about \$1.95 billion, almost \$2 billion, and about \$1.6 billion in '96-97. You know, they can say, "No, that's not the case. We would raise money. We'd raise taxes. We'd raise sales taxes." Mr. Speaker, they make promises, don't back them up with numbers, and they would break the law. The current Deficit Elimination Act does not allow a deficit of that order to be run, and after this next '95-96 fiscal year we definitely would be out of that business.

Mr. Speaker, I know that there have been several discussions about Bill 205 and Bill 6, and I would simply ask the hon. Member for Edmonton-Whitemud to, as he has, implicitly by voting for Bill 6 at first and second readings and Committee of the Whole – he believes it is the right way to go. This has been an interesting forum for having his debate and having the 2020 Vision or hallucination debated, but I look to my learned colleagues from Lethbridge-West and Red Deer-South and realize that I have to agree with them. I think they have made some very convincing arguments. I won't say that it was a 51-49 decision. I think I was with them all the way along. Their eloquence in this debate has brought me even more onside, Mr. Speaker. So I'm afraid that I would encourage all members to not support Bill 205 and that we get on and pass the better Bill, the Bill that makes sense for the future of this province, for our children's future. Secure our financial future with the government's Bill 6.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Calgary-Mountain View.

MR. HLADY: Thank you, Mr. Speaker. Much has been said here today about Bill 205, and I'm sure the Member for Edmonton-Whitemud has good intentions with this Bill. I'd like to start speaking in the area of the net debt. I think the net debt is an important issue raised in this Bill 205 as well as in Bill 6; that is, reducing the part of the debt that is most risky to Albertans. I think what we've seen coming forward in Bill 6 is removing the net debt in a reasonable period of time. The Auditor General is having to check into the progress being made and is also a good form of security for the taxpayers.

In Bill 205 I think there are a few problems that we should discuss. The first one is that the pension liabilities do not need to be included in the plan to retire the net debt. There is already a separate legislated plan to eliminate unfunded pension liabilities. Changing that now would harm teachers, public employees, the government, and the taxpayers of Alberta. I'm sure that the Member for Edmonton-Whitemud wouldn't want to see that happen.

Many employees are already paying for the sins of others; as an example, some teachers that have possibly been in for an extended period of time. One teacher that I spoke to in the past had been in for 39 years, and in that 39 years he had put a total of \$40,000 into the pension fund, allowing for an increase with compound interest, but in his first year out he will take out his \$40,000. I see some future problems with the new teachers coming in having to pay a thousand dollars to help pay for the pensions of the retiring teachers. I believe this Bill would create some problems for the new teachers coming in, and I believe there are some opportunities right now that are being taken and Bills out there to retire the unfunded pensions in other areas.

These are not the only reasons that Bill 205 should not be passed in this House. If the Liberals could ever form the government, which is highly, highly unlikely, they would probably implement their 2020 Vision plan, that we've heard so much about since it was released in January. This plan has good intentions but does have several flaws. The Liberal plan would see the heritage fund liquidated. Now, we know that just recently the report has been tabled and will be debated in this House. Once the debate has been finished, then we can decide on the future of the fund.

The Liberal plan also calls for a minimum of \$225 million to pay down the debt every year. The government's plan sets a minimum of \$100 million. This gives flexibility to the govern-

ment to be able to work, yet not free rein. The five-year mileposts must be set, and we have set those in Bill 6. So the government can work with a five-year period and make adjustments. Even though we are paying down \$100 million a year with Bill 6, we can certainly hope to do better. The government's objectives are to do \$350 million a year, which is greater than the Liberal's goals. Also, we may be able to reduce the net debt to zero in just 15 years with a bit of hard work and a bit of luck here in the province of Alberta. The government plan allows us to have that flexibility.

The Liberal plan makes a commitment to run budgetary surpluses until the net debt is eliminated, but the government legislation legislates that we cannot run a deficit ever again. This plan is ready for us to pass now, not just a commitment to the future.

The Liberal plan calls for the creation of a stabilization fund. This would be used to pay down the debt but also as a cushion against economic shocks and funding for programs as the government saw fit. Albertans don't want the government to have that kind of fiscal flexibility with their money. The government's plan cushions against economic shocks in the budget by using conservative estimates to prepare the budget. In addition, the government's five-year mileposts allow the government to weather a business cycle without faltering on its debt retirement plan. The Liberal 2020 plan also gives too much flexibility to the government to spend freely whenever they see that they need or want to do that. Additional funding for programs will come from the stabilization fund on a priority-needs basis, but one has to wonder if that priority may just be to get elected. If it is, the government may start throwing money around to buy an election.

3:30

Presumably the Liberal plan and the fund would allow the government to run budgetary surpluses. The government could run budgetary surpluses if it wanted the money to go to pay down the debt, cushion against economic shocks, or if the government finds that some programs need more money. This runs counter to the supposed Liberal commitment to run budgetary surpluses until the net debt is eliminated.

Oil-linked bonds: another area suggested by the Liberals that probably won't work either. These bonds are attractive to investors when the price of oil is expected to rise and can result in lower cost financing to issuers such as the provincial government, which has oil-related revenues. Unfortunately, it's not a very dependable tool to use or have to depend on. Proposals have been received by the government to issue these bonds but have not appeared to be beneficial to the province. The savings from linking the bonds have not been enough to offset the upside potential. Hedging oil prices, using swaps, and similar instruments, as presently considered, may be a more cost-effective strategy, although it does entail counterparty risk.

There is also a form of natural hedging. Any increases in the U.S. exchange rate, which raises the amount we pay in debt servicing of U.S. denominated debt, are partially offset by increased royalty revenues in Canadian dollars. This is because of oil prices being denominated in U.S. dollars and our heavy trade with the U.S. The bottom line is moderated against fluctuations in the exchange rate. Example: if the U.S./Canadian exchange rate increases by 1 cent, revenues increase by \$60 million while debt costs increase only \$30 million. The natural hedge just saved the taxpayers \$30 million.

The Liberal plan also recommends that we reduce our borrowing in U.S. dollars because of their belief that the province should

reduce its foreign-held debt, but the interest rates in the U.S. tend to be lower. It makes sense for Alberta because it reduces the impact of changes in the exchange rate on the province's fiscal position. If a reduction in the U.S. dollar debt is desired, currency swaps can be used to swap the principal and interest payments into Canadian dollars.

The Treasury Department already uses outside investment managers for certain specialized functions and receives advice from all major Canadian and international investment banks on debt-related matters. So the Liberal plan for including more managers and spending on them to provide advice is unnecessary and actually would only cost us more money.

The Liberal plan calls for the Treasurer in tabling estimates to list the economic assumptions that the Treasurer used to compile the estimates. We already do that, and Bill 6 will require that the Treasurer do that.

In conclusion, Mr. Speaker, I would just like to say that I believe that most of the things which are of a positive nature we're seeing being done in Bill 6, and I would have to support that piece of legislation. I just can't bring myself to support Bill 205, but I do appreciate the intentions of the member. Thank you.

THE SPEAKER: The hon. Member for Calgary-East.

MR. AMERY: Thank you very much, Mr. Speaker. It's a pleasure to be able to rise today and speak to Bill 205. I'm very pleased to see that the opposition is concerned about some of the things that I am, namely debt reduction.

I believe the debt stands in the way of Alberta achieving its full economic potential while putting our social programs in jeopardy. If we don't act soon, our children and grandchildren will be forced to endure great hardship just to maintain a standard of living equivalent to ours. Sure, we could just sit back and say, "Well, since the deficit is under control, we can begin spending again and ignore the debt," but that would be foolish. Carrying this debt load around with us is a monkey on our back, but we can shake off this burden if we act decisively and quickly. Our reaction will determine what kind of life our children and grandchildren will have. If we act quickly, we effectively impose a tax on future generations. Without benefiting from any past spending, we make them pay more for our past mistakes. Allowing the debt to increase further will eventually cause a severe downgrading of many public services, such as health care and education. Surely we cannot leave future generations with the burden of cleaning up this mess. This kind of legacy is not one I want to be responsible for. We should leave a legacy of prosperity and consideration for others, and we are already well on the way.

By next year, Mr. Speaker, we will see an Alberta that lives within its means. We will see a government that has taken a responsible approach to fiscal management, and we will see a prosperous province realizing its full potential, attracting businesses from around the world. But this will not come easily. We need to continue the hard work we have begun and continue working hard at making Alberta a better place to live, not just for ourselves but for generations to come.

I think the hon. Member for Edmonton-Whitemud is certainly on the right track when it comes to getting serious about debt reduction. His Bill would see the retirement of the net debt by the year 2020. This is a laudable effort. Being serious about fiscal management is what every government in Canada needs to do, and by reducing the amount we owe to creditors, we can take our destiny out of the hands of money markets and foreign



creditors and give it back to Albertans. We will finally be able to own more than we owe. That is why the net position is so important, Mr. Speaker, and why I'm glad to see that the Liberal opposition agrees. In addition, demonstrating to markets that we are serious about debt reduction by legislating it in the plan will probably increase our credit rating. In the short term, as we replace maturing debt, this will help to make our interest payments smaller and provide savings to Alberta taxpayers.

Mr. Speaker, there are other good intentions in this Bill. Having the Auditor General report on the progress and inquire into matters relating to debt retirement provides a good watchdog for Alberta's taxpayers. This assists in giving Albertans the assurance that this and future governments will be responsible with their hard-earned tax dollars. Additionally, having the Treasurer report on the progress we are making in retiring the debt is quite useful. It provides an incentive to the government to keep itself on track and gives taxpayers another watchdog for their money.

Many of the ideas in the Bill are valid and useful, Mr. Speaker, but there are some major flaws in this Bill. First, there is a problem with including unfunded pension liabilities in the calculation of the net debt. This is unnecessary. We already have a separate legislated plan in place to fully fund these liabilities. Changing the amortization schedule now just to be able to be in line with the Bill's debt retirement plan would cause high additional costs to the government and to the many people who receive pensions. The cost to the government would be substantial, and we all know who pays for that in the end: the taxpayers, the Alberta taxpayers. In addition, important groups such as municipal employees and teachers would probably be hit the hardest with the scheme in this Liberal Bill.

Mr. Speaker, after telling the government that it has been hurting these groups unfairly, it is true that the Liberal opposition now wants to take money out of these people's pockets. I would certainly hope not, but that is exactly what would happen if we passed Bill 205. I would rather let these groups keep their money in their pockets, where it belongs.

Another problem I see with this Bill, Mr. Speaker, is that it appears to legislate financial ratios on a quarterly basis. The Treasurer would be required to table financial ratios; instead, more realistic and tangible benchmarks should be used so that the average person can really understand what kind of progress is being made on debt reduction. Most people want less confusion in their lives, not more. Bill 205 makes this ambiguity and confusion even larger. The ratios may please the accountants and the investors, but they do their own analyses anyway.

### 3:40

Fortunately, there is an alternative way to pay down the net debt in about the same period of time while allowing taxpayers to understand exactly what the government is doing with their money. This alternative is Bill 6, the Balanced Budget and Debt Retirement Act. Mr. Speaker, I believe Bill 205 has some good intentions, but Bill 6 does much more for Albertans and their future. Bill 6 legislates that the net debt be reduced to zero in about the same time frame as the Liberal Bill, but it does it without unfairly and unnecessarily hurting taxpayers and municipal employees and teachers.

The government's plan to reduce the net debt excludes pension liabilities. Legislation to fund these liabilities was implemented after years of hard negotiations. Why change it now? It makes no sense. Bill 6 allows the solid legislation to remain in place and doesn't unfairly hurt pension recipients or taxpayers. In addition, Mr. Speaker, Bill 6 gives a comprehensive plan for the future.

If we pass Bill 205, we must legislate further. If the Liberal opposition had their way and were ever able to form the government, we would see legislation come forward that is likely the same as the policies outlined in the Liberal 2020 Vision plan released in January. Some of the concepts in this document are valid, but others are severely flawed.

First of all, the Liberal plan liquidates many of the assets of the heritage fund without allowing for public consultation about the future of the fund to conclude. The opposition would liquidate it, Mr. Speaker. I think this is undemocratic. Bill 6 allows the consultation to continue. If Albertans want us to liquidate the fund after the consultations are finished, then so be it, but we should not even consider doing that until the consultation process is over and done with.

Mr. Speaker, the Liberal opposition claim in their 2020 plan that they would propose legislation embodying a commitment to run budgetary surpluses until the net debt is eliminated, but this is just a plan to do something in the future – nothing concrete. Enabling legislation such as Bill 205 will not get us anywhere. Bill 6 shows us the specific plan the government must follow.

Other problems exist with the Liberals' 2020 Vision plan. Their proposed debt retirement and fiscal stabilization fund would be used for three reasons. The first is to reduce the net debt, and I believe that's important. Cushioning against economic shocks and to fund core programs as needed, however, can be taken care of in a different way without creating a fund. Mr. Speaker, we do not need a stabilization fund. There is a better way. Bill 6 incorporates cushions against economic shocks right into the budget. The Treasurer must use conservative estimates to prepare the budget, making the possibility of major shortfalls very remote. Even the Alberta Financial Review Commission recommends this. They endorse an approach very similar to the one proposed in Bill 6. Only Bill 6 requires more conservative estimation, so establishing a stabilization fund is unnecessary. This fund is also unneeded and unwanted by Albertans, as it could be used to dole out money for government programs come election time instead of paying down the deficit, and we all know the spending record of the Liberals' cousins in Ottawa on this matter. Albertans don't need that kind of government anymore. They want a government that stands on its record, not on the spending of taxpayers' dollars.

Another advantage that Bill 6 has over the 2020 plan is that it requires the government to meet five-year milestones in debt reduction: 20 percent of the net debt must be eliminated every five years. This is a better way for two reasons. First, cushions against future economic shocks are built in as the government can pay more in some years and less in others. As long as the five-year milestone is met, no laws are broken. This gives the government flexibility to reduce the net debt even through a business cycle, when revenues can fluctuate. In addition, Mr. Speaker, using five-year milestones is easily understandable to the average Albertan. Bill 205, on the other hand, requires that the Treasurer table progress on debt reduction in the form of a financial ratio. It requires that the average person be an economist, like the hon. member across the way, in order to fully understand the progress being made on debt reduction.

For me and many other Albertans, Mr. Speaker, a very important part of Bill 6 is that the government can never again get us into a debt situation. The government can never again post a deficit budget. This is the kind of security that the people of Alberta want and deserve from their government, and Bill 6 can provide that security.

Mr. Speaker, we have a plan ready, one that is ready right now to take Alberta into the next century without a debt or deficit problem hanging over our heads. Neither Bill 205 nor the Liberal

2020 plan can provide Albertans with the kind of debt retirement plan they need. So for the future prosperity of all Albertans I encourage all members of this Assembly to vote against Bill 205.

THE SPEAKER: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Speaker. Again it's a privilege to get up and speak. As I carefully listen to the comments on the other side, it never ceases to amaze me, a lot of the statements being made. It's like yesterday didn't exist, and they always find a bogeyman, the federal government, to blame.

MR. DUNFORD: Let's blame St. Albert.

MR. BRACKO: St. Albert's very fiscally responsible, thank you, and always will be.

We look at it and they say: well, we're not going to place the burden on the future generations. Mr. Speaker, I want to set the record straight. They already have. A \$32 billion debt. By the time you pay it off, it becomes a hundred billion dollar debt. Now, if that isn't placing severe strains on the future generation, the next generations, you tell me what is. I think Albertans need to continually remember this.

I've heard mention of the pension liabilities, which they'll appropriately be able to pay down the cost of in 68 years, the 68-year plan, not a 20- or 21- or 22-year plan but a 68-year plan to pay down the pensions. Now, you tell me today what resident in Alberta would buy a house and put it on a 68-year mortgage? You know, it doesn't make sense. But that's what the government has done with the pension plan, and they say that's fiscally responsible. Mr. Speaker, it's unbelievable. They even believe their own incompetence. Definitely no one here would put a house on a 68-year plan. Half of the people in St. Albert have paid their mortgages down in record time. They made it a prime motive to pay down their principal so they don't have to pay the high interest rates. But this government: we're on a 68-year plan. Aren't we good, as they pat themselves on the back with both hands. We look at it. They don't want a cushion.

Anybody, a grade 6 Junior Achievement student who's taken the Junior Achievement course will know the ups and downs, the economic curves: the bottom, depression; the top, of course, boom times; and recession and recovery in between. They know that happens in Alberta. Alberta is an energy province. They know that we depend on our exports, agriculture, forestry, bringing in tourism, oil and gas. We know the marketplace goes up and down. In fact, even in the Old Testament story of the seven years in Egypt they put away supplies so that when they went through the seven-year depression, recession, they had it in hand.

DR. L. TAYLOR: That was Joseph.

MR. BRACKO: Joseph, you're right. I was just checking to see if you knew.

This is what should have happened in the good times, but of course, it didn't. We know the opposite took place. We spent and spent and spent.

MR. VAN BINSBERGEN: Not we, they.

MR. BRACKO: Sorry. Correction, Mr. Speaker: the Tories did. I apologize for insulting my colleagues here.

3:50

The other thing there, Mr. Speaker, as I look at it, if we were to have put the provincial Liberal plan in place in '89, we would not have the debt we have now, the \$32 billion. Then they talk about the federal Liberals. You know, the federal Liberals were – what? – \$130 billion in debt in '84. The Tories excelled them. We're now \$600 billion in debt because of their policies. It's unbelievable that they would think . . .

MR. VAN BINSBERGEN: They're cousins.

MR. BRACKO: They're cousins and they probably look to them. It's unbelievable.

What we need to do here is look at the best. There are good things in Bill 205 and good things in Bill 6. Instead of doing the sensible thing, Mr. Speaker, combining the two, taking the best of both, and going forward so all of Albertans will benefit, what do they do? They say: only Bill 6 is important. They should be asking for amendments. How do we make it better? How do we serve Albertans better? That's what you have when you have good leadership. For the life of me, I can't believe it. When you have strong opposition, you take what's good and you make yourself look better, but they haven't learned that yet. They always want to be critical. They always want to say: for this reason or the next.

What we need here, Mr. Speaker, is a cushion for when the depression/recession cycles hit, and they will. I know that in the '70s we didn't think they ever would, but they did. We've got to learn from the past. A wise man or woman – equal gender here – will look to the past and will learn from the past. They will not carry on making the mistakes of the past. We have to make sure there's a cushion for when we have the ups and downs in the economy. Hopefully, it can be straightened out with good management so there aren't as many. That's what the fund as we propose in Bill 205 would do, and it's needed. It's badly needed here, instead of saying that it's never going to happen.

I remember the former Treasurer saying that it's never going to happen. He said so many things that were not applicable that we had to question even the statements that were made. Our concern should have been the information. You can make conservative statements, but you never know. There can be a deep recession or a depression. We're not immune to it. In fact, it happens every so many years that we go into a world depression, and the economists and some of the others who have studied it can give you the time frame. I think somebody said that it's about 50 years, but I'm not sure. We haven't had a depression since the '30s, so we're coming on to that. We hope it'll never happen. We hope that leadership around the world and wise policies will prevent that from happening, but wisdom isn't always one of the characteristics of a politician.

DR. L. TAYLOR: Speak for the Liberals.

MR. BRACKO: No. We speak for the Conservatives and your \$32 billion debt. It's time you took responsibility for that, Member for Cypress-Medicine Hat. We take responsibility for our actions; you take responsibility for yours. We will. I always have and always will.

Whatever I'm doing, I believe in the wisest use of taxpayers' dollars. That's why we presented 2020 Vision, to assist you in this. I've heard comments that many parts of it were good, but others that, well, our plan is better. Mr. Speaker, good govern-

ment, good leadership would take what's best from both and move forward.

As we look at it, we need to provide for our children to make sure that the heavy debt burden we've given to them – and that's a point I really want to make. They are loaded with a heavy burden. When I went to university, I paid 8 percent for my university education, and I greatly benefited. You know, most Albertans like myself benefited from it. Mr. Speaker, because of the rewards, the blessings I got from living in this province – we contributed a million and a half, \$2 million back to the province. Many people and myself have volunteered hours giving back to this province.

Now what we have: going to university they pay 30 to 40 percent of the costs; they come out with tremendous burdens. We're not going to burden the future of our children, our children's children, but that's not true, Mr. Speaker. They are burdened. You come out with a \$20,000 to \$50,000 loan, and it costs you much more to pay it off. And two spouses doing the same? Every young person in Alberta should have the opportunity to go to a postsecondary institution in order to develop their own talents, abilities, and skills but also to benefit their province and give back. When they're trying so hard to pay off these heavy loans they're burdened with from the mismanagement of this government, it's going to take both spouses working two jobs to pay off the costs. So heavily burdened from this government.

Let's be honest with ourselves and with our fellow Albertans in that we are leaving them with a heavy burden. Let's look in the mirror in the morning and say, "Yes, we have integrity; we are telling Albertans the truth about what's happening," instead of saying, "Well, that was yesterday." You know, it's interesting, that was yesterday. This is maybe an aside, Mr. Speaker. You take someone who's committed a crime, and you never say, "That was yesterday." You say, "Pay the price." There's the political view on it from a politician: "Oh, forgive us. We did nothing wrong. That was yesterday." But when someone commits a crime, "Oh, better hang them high." I'm not disagreeing with punishment, you know, but I'm saying that it has to work the same for those who break the laws, whether they're in a political circle or have committed crimes.

Mr. Speaker, Bill 6 leaves Albertans with a \$27 billion debt. Now, how can you say that it's zero? Do you know how much it's going to cost to pay off a \$27 billion debt from a \$32 billion debt? Again, it's going to take another 25 or 30 years to pay that off, and when you pay the interest – compound interest goes on and on and on. It's unbelievable. It seems like Bill 6 is misleading Albertans that we'll have no debt, when in reality we will have \$27 billion in debt when it runs its course. Not elimination, and Albertans need to know it. I challenge the government to be honest with Albertans and to give them the facts, the facts that they need to know.

With that, Mr. Speaker, I appreciate the opportunity to speak to this issue. I want to set the record straight that the facts should be known and that we should take the most fiscally responsible plan to do it. Let's move forward and do it and not what has happened in the past.

**THE SPEAKER:** The hon. Member for Edmonton-Whitemud.

**DR. PERCY:** Thank you, Mr. Speaker. I rise to close debate on Bill 205. I want to address some of the issues that were raised by colleagues on both sides of the House.

First, I'd like to address the issue of Bill 205 as a private member's Bill. I would point out that in fact it's due to the hon. Speaker that the Bill is as it is, because his counsel was extraordi-

narily thorough in ensuring that the Bill had no elements of a money Bill in it, despite repeated efforts on our part to slip a clause in here or there. The Bill is in fact sanitized in that regard and is clearly a private member's Bill and meets the requirements of legislative scrutiny. The hon. members are correct in noting, then, that because of that constraint, one has to make inferences from our background paper that we had filed with the House, actually twice now, on in fact how that repayment schedule could be achieved in a way that is fiscally responsible. So members on the other side of the House are correct in pointing that out, and as we pointed out, there is a reason for that and a way of addressing it.

On the more substantive issue of net debt I do think it is an issue of making the bar high enough to leap over. A debt retirement Bill that leaves you with a substantial amount of gross debt at the end of the day is misleading; \$25 billion, \$27 billion of gross debt 25 years down the road is still a significant amount of debt in absolute terms. It certainly isn't debt retirement in terms of the way that most individuals in this province would view it. So I think that's one issue.

**4:00**

The second issue is: what, then, are the other elements of the net debt to be dealt with? We had made a conscious decision to include unfunded pension liabilities in the Bill on the grounds of fairness. We were always quite clear in asserting that we were dealing with the government's share of the unfunded pension liabilities and that consequential amendments would be required to ensure that the employees of those plans would not have to in fact increase their payment schedule, because we're concerned about the government's role in creating the unfunded liability in the first place.

As we noted, there are substantial savings, then, in shifting it from a 68-year plan down to a 24-year plan, and the savings could either be used to finance core programs or to reduce the unfunded liability that exists for public employees. So that issue is also, I think, in part a bit of a red herring, because in fact if the issue is the unfunded liabilities, the other alternative is just to amend other portions of Bill 6 and define the net debt there in terms of unmatured debt of \$16 billion. So we differ in terms of the net debt to be paid down. Bill 205 requires 16 billion plus dollars and the government's Bill requires \$8.7 billion.

On the other issue of the balanced budget, we on this side of the House firmly believe in balancing the budget. There is no member on this side of the House that has ever voted for a deficit; it is only members on the other side of the House, for nine years running, that have voted for deficits. Then the issue is: given that there is I think a shared commitment to running a balanced budget, how do you do so in a way that is consistent with local government and the needs of local government, hospital boards, university boards, school boards, any form of local authority? Again, what our Bill attempts to do is ensure that there is perhaps more flexibility in that, but again I would just point out to hon. members that Bill 205 is in fact a repayment schedule and doesn't deal explicitly with the issue that they raised.

Since it was raised in debate numerous times by colleagues on the other side of the House, I feel compelled, Mr. Speaker, to address it, even though it may not appear to be directly relevant to the Bill at hand. One way of phrasing the issue, then, is: is John Maynard Keynes dead? Well, literally, yes, but the issue is perhaps more substantive. It's his philosophical legacy. How do you stabilize in this type of economy? I think members on both

sides of the House agree that if you look at the history of the former Treasurer . . . [Mr. Percy's speaking time expired]

Just a point. Since we were closing before the time had expired, is the member closing still only allowed five minutes, or a longer period?

THE SPEAKER: Your time is up, hon. member.

DR. PERCY: Okay. Well, thank you, Mr. Speaker. I would just close and say, then, that I appreciate the debate on both sides of the House, and I would urge all hon. members to vote in favour of the Bill. I would have carried on for an additional 15 minutes. It was my mistake.

Thank you.

THE SPEAKER: The Chair probably would have had another attitude towards this, but I think we've been rather elastic on the time allotted to this measure. It's gone past the two hours, hon. member.

[Motion lost]

### Bill 206

#### Agricultural Land Conservation Easement Act

THE SPEAKER: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. I rise to move second reading of Bill 206, the Agricultural Land Conservation Easement Act.

The main focus of this Bill came up through discussions that I had as I traveled across the province, where people began to question the possibility of alternative uses and alternative mechanisms for both protecting land and transferring land from one generation to the other. We began to look at some of the options that were available for individuals to deal with some of the issues that were raised. These included things such as how to keep very good, very productive agricultural land in use for agriculture; how to look at options that were associated with joint use of land; and also, how to look at land that was being used for one purpose and other individuals wanted to develop and negotiate joint use type programs with the current landowner.

[The Deputy Speaker in the Chair]

We had to start in our discussions by recognizing that within the province of Alberta and Canada we have some very direct property right values, property right positions to deal with the rights that ownership of land provides to individuals. What we looked at, basically, was trying to find a mechanism that we could use to bring about a change in our current mechanisms of registering land title, registering land use that would allow for some kind of this joint tenancy, joint use, however we wanted to look at it in the concept of the land ownership and land right perspective. So what we did was we started looking at some of the issues that were associated with the easement option, the idea that individuals have more than one functional reason for holding land.

What we ended up with, Mr. Speaker, was Bill 206, the Agricultural Land Conservation Easement Act, where we basically allow for the current owner of a piece of property to take their ownership and either share it or redirect it under conditions that they are amenable to. This basically takes on a different approach than the idea of a government going through a process and taking

over the land. It goes through a different idea of groups that want to retain use or change the use of land having to negotiate with the landowner in a hostile environment, in a conflict environment. This basically gives us an idea where the two groups can come together in an amiable way and enter into an agreement that would provide for a different focus on the land.

In order to accomplish this, what we ended up doing was, in essence, putting together a Bill that would allow us to create an easement associated with the current land title. We specified that this easement could be entered into – of course, with the concurrence of the owner – between the owner, the government in the name of the minister, any government agency that would be developed to administer a conservancy program, local governments, such as municipalities, in which the land is located. We specified that we wanted it confined to a local municipality dealing with lands within their jurisdiction so that we wouldn't have to address issues of cross municipality type problems associated with administration and direction of use of land.

We also provided the option for a society to enter into these kinds of agreements. This would allow for an easement to be entered into with groups such as Ducks Unlimited or other water, wildlife, or wetland conservation groups, any of the natural-focused groups that wanted to get into the joint operation of land, and also any other type of provincial organization that could be set up to deal with the focus and use of land under different aspects of the government mandate or even with other individuals, as long as this was a recognized activity undertaken by the government. So we wouldn't allow it to become an unregulated or a kind of free-wheeling type negotiation. It would have to be in a mechanism and in a partnership that was agreed to and recognized by the government so that anybody who had the identity of a person, as long as the government approved of them, could enter into this kind of an agreement.

#### 4:10

Now, we also looked at the possibility that these kinds of agreements would be dealt with in different time frames, so we put in the option that the easements could be entered into for a stated time period or in perpetuity. Now, the perpetuity clause kind of implies a real permanence to it, but we also put in the clause that would allow for modifications under the processes that are designed and outlined in accordance with the Land Titles Act. So the perpetuity clause, in essence, has options for review.

The idea was that this conservancy had to have some degree of legitimacy associated with it. In our Bill 206 we provide for the option that this would be registered with the land titles office as an easement with the title, so in essence anyone looking at a piece of property and doing a title search on that piece of property would be aware of the kind of easement that had been entered into under this land conservation easement program that we're proposing.

The basic enforcement of it, then, comes through the land titles office, the normal processes of the legal rights of property holders. In essence, what we now have are two individuals or two groups with joint property right title to the same piece of land. The basic process of negotiating and recognizing this is outlined within the Bill as well, so what we can then do is basically give ourselves a complete process that will go through and outline all the rights and obligations of this joint tenancy/joint ownership of the piece of land.

Now, the rest of the Bill talks a little bit about some of the issues that are associated with encumbrances and joint uses. But, Mr. Speaker, what I'd like to do for a little while is just talk about why I feel this Bill reflects an important aspect that will

allow us to provide some diversity in the concept of ownership and property use in Alberta, if we implement this kind of Bill.

Essentially what we've got is an option now for an owner who holds a piece of property to look at both their own relationship to their property, their land and at society's needs, desires, and wants associated with that piece of land as well. This will allow the property owner to enter into negotiations that will separate the productive asset, the asset that the individual wants to hold as a mechanism to earn an income, from a speculative asset. In other words, if you are a farm owner next to a city and you want to purchase an additional piece of property and you want to use it as an agricultural productive asset, many times that piece of land already has built into it a very high speculative value that makes it almost impossible to pay the purchase price of that land, to pay off your mortgage, solely based on the productive value of that piece of property. So what the landowner can do as part of the negotiation and part of the purchase agreement is separate the title; in essence, allow either the current owner to hold the speculative right to the land or buy the productive right from the current owner and then resell the speculative development right to someone else. So in essence someone is holding the speculative component of the land, and the farmer who wants to farm it and pay for it from the value of the agricultural product produced has a value on that property which reflects the ability of that property to pay for itself. This is an important aspect.

Another twist, another interpretation, another mechanism of using that same kind of asset separation would be when a young farmer wants to take over. If they're in a position where they want to purchase land that has both a productive value and a speculative value attached to it, they can then get a co-owner, a coparticipant in the easement approach. In essence, they can put a value on the land and use the value of that land that's payable through the productive value as their purchase part of it, and then someone else can hold the speculative or the development right to it. In that way we have a mechanism that really facilitates the entry of young farmers into the agricultural community, into the agricultural production part of Alberta. So we have in essence given them a new mechanism to price their main asset, the land, at a value that their productive capacity can pay off and their income-earning capacity of that land can pay off.

The other aspect that we can look at in terms of the land conservation easement component is where we see a divergence of desire between the productive value or the productive use of the land and some natural component of it, so we basically have a piece of land that has a natural asset value and a productive asset value. One of the obvious uses of this kind of Bill is to support issues like some of the alternative management areas that are coming about when the conservation groups, the naturalist groups want to alter land use patterns. They can go in and negotiate with a farmer, a landholder and say: "Let's change the level of intensity that you are putting to that land. Let's reduce the number of animal unit months that you're grazing. Let's reduce the number of acres that you have under intensive cultivation. Let's reduce the use of summer fallow" – all of these different aspects that deal with conservation, which deal with a natural perspective of the environment. So people can enter into these kinds of easement approaches with a landowner and in essence change the use of the land to satisfy their desire for the alternative use yet still maintain a productive asset, valued at a level that it can be paid for and get a return on from the modified use that they desired. So in essence we're now getting a negotiated mechanism there where the conservation or the naturalist

groups can negotiate with the productive economic user of the asset to get joint satisfaction out of the way these lands are used.

Another aspect might be where we have societal pressures on the owner of a piece of land. This basically comes down to issues where we have farmers or land users that are in a position where society may want to have alternative access to that piece of land. It could be a crossover access for entry so that they can get across, say, to a public land parcel that's behind. They can then negotiate with the current landowner who is using that land as a productive asset and then enter into an agreement that would provide for a sharing of the potential damage, the potential loss of income that would accrue to the productive user of that land and reflect on their ability to cover the asset cost. So, in essence, again we have another shared ownership where the individuals have the rights to deal with this kind of shared use, shared desire, shared option for agricultural lands.

#### 4:20

Mr. Speaker, this Bill was presented to a number of groups around the province, and a lot of the groups that are especially associated and oriented toward land conservation find this Bill very attractive. They see it having options provided to landowners, to the farming community that they haven't had in the past, when it was a you either own it or you don't kind of concept. What we've seen now in a lot of cases is that what a lot of the farm groups are finding attractive about this Bill is the idea that when the price of owning the land becomes so high in terms of an asset value that they can't purchase it and pay for it as a productive asset – historically the only option they've had is to enter into some kind of an agreement where a speculator buys it, puts up their capital, puts it into a speculative holding, and then the farmer rents it back. This creates a lot of uncertainty as to the lease arrangement, towards the time frame upon which a farmer can develop that productive asset and bring it into effective use as a full, contributing part of their farming activity.

Using the approach that is provided for in Bill 206, what we can see there is in essence that there'll be joint ownership. The farmer, the landowner, the user of that piece of property as a productive asset now has a degree of certainty that's associated with their access to that resource. In other words, they're not looking at a two-year or a three-year or a five-year lease. They're looking at an ownership component in it that extends as long as they want to retain that ownership, but they don't have to deal with the high-priced asset value that's associated with the purchase of it when they can't afford it and pay it back as a productive part of the agriculture income that they've earned. So this is what most of the farm community finds really attractive, and that's why the groups we've spoken with are supporting this Bill, from the framework of providing more flexibility to the agricultural community.

The main focus that we look at as we go through is that a lot of the land in Alberta that is most productive in terms of agriculture is generally adjacent to the major metropolitan areas, where population pressures are increasing the encroachment upon that land, either through annexation into the municipal district or the urban area or through subdivision and increased use for country acreages. There's a lot of pressure that's being put on this land, and it's unfortunate. Historically communities grew up where the economic activity was associated within the province, so we have most of our major cities located in the areas where our original industry, agriculture, established and created viable economic units. So as the cities grow – Calgary, Edmonton, Lethbridge, Medicine Hat, Grande Prairie, and so on – they're taking away

from Alberta some of our most productive agricultural land. Red Deer probably is situated on some of the most productive land in the province in terms of its productivity index.

This kind of Bill would allow for the setting aside of blocks of land to designate as agricultural. The current owners of those properties would not be penalized, because they're the speculative component that would be associated with that land. Now, because it's adjacent to an expanding area, they could be bought out, they could be compensated for it. The easement then would be placed on the land, and the only thing the land could be sold for is future agricultural use. This way we can protect our agricultural lands. Again, as I said earlier, special pressures that would necessitate use of that land could be handled under the Land Titles Act so that we could get conversion, if it was socially necessary.

So I'd just like to ask everybody to support this. Thank you, Mr. Speaker.

THE DEPUTY SPEAKER: The hon. Member for Little Bow.

MR. McFARLAND: Thank you, Mr. Speaker. I'd like to take this opportunity to critique this private member's Bill from the Member for Lethbridge-East. I think the debate on this legislative proposal could be rather interesting to say the least. By putting this Bill forward, I believe my constituent the MLA for Lethbridge-East of the opposition caucus has recognized some very important issues.

As I understand it, agricultural land conservation easements do allow a landowner to set aside land for agricultural land uses only for a specific term or, as the member said, in perpetuity by entering into an agreement with a second party that's responsible for the enforcement of that agreement. This way the agricultural landowners can protect their own property from conversion to nonagricultural uses. A covenant would be placed on the land, either during his or her ownership of the land, to ensure that the land is kept in cultivation for future owners. That's what this Bill would provide for landowners in this province, and on the surface it sounds like a fairly decent idea.

This Bill recognizes the importance of keeping land for the incredibly valuable industry of agriculture even in the face of an ever increasing urban sprawl, a residential expansion, and various forms of industrial development. I do believe we need to ensure that we'll always have enough good agricultural land both to feed ourselves as well as to sustain what we have and to do it in a very noble way of life that any of us who have been involved in farming for generations have come to appreciate.

Mr. Speaker, ensuring adequate quantities of good agricultural land at great value economically has become a very important thing in our social fabric, and it has a great value socially. The economic values and benefits of agriculture should be obvious to every one of us in this Assembly. Alberta is one of the world's most productive agricultural economies. Our high-quality provincial agricultural and food-processing industry supplies us with an abundance of goods, both domestically and internationally and in the export market. It's been said many, many times, but I believe it's worth repeating that agriculture is the backbone of this province.

Agriculture provides for one in every three jobs in this province. The food and beverage processing sector is Alberta's largest manufacturing industry, employing over 17,000 people and bringing in over \$5.3 billion to our provincial economy each and every year. More statistics on the value of this industry in our province can be passed on, Mr. Speaker, but I believe we've got

a terrific province in this country in terms of what it's returning. Alberta accounts for an impressive 21 percent of all of Canada's agricultural production with less than 9 percent of the total Canadian population. I believe these numbers are a reflection of the abundance of our land and the resources that we've been blessed with.

I believe that's why so many farmers, agricultural producers themselves, are really careful stewards and are not the poor people in terms of practising good conservation measures that some people might pretend they are. The social value of maintaining a strong agricultural community is a little more subtle, but I believe it's every bit as important as the economic value.

I believe there's a very frightening trend going on in this province and in this country as well. It's a trend that tends to threaten our very social fabric. That trend is known as rural depopulation. It's causing problems for many of us now, and I believe it's only going to get worse if it's left unchecked.

4:30

Now, I was accused of being disruptive at a recent meeting in Lethbridge, Mr. Speaker, but when you're from the area and you can see the impact of change and what it will be doing to many of our small communities in the very near future throughout Alberta, I believe my comment about rural depopulation is indeed a concrete one. It's one that many of our small communities that I represent are very much concerned about, whether it's loss of rail lines or whether it's loss of people in the small communities and perhaps even a reversion from town or village status to hamlet status.

If the population in our countryside is decreasing, that means that the population in our urban centres has to increase, perhaps at a much quicker rate than some of these cities can handle. When people begin flocking to the cities in search of employment because life on the farm or in the small community is becoming unbearable or perhaps stagnant or because they've sold their land to developers, that puts an increasing amount of pressure on the job markets and social programs in these cities.

In addition, there's something to be said for the quality of life that's found in rural Alberta. Our government espouses the necessity of family values and self-sufficiency, and while these types of values can be nurtured in the cities, they're definitely a product of rural life. If we want this sort of lifestyle to continue and to survive, then we have to take steps to protect it. How conservation easements can facilitate the protection of rural life is obvious when you consider that it helps farmers protect rural land. Easements help farmers keep their land both for the benefit of the agricultural industry as well as for a more intangible quality of life that is equally important.

These are the reasons that I think this Bill has a good deal of merit, but as Will Rogers and the however – as I'm sure the sponsor of this Bill knows, conservation easements are such a good idea that our government is currently looking at developing a policy on easements already. The opposition often does this, Mr. Speaker, even though they know we're in the process of addressing an issue or bringing it forward in terms of legislation or policy change. I think perhaps they sometimes feel it's necessary to pre-empt government by brazenly conceiving a Bill of their own that only partially addresses the problem.

This Bill is no exception to that phenomenon, Mr. Speaker. I guess it's just something that we need to try and appreciate: the fact that it must be very frustrating at times to be on the opposition benches in a parliamentary democracy, because they don't have a majority and they know they're very hard pressed to pass

any legislation of their own. That's not to say that they cannot, for we now have free votes in this Legislature, but it's unfortunate that I don't from my point of view see people walking the talk. I see it on this side, but I've yet to on maybe one occasion see it on the other. However, I believe they feel it's necessary for themselves to speak to these various issues on the record, so to speak, so that when government comes forth with the real McCoy, they can stand up and brazenly proclaim that they thought of the legislation first by all means.

I guess it's hard, Mr. Speaker, because I can appreciate that the intention is there, but I do want to ask one question. Although I know that some farm people have talked about conservation easements, I was a little bit dismayed. I was jotting a few notes down here as the hon. Member for Lethbridge-East was talking. He keeps talking about we and they – what was the other one here? – and that the groups that have spoken with them support this Bill. Well, I'm afraid when I start hearing about groups, I start getting a little bit nervous. I would wonder aloud if this is perhaps the opposition agriculture critic's version of a mini Special Places 2000, which really isn't going to benefit a farmer at all but rather some environmental activist group that wants, maybe with quite a sum of money, to be able to, as the words were, negotiate with the landowner to take good productive land out of the agricultural sector so that people who wish to live in the city and make a big living can come out to the country and pontificate, I guess the word is, about their huge, expansive holdings that suddenly aren't accessible to anyone.

In three years, Mr. Speaker, I really have not had one call at the constituency office or up here asking for any conservation easements. I've had more of frustration from people trying to set up, through their lawyers and their wills, a system whereby they could pass their lands on from one generation to the other. Perhaps of more concern was that they wanted the son who'd worked with them for years to be able to have the land that perhaps the grandparents had farmed on, but they were more concerned about a marital dispute that might see a daughter-in-law who had never set foot on the land obtaining some of it.

Mr. Speaker, I want to get back for one moment – had this topic been addressed as a motion, I think I could certainly support it, because I do feel that conservation easements have to be talked about, and perhaps the idea has come full circle to the time where we should be doing this. However, this is a Bill, and if passed, as you know, it will become law. Therefore, I cannot support it, simply because it only addresses part of the overall picture that the forthcoming government policy on conservation easements will more adequately address and more comprehensively deal with. Alberta Environmental Protection is currently developing policy on conservation easements in general, not just for agricultural land. I've been assured that once policy has been developed for conservation easements, agricultural land easements can definitely . . .

#### **Speaker's Ruling Decorum**

THE DEPUTY SPEAKER: Order, hon. member. The members are reminded that we do not have exhibitions in the Assembly. I guess Calgary-Shaw feels that he is in need of some respite, and we would request him to send his signals for help in a more acceptable manner, either by going forth from the Chamber or by sending a note with one of the pages who do such a yeoman's job here. But sending signals to the Speaker or to other members by a sign is not allowed.

Sorry to interrupt you, hon. Member for Little Bow, but it appears that that admonition is needed.

#### **Debate Continued**

MR. McFARLAND: Mr. Speaker, in the meantime, restrictive covenants are still achievable under the Land Titles Act, albeit not so user friendly, perhaps, as we would like. I believe that's what I was talking about when we discussed the situation where the parents were wanting to set up wills to pass on land in perpetuity so their families, at least, could enjoy the benefits regardless of marital disputes.

There you have it, Mr. Speaker. I like the rationale present in Bill 206, but I don't feel that it's complete. Since conservation easement policy will be presented in the not too distant future, I believe I'll have to vote against this Bill and wait for the bigger and better thing. I will say, though, that the hon. Member for Lethbridge-East deserves credit for bringing this issue forward. If nothing else, this Bill may at least prompt those in Environmental Protection to step up the pace on a conservation easement policy so that farmers can begin the process of protecting valuable agricultural land from industrial development, urban sprawl, and tree huggers. I would encourage all the members of this Assembly to appreciate the value of those easements, but I would like to finally make one comment, Mr. Speaker, and that has to do with the value of the land itself.

#### **4:40**

In the recent federal budget 4 million acres of Alberta's landholdings were considered valueless in terms of hays and forages that have been put down in past numbers of years by our producers. I question if we really need a conservation easement Act to take agricultural production and set it aside, as the Member for Lethbridge-East indicated, to be negotiated between groups and individuals when the federal government has already stepped in, and out of 23 million cultivated acres in Alberta they deemed that 4 million of those acres were worthless in terms of paying out anything in the Crow benefit payment.

So, Mr. Speaker, once again I would encourage the members of this Assembly to vote against this Bill.

THE DEPUTY SPEAKER: The hon. Member for Bonnyville.

MR. VASSEUR: Thank you very much, Mr. Speaker. I rise in support of the proposed Bill 206, the Agricultural Land Conservation Easement Act. This issue here is certainly not a new issue in rural Alberta, and it is not a new issue in urban areas either, because a lot of the pressure to retain agricultural land has come from the farming community encompassing or on the peripheries of the larger urban areas. Now, for years we've listened to conversations and debate at the AUMA and pressure coming in from the Association of Municipal Districts and Counties on how we are to protect agricultural land. The issue was always that as soon as the agricultural land becomes of value, being that it's next to an urban centre, the owner of the land would like to see the land used for agricultural purposes but the pressure that is put on from the development community is far greater, because it's measured in terms of dollars and cents.

This is why the proposal that is put forward by us – and contrary to the comments that were made by the Member for Little Bow, this is not an intervention here by the opposition. The fact still remains that Albertans expect legislation to address the situation, and they have expected legislation for many years. The opposition here has proposed similar legislation from '90 on. Last

year, I believe, or in '93 the Member for Sherwood Park introduced a similar Bill addressing this conservation issue.

What the issue is, basically, is separating the title of the land, separating the agricultural value of the land and what other speculative value the land may have. Of course, if it's closer to an urban centre, the value is much greater, and the pressure to dispose of the land to those pressures happens a lot sooner. Hence, we have in Alberta experienced a great amount of land, good quality land with number 1 and number 2 soil, revert to the urban sprawl that the Member for Little Bow talked about. I believe that in the 15 years from the mid-70s to the early '90s some 65,000 hectares of this prime land has reverted to urban development.

In the proposed legislation it would give the opportunity to the owner to do it on his own, to say, "Okay; this land is going to stay agricultural land," and it would be deemed through legislation that it stays as such, either for a period of time that he establishes or indefinitely, as the choice may be. The other part of the title would be the development value of the title. That would not necessarily be and could not be bought by the developer unless we would entertain development in these locations, but it could be bought by other groups, other societies that want to preserve that particular land for agricultural use. That could be any agricultural group. It could definitely be the community, the municipality, or even an arm of the government. I say that because the history of the province is such that we have put a lot of money in agriculture, and so we should. We have invested a substantial amount of money to preserve or enhance agricultural land in the southern part of the province, and certainly the enhancement of the land through irrigation in the southern part of the province has been done at the expense of Alberta as a whole. So it is an investment in the agricultural soil that doesn't necessarily have to come from one specific generator. It can be a combination of them, and it can be for different purposes.

We have to remember that the preservation of the agricultural land is not, maybe, for tomorrow. There's not all that much pressure to say, well, we need this agricultural soil for agricultural purposes in the very near future because we're running out of it. That's not the case. We produce a lot more than we have to. This is why we export a lot of our goods from the agricultural community. But we do have to look further and beyond an election and further and beyond a generation. Maybe in 50 or 100 years from now there may be a need to preserve agricultural land if no legislation is put into place at the present time, because just a continuing trend shows us that there has been a considerable amount of agricultural soil go by the wayside through urban development.

Now, the other issue that I was looking at when I looked at the Bill is: what kinds of problems does that create for the municipalities, the towns that are faced with land use bylaws and the proper planning that is required to go around these dedications? Having had some experience with that, it would be far better to know if these lands are to be conserved as agricultural land for a specific period of time through legislation, be it the lifetime or be it indefinitely, than at the mercy of a five-year plan or at the mercy of the next municipal election, because we've all seen that some of the land use bylaws in the small urban communities are as good as the council of the day. The opportunity to change the direction of development is always there. If we would know, if these communities would know that this is what the land is supposed to be used for and for this period of time and it's in legislation, then the proposed development would go around it with their land use bylaw and their proper planning.

I really don't have much more to add to the debate, Mr. Speaker, but I'm glad that the Member for Little Bow supports the intent of the Bill. He mentioned that one of the problems he had with the Bill was that, with our proposal and to bring it forward as a private member's Bill, we were interfering. That's not the case at all. It's been an issue in the communities for a long time, and by the fact that we bring it here, it has to be addressed.

So thank you very much, Mr. Speaker.

THE DEPUTY SPEAKER: The hon. Member for Vegreville-Viking.

MR. STELMACH: Well, thank you, Mr. Speaker. I rise today to make some comments on Bill 206, the Agricultural Land Conservation Easement Act. I will speak somewhat in support of the principles of this Bill, as my colleagues before me have, but I also temper that support with some serious reservations I have with the conservation easements.

There is no doubt, Mr. Speaker, that we want to ensure that our good agricultural land is going to be around for some time for future generations of Albertans to feed and support themselves. I think it would be indeed a travesty if we were forced into a situation like that which exists in Japan currently, where they have to plant crops almost on top of crops and try to squeeze life out of every little square inch of land. Of course, Alberta is much larger in geographic area than Japan and much richer in natural resources, but we cannot take that for granted.

4:50

Mr. Speaker, I would like to point out that at present Alberta landowners already have the ability to enter into a form of conservation easement. It is called a restrictive covenant, and this type of arrangement is achievable through the Land Titles Act or the Alberta Environmental Protection and Enhancement Act. I do acknowledge that proponents of private conservation feel that the current mechanisms under the Land Titles Act and the Environmental Protection and Enhancement Act are not fully satisfactory for meeting their conservation objectives. Therefore, we as legislators need to take notice of this shortcoming and take the necessary steps to accommodate those landowners who wish to enter into conservation easements.

However, the Bill that is before us at second reading today might go too far in the other direction. I have concerns with the aspects of the Bill that allow for an agricultural land conservation easement to exist for either a specified term or into perpetuity. Mr. Speaker, if a farmer wants to put limits on use of his land by way of an easement, that is his choice and his right. But if that same farmer wants to place limits on use of that land in perpetuity – when I was a young lad, we called it forever and ever – then he is taking away the choice and rights of any future Albertan that may come to own that same parcel of land. I don't think we ought to be doing that. I especially feel that allowing for these types of perpetual restrictions and limitations to choice on private land is inconsistent with this government's theme of deregulation and getting off the backs of Albertans. When you think about it, when private landowners can be legally told what to do on and with their land, that sounds a lot like a totalitarian system of government, an autocratic system of government.

The kulaks in the former Soviet Union were told what to do with their land, and I'm quite confident that none of us in this Legislature would have a situation that bears any resemblance to the oppressive climate that existed in that part of the world. In fact, Mr. Speaker, the high concentration of Ukrainian origin



people in my constituency of Vegreville-Viking is testimony to the fact that this is not the sort of thing we want to force upon private landowners in this province. The ancestors of many of the people in my constituency are the citizens who fled from the Soviet Union, from Ukraine for the promise of freedom and prosperity in Canada. I realize that by drawing this parallel I am using the worst case scenario, but my hope is that it will make people think about the follies of perpetual conservation easements that would run with the land for all time.

So that is the major problem I have with Bill 206. The problems that exist for those wishing to enter into private agreements under the current system are these. The common law requires that the holder of the easement own the land that is adjacent to the protected land and that the easement confer a positive benefit on the holder. In addition, current provisions for land conservation easements do not allow for assignment of the easement to a new holder. These are the shortcomings of our current mechanisms for private conservation, as indicated by those Alberta landowners who are looking at easements as a way to protect the existing integrity of their land and hopefully gain some sort of tax benefit for doing so.

I do feel that this Agricultural Land Conservation Easement Act overcomes a number of concerns with the current legislation. The biggest thing is that Bill 206 would allow a landowner to enter into an agreement with a large number of individuals and organizations, because that is certainly not the case at the present time, Mr. Speaker. Bill 206 would also overcome current problems with the Land Titles Act and the common law requirements, such as requiring the holder of the easement to own the adjacent land and receive a positive benefit from holding the easement. Also, Bill 206 would make the assignment of the easement to another holder possible during the term of the agreement. These are the positive aspects of the legislative proposal.

However, I cannot vote in favour of this Bill because of one glaring problem that I foresee in this Bill, and that is the limiting of future landowner rights, as I have outlined before. I have heard members of the opposition on other occasions in this Assembly chastise government members for agreeing with some of the principles of their private members' Bills but refusing to vote in favour of passing second reading. They wonder aloud why we can't just pass their Bills on their merit and then propose any amendments that are necessary during the committee stage. For some Bills that might not be a bad question to ask, but the circumstances of this Bill are such that I do not feel that passing this Bill is a suitable option.

As has been indicated in this House by my colleagues who have spoken before me, our government does have a conservation easement policy forthcoming. It would be more appropriate to take the good aspects of this Bill and incorporate them into any future legislation on conservation easements in general, not just for agricultural land. Then we can make sure that it is done right, with more time for debate and more resources and expertise available from the departments of Environmental Protection and Agricultural, Food and Rural Development. In this manner we can make sure that sound, comprehensive policy on conservation easements will be developed and still have the more specific, piecemeal remedy that this Bill would accomplish for agricultural land only.

Mr. Speaker, farmers in Alberta have just seen how disastrous piecemeal legislation of perceived problems can be. They have their federal government to thank for this illustration on the way not to address agriculture issues. The federal government and its

agriculture minister were confronted with the issue of reforming an outdated grain marketing, storage, and transportation system.

MR. COLLINGWOOD: A point of order, Mr. Speaker. What's this got to do with the Bill?

THE DEPUTY SPEAKER: The hon. Member for Sherwood Park is rising on a point of order. You have a citation?

#### Point of Order Relevance

MR. COLLINGWOOD: Yes, Mr. Speaker. Relevance to the issue, *Beauchesne* 459.

THE DEPUTY SPEAKER: That's fine. Relevance is sufficient for the Speaker to catch on.

MR. COLLINGWOOD: Thank you, Mr. Speaker. I know that on this particular Bill there are a number of members who wish to speak to the merits of the Bill in second reading. As we are wont to do at this point of time in the Legislature, the hon. Member for Vegreville-Viking would like to enter into a very different debate. I think, on the point of relevance, we should stay with the merits of this particular Bill, which deals with conservation easements in the province of Alberta.

MR. EVANS: On the point of order on the matter of relevance, Mr. Speaker, this is a little bit like the pot calling the kettle black. We have on this side of the House been, I believe, very gracious in allowing members opposite to move somewhat off topic. I'm not suggesting that the hon. member speaking is doing that, but we have been very generous in allowing that on the other side. For the hon. member to rise and challenge the hon. member on relevance I think is without foundation. Obviously, I've been listening closely to the hon. member, and he is expanding on the Bill but certainly within the context of the Bill. I've seen the hon. Member for Lethbridge-East listening with great intent to the comments that are made. I think he himself believes that this is a relevant debate, and I would ask you to find accordingly.

THE DEPUTY SPEAKER: Well, it may be that others are listening intently to the debate. The Chair must confess that he was listening closely and enjoying it and would characterize it somewhat in the terms that the hon. Deputy Government House Leader has characterized it. We're moving a little beyond the bounds, but presumably, like in a good law case, eventually we'll come back to the bounds of the Bill. I could make the connections, and in this instance the Chair cannot find that relevance has been in any violent way exceeded.

Vegreville-Viking.

#### Debate Continued

MR. STELMACH: Thank you, Mr. Speaker, for your wise decision, and I will make my best attempt to build this case for not supporting the present Bill before us.

5:00

As I was going to say in talking about piecemeal legislation, the federal government and the minister have introduced a new policy. That's with respect to the elimination of the Crow benefit. What had happened was that the introduction of the new legislation didn't reform any of the other parts of this broad system of grain transportation, storage, and marketing. They just made

changes to one part of that system by abolishing the Crow benefit. In essence, they said: you are still going to be forced to market your grain through the Canadian Wheat Board at the prices we establish, but we are taking away the rail subsidy that has always made the acceptance of this price pooling bearable. Before, the situation was that the farmers had to sell their grain to the Wheat Board, but they were compensated for this lack of choice and opportunity to earn higher prices by having their transportation costs subsidized. This was not a good deal for Alberta farmers.

The connection I'm trying to make, Mr. Speaker, is that the federal government abolished the Crow benefit, and chaos has since followed, illustrating further the problem with legislating piecemeal instead of taking the whole issue under review and coming forward with laws that touch on all bases. We should learn from this mistake of the federal government and vote against this Bill before us today because it only deals with part of the problem. A policy that will deal with the whole problem will be coming from our government soon, and I would urge all members of this Assembly not to support the Bill.

THE DEPUTY SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. I would suggest today when we look at this particular Bill that it's more timely than ever to embrace the principles and the Bill itself. If we are to examine a recent government initiative – that is, to dismantle the planning commissions in this province – that will undoubtedly bring greater pressure on agricultural land for development for urban purposes. Land developers have the ability to exert a tremendous amount of pressure on agricultural land, and they themselves are not particularly selective in whether it is the top-grade soils or the lower grade soils that they're dealing with.

Having sat on a planning board, I found that they were a very sound buffer, and they shared extensive knowledge with one another and brought a balance to the discussion. The removal of these commissions, as I indicated, will certainly cause greater pressure on agricultural land, and this Bill would, in my view, give some tools and mechanisms to ensure it would not be overly consumed too quickly. I think Will Rogers' well-known saying "buy land; they ain't making any more" has very good application in this situation as well. Agricultural land is a finite resource, and we should treat it with the utmost respect, and we should have in place some mechanisms to ensure that in fact it is not consumed by development, be it industrial or urban.

I find it ironic, Mr. Speaker, that when we look back in the Legislature here, it's been the Liberals that have repeatedly introduced legislation: back in '90, I believe, and '91 and also in '92. I think there was another Bill somewhat similar in principle to this introduced by the hon. Member for Sherwood Park, the Conservation Easement Act, if I recall correctly, Bill 211, that endorsed some of these principles as well. As I can recall the debates, there were some positive comments from both sides of the House in all this legislation that we have introduced. The difficulty seems to be that it's introduced by the Liberals, so you don't want to step across that line and give it wholehearted support. I'm sensing that same sense of trepidation again today. I used the term "ironic" because when you look at the government, certainly a goodly percent of their strength comes from the rural area, yet it's the Liberals that are attempting to reach out and bring some innovative ideas so they can ensure that the farming community will remain a very large factor in the economy of Alberta.

I'll just use an example in the constituency of Leduc, if I might, Mr. Speaker, to illustrate why in fact there should be mechanisms like this. We have a small lake in the constituency known as Coyote Lake. Now, it is property that is a splendid spot to encourage the nesting of birds, to observe the likes of that. Also, it provides an animal habitat. The very dedicated stewards of that land, Eric and Doris Hopkins, had a desire to protect that particular land. After searching for many months, they finally were able to enter into a contract with the Nature Conservancy of Canada whereby, in essence, that land will remain in their stewardship once they in fact choose to leave it. Now, this is not agricultural land. It is land of course that they're trying to protect the natural habitat of for the benefit of the citizens of the constituency, the birds of the constituency, and also the animal habitat. This mechanism that's available to them ensures that something that's precious to them can remain in what they cherish, a very natural state. I would suggest that the agricultural community should have a similar mechanism. What the hon. Member for Lethbridge-East is proposing is that mechanism.

Now, the Member for Little Bow had a concern that we were setting up mini Special Places 2000. That's not the intention of the Bill. The Bill really is for the preservation of a resource that's finite, and that's agricultural land. I would say that the member spoke positively of the principle, as did the Member for Vegreville-Viking, but there's that concern again that they would not want to cross the line. It stems from the fact, in my assessment of their comments, Mr. Speaker, that it's Liberal legislation or that we brought it forth. All the ideas certainly aren't on the side opposite of the House; certainly some come from here. I would have to ask, when I listen to the Member for Little Bow: what harm can be done to the farming community if we introduce this legislation? Really, I don't think there's any that I could determine. It struck me more as a phobia about setting up special places.

I heard the Member for Little Bow indicate that he has been in the farming occupation or profession for generations, or his family has, and I would be sure that there are some special places on his farm that generate almost mystical memories and probably very sentimental memories as well. What would be the problem with protecting those small parts of any farming operation in this particular Bill? It's not a situation that is going to be to the detriment of the province of Alberta or the agricultural industry. It would be, in my mind, a very small sacrifice to make to ensure that the agricultural land in the province is not consumed for industrial or urban development.

So, Mr. Speaker, I would encourage the members opposite to support Bill 206. We can have a further discussion. They have some ideas and thoughts, and they've given some indication that they're ready to bring forth some amendments to this particular piece of legislation. Certainly the opportunity to do that will be there, and if we can't legislate it to their satisfaction, then let's toss it at the next stage of the debate. Let's not be afraid of letting it go to that simply because you support it at this point. So we can take the discussion one step further. Certainly it is not to the detriment of anyone in this House, and it's certainly not to the detriment of the farmers. So I'd encourage them to do that, show that bravery, take that step across the line. I mean, you can only enhance it; you can only make it better. You've got some good ideas. Don't be afraid to do that.

With that, Mr. Speaker, I would conclude my comments.

THE DEPUTY SPEAKER: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Speaker. It's my pleasure this afternoon to enter into the debate on Bill 206, the Agricultural Land Conservation Easement Act, which has been proposed and sponsored this afternoon by the hon. Member for Lethbridge-East. I want to open my remarks by commending the hon. Member for Lethbridge-East for his very proactive approach to introducing and working actively on behalf of farmers in the province of Alberta on a number of pieces of legislation in their best interest, with having had significant consultation with farm groups and farmers in the province of Alberta, and bringing forward for debate in this Legislature issues of concern and solutions to problems that face farmers in some of those particular areas. Once again, this hon. Member for Lethbridge-East has come forward with a very proactive, responsible Bill to have the establishment of conservation easements for agricultural land.

#### 5:10

Mr. Speaker, I think other members who have spoken have indicated the importance of the Bill and the seriousness of the issue. We have seen in Alberta, of course, over many years, as have many other jurisdictions, the problems confronted by urban sprawl. I can imagine a farm family that finds itself living very close to the outskirts, the edge of a major metropolitan centre, faced with the difficult decision of whether or not the farm will stay in the family or whether or not the family is going to ultimately succumb to very aggressive developers who are offering very generous amounts of money to take the land with the pressures of the need for more housing and condominium developments and strip malls and all of the things that we see as a result of urban sprawl.

Some very significant high-grade soils in this province are then turned under for development. When that developer shows up with the handsome and generous cheque in his hand for that land, it must be – and I don't know from firsthand experience – very tempting for a family to simply take that cheque, walk away from the land. Then again on that parcel of land we lose in many cases significant class 1, class 2, or class 3 prime land falling under nonagricultural use.

Mr. Speaker, the whole purpose behind a conservation easement is that it is a recorded land use agreement where a property owner conveys to a government or to an organization – and the member has listed in his Bill the organizations that would be bound by these agreements – certain rights to be enforced by the holder for public benefit. The easement binds current and future owners to abide by its terms.

What I find very interesting about the debate this afternoon, Mr. Speaker – and I was able to listen to some of the debate from the hon. Member for Vegreville-Viking, and I know other members have spoken against the Bill. The amusing thing about this debate is that the members say that this is bureaucratic, that this is intrusive, that this is not good legislation because we're sticking our noses into people's business; we're trying to run their lives for them. I think the Member for Vegreville-Viking recalled some of the old Communist regimes when he was speaking about this particular Bill and the consequences on Albertans of this intrusive, nasty type of legislation.

Well, the irony of that, Mr. Speaker, is that this particular Bill allows farmers the freedom of choice. The whole Bill is about freedom of choice. Nobody forces a landowner to enter into a conservation easement. I know we had this debate before when I was able to introduce my Bill 211 a couple of years ago, in 1993. We had this same debate. Members opposite said: oh, it's intrusive, and you're trampling on people, and you're sticking

your nose in their business, and you're walking all over them. They missed the point then and they're missing the point again. This is a voluntary contractual agreement that a landowner can enter into. It's freedom of choice. It's freedom of expression. It's freedom of interest.

So how ironic it is, Mr. Speaker, that government members will now stand in their places and say: we don't want legislation that gives Albertans freedom of choice. That's exactly what they're saying. It's a voluntary program that establishes a legislative framework to take out all the cumbersome things that are in legislation right now and puts into place a much more streamlined, more efficient process to give Alberta farmers and Alberta landowners who want to conserve their lands a better approach to a voluntary arrangement. Now, I cannot for the life of me understand why members opposite are standing in their places to speak out against a Bill that offers a choice, a voluntary arrangement, a contractual agreement, a streamlined system, a more efficient system. That's all this Bill does, and members are standing in their places and speaking out against that.

Mr. Speaker, again, the hon. Member for Lethbridge-East has taken action on an issue that needs action. Because of the pressure of urban sprawl, we need to put into place mechanisms that give farmers, that give landowners a better mechanism and an opportunity to protect and conserve their land not just for themselves but for their family and the family after that or to whomever they wish to sell or to divest that particular interest in. If we don't do it soon, we're not going to have an opportunity, because development pressures are always there and they're always in the back of the minds of farm families that, for example, are reaching retirement age and are looking for solutions to some of the problems they face.

The issue has been addressed. The issue has been addressed in terms of conservation easements, in terms of perpetual easements, as the term is used, by two of the largest municipal organizations in the province of Alberta. Both the Alberta Urban Municipalities Association and the Alberta Association of Municipal Districts and Counties have come out in favour of perpetual easement legislation. Both have passed resolutions at their conventions supporting the concept of perpetual easements. Now, members opposite are saying: well, here we are in second reading, and we can't support the concept of perpetual easements. They're not prepared, Mr. Speaker, to take action. They're not prepared to take action.

You know, previously today the Provincial Treasurer talked about no action, no action verbs, no taking the bull by the horns and actually dealing with and working on an issue. As I just mentioned, two years ago, November 1993, I introduced legislation to this Assembly on conservation easements. Mr. Speaker, I want to digress for just a second and recall that the hon. Member for Calgary-McCall, the late Mr. Sohal, was one of those individuals to speak to the Bill. He spoke very well, and in fact he spoke in support of the Bill, but he along with many other members opposite, while they did agree with the concept, said in their debates – the members can check *Hansard* – that it's not time yet, that we need consultation.

Mr. Speaker, we've heard the hon. member say that he has had consultation on this particular issue. Two years later members opposite are still saying: we need consultation; we can't do anything because we need consultation. They were the ones who just criticized members on this side of the House for not taking action. Well, the time to take action is now. The Bill is sound. The Bill is solid. The Bill deals with an issue that farmers and

landowners in the province want debated, want resolved, want action on.

At that point in my presentation to the Assembly on this debate, I would move that we adjourn.

**5:20**

THE DEPUTY SPEAKER: The hon. Member for Sherwood Park has moved that the Assembly do now adjourn. All those in favour of that motion, please say aye.

HON. MEMBERS: Aye.

THE DEPUTY SPEAKER: Opposed, please say no. Carried.  
The hon. Deputy Government House Leader.

MR. EVANS: Mr. Speaker, just to advise hon. members of the agenda for this evening, of course we will be beginning with

Committee of Supply at 8 o'clock to consider a department near and dear to my heart, the Department of Justice and Attorney General.

THE DEPUTY SPEAKER: The hon. Deputy Government House Leader has moved that we do now adjourn the Assembly this afternoon and that when we reassemble this evening, we do so in Committee of Supply to consider further estimates. All those in favour of this motion, please say aye.

HON. MEMBERS: Aye.

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

[The Assembly adjourned at 5:22 p.m.]