

Legislative Assembly of Alberta

Title: **Monday, May 8, 1995**

8:00 p.m.

Date: 95/05/08

[The Deputy Speaker in the Chair]

THE DEPUTY SPEAKER: Please be seated.

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

Bill 35
Electric Energy Marketing Repeal Act

THE DEPUTY SPEAKER: The hon. Member for Calgary-North Hill.

MR. MAGNUS: Thank you, Mr. Speaker. I've debated.

CLERK: Adjourned debate, Ms Haley.

THE DEPUTY SPEAKER: Are you ready for the question?
The hon. Member for Redwater.

MR. N. TAYLOR: I was reminded when the hon. Member for Calgary-North Hill sat down immediately after he was called on that I think it was somebody that said, "Nothing becomes him so much as his leaving." It was rather interesting.

Now, I have a little trouble with this thing, Bill 35. What bothers me in this particular area – it may well be that I'd do better to discuss it with Bill 34. Both 34 and 35 miss the whole question of clean power. Now, it may well be that this government is smarter than I thought they were and that they brought up something as brazen as shutting out municipal generators with the idea that they could slip a lot of the rest of the stuff by, but the point that matters here is that most of the world, Mr. Speaker, is working towards more what they call clean power, less . . .

Speaker's Ruling Decorum

THE DEPUTY SPEAKER: Hon. members, we've had a little bit of a rough beginning, but I'd just remind all hon. members that we are in Assembly, not in committee. I know that earlier advertisements indicated that we were in committee, but in fact we're not. We're in Assembly. We've invited the hon. Member for Redwater to begin the debate on Bill 35.

Redwater.

Debate Continued

MR. N. TAYLOR: Thank you, Mr. Speaker. Actually, this is a little bit complicated, so as long as *Hansard* can hear me and their researchers later on can tell them what I said, I'll be happy.

The question is that when you cancel EEMA, I'm not so sure that what we put in place is better. They talk about so-called free enterprise and competing, but when you check through 34 – and it's almost impossible to talk about 35 without talking about 34, Mr. Speaker, because the whole idea of canceling 35 is to make it possible to put in 34 – I'm not too sure that what you're getting is better than what you had.

As far as I can see in 34, they're going to be producing into a pool. Now, this Minister of Energy may be able to correct me on this, but supposedly after you've produced into the pool, then there will be an averaging of the pool price, and I can't get from

reading 34 where the gate price is. In other words, is it Calgary or Red Deer? What is the price we take out of the pool? As a matter of fact, maybe I'll just sit down for a second, seeing as it's committee, and she can answer that one. Then I'll go on.

Speaker's Ruling Decorum

THE DEPUTY SPEAKER: The hon. member is reminded that we're not in committee. That's what the intervention of the Speaker was a few moments ago, to remind people that even though there was a certain amount of buzz, in fact we were in second reading and not in committee. So you may ask questions, but they're only rhetorical, because the hon. members cannot get up and respond.

MR. N. TAYLOR: I'm sorry, Mr. Speaker; you are so right. I had forgotten about it. I think it must have been all the pasta I had for dinner. I should have remembered that. [interjection] Somebody said, "Or the wine." That would have helped.

Debate Continued

MR. N. TAYLOR: Now, if they could work out a way of standardizing prices for that right across the province between north and south, it would be interesting.

The fact of the matter is that by repealing 35 – and I still think you have this backwards. It shouldn't be done until we're darned sure we're happy with 34. That's the first question.

I'd like to know the pricing point. As far as I can see from 34, you produce into this pool. I thought it was going to be competitive, but as far as I can see, they're still going to try to give the people, the generators, a contract that's tied to the cost of producing and the length of time. To me that shouldn't enter into it at all. It should be just the cheapest amount of electricity you put in. So I'm very intrigued to see whether this so-called pool is going to sell the new power – that is, all the power coming in – at an average price, if indeed that's what we're going to get, and if that's so, just how they go about it.

MR. MAGNUS: A point of order.

THE DEPUTY SPEAKER: The hon. Member for Calgary-North Hill is interrupting the reverie by calling for a point of order. Would you cite?

Point of Order Relevance

MR. MAGNUS: *Beauchesne* 459, relevance, Mr. Speaker. While I've got tremendous respect for the hon. member's knowledge in this area, we're on 35, not 34. He hasn't touched 35 yet.

THE DEPUTY SPEAKER: The hon. Member for Redwater would like to reply?

MR. N. TAYLOR: Yes. Speaking on the point of order, 35 is canceling EEMA; 34 is to replace EEMA. So with the utmost respect, you're really asking us to buy a pig in a poke – and I'm not trying to refer to the ancestry of anybody opposite here – to cancel 35 until you've settled whether you've got Bill 34 in. I mean, that seems to be fairly simple. It might be that the House leader is confused in scheduling it, but I don't see how I can talk about one without referring to the other, because 35 cancels something.

THE DEPUTY SPEAKER: You were finished speaking on the point of order; were you, Redwater?

MR. N. TAYLOR: Yeah.

THE DEPUTY SPEAKER: The Chair would observe from what may be an imperfect memory that when 34 and 35 were brought in, some of the people proposing did tie the two in together, so the Chair would be a bit embarrassed to call to any strict accounting an absolute adherence to 35 only. However, having said that, the Chair would encourage the hon. Member for Redwater to deal largely with 35, with only occasional references to the Bill that's going to replace what we're going to be repealing in 35. In that way you would stay relevant to 35 in principle in that now we have passed 34 this very day, and you would not stay too long on 34.

Debate Continued

MR. N. TAYLOR: Thank you. I'll try to, but it's sort of like telling a drowning man: let go of the life preserver because the Minister of Energy has one around the corner. Well, you know, if I had a nickel for every time a Tory promised to bail me out, I'd be very, very, very rich indeed.

I just don't like getting rid of something that is working. It is working, although TransAlta may question. It was put in by the former Premier, Mr. Lougheed, to help industrialize this province evenly from the south to the north. EEMA had a very, very good reason to be there, and now we're saying: trust us. You know, Mr. Speaker, there are really two statements that send fear and terror through anybody. One is, "Don't worry; I'll still love you in the morning," and the second is: "Don't worry. I'm from the government. You can trust us." Both are things that don't get you too far.

I'll try to stay away from mentioning 34. I have to mention that in the EEMA we have two, three things, but by throwing them out – I could use the baby with the bathwater syndrome. One of them is first of all the pooling price. At least in EEMA we have a system whereby we even the cost. Our former Premier, God rest his soul while he's still alive and healthy – after all, it does more good than after they're gone. God bless him, he did put in a system of evening out the power rates for the province, and we're now junking it.

8:10

The second issue in EEMA that was of some help was that there was a clue – maybe not that, just an inkling, because there are 64 inklings in a clue – that this government was thinking about clean power. As you know, we used to have clean power. The old hydro power is relatively clean. Then we found large supplies of coal, subbituminous coal with sulphur that runs from .1 to 2 percent, and we're belching that forth in the air. It really didn't matter too much, Mr. Speaker, for a long time because the winds were always strong enough to carry it to Saskatchewan. The point is now that if we keep using coal generators in this province, we either have to be faced with, dare I say it, a carbon tax – I know that's a bad word in Alberta – or a bonus for non carbon generated electricity: hydroelectric, solar, wind.

Now, at least in EEMA there was an effort to try to set aside I think it was less than 1 percent of the power needs of this province for small power. This province mixes small power and clean power; they're not one and the same. You can have some pretty dirty small power. But I see nothing in kicking out EEMA that allows us to put in a clean power quota, which we should be

moving to: 1 percent this year, maybe 5 percent in three or four years, maybe 15 or 20 percent. EEMA at least under its pooling arrangement gave us a chance to set up clean power. In other words, it allowed Alberta in the area of power transmission generation to join the 21st century. One of the things that worries me about canceling EEMA is that we're losing that.

The third area, Mr. Speaker, that bothers me about dropping EEMA and one of the reasons that I won't support Bill 35 at this time is that we appear to be substituting a mild amount of bureaucracy for a lot of bureaucracy. The new Bill that's coming to replace 35 has not one minister-appointed board, not two minister-appointed boards, but three. Personally, I think any minister that needs three appointed boards has three strikes, and he or she is out. Nevertheless, we've got three appointed boards now moving in to do what EEMA was supposed to do, and these are appointed by the Lieutenant Governor in Council, which is a polite way of saying that you have to have blue and orange underwear to qualify. Nevertheless, that is the third area that the cancelation seems to take us into.

I know there may be others that have something more to say, but I couldn't let it go by as just another perfunctory setup without pointing out that although we have made a big fuss about municipal power, that was only one of the clauses. It may have been the worst one, it may have been the most obvious one, but there are a number of other areas that we haven't satisfied ourselves on. Personally, I would like to see something done to number two, maybe even a promise from the House leader across the way that we wouldn't go ahead with 35 until 34 had been finished. Why appeal some Act that you're waiting for another Bill to take the place of when you don't know whether it'll go in? Who knows? We might postpone 34, you know, quite a ways. So I don't think it's necessary.

THE DEPUTY SPEAKER: Sorry; we're not wanting to cut off debate, Redwater, but the hon. Minister of Energy is rising on a point of order.

Point of Order Second Reading Debate

MRS. BLACK: Yes, Mr. Speaker, *Beauchesne* 459 and then 659, the purpose of second reading. I'd like to remind the hon. member that Bill 34 in fact did go through second reading this afternoon, so the principles of the Bill in fact were adopted by this House. Simply all we are looking at this evening is the principles of Bill 35.

THE DEPUTY SPEAKER: The page will be invited, hon. members, to bring the *Hansard* copy so that the Chair may review that. The Chair had already ruled on this point, but if the Deputy Government House Leader wishes, I will refer to it again. Thank you.

Hon. members will be reminded that on the occasion of May 2 the mover of this particular Bill said:

This is the third Act I've tried to get through second reading tonight, but I am losing my voice. Members are tired of it, and I'd just like to say about this particular Act that it's self-explanatory. It is a companion piece to Bill 34; it goes hand in hand. I don't think a heck of a lot else has to be said, and with that it's moved for second reading.

So the Chair has ruled on three occasions – this being the third – that relevance is really a questionable call on any member who wishes to tie together Bills 34 and 35, because the mover of both has tied them together.

Now, because we did interrupt the hon. member, I believe that Redwater was completing his comments. Redwater.

Debate Continued

MR. N. TAYLOR: Thank you for explaining 659 better than even I, because I think the hon. minister thought companion legislation meant a dinner date with somebody in the Legislature. Companion legislation means they go hand in hand.

I'm coming pretty near the end of the principle too, but the basic principle I want to get across. I'd be happy if the House leader opposite said that there would be no more done until Bill 34 went through all the stages, because I see no particular point in supporting Bill 35 unless I know for sure what I'm going to get in Bill 34. I think that we waste a lot of time in the House and everything else. It'd be better to just push Bill 34 through all the way to third reading and then come out with Bill 35. Of course, I think it makes it easier for the members of the House to decide whether they want to support canceling the EEMA or not.

That is all I have to say at the present time. Thank you.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Mayfield.

MR. WHITE: Thank you, Mr. Speaker. I will do my best to do that which the members opposite wish, and that is to deal solely and completely with Bill 35, even though the Speaker has given the latitude to speak at least in part on that companion piece of legislation.

I speak to Bill 35 and the original concept of the EEMA agreement carried through in a number of areas. I talk about telephones, the deliverance of telephones, the consistency in dealing with electrical energy in the former government, and a former form of this government passed this. If you look at virtually every other area of endeavour, what they did was equalize the playing field, in this particular case not equalized entirely, because it's just the upstream costs or those costs associated with generation down to the distribution unit. Then, of course, the costs are borne as a user would.

Well, the concept is and was applied fairly. The difficulty that was found through the years, of course, is that one area of the province was subsidizing another area of the province. That worked fine until a generating unit called Genesee 1, which is the second unit of Genesee, came onstream. Then of course the tables did turn, and the TransAlta customers were subsidizing the Alberta Power customers even more, in fact to the net detriment in the first instance in the first seven years of Edmonton Power and therefore the Edmonton consumers.

Well, you have to play the game. If you can play the game to the end under the same rules, it works right to the end, particularly if you look at the plight of those that are living north of the city of Edmonton or in the area of deliverance of service of Alberta Power. Those customers are in an area where generation is extremely difficult, because, in fact, there are no coal reserves north of just about this parallel, which is latitude 53 or 54. They just don't exist. When that happens sooner or later the costs of generation of power in northern Alberta are going to be astronomical. Well, that artificially curtails any development in the area.

Now, take the same principle and apply it to water. The amount of money that this government has spent on water, a fundamental element of economic development in the southern regions of our province and rightly so, it is subsidized by the rest of us for the net benefit of us all. To do away with this equaliza-

tion is sooner or later going to get this province in the situation where there'll have to be some other method of subsidization for the production of virtually anything in the north country or the central north country, whether it be the Peace or whether it be the west Grande Prairie area. All of those areas will suffer the same fate: their electrical power will cost considerably more, not in the short run, because of the grandfathering clause, but certainly in the longer course.

8:20

I have a little difficulty understanding that we're about to do away with equalization – over a period of time, granted – when in virtually every other area of endeavour, whether it be health care or social services or virtually any other area of plain deliverance of government service, it is an axiom. I mean, it's fundamental. It's one of those founding principles: equal access to all citizens of Alberta. In this particular instance we're tossing that out the window, and why? Why? Because there's an outfit called TransAlta Utilities that have done their level best to work around the system and work to their best advantage, which is their right and in fact is their responsibility, I would venture to say, to their shareholders, which is logical when you're dealing with private enterprise so long as government is the one that pulls the reins back and understands the government's position to regulate those interests in the best interest of all Albertans.

I question whether this particular piece of legislation is right at this time. I have to wonder whether this House is merely reacting to one giant corporation in this province and another fairly substantial corporation and reacting to the net deficit of the province.

THE DEPUTY SPEAKER: The hon. Member for Calgary-North Hill is rising on a point of order which you'll share with us, please.

Point of Order Relevance

MR. MAGNUS: Well, thank you, Mr. Speaker. At the risk of being repetitive, *Beauchesne* 459, having to do with relevance as well as – well, I'll leave it at that. Interestingly enough, in my debate on second reading of the EEMA repeal Act, I did mention that one did go with the other in fact, but one cannot go without the other because the first one would be in conflict without number two. While it's enjoyable listening to their debate, the members opposite will have ample opportunity in committee to debate Bill 34, which seems to be where most of the debate is coming from tonight, but again remembering that Bill 34 without Bill 35 would be in conflict.

THE DEPUTY SPEAKER: Edmonton-Mayfield, on the point of order.

MR. WHITE: Yes, Mr. Speaker. If the member opposite would spend a little more time concentrating on that which is being said, he may have understood that I was speaking to this Bill and this Bill specifically. I was speaking to the principle of this Bill; that is, equalization across the province. Surely the member opposite understands the dissolution of the history of this Bill, and this Bill speaks directly to that principle. Sir, I have difficulty understanding why this member keeps interrupting these members here when we just really want to get on with the debate. It would be much faster if he would just maintain his place, I'm sure.

Thank you, sir.

THE DEPUTY SPEAKER: Certainly the Chair has ruled on the point of 459 with regard to tying the two together, Bills 34 and 35, and used the words of the hon. Member for Calgary-North Hill to defend that proposition. However, I'm not just sure that that's the point that the hon. Member for Calgary-North Hill was making at this juncture. We are not helping a lot by characterizing one another as listening or not listening.

Calgary-North Hill has drawn the point that Bill 34 will replace what Bill 35 is going to repeal, so there is some tie between the two, and I think all hon. members would agree with that. If it's going to be a wide-ranging debate, then that might have been better in Bill 34 than it is in Bill 35. Bill 35 merely repeals what was there before. To the extent that you're talking about its not being needed or something like that, then I think maybe that might be relevant.

Without belabouring the point, one would ask the hon. member who I know has a wealth of background in engineering to deal with all of those elements of Bill 35.

Debate Continued

MR. WHITE: Thank you for the ruling, Mr. Speaker. I'll continue on speaking of Bill 35, and with due respect, sir, it is in place today. It is in existence today. This government wishes to do away with EEMA, and that's exactly what I'm saying, not the replacement. The replacement is a discussion for another day, and this side understands that. I'm doing my level best to stick to that issue and that issue alone, which is the principle of universal-ity. That's exactly what we're speaking of.

I was at the point – and I will continue on – of how we're coming to the conflict of EEMA and the principles that are espoused in that piece of legislation. There certainly is no question that there has been and will continue to be conflict. Any time that you have more than one player in a regulated industry and they have to go before a board, a board duly appointed by this government, to adjudicate the matter, certainly there's going to be conflict and certainly there's going to be lobbying. That's the nature of our style of government. Certainly we don't outlaw those that wish to come to speak to us, nor should we. The lobbyists are a fact of life.

Now, when you have one very large lobby and when one company has a very, very large service area where their employees are asked to be involved in the community such that they in fact attain many, many levels in municipal government and parks boards and things of that nature – it's wise and it certainly is very healthy for any company to encourage their personnel to do that. When you do that, you enlarge the capacity for the company to get the company message out should that company wish to have one particular message delivered. When you get this conflict, fundamental conflict between company A, company B, and company C and company A is the larger by far of the other two by two to one and that company has a great deal, not in conflict, of their other staff that are in fact in municipal government and in other areas of service, you would think, then, that they would have a touch of an upper hand perhaps when it comes to lobbying from the grassroots level. Now, it wouldn't be for this member to say what kind of effect that did have on this government, but it may have had an effect.

8:30

There is also the spectacle of understanding what the nature of the competition was all of this time. Through the commencement of EEMA the only way any one of the three main competitors in the generation field could be making more money for their

shareholders was to be on the next generation list, the next unit to generate power. Now, recognizing that coal-fired power is the only way that one can logically develop power at this point in time because of the economics, then the very next generation unit would certainly be the unit with the least end cost to the user, therefore, through the EEMA formula.

Now, the competition would go on. The competition went through a group called – I believe they were structured by government but had all three major generators and a small producer on the board too. Their job was to predict the amount of power required in the near future or in the future at some point in time, when another generation unit would come on. Now, of course, if you're the next generator, you want that time to be moved forward so that you can build your unit and put your unit in the rate base; therefore, generate more income and more profit for your corporation. Conversely, if you in fact are third down the generation list and you're doing just fine, thank you very much, then you'll want to push out that date.

Well, this is a master game of one-upmanship and playing one off against another until you get to the point where you find that in drawing the map of Alberta, exposing where the coal reserves are that one can access for the generation of this power – and that's on the assumption for a very long period of time here and after that coal will be the only fossil fuel to be able to afford to generate the next power unit. That is the only source. Natural gas is much too expensive. It works if you're going to shave a peak off here and there in a location but certainly not for any major generation. Looking at the map, you understand that the major coal reserves are immediately west of this city, of this location that we are now, and some south and east. There are not a great deal of reserves farther south, certainly farther south of Red Deer.

If you're looking for the next generation unit, you'd go to the person that owns those reserves. Now, if you look at who owns those reserves, by and large they are split between Edmonton Power and TransAlta Utilities. If you're not one of those two generators, you think: "Aha, this is certainly not going to work. Yes, I have the customers with which to expand, but I can't produce the electricity. I cannot be the next producer; therefore, how am I to make more money?" Of course, the dissolution of EEMA would not and could not help a great deal any one of those distributors that would not and could not be a next generator.

So there is a fundamental here, the principle of which is the dissemination of the least expensive power throughout Alberta. Alberta does have a good rate because of some half decent management from the late '50s hopefully until today. This piece of legislation, I caution the government – we may have to revisit something else again at some point in the future. Virtually every other province in Canada has a regulatory agency that says that the upstream costs of generation down to the distribution unit are the same throughout the province. That will not occur in this case.

We really have to caution this government to understand what they intend to do in a replacement and fair and open manner, and of course, that's Bill 34. I wouldn't want the Member for Calgary-North Hill to rise once again and have to go through his same arguments on why the two are separate and distinct pieces of legislation.

I think I have spoken to the principle of the Bill, and I await the outcome. Thank you, sir.

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

DR. NICOL: Thank you, Mr. Speaker. I just want to spend a few minutes on Bill 35. The idea of EEMA has raised a lot of

controversy across the province. A lot of it deals with the method of implementation of what in essence was a pooling system of electricity pricing. We looked at the publicity this brought about, and most of the adverse effects of that publicity ended up being in southern Alberta associated with the visible . . . [interjections]

THE DEPUTY SPEAKER: Sorry to interrupt.

The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. Most of the public controversy on this arose because of the visible transfers that were reported, as we saw Edmonton Power or TransAlta having to put money into the pool to support the pricing structures that were necessary to give an average pricing process across the province. There were other administrative mechanisms that could have been used for this that would have reduced that kind of visible conflict across the province.

I guess I would really question right now, when we look at the alternative that is being proposed as reflected in Bill 34, whether we really as a province should support the elimination of the old EEMA average pricing of electricity across the province. The new Bill that's being put in as an alternative to it effectively puts generation on marginal cost pricing, and anybody that knows anything about basic introductory economics recognizes that marginal cost pricing results in a higher price than average cost pricing. If the people of Alberta are aware of the fact that they're moving from an average cost pricing model to a marginal cost pricing model, I don't think they will accept the new EEMA. On that basis I think the government should reconsider their idea of eliminating EEMA and look at a mechanism of reporting the information, the transfer of funds, in a manner that would allow for a more accurate averaging price across the province and not deal with the idea that effectively we're going to look at marginal cost pricing.

Mr. Speaker, let's face it: with the options that Bill 34 provides for individual power generating companies to upgrade each of their facilities, it won't be long over the next 10 years or so that almost every one of the facilities is, quote, upgraded and becomes available for the marginal cost pricing rather than the old EEMA pooling price, and when those things happen, we'll be dealing with all of our generation power outside the constraints of the EEMA system. Even the old power will now be new power, and we'll be paying higher prices for it.

So I think that what we want to do, Mr. Speaker, is possibly reconsider the removal of EEMA. Let's delay the vote on Bill 35 and make sure that the public is aware of what Bill 34 really means to them. I think that we as legislators have a responsibility to the people of Alberta to talk to them about this kind of change that we're putting in place and really be aware of the fact that we are asking the people in Alberta to pay higher prices for their electricity because of the change in the structure of the market that we're putting in place. For that reason I think everybody should vote against the elimination of EEMA.

Thank you, Mr. Speaker.

MR. GERMAIN: Mr. Speaker, years from now when people clutch their hearts when they open a power bill in this province, they will look back and they will try to determine where and when the Alberta government affected their power rates so fundamentally. They will trace it back to the Bill filed by the hon. Member for Calgary-North Hill.

It is no secret that during the last provincial election and indeed in the years leading up to the provincial election, the EEMA issue became a very inflamed and very sensitive issue. Why was that

so? Well, that was so because some Albertans paying some of the lowest power bills in Alberta wanted to pay lower bills yet. Some Albertans paying the highest power bills in Alberta, those Albertans living in northern Alberta, those Albertans living in Fort McMurray and Grande Prairie and Peace River, in Whitecourt, in Fort Chipewyan paying the highest power bills in Alberta were wondering frankly what the other good citizens, their friends across the province were doing urging lower power bills for themselves so that those people already paying the highest power bills in the province would pay more.

8:40

Against that inflamed and very divisive setting, Mr. Speaker, it became appropriate but very difficult for people to inject a voice of reason and to inject some concern into the debate on electrical energy. Now, today, tonight, tomorrow, perhaps next week, perhaps in June ultimately EEMA as we know it will disappear. For those citizens whom I represent in Fort McMurray, Alberta, it will be one of many factors that will herald the ultimate increase of power bills in the province of Alberta.

You know, for all of the members across the way doing their chirping and for all of the members standing up and point of ordering this and point of ordering that, you remember as I look across this Assembly and look right at you, hon. member, that power bills in the province of Alberta for northern Albertans are going up. That's what's happening. That's what this Bill is doing. So against that backdrop, if we were going to have higher power bills and if we were going to have the abolition of a rate, an approach that equalized the cost of power across the province of Alberta, that told a single mother living in Fort McMurray that her power bill would be similar but not the same, similar to that of a single mother living in Calgary, we could at least have done a better job in the dissolution of this EEMA legislation.

Now, I want to point out to the hon. members of this Assembly that when Albertans are looking at their power bill, again, as I mentioned, Mr. Speaker, and clutching their hearts, they will start saying: how and why? Let's look at some of the aspects of the phaseout period. The so-called EEMA phaseout period is going to last for three years, basically '95, '96, and '97. You know, in that period of time, hon. members, there is not going to be public scrutiny, not one public review of power bills. Not one citizen will be able to go to a regulatory agency and stand up to the chairman and say: Mr. Chairman or Madam Chairman, my power bills in this province are too high.

Why in the remaining phaseout period did you have to phase out even the public hearings and once again show that this government is a secretive government, that this government is a government that deals behind people's backs with issues as critical as power costs when they turn . . .

Ah, the member's up now on his feet, Mr. Speaker.

THE DEPUTY SPEAKER: Hon. Member for Fort McMurray, I thought you . . .

MR. GERMAIN: I'm sorry. I was helping you, Mr. Speaker. I thought the member opposite was rising on a point of order, so I graciously sat down. Then he canceled that approach too and sat down before raising one.

AN HON. MEMBER: Perhaps he was rising in debate.

MR. GERMAIN: Oh, no. No, it wouldn't be.

THE DEPUTY SPEAKER: The Chair observed no one rising and certainly didn't recognize anyone rising. Perhaps you're trying to usurp the Chair's normally eagle eye. Did you wish to continue, or are you wanting to have a second chance at debate?

MR. GERMAIN: Yeah. I do apologize, Mr. Speaker. I recognize that the Deputy Speaker was listening to me. I saw an hon. member rise on what I thought was a point of order, and I know how upset some of them get when you don't recognize them. I was simply trying to be of assistance. I didn't mean to disrupt the flow. I was trying to be courteous, and I'll continue with my debate now.

I want to point out to the members of the Assembly that there is no rationalization and no justification for there not to be a single hearing in the next three years to set and determine power rates in this province. That can't be right. The Member for Calgary-Currie shakes her head. That can't be right, and that can't be fair to Albertans. It isn't fair, and any time you see legislation that says, "The board may fix rates . . ." – and we're talking about power rates – "without a hearing or notice to any person except that owner," that is troubling. We shouldn't in this Legislative Assembly stand for that even if we are going to ultimately vote to abolish EEMA and to send the rates of power utility costs in northern Alberta skyrocketing.

We should at least allow people to come in and make a presentation, because you know what they might make a presentation about? They might read on down to the section that says that the board, in the amendments to the Public Utilities Board Act, can fix a "fair return" to the owner of the public utility. It may be that they would come to that board hearing and say: "Mr. Chairman or Madam Chairman, how about shaving a couple of points of return off the rate of return for the public utility for a couple of transition years? Our power bills are skyrocketing, so how about shaving a couple of points of return off the investor guaranteed return that's applied in the province of Alberta?" How about that? I think there would be citizens in Alberta that would come forward and say that if they had a chance. They come to their MLAs all across the width and breadth of Alberta now and say it, but now we are going to for the next three years deny them of an opportunity to have a hearing even in the face of rapidly increasing power bills.

Now, we could be debating in connection with EEMA and the transition provisions that the government could have in their transitionary stage phasing out EEMA said: "Look, we know that for the next few years power bills are going to go up. So we're going to give you back the provincial income tax rebate for a couple of years." Did the government come forward and do that to soften the blow for Albertans? No, they didn't, Mr. Speaker.

So when we talk about the principle of a Bill, we have here a Bill that is going to take away a power-sheltering device and take it away in the cruelest and most abrupt way possible. Those types of issues, Mr. Speaker, should be debated and should be of concern to all Members of this Legislative Assembly, especially those Members of the Legislative Assembly who presently are served their power by utility companies that because of distance or terrain or roughness of the geography in which they have to put the infrastructure are forced by definition to charge more for their power. They don't charge it unfairly; they charge it in an approved and justified way. But the point is that for the person paying the power bill and paying more because of where he chooses to live in the province of Alberta there were other mechanisms available to the government to make the landing here

softer, and they should have done so in my respectful estimation. What they've done is they've taken away the hearing provisions. They've modified the manner in which the rate of return can be set for the utility companies, and they have in fact removed any right of appeal, any right of judicial review by simply going to a system of binding arbitration.

Now, other members opposite may say, "Well, the Member for Fort McMurray raises good points, but it is after all only a three-year transition period." Well, for a three-year transition period the system that's been in place since 1982 approximately could well have stayed in place for a lot longer. Those are the kinds of concerns that the drafters of this particular legislation should have dealt with, and those are the concerns that I raise in second reading of this particular Bill.

That, Mr. Speaker, concludes my comments on Bill 35.

[Motion carried; Bill 35 read a second time]

8:50

Bill 37
School Amendment Act, 1995

[Adjourned debate May 3: Mr. Herard]

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

MR. HENRY: Thank you, Mr. Speaker. I hesitated because I thought the member who adjourned may have wanted to continue.

However, Mr. Speaker, I have a number of comments that I would like to make on Bill 37 at this time. Bill 37 deals with several issues in education relative to, of course, the School Act, being the School Act Amendment. What I will try to do over the next few minutes is perhaps spend some time dealing with the general principles, section by section, of the Bill.

One of the things this Bill does is clarify the government's position with regard to the role of school councils in the province of Alberta. Mr. Speaker, I understand the government's initial desire to create school councils, and I acknowledge to the Minister of Education that what we are dealing with around this province is a bit of a hodgepodge, if I could put it that way, of varying experiences and varying levels of parental involvement with regard to parent councils. You may find one jurisdiction historically has allowed or encouraged more parental involvement to the parent council than another. So when dealing with the subject of parental involvement in operating our schools or input into operating our schools, it is difficult to have one size fits all. I was puzzled last year with Bill 19, when the government came in with one size fits all with regard to school councils and tried to impose that structure on all parents in this province.

I want to give the minister and the Member for Highwood, who chaired the Roles and Responsibilities committee, some credit here for having listened, I believe, to a substantial portion of the input from parent groups, school trustees, and professionals in the education system and presenting these particular amendments for the way school councils will operate. What these amendments do is move from the mandated Bill 19 school council role and the discussion papers which would have essentially had school councils operate as mini school boards, similar to what we have in New Zealand, creating all sorts of problems. Did parents want that role, do they want the responsibility, could they or would they accept the liability: all of those kinds of issues. Those were raised from last June until the last couple of months and continue to be raised.

So the new model of school council, if I can put it that way, mandates the right of parents through the school council to be involved or to be consulted on certain decisions but leaves the responsibility for making the final decisions and for implementing those decisions with the elected trustees and professional staff in the system. I think that's a good compromise because what it does is address in those areas of the province – and I know that there have been a few where boards have been reluctant to have parental involvement. It gives parents through their school council that right of involvement at the school level in certain decisions, the right to be consulted on certain decisions. That's a move generally that's in the right direction.

Mr. Speaker, I still have to raise the issue of: why at this point did the minister not come with more enabling rather than prescriptive legislation with regard to the structure of the school council? I hope through debate the minister can respond before committee because I'd like to offer to the minister – while I think the minister has gone a long way in terms of correcting the inadequacies of the previous drafts or the previous discussion papers with regard to school councils, I have been approached by some parent advisory councils who have said: "We like our structure, thank you very much. We work on a consensus building model. We don't have a formal executive. We don't formally elect a chair or president. We have rotating chairs. We have other models that we would like to use. Will that be acceptable?" In the discussion papers that were prepared since last year, it was very clear that there would be a model that would have a more structured executive.

There were also some parents concerned – depending on the nature of the issue, the nature of the time of the child's development in the school, parents may want to have more or less involvement at a particular time during the school year. What the model that has been presented that requires an election in September, in the normal school year, of the school council, as I understand it, does is require parents to be involved at that point and lessens their involvement. This is a concern that's been passed on to me.

The request that I have of the minister is: by the time we get to committee, I'd like to know if the minister will be releasing draft regulations for this Bill, because a concern that's been expressed to me, given the previous releases by this government both in legislation and first in discussion documents and then in policy documents, is that some parents and parent groups are still concerned the government's going to ask them to take on more responsibility than indeed they choose.

I want to be on record as having said that I have gone to the government's defence on this issue. I have said that I believe the government on this one issue has listened and the government doesn't intend to force parents to take on liabilities that they choose not to take on. I've said that repeatedly, but when this Act was tabled, I received some calls from some stakeholder groups saying that there is that clause that allows school councils to do anything that they may be permitted to do or authorized to do under the regulations. Well, what are those regulations, is what I've been asked.

I hearken back to other pieces of legislation. When the Premier was the minister of the environment, we had the Environmental Protection and Enhancement Act. We had several instances where we've had draft regulations, that being one of them. I would ask the minister to release the draft regulations before we're asked to vote on this Bill, particularly with regard to school councils, so that the public certainly can be more assured, given their experi-

ence with the department in the last year. I think they require that assurance, Mr. Speaker.

Moving on to other sections of the Bill, Mr. Speaker, there has been considerable discussion outside of this House with regard to the purpose of amending section 34 of the Act with regard to transportation. I'd like to hear from the government a more specific reason for this amendment and why it is that members of the opposition, myself included, should in fact support this amendment. One concern that I have, from my point of view, is that the minister has moved defining the distance from the school in which a school board must provide transportation from a legislative purview into regulation. I think that's a trend, a dangerous trend, that we've seen in the government over and over and over again that removes more and more decisions from this body, from public debate, to behind closed door decision-making in the cabinet of our province. If we're going to be asked to support that move, I think we need to have a more clear justification for why that decision has to be made in cabinet and not in the Legislature.

Mr. Speaker, there's also a section regarding inspection of student records. I've had some queries on this one, and I would ask the minister to respond, perhaps in summation on second reading. Given that the minister is requiring, for good reason, financial statements from school boards and he solely has the power to determine the nature of those financial statements, why the change in this particular legislation that requires school boards to give access to individual student records if they are somehow included in that financial report? I'd like a clearer explanation of that particular section before I am prepared to support it.

The accountability of the board. I did a television discussion program with the chair of the Accountability in Education government committee, and the question I had was: we now have a government that wants to make teachers and professionals more accountable. We have a government that wants to make school boards more accountable. We have a government that even, some would say, want to make parents more accountable. Mr. Speaker, who's going to hold Alberta Education accountable? The accountability process for Alberta Education has not been clearly outlined.

Mr. Speaker, I daresay that if you look at some of the initiatives and some of the issues that have caused concern over the last decade or more in education in our province, they have not emanated from teachers in the classroom or superintendents or principals. The initiatives have not emanated from school boards. They've not emanated from parents but indeed from the Department of Education. If we're going to start dressing up the Act and more clearly defining how a public school board should be accountable, then I'd like to see in the Act a mechanism for the Department of Education to be accountable for the decisions it makes. So far the minister's failed to provide that, and when I questioned the member of the government caucus who was chairing the accountability committee in our discussion on Access TV, he was unable to provide a clear response or a response specifically for that question. So before we start talking about accountability in school boards, I'd like the minister to start talking about how he's going to make his department accountable, and I'd suggest some independent body to review that.

9:00

The next question is: if ratepayers elect their school boards, duly elect them, and they want certain kinds of information provided to them in monthly, yearly, quarterly, or otherwise reports, and that may be different from what the government or

the minister may prescribe, then who are those elected people responsible to? In this instance, what the minister says in this piece of legislation is that those boards will be responsible to the minister, not to the electors that they serve, and I think that is wrong, Mr. Speaker.

I'd like the minister to address section 90, which is the termination of a contract of employment when a teacher is convicted of an indictable offence. I recognize the situation that happened in Red Deer in 1993 or '94 – I believe it was 1994 – where an individual was convicted of an indictable offence involving young women, and when the school board decided to terminate that individual for that, they had to give 30 days while the person was incarcerated. Surely that's somewhat absurd, to say the least.

Mr. Speaker, indictable offences, if we're talking about offences that involve students, such as sexual assault, molestation, child predation or prostitution, then I think we should identify those sections of the Criminal Code. Or are we saying that if a teacher goes away on a holiday and has too much to drink and gets caught impaired and then in September returns to the school and has gone through the court system and lost their licence, should the school board be able to terminate them for that immediately without cause? Is that enough cause? Some would say yes, but I think the point here is that we have to be clear what "indictable offence" means. It could mean much broader than what I think the intent of the legislation is, so I'm wondering if we have appropriate drafting for the intent. I want to say that if I understand the intent correctly, I agree with the intent, but I would want to see if that's the appropriate way of drafting.

Mr. Speaker, I want to address the issue of separate school boards in our province. What the government has done is very, very clear in this piece of legislation. The government has said to the separate school board community, the Catholic community, in this province: yes, we recognize that the 1901 North-West Territories Ordinances give you certain rights that were enshrined in the Alberta Act of 1905. The government is also saying that they recognize that in 1988 the then Minister of Education, the Hon. Nancy Betkowski, provided some enhancements to those rights. But what the government is now saying is that because the Catholic community chose to exercise those rights last year, that stopped the original Bill 19, they are now being punished and they are losing their 1988 provisions that were given under the School Act.

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

THE DEPUTY SPEAKER: The hon. Minister of Education is rising on a point of order? You'll share the citation with us?

Point of Order Second Reading Debate

MR. JONSON: Mr. Speaker, I would like to refer to *Beauchesne* 665, which, as I understand it, means that on second reading one is supposed to deal with the principles of the Bill before the House, and the matter of constitutional rights with respect to Catholic schools, at least as entered into in debate thus far by the hon. member, is not dealt with in this piece of legislation.

MR. DICKSON: On the point of order, Mr. Speaker.

THE DEPUTY SPEAKER: Okay. Calgary-Buffalo on the point of order.

MR. DICKSON: I would have thought that the hon. minister would have appreciated that a similar issue has come up on at least three pieces of legislation which brought in front of the Legislature a collection of amendments to a main piece of legislation. One need only look to this Bill to see that there's no statement of principle. This is no Bill that starts out charting some new territory; it's cleaning up mistakes that were made last spring.

The minute we start dealing with an amendment Act like that, as we have with at least three other pieces of legislation that are currently on the Order Paper, what that means is that we have of necessity to go wide. It also means talking about detail, and it means talking about specific and key elements in an amendment Bill. There's no other way at second reading that you can talk to an amendment Bill. That's the only way it can be done.

If the minister can point out a statement of principle in this Bill, then he's perfectly justified in insisting that members speak to principle. When we're looking at a package of amendments, all we can do is talk about those amendments or elements of them, and the Speaker has so ruled, in my experience here in the last two weeks at least five or six times, precisely to that point. If the minister hasn't been keeping track, I'm sure that somebody can reference the pages in *Hansard* where exactly those rulings have been made by the Speaker.

I hope that we can avoid time being wasted with these kinds of spurious objections being made at inappropriate times.

THE DEPUTY SPEAKER: Well, first of all, the Chair will have to go from the back end to the front end. I would not find that this is a spurious objection at an inappropriate time. I think that sort of clouds the whole issue of what we're looking at. We're looking at a call on 665, which, in the Chair's recollection, has not been for some time the point of the call of someone making a point of order.

Just to refresh all hon. members as to what we're talking about, *Beauchesne* 665 says:

On the second reading of an amending bill [which this is] it is the principle of the amending bill, not the principle of the Act, which is the "business under consideration". Debate and proposed amendments must therefore relate exclusively to the principle of the amending bill.

To the extent that the hon. Member for Edmonton-Centre was sticking with that, no objections seemed to occur. The member ranged all over on the issue of school councils, but in the latter part of the speech, given the amount of time that we've been on it, the member did move to what was in 1988 and what was intended there and in that sense was beginning to move into the points that 665 addresses. I presume it's on that point that the hon. Minister of Education was raising the objections. I would say that the Chair would suggest to the hon. Member for Edmonton-Centre that to the best of his ability he stick with the Bill.

The Chair also does admit that on occasion there are some Bills where there is only a little bit of amending material in there, and it does become more awkward to sustain any kind of debate at second reading on the principle of the Bill. I wouldn't think that with the Bill that we have before us, which seems to amend a variety of sections of the School Act, the hon. Member for Edmonton-Centre would have any problem at all confining his comments to the areas that the Bill chooses to amend.

MR. HENRY: Thank you very much.

Mr. Speaker, for clarification. The five minutes taken on the point of order: is that part of the allocated speaking time?

9:10

THE DEPUTY SPEAKER: No. All hon. members would be reminded that points of order do not take away from the time. That's one of the reasons why the Chair took some objection to the characterization that Calgary-Buffalo made. As long as we are talking, the Table does not click you in again, and because of the time lag, if one were working in milliseconds, it may in fact increase the time that one would normally devote to the member's talk.

Edmonton-Centre.

Debate Continued

MR. HENRY: Thank you very much, Mr. Speaker. As I was saying, after the 1901 Ordinances – and I will make this relevant to the principle of this particular Bill – and the 1905 Alberta Act and the 1988 school amendment provisions, what we're talking about here is the right of separate school supporters to govern their own school system and to operate their own school system. Most usually in this province we're talking about the Catholic school system.

Mr. Speaker, for reference I talk about section 30(2). What we're dealing with here is the Minister of Education's desire to control the Catholic education system in our province. I find it puzzling why the Minister of Education would amend an Act while an action dealing with that section of the Act is currently before the Court of Appeal in the province of Alberta. The Edmonton Catholic school board took the province to court because the province said that even though you have capital reserves in your bank account that were duly collected from Edmonton Catholic ratepayers, because the Minister of Education wants to now take over the total control of the public and Catholic systems, the minister shall tell the Catholic school board in Edmonton how they can spend those funds. The Catholic school board in Edmonton took the Department of Education to the Court of Queen's Bench on this issue, and the court ruled in favour of the Crown in this instance. However, the Catholic school trustees in Edmonton, who are elected by the Catholic ratepayers in Edmonton, saw fit to appeal that decision.

What this does is that even if they win the appeal, this particular section of the Act will make that meaningless because it will make a piece of retroactive legislation that will allow the Minister of Education to retroactively tell the Catholic school board how it is that they shall spend their capital reserves in this province.

[Mr. Herard in the Chair]

Speaking specifically to the principle of the Bill, Mr. Speaker, I also want to highlight another section that I would like some more clarification from the minister on, and that's a section with regard to the principle of disposing of school property or capital when it's no longer needed. The current Act states that the school board may, when it no longer needs a school in a particular jurisdiction, "dispose of that [facility] at fair market value." Now that's going to be changed so that the school board will dispose of it on the direction of the ministry, and the section regarding fair market value is somehow removed. So what we have here and what's been presented to me is a possible scenario where the Minister of Education will go to the ratepayers in a particular area and say: you no longer need that school; another provincial government department would like to have that school, and therefore we want you to give it to that particular government

department or to the local health authority or to some other government-run body for \$1. Therefore, the school jurisdiction once more loses control over the disposal of its own assets.

Mr. Speaker, what we're talking about here and the principle here as dealt with in this Bill is local autonomy and local control. I would remind the members of this Assembly that the Public School Boards' Association, the Catholic School Trustees' Association of Alberta, and the Alberta School Boards Association are currently in court with this government because they believe very strongly – and I believe they are right – that school boards as local elected governments existed long before this province came into being. Simply because we have a minister on a power trip who wishes to take over control of the system, or perhaps other ministers of the Crown want to take control of the system and have decided that they know what's right and that local people who elect their local trustees don't know what's right, Mr. Speaker, we're seeing an upheaval in our education system.

Because the government did poor drafting initially and brought in Bill 19 and subsequent amendments to that, we're now seeing the government try to mop up and say: "Well, we didn't do quite a good job. We're going to make sure when these guys take us to court that we have legislation that's retroactive." Mr. Speaker, that is wrong. It is very clearly wrong. The minister has to provide a much better explanation of that than he has to date. It is the worst kind of cynicism for a ministry, for a government, when it is in court with a particular body, to make legislation retroactive that makes the outcome of that particular decision irrelevant. The minister can shake his head all he wants, but he knows it's accurate.

Thank you, Mr. Speaker.

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

MR. DOERKSEN: Thank you, Mr. Speaker. I want to spend just a few minutes in debate on Bill 37, which is the School Amendment Act, 1995, and cover off a couple of areas. Number one, as chairman of the implementation team on accountability, as we went around the province and talked to groups of people and school board representatives and parents and teachers and principals and the whole list, we certainly heard over and over again the issue of school councils. The message was quite clear that the school councils did not wish to have to assume a whole bunch of authority and responsibility that they were not prepared to accept.

I think that the minister has in Bill 37 addressed those concerns very well, yet the difficult part to deal with when you're talking about school councils, and the other clear message from parents in particular, is that they wanted to have input and that they wanted to know they were being listened to. That's a very difficult thing to achieve, to make sure that the parents are listened to and heard by the school board without having any authority. That was a difficult challenge that we had to face, and I think that is answered in this legislation under section 7.1, where we require the school board to

establish an appeal process or conflict resolution procedure under which the principal or the school council may apply respecting disputes on policies proposed or adopted for a school.

So I think that what that section tries to achieve is to give that balance, that the school council or parents within that school do have an avenue of appeal if they're not convinced that the school's principal . . .

THE ACTING SPEAKER: I hesitate to interrupt the hon. member, but we are not in committee. That means that hon. members should be in their own seats.

Thank you.

MR. DOERKSEN: Thank you, Mr. Speaker. I'll continue with the . . .

MR. N. TAYLOR: You're lucky that the Speaker saved you.

MR. DOERKSEN: Now, you just distracted my train of thought, and I have to bring it back under control.

Anyway, the parents do have a route of appeal. If they feel that their concerns are not being addressed by a principal or by the policies that the school established, they do have that route of appeal to the school board, and that resolution must be in place, as we've indicated.

I also want to respond briefly to a comment from the Member for Edmonton-Centre, where he refers to a debate that he and I had on Access TV to do with accountability, and a very agreeable debate, if I might say. We agreed on a lot of points. He made the point tonight, though, that I was unable to provide a clear response at that meeting in terms of the accountability of Alberta Education. That's quite correct, Mr. Speaker, because at that point in time we had yet to be in the process, listening to what people had to say about accountability and the paper. So I would not have wanted at that time to have predicted what that decision would be, because we needed to go through the process, to listen carefully to what people had to say before we could respond to that concern. That is indeed what we did with our process.

9:20

I also want to point out for the benefit of that member that one of the nine goals in the business plan of Education is that we have an open and accountable education system. That is a stated goal in that plan, and that also applies to Alberta Education.

Further, Mr. Speaker, I just want to refer briefly to another Bill that we have here, Bill 40, which is the Government Accountability Act, which requires every ministry to make three-year plans in this case. The Ministry of Education is under the same obligation, so there is another indication that yes, in fact, Alberta Education is accountable. In our report to the minister, which has now been tabled with the minister, we certainly do reference the point of accountability of Alberta Education, of school boards, and of schools. We address all those areas, and we look forward to a further discussion on that issue in the near future.

Mr. Speaker, with those few comments I just wanted to add my support for Bill 37, the School Amendment Act.

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

MR. BRUSEKER: Thank you, Mr. Speaker. I, too, want to make a few comments on Bill 37. In fact, I must say that I feel compelled to speak to Bill 37. To be fair to the minister, I want to start off with the good points in Bill 37 because that will take me the first minute, and then I'll have the other 19 to address some of my concerns.

In particular, one of the concerns that had been raised was with respect to the issue of school councils and liability that may be associated with school councils. The minister and the department have produced a paper, entitled Roles and Responsibilities, that if

fully implemented as it was proposed would place a significant degree of responsibility and onus on those school councils. From that standpoint, Mr. Speaker, I think that there is a good amendment in this particular piece of legislation that addresses that particular issue, and that is that it provides in one of the amendments indemnification for school councils. I want to compliment the minister for including that section, because I think that was a concern to a good number of the parent volunteers.

Parents give up a considerable amount of their time, and many of the parents that I speak with in my own constituency and in other constituencies express a keen interest in getting involved with the school, getting involved with their children's education and making sure that the system works well. There was great concern expressed about that, and I think that that has been addressed.

The other good point in this piece of legislation that I saw that kind of jumped out at me was that it is printed on recycled paper.

Now, let's get to the other side of the issue. When I look at the cover, the first concern that I have is indeed with the title. I'm not sure what amendments the minister wants to make to schools. I think he wants to amend the School Act. So, in fact, I would suggest, Mr. Speaker, that the title of this Bill is the first error, and the minister perhaps hasn't recognized that what he's attempting to do with Bill 37 is to amend the School Act not "schools." No doubt that will amend the operation of schools, but perhaps the title should be amended to be the school Act amendment Act.

You may recall, of course, Mr. Speaker, that we had in this Legislature last year a school amendment Act similarly incorrectly named, by the way, for 1994, which really should have been entitled the school Act amendment Act, 1994. So really what we're doing in that Bill in part has not come forward and has not been proclaimed. In fact, we are now proposing to change that section. So perhaps that section of the Bill should be referred to as the school Act amendment Act amendment Act, which would be amending an Act that was amending another Act. That would be a more correct title. However, it seems that apparently the minister didn't learn from his error in 1994 with respect to the title and is repeating again this year.

When we look at . . . [interjections] Yeah, that would be a terrible report card. Most times parents expect their children to learn from that particular direction.

The minister and I had the opportunity some time ago – and that was, I believe, on Friday, April 28 – to attend in Red Deer a meeting of the Alberta home and school association at the Red Deer Lodge, and there were a good number of parents in attendance who raised a number of concerns about this particular Bill. There was a number of presentations. The minister was there and made some comments himself, along with members from his department staff, one of whom was Dr. Roger Palmer. Dr. Palmer assured me in a question period following his presentation that in fact before this piece of legislation was passed, we would see the regulations that are referred to at various points in this particular Bill.

So my first question to the minister is: where are the regulations? Will we see the regulations tabled in this House in draft form or in finalized form – I really don't care which – before this Bill, Bill 37, the School Amendment Act, incorrectly named though it may be, put forward for debate in this Legislature? Certainly it would be very good if they were passed through the standing committee chaired by the Member for Calgary-Shaw, who we know is a fine chap who can deal with those issues and who I'm sure will review those with a keen eye to bring forward regulations that are concise, fair, and certainly complete. So I

look forward to those coming forward either from the minister, from the department, from the chairman of the standing policy committee, wherever. I think that commitment is one that should be lived up to by the minister and the department.

Mr. Speaker, you may well recall that in the last few weeks I have tabled a number of petitions in this Legislature that address in particular three sections of this Bill that deal especially with the issue of Catholic education. Now, there is more to this Bill than just these three particular sections, those being 12, 13, and 14, but the concern that I have heard from Calgary residents right across the city and in fact from across the province is that the principles being espoused in those three sections of Bill 37 are fundamentally wrong. There's just no other way to describe it.

The petition that I've been tabling unfortunately is not parliamentarily correct to be read at that appropriate stage in the routine of the day that we go through at the beginning of every afternoon session, but as it is only a four-sentence petition, I would like to read that petition into the record tonight so that it is clear. I know the minister has seen it. I'm not sure what other members have or have not seen it. As it is only four sentences, Mr. Speaker, I would like to read the text of that petition into the record because, as I pointed out earlier today, nearly 3,300 parents have signed that petition, and I think it's important that their message be heard and be reported appropriately in *Hansard*. So I'll read this, Mr. Speaker.

We, the undersigned, taxpayers of the Province of Alberta, are opposed to proposed changes to legislation as follows:

- We oppose the Provincial Government seizure of control over Separate School District expenditures. We believe the rights to collect and to determine how to spend taxes of Separate School Supporters must remain with the Separate School Districts' Boards of Trustees.
- We oppose the change in the rules for designation of local school taxes which will not allow taxpayers to support the school system which their children attend. We believe that Catholics and non-Catholics have the right to support the school district which their children attend.

and

- We oppose open boundaries for school jurisdictions without the inclusion of a provision by which Separate Schools require children attending Separate Schools to adhere to the philosophical and pedagogical practices of Separate Schools.

We respectfully request that the Government of Alberta refrain from introducing legislation which would enable the (above) measures to which we are opposed to occur.

Now, Mr. Speaker, that is not appropriate by our rules and regulations to be read in at the appropriate time of our Routine, but I think it is important that that message be heard. Regretfully, the last sentence has already been ignored by the government with the introduction of Bill 37 and some of the proposals that indeed are coming forward as the nuts and bolts, the principles of Bill 37.

9:30

Mr. Speaker, the one section that talks about adherence to a "philosophical and pedagogical" practice indeed is not even referred to in the legislation despite requests by the Calgary school board to see that included. In fact, in a letter dated November 28, 1994, from the minister to Mrs. Valentine, the chairperson of the Calgary Roman Catholic school district No. 1, the request was specifically denied by the minister. They wanted to see that it was not included.

Other sections of the Bill really look at the issue of: where are we going from here? Before this Bill is passed, what we have before us today is the ability of parents in mixed-faith marriages

to send their taxes as a family unit to the school their children attend. What this Bill will do if it is passed in early July, whenever we get to that point where perhaps we're ready to have a vote on this Bill – it might be later than that of course, Mr. Speaker; as you're aware, there are lots of concerns with this Bill. It really says: "Let's not treat the family as a unit anymore. Let's ensure that we split up the family so that the non-Catholic parent does not have the ability to send their tax dollars for their half of the property to support the school their child or children attend." So in fact, it's really curious, when we look at the philosophy of this Bill, to really take the family unit, which the government at one time thought was so important that they introduced Family Day and of course at least one government member attempted to eliminate – at one point we had a government introducing Family Day.

MR. DINNING: Your leader supported it.

MR. BRUSEKER: I supported retaining Family Day. [interjection] The leader voted to defeat Family Day at the Committee of the Whole stage.

MR. DINNING: Look at the record.

MR. BRUSEKER: At the Committee of the Whole stage it was clearly defeated in a standing vote, and I encourage the Provincial Treasurer to review the record. That shows very clearly.

So the difficulty, Mr. Speaker, with this Bill is that it entrenches the concept that property tax dollars will be split. Now, on that note I am puzzled, and again a question to the minister. On the issue of property taxes, instead of outlining in this Bill, which is the School Amendment Act, 1995, how property taxes will be collected and distributed and so on and so forth, in fact we see that in Bill 32, the Municipal Government Amendment Act, 1995. While I realize we're not here to debate that particular Bill this evening, there is in that Bill a section that proposes to amend the School Act again. So I find it curious, and I have to ask the question: why is it that we are proposing to amend the School Act in two different pieces of legislation? One is Bill 32, the Municipal Government Amendment Act, 1995, and the other one is Bill 37, the School Amendment Act, 1995: two different pieces of legislation we have before the House today, both of which propose amendments to the School Act. I have to wonder what it is that the government is hoping will be missed by the public or why it is they would do that instead of putting all of the amendments into one piece of legislation, Bill 37 or whatever number of course is assigned to it. So it seems peculiar to me that we have that split in terms of who's going to do what and in what place.

Mr. Speaker, the Member for Calgary . . . Oh, sorry; I just get on the Calgary wavelength and I keep forgetting that some of these colleagues of mine are actually from Edmonton. The Member for Edmonton-Centre referred to a particular section that deletes the concern about "fair market value." Now, I would think that the Provincial Treasurer would take umbrage with that particular amendment, because what it seems to me to be able to do is to simply throw property on the market and get rid of it at any price without any respect for where to go from here. So I'm wondering why it is that the government would introduce that amendment.

There are times, as population demographics change and school-age children are no longer in large enough numbers to justify retaining a school being open, when certainly schools can be put to other uses. They have been used as administrative

offices. In the constituency of Cypress-Medicine Hat there's a little town called Etzikom, for example, where they've made a tremendous museum out of the former school that was there. The building is still sound. It makes a nice little museum, converted to another public use but it's still a public building being used for the good of those who go through the area. It also acts as a little bit of a tourism attraction, by the way – I'll put in a little plug for it – because they've got a great little windmill display. That's another use of a public school building in that particular town.

There is "at fair market value." Fair market value can mean virtually anything, depending upon where the particular building is located. I can't imagine why the government wants to eliminate something like this. I know that Parliamentary Counsel is always on the lookout for good bargains and is happy to snap up retired school buildings wherever they may be found. So that's certainly an issue as well, I guess more a question than anything else.

There is one section in particular, section 29, Mr. Speaker, that talks about when the dates will be cut off with respect to being able to allocate dollars from your property taxes to either the public system or the separate system. One of the issues that have been raised in the past is that if you have moved past that cutoff date, then you will no longer have the choice one way or another. I'm wondering why it is that the minister, the department, would want to eliminate the choice for property taxpayers to send their tax dollars to the school system of their choice. To automatically default the dollars to the Alberta school foundation fund, to me, doesn't seem to make a whole lot of sense. Now, I anticipate, perhaps wrongly, that the minister's response will be something along the line that the dollars will follow the children, and it'll all work out in the wash the same way.

Well, one of the things that I did, and I know the minister knows this – I used to be a teacher myself, and I found frequently that analogies tended to help explain the point. So perhaps this analogy might help the minister understand certainly where Calgary Catholics are coming from but also others who wish to continue to have the right to designate their school taxes.

Imagine, if you will, two homes side by side, both with immaculately well-kept gardens – flowers and trees and shrubs – both very well kept.

AN HON. MEMBER: What about the fence?

MR. BRUSEKER: No fences. No fences in these yards. People want to be able to move back and forth.

So two nice yards, both well kept, the difference being that in one of them, the owner likes to maintain his garden himself or herself, as the case may be: likes to cut the grass, trim the weeds, plant the flowers, et cetera, et cetera. The neighbour right next door has an equally attractive yard but says: "I'm not interested in it. I'm just going to hire a gardener, and the gardener can come and look after it." Well, Mr. Speaker, that's exactly the difference, that's exactly the point that the Calgary Catholics have raised with the petitions that I've tabled in the House before.

They want the right to be able to tend their own garden. They want to be able to decide what kind of flowers they're going to plant. They want to be able to decide: are they going to cut the grass on Tuesday, or are they going to cut the grass on Friday? They want to decide what trees they're going to plant, and so on. They want to be able to tend their own garden. Each of them will have equally attractive gardens, whether you look after it yourself or hire a professional. But that's the analogy I want to make for the minister. I hope he can understand that. They may spend

exactly the same amount of money. They may have exactly the same amount of square footage, and each of them may spend \$10 per square foot to maintain their yard over the course of a year, but one gardener says, "I want to look after it myself." The other one says, "I'll just give it away." Well, what the Calgary Catholics are saying is: let us tend our own garden. Mr. Speaker, that is one of the concerns that I have raised with respect to that particular section 29 that would propose cutoff dates and say: here's where we have to go with this, and there shall be X number of dollars spent one way or another.

9:40

One of the issues that has been raised in the past, and it's in a paper that I have quoted from before but I think it is of concern for a variety of issues, deals again with the right of local school boards to go ahead and decide themselves who will have governance, who will have control, and who will decide where and how the money will flow. Mr. Speaker, the paper that I've quoted from before was written by a constituent, Michael Donlevy, president of Monsignor Doyle elementary school council. He writes as follows:

The fact is that money is now distributed in "envelopes" or blocks: Instruction and Support . . . Alberta Education decides who or what fits into which envelope – not your elected board . . .

Putting funds into "envelopes" disregards local autonomy and the constitutional right of Catholics to have that autonomy. If the government controls the source of revenue, as well as the distribution, they contradict their stated desire to "decentralize and move decision making down to the school level" as has been stated by [the Minister of Education]. Again, the Klein government is killing Catholic education by degree with these actions.

Those are harsh words written not by me but by someone else. They are written by someone else, and I am using those words because I think they are accurate. Those are harsh words, but if the government is concerned about it, then they should change Bill 37.

Thank you.

THE ACTING SPEAKER: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Speaker. I, too, would like to comment in opposition to Bill 37. We have Bill 37 before us of course because Bill 19 was poorly crafted, hurriedly crafted, and it's resulted in a number of difficulties arising. Bill 37, of course, is an attempt to try to resolve some of those problems. I'm afraid that Bill 37 is just going to perpetuate the difficulties. Like its predecessor it, too, is a poorly crafted piece of legislation.

In speaking against the Bill, I'd like to address the principles that are embedded really in two questions. That first question is: who will control local schools? This Bill seems to have the continuing answer, as Bill 19 did, that that control will reside in the Devonian Building, and if they can just get the legislation right, they'll be able to control every school in the province and the operation of those schools and make the school boards somewhat obsolete or superfluous at best.

This notion that they can micromanage the schools is really quite astounding when you give that boards like Calgary public must be running budgets in the \$400 million bracket, and boards like Edmonton public must be in the same sort of figure and are staffed by extremely capable people and led by boards that have been elected by local ratepayers. That's attested to by the department itself, who has in the past often drawn upon those boards for personnel for secondments. When they needed help

with drafting legislation, when they needed help with program design, when they needed help with the problems of taxation, they drew upon those boards for the expertise that they recognized they had, yet in this legislation they seem to be saying: no, that doesn't count; these boards have to be regulated, and it has to be done in rather careful detail in an Act such as the one that we see in front of us.

Let me just indicate what I mean. If you look at section 60.2, accountability of a board, it says, "A board shall develop a reporting and accountability system on any matter the Minister prescribes." Well, that's a fairly reasonable demand that they have in place, an accountability system. But then it goes on to say:

A board shall disseminate any information in the reports and accounts produced under the reporting and accountability system it develops under subsection (1) to the students, parents, electors or the Minister in the manner the Minister prescribes.

It then goes on:

A board shall use any information in the reports and accounts produced under the reporting and accountability system it develops under subsection (1) in the manner the Minister prescribes.

Well, here are boards, multimillion dollar corporations being told by a minister which reports they shall make public and which they shall disseminate to ratepayers and to students and to parents. Of all the places that the government, in trying to make the changes that they are, should be meddling, this is, you would think, the last place you'd find them: concerned with the kinds of reports that are being produced by school districts.

That they would have the audacity to move into this area is really quite astounding, because when you look back at the history of education in this province, it certainly hasn't been out of the minister's office that innovation and new ideas have appeared. If you look back at ideas like site-based management, which they've now adopted for the entire province, if you look back at notions, programs like the IB program, those came out of the demands or the wishes of local school districts to provide challenging programs for students in their school districts. If you look at assessment, the original grade 6 assessment tests were in operation for years in school districts in this province before the government ever became interested in that kind of evaluation of students. I look back at help for teachers, the provision of resource manuals. They were first done by school districts in co-operation with teacher associations, not by Alberta Education.

In particular, if you look at annual surveys and reporting to parents, the surveys that are conducted by many boards, surveys of students to determine how satisfied they are with the schools and the programs that they're involved in and of parents to see if they are satisfied with the kinds of programs that are available to them and to their children and the way that they're being delivered and the surveys of teachers to see if they're satisfied with the kind of management that they are serving under, those surveys came from school districts. They were the first ones to start taking those measures of the public and making them public in local newspapers and publications. That kind of management has grown out of school districts, not from Alberta Education. So it's quite astounding now that they would take onto themselves trying to direct the operation of those kinds of items.

Again this notion that somehow or other, sitting in the Devonian Building, if they can just write enough performance objectives, if they can just write enough regulations, if they can just redraft enough of the legislation, they'll be able to control every activity that goes on in schools is inappropriate. It's inconsistent with what's happening elsewhere. Again I go back to the notion that we talked about in Bill 19, that those people who are going

to eventually be affected by decisions should be part of the decision-making process. Again this Bill, that section in particular, seems to take that and put it into the hands of the minister and his deputy.

[Mr. Clegg in the Chair]

It's a disturbing shift, this obsession with moving power to Edmonton, and I think it's manifested in a number of ways. We hear the minister's deputy telling groups that they are no longer stakeholders. He has redefined them not as stakeholders who have some special interest in education, but he's starting to redefine groups as interest groups. There's quite a difference between a stakeholder and an interest group. You can see that if the minister and his department are bent on centralizing power, it becomes important to them to define out of existence those groups who in the past have legitimately thought that they should be consulted on issues. So this whole section of the Bill, section 9 – and there are two or three other sections – moves the government along this route of trying to put in legislation on the very detailed operation of schools. What that says to school boards, the clear message to school boards, is that you're unimportant, you're not doing the task, we know how to do it better, and we're going to be able to do that from the Devonian Building.

9:50

The second and troubling question is: are electors under these amendments, Bill 37, treated fairly? This has roots that go back a long way in our school system in the province. The whole business of taxes and how taxes are collected and who they are paid to has been an item of long-running debate. In places like the capital city, places like Edmonton, over the '70s and the early '80s the answer to that had been worked out between the Edmonton public school board and the Edmonton separate school board. The conclusion that they came to, running large urban school districts, was that they were better off being funded for the students they actually served. So there was an agreement put in place between the two boards, an informal agreement, that they would claim for funding purposes those students that they actually served, and that claim would have nothing to do with religion.

That agreement worked out very, very well for a number of years until the late '80s, when a previous Minister of Education decided, for reasons yet unknown, to move to the notion of students being born into a school district. Amendments were brought into the Legislature that would say that if you are born Roman Catholic, then you are born into a Roman Catholic separate school district, and if you are not Roman Catholic, then you are born into the public district. That had a profound effect on the informal agreement that the two boards had in Edmonton.

I well recall being required as a trustee to determine people's religion for school tax purposes. We sent out through students who were attending the school system some 70,000 notices to parents asking them to declare what their religion was, and – no great surprise – 10,000 parents refused to sign those declarations. So the upshot was that both school districts again had to come together and decide that because they couldn't determine what a ratepayer's religion was – ratepayers just weren't interested in supplying that information, and some of them were downright outraged that they should be asked the question – they would have to as best they could guess what the numbers were and submit them to the province.

So here was the department in the '80s coming up with a solution to a problem that didn't exist, at least in the larger urban

areas of the province, and we see it again now in Bill 37 with this whole notion of being born into a school district being further entrenched. It really is foolishness, because we know that eventually we're going to have to get to the position where students served are the criteria and people are allowed to direct their taxes to the school districts that serve their students or their particular religious interests.

I think those two questions are really very important. Those two questions are enough to hold up the Bill, Mr. Speaker. I think when fairness is violated, when the whole business of local control is further eroded, it's time for the Legislature and the minister to pause and take stock and make some changes.

Thank you very much.

SOME HON. MEMBERS: Question.

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

MR. CHADI: Thank you, Mr. Speaker. As I rose in my spot to speak to Bill 37, I heard members opposite say "Question." They're absolutely correct; I have tons of them. There are going to be lots of questions. I would hope to think there would be questions on that side of the House as well, because it doesn't seem right that members on this side of the House engage in speaking to Bill 37, something that is sometimes referred to as debate, but in this Assembly debate does not happen very well simply because members opposite refuse to stand and debate the issue.

This is one Bill that was brought to the Legislature here that is flawed. As I heard earlier in this Assembly tonight, the government has brought this Bill, the School Amendment Act, 1995, forward simply to make some corrections, because the School Act that was passed in the last session was flawed, and this one would be doing a cleanup, if you will. Well, I don't see this as being a cleanup at all. As a matter of fact, I see this Bill as further confusing the School Act and fixing something that ain't broke, in most instances.

Mr. Speaker, I want to refer to sections in the Bill that I find offensive simply because they are not broken, and why we would want to try to amend something that works and works well, in my opinion, is beyond me.

We currently have the system where the assessment of property taxes that are collected by the government – when it was first suggested that we would pool the taxation so that all school boards or districts throughout the province would be able to share and share equally so that no one living in a remote area of Alberta would have to pay more for schooling than somebody in an urban setting or in a big city, I found that to be quite favourable, Mr. Speaker, and I would support that sort of legislation. When it in fact came forward last year, I thought that was the right way to go. When we get property tax notices – and, Mr. Speaker, we will be getting them shortly; I know that many of us have gotten some already from different jurisdictions around the province – there is a portion on there, a section on those property tax notices that clearly identifies the school assessment, the school tax levy. When it comes to corporate taxation, if we as corporations don't identify where we would like those funds directed to, which school board, whether it's separate or public, then those funds I believe are distributed equally between the two. I found that as being a reasonable approach to the distribution of those funds.

When it comes to the individual's property taxes on residential, that is an area that I find is being changed in the Bill, particularly with section 147(3). As it presently sits, I find it as being a very

acceptable arrangement for not only myself but I believe for my constituents. I look at section 147, and I see what it's attempting to do. We're talking about directing the funds to either the public or the separate school system, where your faith is taken into account and purely and solely on that basis.

Well, Mr. Speaker, I can tell you for one that I had a personal experience whereby I had an individual family member whom I enrolled in the Catholic school system. There was a Catholic school near my home. Of course, there were many public schools near my home as well, but I felt that the school that I wanted to put him in was a school where he would achieve better results and that therefore I should try to get him enrolled there. In fact, when I did do that and I was quite encouraged with the results of the school's teaching, the method of teaching, the way that this individual changed, matured, was taught discipline, et cetera, et cetera, I felt that it would only be appropriate that I transfer some of my tax dollars, if not all, over to the Catholic school system.

10:00

Now, I'm not of the Catholic faith, Mr. Speaker, but I chose as a taxpayer in this province – and it is my right as a taxpayer. It's my dollars that are going to pay for education, and I should be able to direct them whichever way I would like. I find it offensive . . . [some applause] Come on, members. I see Calgary-Varsity is sitting there smiling, thinking it's a joke that someone who pays property taxes in this province can't direct those taxes to the school board of their choice. I find that extremely offensive. I'm sure the constituents of Calgary-Varsity are going to find that offensive, and I'm certain that maybe we should send those constituents a copy of *Hansard*.

Why is it, Mr. Speaker, that one couldn't direct those taxes where they feel far more comfortable sending them? I know that in the corporations you could direct them 100 percent to the public system or 100 percent to the Catholic system or split it 50-50. Many corporations choose to do exactly that with property taxes; they split them half and half.

I wanted to share my personal experience with all Albertans, Mr. Speaker, not only members of this Assembly, that in fact I found the one school system that taught a family member of mine in an appropriate way and that I should be able to compensate them for that. The funds ought not to be directed to a system that I am not using.

I would hope to think that we would change this section in this amendment Act when the time comes. I would hope to think that we would be presenting amendments at that time to amend the amendment Act once again. I mean, if we're going to make the best possible Bill and create the best possible legislation that is going to work for all Albertans, let's use some common sense in drafting these things. Let's really listen to Albertans and find out what they want.

Taking myself out of this for a moment, Mr. Speaker, and trying to relate simply as a taxpayer and not as an elected representative of about 35,000 people, I find it offensive, and I know that my constituents are going to do the same thing when they find out what is being presented before the Legislative Assembly. I think that when we talk about listening to our constituents, the people that elected us, we ought to be listening to those thousands and thousands and thousands of people that have signed petitions. There were 200,000 people that signed petitions with respect to ECS. There were hundreds of thousands of names on petitions throughout the last session, and nobody in the Legislative Assembly really cared that these petitions were being presented. The people of Alberta have a right to voice their

opinions not only through petitions but through their MLAs, and that's what I'm doing at the moment when I talk about how offensive section 147(3) is.

Another area that concerns me greatly with the amendment Act, Bill 37, is the fact that we would take the term "fair market value" out of a section that currently reads:

Where a board no longer has a use for a school building, the Minister may in writing direct the board to dispose of that property at fair market value subject to those terms or conditions that the Minister prescribes.

I think that's fair wording for a section. I would think that if we had a piece of property, regardless of whether there's a building on it or not, in fact we would want fair market value. Fair market value, Mr. Speaker, is described as what one is willing to pay for it; that is what the market will bear today. If a school building is worth \$100 and that is the fair market value of the day, then that's all it's worth. To take those words out and dispose of that property as the minister prescribes I think is wrong. I can see where there would be instances where we would want to take "fair market value" out, but I don't think that it would be appropriate simply because of the changing market in our province in real estate. It makes it very difficult to assess what property really is worth.

I can tell you, Mr. Speaker, that there was a building in downtown Edmonton on 105th Street and just about 102nd Avenue, about a 10-storey high-rise building, that actually just the other day sold for a dollar. Now, I'm not making this up. It actually happened. There was a transfer for a dollar. Is it fair market value? I think it probably is fair market value given the fact that this property was costing the owners around \$300,000 to carry each year. This seriously impaired this building's value. Sure it was worth a lot more than that in terms of the cost approach to it, but what is fair market value today? Probably it wasn't really all that far out when we talked about a dollar. It was flipped over in the range of \$300,000 a couple of weeks later. What I'm trying to say, Mr. Speaker, is that it is nowhere near the cost approach to its value.

I suspect we'll never get the cost approach to any of the buildings that we have, not only the school buildings but the government buildings that we've got now. I suspect we'll lose money no matter what we do, because of the high cost of construction and the economy that we have today and the real estate values we have today not only in Edmonton but throughout the province, including downtown Calgary, in case Calgary-Varsity wants to argue that point. I can cite all kinds of examples there as well. So it is rather offensive that the term "fair market value" comes out of that section and it is left to the discretion of the minister and the minister can sell off the property as he sees fit.

I think that it does not hurt, that it cannot affect the sale of the property if the term "fair market value" remains in there. After all, Mr. Speaker, we are elected to serve those very people, those Albertans that have elected us, and I think it would only be right that we try to get the best possible deal we can regardless of the situation that we're presented with. I know that school buildings are going to be in fair demand in the next little while. I suspect that with all the demand for charter schools, the demand for some kind of an independent school – there seems to be a real push. There is hype around that the idea of charter schools will work and will work well. In my own constituency I am looking at assisting two different groups in the creation of a charter school. We're working with Alberta Ed now. We are looking at school buildings, and there may be a shortage of those school buildings.

So perhaps maybe we ought not to take that term "fair market value" out of there. If there's going to be competition for those

buildings, then we ought to consider selling them to the highest bidder. The highest bidder or the highest possible price that we can get would be the fair market value. Taking it out would not serve the purpose at all.

With those comments, Mr. Speaker, perhaps members on the other side of the House would engage in debate, unless they don't understand what the term "debate" really is. Then members on this side of the House will continue to speak.

10:10

SOME HON. MEMBERS: Question.

THE ACTING SPEAKER: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you very much, Mr. Speaker. I heard the hon. Member for Whitecourt-St. Anne leading the chorus for the question, but I know that he will want to allow me the opportunity to speak to the issues of education that are fundamental in this province. Education is very important to many Albertans. It is the economic engine, in fact, that drives us. Other economic engines are credited with much of our great resources in this province, but for every resource we've ever developed, every barrel of oil that has ever been produced, every diamond that's ever been found in this province, every tree cut down for lumber, an educational system has driven that. Education is the best investment that an individual can make, could ever make, and will ever make in the future. Against that backdrop, Mr. Speaker, I want to add my comments this evening to the issues of education that are troubling to many Albertans, certainly troubling to me.

I must confess, Mr. Speaker, that I speak from a personal bias. Having grown up raised by a single parent, having been educated in a state-funded educational system, and having gone on following my education to make what I hope history will show is some contribution to the provinces in which I have lived, I have a personal bias, and I want to share it with the members of the Assembly. My personal bias is for education. Whenever we are uncertain or doubtful about the way that we deal with an issue, whenever we are confused about how we should vote on a piece of legislative doctrine that comes here in this Assembly, we should always vote for education. We should vote for what provides the widest opportunity. We should vote in a manner that instills the greatest confidence in the users of the system, and we should vote in a way that is consistent with recognizing the great economic engine that education is.

Now, Mr. Speaker, I want to take those principles and apply them to the minister's amendment, but first I want to comment on what would appear to be two disjointed themes or topics at this time, but I'm sure the members will allow me a moment to develop them and point out the relevance, because we are talking about principles in this School Amendment Act.

There's been a whole lot of School Act amendments going on in this Legislative Assembly, and last Wednesday night when the night grew long and the debate was its usual stimulating self, the hon. minister of transportation was provoked, as he often is, to comment from his seat. He was asked: how are you going to comfort us on this issue? The hon. minister of transportation's words – which will remain published in *Hansard* and travel from *Hansard* to all parts of the province, and I know that he hopes they never come back to haunt him – were, "Because we're Tories, we know what we're doing." I had never thought, Mr. Speaker, that belonging to any one political party gave any person the gift of infallible insight or wisdom, and I had never ever thought that I would hear the minister of transportation say that.

Now, against that backdrop, let us assume that those that are Tories today were also Tories last year, when the Minister of Education brought forth the School Act amendment of last year. He of course would not at that time listen to the reasonable, commonsense debate, for example, about school councils. What was that debate, to refresh the memories of the members of the Legislative Assembly? There were very many Albertans that said, "School councils are a group of dedicated parents who are interested in enhancing the intellectual and educational opportunities that present themselves at a school, but they do not want to become miniature policemen, miniature boards of governors, miniature school trustees." But no, Mr. Speaker, no. The Minister of Education had it right because he was worshipping at the altar as enunciated by the minister of transportation: "Because we're Tories, we know what we're doing." So he mandated in the most aggressive word of all, "shall." He said that school authorities, school councils shall do this and shall be this and shall respond this way. He went out across the province and ran into educational revolt. That's the simplest way that it can be expressed.

So here we are this year, hotfooting it back into the Legislative Assembly, going on at length at night. Now the minister has recanted that position and decides that school councils will have some "may" discretion. They may have the interest in doing things; they may have the authority to take on certain projects if they wish. That is what the Minister of Education has accomplished in a year of worshipping at the altar of "Because we're Tories, we know what we're doing."

By the way, you know, Mr. Speaker, I know some members, as I've mentioned that several times, are intrigued about where that's found in *Hansard*. They'll want to go back to that point again and again and again. They'll want to highlight it. They'll want to put a red sticker on it. So for the benefit of all the members, that's found in *Hansard* at page 1532, the May 3, 1995, edition. The hon. minister of course had two days, 48 hours, to clarify or retract that statement. He allowed it to stand, so I can only assume that that was exactly what he said and exactly what he meant.

DR. PERCY: Did you read it?

MR. GERMAIN: Oh, I've read it several times. Some hon. members, Mr. Speaker, are urging me to read that statement again. That statement from the hon. minister of transportation was, "Because we're Tories, we know what we're doing."

Let us move on now to Bill 37, Mr. Speaker, the Bill that I'm speaking to. I want to draw the Legislative Assembly's attention to the issue of transportation: transportation costs and transportation funding. Now, we have had an experience, the constituency and the individuals that I represent, that wonderful community of Fort McMurray, where Fort McMurray got the largest per capita school cut of any school board this year, in 1994-95, lost the largest tax base to the provincial government. That is the backdrop, and those are the constituents that are concerned about the direction education is going in Alberta.

[The Deputy Speaker in the Chair]

Now, one area of concern is that to this point in time, Mr. Speaker, we have had to close four schools in Fort McMurray. Three of the public schools and one of the Catholic schools closed this year. Four schools in one year, four schools in a progressive, vibrant community like Fort McMurray, Alberta, where people are concerned about education. The two boards hammered

and battered by educational funding cuts, the largest seen in this province this year: four schools closed. Now we come to the transportation issue.

The transportation issue, Mr. Speaker, is found in section 6 of this new legislation. The minister attempts to describe a formula for funding transportation issues, but the real formula that he should be funding is absolute funding for those students displaced because of school closures. Nothing else is fair, nothing else is appropriate, and nothing else is reasonable. In fact, in communities such as Fort McMurray and Grande Prairie and some areas of Calgary, you cannot transport a child in the school bus system for what the minister gives. So that means that on every single student that's transported, the school boards at the local level have to subsidize that cost in some fashion. Where? Where, in the face of the ferocious cutbacks and school class increases and teachers at their wits' end, where are those . . .

MR. HERARD: Two percent a year.

10:20

MR. GERMAIN: Ah, now one hon. member hollers "two percent a year." I can tell him that that may be the case in his riding of Calgary-Egmont, but I'm astounded that he would make that kind of statement when he knows factually that the transportation deficit is more than 2 percent, the cuts are more than 2 percent a year in those school jurisdictions where cuts are occurring. In Fort McMurray the cuts were nearly 12 percent, Mr. Speaker, a shameful amount for a province that prides itself on having an educational program.

So at least for school closures, where students are displaced, where kindergarten students and five- and six-year-old students, seven-year-old brothers with their five-year-old sister in hand standing at a bus stop in Fort McMurray when it's 40 below on January 15 of each and every year, those individuals should at least be given school busing equal to the actual cost of busing them when their school right up the street has closed. Is that unreasonable? Is that unfair? Would that be a gentle letdown? You know, Mr. Speaker, some people laid off their senior management jobs in the government got thousands of dollars by way of a golden parachute to gentle their impact with the ground. Our five- and six- and seven-year-old students in Fort McMurray, Alberta, standing in the 40 below winter have to wonder about an educational system that will not even provide them the transportation costs to go to their new school eight or 10 miles away. In a progressive province like this, that is odious. In a prosperous province like this, that is offensive. When the taxpayers of this province said, "Cut the fat," they were not talking about cutting the fat on the backs of five- and six- and seven-year-old children waiting at a bus stop for their bus to take them to school.

I want to move on, Mr. Speaker, lest I inflame unduly the Members of the Legislative Assembly, and I want to talk about the government's paradox. You know, in section 10 of this Act the Minister of Education amends section 90 of the School Act. Now, section 90 is the turf-the-teacher-out-for-misconduct section. Other members have talked about the indictable offence section, and they've raised the issue that now if you commit an indictable offence, you get fired without notice, without cause, without a hearing, without a chance to defend yourself.

I want to draw some scenarios. I want to tell you, Mr. Speaker, that to avoid the payment of your income tax is an indictable offence if the federal government elects to prosecute you that way, so I want to draw this scenario. The members opposite will say that someone guilty of an indictable offence

maybe should be fired without notice, without cause, without hearing. Suppose you have a single parent, a single mother raising her children, and she's a schoolteacher. She makes a business decision not to declare as income the support payments she receives from her husband. That's a very important fundamental legal issue that's moving its way through the courts and is presently before Revenue Canada. But it is an indictable offence not to declare income under the Income Tax Act. So that teacher makes the wrong decision. She ultimately is convicted of the indictable offence of failing to declare her income. She will be fired without cause, without notice, but fear not, because you know the Provincial Treasurer has an answer for her. He'll make her a director of the Treasury Branches.

That's the paradox we've got in this province, a paradox that will soon be revealed in full colour when we move on to the Treasurer's Bill tonight. In one piece of legislation someone convicted of an indictable offence will be fired without even a chance to explain himself. In another piece of legislation an organization handling billions of dollars, some of it taxpayers' money: well, we'll make those people with indictable offences directors on the Treasury Branches' board of governors. That's the Provincial Treasurer's double standard in relation to the Minister of Education's double standard. That reminds me of the words found in *Hansard* on page 1532, the words of the hon. minister of transportation that members at least on this side have enjoyed with some relish tonight, Mr. Speaker. Why? Well, the minister of transportation gives us the answer: "Because we're Tories, we know what we're doing." Hon. members on that side of the Legislative Assembly might want to think about the minister's comments when they think about this issue in the School Act and marry it up with the issue in the Provincial Treasurer's Bill that will be coming down the line.

I want to move on, Mr. Speaker. I know that some of the members want me to move on because there are members waiting to talk. You know, it's 10:30, Mr. Speaker. There are members that have been waiting to talk to this School Act since we came here at 8 o'clock tonight. They want to talk to this School Act. They're here to talk to this School Act and they've waited since 8 o'clock tonight, so I'm going to move on, if I might. [interjections] They're all chirping again there as they always do, sitting on their hands, making those unrecorded, anonymous speeches as they're so wont to do. [interjections] I'm saying something, hon. members. I'm saying something.

Speaker's Ruling Provocative Language

THE DEPUTY SPEAKER: The hon. Member for Fort McMurray did preface part of his remarks with something to the effect of: before I "inflame." There are suitable admonitions not to do such a thing in both *Beauchesne* and in Standing Orders. Perhaps he could take his own good advice.

MR. GERMAIN: I apologize, Mr. Speaker. In the words of the famous Premier: that was then and this is now.

Debate Continued

MR. GERMAIN: I want to move on, if I might. I want to talk about the retroactive legislation. I want to say that hon. members have raised this issue and have spoken so eloquently to this issue, but I can only urge all members of this Assembly to vote against retroactive legislation. That is fundamentally wrong. To pass a law today that applies back to last February is wrong. There

should be no circumstance where the Minister of Education has to do that. One section of this Bill, section 11 – in fact, you will see it if you go to the very end of the legislation – will be proclaimed and will take effect retroactively, and that is simply wrong. It is wrong to have retroactive legislation.

One area that has inflamed much debate – my friend from Calgary spoke earlier with a great deal of passion, and he concluded his comments by looking across to the hon. government members sitting on the front bench and he said: you are slowly killing Catholic education in Alberta. He paraphrased that by pointing out that those were not his words but the words of some members of that community. I can only echo, Mr. Speaker, what other members of this Assembly have said so eloquently tonight, that it is wrong to create disparate and despairing tax regimes that treat individuals unfairly and inappropriately and leave the members that support the Catholic school board with the feeling that what they should be doing is having to make lifestyle choices, marriage choices and the like, simply to get what they feel is their due, which is the right to describe where their taxes are going to go for educational purposes. Again we find the government's penchant for user fees in this particular legislation. The government is not content to impose their own user fees; they now impose user fees for and on behalf of other groups. That's found in section 15 of this Act, where we again have user fees so that now a school board has to pay a user fee to get a copy of the roll so that they can analyze the tax detail and the tax information.

Other members have spoken so eloquently. The hon. Member for Edmonton-Roper spoke about the issue of fair market value. That's important to some Albertans. If a school board has property or if the government has property, we would think that it would be sold at fair market value. That makes sense. I mean, with the exception of the hon. minister responsible for economic investment, many people would believe that you should sell government assets at fair market value, not at a nickel on the dollar or two cents on the dollar. I cannot understand why the Minister of Education saw fit to remove the fair market value qualifier in the School Act on the sale or disposition of property. That jars me, and for people who are seeing their hospitals close and their schools close, that must surely jar them too, that we would build into our legislation a bias in favour of incompetent marketing of property. That does not make sense, and I don't think any member of this Assembly can go back to their constituency and sell that. I know the hon. Speaker in another life was a teacher, and I don't think you could go back to your constituency, Mr. Speaker, and sell that issue, that a school would dispose of assets at below fair market value.

10:30

I want to conclude my comments by also talking about the curb on democracy that exists in this particular Bill. Now, some members will say, "Surely you jest, and surely you overstate the case," but there is no way, Mr. Speaker, that you can look on page 9 of this Bill, paragraph (4.1), and not see a curb on democracy, because there a board or a school trustee, the board of a school division, cannot make amendments – cannot make amendments – to their bylaws without the approval of the minister. That to me is a curb on democracy because that speaks to the electoral approach for the voting of the school trustees in the particular school board and in the particular region. It seems to me that the Minister of Education ought not to have that power.

I will have other opportunities, Mr. Speaker, to rejoin the debate on many of these exciting issues, but other members are

waiting anxiously to speak, and I thank the Assembly for the time that they have given me.

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

DR. PERCY: Thank you, Mr. Speaker. It's difficult to follow the Member for Fort McMurray, but I want to speak in second reading to the principles of this Bill. I'm going to go through, then, what I think are the important amendments and discuss the principles embodied in these amendments. As all hon. members know, it's very difficult in a Bill such as this to find an overriding principle, and certainly it's impossible to see such an overriding principle in this collection of amendments.

I'd like to focus on section 3 with regards to school councils. This is of particular interest to me because in the course of going through my constituency visiting schools, talking to grade 6 classes, talking to junior high classes, I always take an opportunity to talk to parents or teachers involved with the parent advisory council or whatever acronym is adopted in that particular school. Mr. Speaker, what I found consistently was that many parents had found the initial specification of "shall" in the empowerment of those councils not to their liking. It was very clear. In fact, it was an issue that we had brought to the fore in the debate on Bill 19 initially, that it was far too prescriptive and it didn't reflect what many parents wanted out of the councils, which was that of an advisory role.

So when I read the amendment in section 3 and I compare it to the previous, I think I do see a significant improvement. We no longer see "a school council shall." We see, as many of my colleagues have pointed out, that it's now "may," and it allows, then, much greater discretion. It also enhances the role of the principal, because when you look at the wording, it says, for example, in (4)(c):

consult with the principal so that the principal may ensure that students in the school have the opportunity to meet the standards of education set by the Minister.

It's quite different from what initially existed, where "a school council shall . . . ensure that students in the school have the opportunity . . ." I think this sets out a better working relationship between the principal and the school council, and it is I think a very positive step forward.

Yet, on the other hand, one sees the kicker that one sees in virtually every Bill now passed by this government: "do anything it is authorized under the regulations to do." Of course, this is the "shall" aspect of this amendment, where we're basically giving a blank cheque to the provincial government and to the Minister of Education in terms of the regulations that are to come to the fore. I believe time and time again colleagues on this side of the House have asked that regulations have some scrutiny. In fact, we wish that the hon. Member for Calgary-Shaw had a more important role to play in the Legislature as chairman of that committee. So we would do everything in our power to ensure that that committee meets and performs the very valuable function of reviewing and scrutinizing the regulations that might emerge, because again, for many parents who are involved in the councils, section 3 is very, very important.

I was really surprised at the zeal that was embodied in the original section 3. As my hon. colleague from Fort McMurray said, there was a hubris, beyond hubris, a sense, I guess, of arrogance in terms of the perceptions of what the government thought parents wanted prior to speaking to the parents and finding out what they did want in terms of the role for these

advisory councils. I certainly would support this particular section and the changes because I think it's a very significant improvement over what had existed in the past.

Now, moving on from section 3 and school councils, I'd like to discuss the issue of section 12. Again, other members on this side of the House have pointed out that this is a slow strangulation of Catholic education in this province, because what it does is build fences around the boards and the default option is always that funds go to public education at the expense of the Catholic school system. It's true in section 12 and certainly it appears to be the intent under section 29(2), an attack on the assessment base of the Catholic boards, something that I think many people do find repugnant today.

My colleague from Edmonton-Roper spoke I thought very eloquently on this point when he said that he does find it offensive that the money doesn't follow the board that the individual wants it to go to and that it puts real constraints on electors who are of mixed-faith marriages or whose children are enrolled in the separate system. There is a real problem in terms of those taxes following what the particular elector would wish, and I don't see why this has to be in here. What is the nature and what is this cost that requires, then, section 12 in this amendment to be put in place? I think it does work to the detriment of the separate school system. No good argument has been provided why it ought to be there.

Then you look at section 12 and at section 29(2). Now, 29(2) itself has a checkered history. This amendment had initially been brought in under the Miscellaneous Statutes Amendment Act, 1994, and thanks to the careful scrutiny given this Bill by the Member for Edmonton-Centre, what would have appeared to be an innocuous amendment was found certainly not to be innocuous and was going to be to the detriment of the assessment base of the separate school system. I think the problem is that this is a very substantive and important amendment. It is not innocuous. It really withdraws moneys from the separate board and other boards and allocates them to the public board. I think again this is an amendment that works to the detriment of the separate school system.

MR. WOLOSHYN: Read the whole thing.

10:40

DR. PERCY: I have, actually, for some length.

I see amendment after amendment in Bill 37 that works to the detriment of the separate school system. It's consistent in the bias that is in this Bill. Certainly I think it is an issue that ought to be debated. You talked to the Catholic boards; you talked to members of those boards. They are very concerned about the future of Catholic education in this province. It unites them. On one hand, many of them feel positively affected by fiscal equity. Many Catholic boards have gained from the fiscal equity. That's not the issue. It's also the issue of the assessment base, and they have expressed very serious concerns. Many members on this side of the House and, I suspect, members on that side have heard from them. It's certainly our job to make sure that their concerns are heard and are on the record, not that we want to give a collective "I told you so," but at some point these decisions are going to come back and haunt the government because they have had time for sober second thought. It is of serious concern, then, to the Catholic community, and it's an issue that I think is not going to go away, certainly not from what we've heard and certainly not from talking to electors in my constituency,

Edmonton-Whitemud. It seems to be less of an issue in Edmonton than it is in Calgary, but it certainly is strong in Edmonton.

So there is a concern, and nothing that I've heard from the members on the other side in debate has really explained why these amendments are being brought in. Assessing the joint effect that these amendments have on the Catholic school system in this province: that's really what's required. What is the interactive effect of these amendments on the school system? It's clear there is some reason for them being brought in at this time, and the separate school system certainly has the perception that the aim is to fence them in and strangle them and leave them to wither, and nothing that has been said by the other side in debate has done anything to dispel that notion.

Now, a number of my colleagues have also spoken about section 12, which I've spoken to, and also section 20 on the sale of school buildings. This is a peculiar amendment. It's really one that I would like to hear what the underlying principle is from the Minister of Education. Why would you want to dispose of property at less than fair market value? Why would the minister instruct a board to do so? There must be a number of reasons for doing that. It's clear at this point that many school boards are concerned about the assets that they have on hand. There is a variety of buildings, and boards – because of shifting demographics, movements, shifts in the structure of communities – are now redundant. I would think that the board, then, should be able to achieve whatever the fair market value is that they would wish for those buildings, but this certainly again appears to be prescriptive in terms of the authority granted the minister.

I think it would be very difficult to expand upon the comments made by my colleague from Fort McMurray with regard to the issue of transportation. It was a chilly thought thinking of those students five and seven years old in mid-February at minus 40.

SOME HON. MEMBERS: January 15.

DR. PERCY: January 15. I won't expand on that, but again I think this is a particular issue for Fort McMurray because it seems to have borne the brunt of the restructuring.

[Mr. Herard in the Chair]

In general, when I look at the amendments, many of the amendments I can support in principle; however, there are several that I cannot. Those that deal with section 12, those that deal with section 29(2) I cannot support. For that reason I would vote on principle against this Bill in second reading, and unless constructive amendments are accepted in Committee of the Whole, I would vote against it there and in third reading.

With those comments, Mr. Speaker, I'll take my place.

THE ACTING SPEAKER: Hon. members, before recognizing the Member for Leduc, can we have consent to revert to Introduction of Guests, please?

HON. MEMBERS: Agreed.

head: **Introduction of Guests**

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

MR. HLADY: Thank you, Mr. Speaker. I'd like to introduce to you and through you this evening a very dedicated employee of

the Alberta Securities Commission. She's hoping to see us get through to Committee of the Whole for Bill 31 sometime before the light of dawn. Anyhow, I'd like to ask Joan Pitfield to please stand and receive the warm welcome of the Assembly.

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

Bill 37
School Amendment Act, 1995
(continued)

THE ACTING SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. It may be the light of dawn before we get there, from the look of things. Be prepared and get comfortable.

MR. GERMAIN: Yeah. Because we're fighting for education.

MR. KIRKLAND: That's exactly what it is. It's a fight for education. At least one group in this House has to do that.

When we look at Bill 37, Mr. Speaker, certainly the objective of the Bill, I would say, in principle is not that odious that it can't be supported. As we read it, it's to make adjustments to the School Act enabling the government to implement some of their initiatives with respect to the funding and the new roles and responsibilities of the school councils and some accountability, though I would suggest that many are brought to a question as we go through it.

I would like to deal, first of all, Mr. Speaker, with section 3 of that particular Bill, and it deals with the school councils. Now, some other hon. members here have indicated – and perhaps we're a little hard on the Minister of Education for his initial stand on using the term "shall," which of course is "mandatory." I would commend the hon. Minister of Education for seeing the light of day and softening that particular approach, though I would suggest that the whole matter of school councils, from my experience of involvement in the city of Leduc, is a complete red herring.

As a parent of three sons in Leduc, whenever it came time to elect anybody to a school council in that particular community – and it's no different than any other in the province of Alberta, Mr. Speaker – you were hard pressed to find anyone that was willing to take that on. What this Bill here does is add, of course, considerably more responsibility to that job, and I would suggest that it's not going to be the hotly contested position that the minister would like to see it become. As a matter of fact, I would speculate that there will be difficulty finding people to actually fill those positions.

When we look at that section 3 in the Bill and we look at the role of the school councils, after my compliments to the minister there is a large "however," and that large "however" takes the form of the many gaps left in the legislation. Those gaps, as we attempt to put some sort of sound thought to them, obviously will surface in regulations, according to the regulation in the Bill before us here. Now, that of course is not unlike so many pieces of legislation that come before us. They leave out some very important ingredients. One is stymied as to attempt to apply them to their community and explain them to one and all in the many questions that the constituents bring to you simply because those gaps are very large. It again is focusing and drawing the power and the answers to the minister's desk. That in my mind is an

expansion of bureaucracy, the very thing this government purports to be attempting to eliminate.

In section 3 also – and I would say this is a proactive step, as I read it, and will be a necessary step also, I would suggest, Mr. Speaker – is the establishment of a dispute resolution mechanism which can be accessed either by the school principal or the school council. I would suggest that we're moving into some very new territory. There will be many differences of opinion in the new school councils and the administration as a result of the lack of regulations, as they try to sort those regulations out, as they're handed down to those particular bodies, and as the legislation is developing. Though it's a proactive step to establish the board, I would suggest they'll be well utilized, because there are some deficiencies within the Bill.

I know the hon. Member for Fort McMurray spoke at length about transportation. I believe the hon. Member for Edmonton-Whitemud also touched on that particular aspect of it. When we look at transportation and again when we look at attempting to plan as a school board or plan as a school municipality where your dollars are going to go – you take out an arbitrary distance, such as the 4.8 kilometres that presently exists, make that subject to regulation, Mr. Speaker, and one has to sit back and ask, "How does a school board, a school council, a principal, a school body possibly plan for expenditures into the upcoming year when it's unknown?" It's very difficult to do. Gaps again because the legislation will be driven by regulation. All too often the legislation coming through the House here is driven by regulation, and it leaves a lot to be desired.

10:50

When we move along to section 8 – and I heard many members speak about this particular section of the Bill – as I read the clause, it broadened the ability of electors to inspect students' records and employee contracts. Now, I've always been of the opinion that the best government is open government, and this is a form of government, so initially I didn't see a large concern with that in the Bill. In a positive vein, as I attempted to extrapolate the application, I felt that it would probably enable parents, particularly in the situation of special-needs students, to follow that funding to ensure that it is being applied to those particular individuals. So I would see some positive in that particular aspect of section 8, though I would have to issue a bit of a caution simply because there'll be some information there that would be fairly private information. It's not information that should become privy to one and all. I'm thinking more specifically along the lines of some of the employee aspects of it. We're always very sensitive to those matters when we're dealing with legislation.

Now, the accountability I found quite interesting. As I went through section 9, I saw throughout, constantly and repetitively, for example, accountability systems as prescribed by the minister or dissemination of information as prescribed by the minister or the minister shall determine how boards shall use their reports and accounts they are required to develop. What we're doing here again is an accumulation of power one more time at the minister's desk. That really can relate to nothing more than an increase in bureaucracy, either that or the minister is going to be so busy he is never going to get to half of the requests.

Now, I have heard many times in this House from the members opposite that they have great confidence in the municipally elected officials and the municipally appointed officials. When I look at such clauses – "as prescribed by the minister" or "the minister shall determine" – I would have to ask: where is the confidence in those local officials that you express I guess hollowly, that you

have so much confidence in? Where is the confidence in the regional boards that you had so much direction in crafting and pulling together or the school councils that you want to embrace? Somewhere it's a bit of a contradiction to indicate that you have great confidence and then ensure that the minister controls every little string that actually goes on with those particular groups. So I find that, as I indicated, contradictory, and that would be the softest term I could use to describe that.

Now, the hon. Member for Fort McMurray in his usual astute manner picked up the fact that there is retroactive legislation as far as some of the capital expenditures are concerned, in reaching back into time. On the other hand, we had a Bill in this House not long ago, Mr. Speaker, that attempted to guide future governments in this particular province. So it would strike me that we're all over the map in how this legislation should be. The legislation should deal with the matters at hand, not going back to handicap some school boards that may have managed funds well and acquired some surpluses. Now the minister may get in there and start indicating how they should in fact spend that money. That in my mind is incorrect.

When we move along to the assessment of property owned by individuals who pay separate school boards, Mr. Speaker, looking at section 12, it would strike me, as I understand that particular clause, that there will be a restriction now on whether a couple can actually split their taxes and designate half to a public school board and half to a Catholic, or a separate, school board. Now, we dealt with this on a frequent basis when I was an alderman in the city of Leduc, and it was a very accommodating arrangement. Neither one of the boards, public or separate, was damaged or put at a disadvantage as a result of that. There are many mixed marriages in the province of Alberta, and certainly those parents should not be deprived of the opportunity to select where they would like their children to attend. It serves two purposes. It ensures that the dollars that they feel should follow the child follow it, and it also ensures you an option in education. As I understand the many debates that have gone on in this House, there are options, in fact, that this ruling government would like to address.

When we look at section 15 – and that's the requirement of the municipality to supply an assessment roll upon the board's request – now again, as was pointed out by some hon. members, there's no indication as to whether there's a cost associated with that and who shall pick up that cost. One is left to assume that the board of education will have to assume that cost. We're attempting to direct dollars into the classroom and ensure that the students of Alberta are the benefactors of the dollars. I would suggest again that we're going to draw dollars away from that very important objective, the education dollar, Mr. Speaker. So it causes me some concern that we throw clauses in here, don't define exactly who's expected to pay and how much can be charged for it. It could be a very onerous task.

Another aspect. You've heard me speak, Mr. Speaker, about the minister and the great power that he's collecting at his desk. I would say that section 17 of the Act as I read it, which is a requirement for ministerial approval of debentures, again is a collection of power at the minister's desk. That to me belies the claim that we have confidence in our locally elected officials. It belies the fact that we would like to eliminate or reduce bureaucracy. If we stack everything on the minister's desk, it simply means an expansion thereof. In my view, that is not the way we get to efficiency within this province, and efficiency in education is something that's certainly required.

Now, several members – and I will reiterate it because it was important. By omission under section 20, sale of school buildings, by the process of deduction one can only assume that some

of the school properties could actually be unloaded – and I'll use that term because it describes it rather descriptively and aptly – below fair market value, Mr. Speaker. Now, again, these are assets that have been built at a cost to Alberta taxpayers. They are in most cases on some very desirable land within some cities and municipalities. I would suggest that when we look at this particular aspect of looking to unload that at less than fair market value, again we have the opportunity here, in my view, to collect dollars that can clearly be directed to education and the objective of education, and that is to make sure that we have adequate funding within the classroom. Why would we want to give away assets of the province that the taxpayers of Alberta have paid handsomely for?

So it does cause me some consternation that by omission it would appear that we are going to give away, one can read into it – and maybe I'm being a little inflammatory here – school buildings or school lands. When we look at the city of Edmonton, I can think of some schools that are no longer in use that have some very desirable land for residential development. It would strike me that we're opening the door in this particular case to probably have the minister dump this perhaps to friends – I don't know; it's tough to say in this government that we deal with – and they will ultimately end up developing those . . .

MR. CHADI: Just like they dumped Gainers and MagCan.

MR. KIRKLAND: Absolutely. Yeah, we've seen that. They dump them at fire sale prices and then buy them back at fire sale prices, so they're a tax benefit, and it costs the taxpayers more and more dollars each and every time.

So you can see that there has been some very solid, sound debate articulated from this side of the House about the deficiencies of this particular Bill. I think that you, Mr. Speaker, along with the side opposite can detect that we will be standing and talking ad nauseam about this particular Bill, because we have always been defenders of education in this province. This Bill causes us reason to stand up and be defenders of education one more time.

I've asked several questions in my debate here. I would look forward to one of the members opposite standing up to clarify or prove me wrong. I welcome the opportunity to stand up and have one of the members tell me that in fact I'm out to lunch on some of these matters, and they can point that out very clearly. My feelings certainly may be hurt, Mr. Speaker, but I think I can accept that quite nicely. Failing them jumping to their feet to defend this Bill and telling me that I'm out to lunch, I have to conclude that my comments this evening have been on base, as many of the comments of the other members on this side of the House have obviously been on base, because they're not being disputed at all by debate coming from side opposite.

With those comments, Mr. Speaker, and with that challenge before the side opposite to stand up and point out the fact that our debates tonight are somewhat weak or in fact have not hit the nail on the head – I would challenge them to do that and I would welcome them to do that tonight. With that I will conclude my comments.

11:00

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

MR. SEKULIC: Thank you, Mr. Speaker. I also rise to speak to Bill 37, the School Amendment Act, 1995. I came tonight

anticipating that I would be debating, and I was quite anxious, as a matter of fact, to participate in the debates on some positive Bills: the Alberta Corporate Tax Amendment Act, 1995, the Treasury Branches Statutes Amendment Act, 1995, and the Government Accountability Act. I was hoping that we could discuss some of those positive things that are being put forward by this government that with a little bit of fine-tuning we can make a little better and that can make this government more accountable to Albertans and serve Albertans better. Instead, I'm forced to rise and speak to Bill 37.

A number of my colleagues have raised a wide variety of concerns on Bill 37. It's interesting enough. I think we've gone through 10 opposition members speaking to this Bill, raising concerns on behalf of Albertans, on behalf of their constituents, Mr. Speaker, and not one government MLA has stood to defend Bill 37.

THE ACTING SPEAKER: Hon. members, we are not in committee; therefore, we need to be in our places. Also, the noise level is getting pretty high. We can hardly hear the hon. member speaking.

MR. SEKULIC: Thank you, Mr. Speaker. It's important that you put people back in their places. I associate them with their seats and not necessarily with their feet or in a position where they're standing.

As I was saying, the opposition has raised concerns on behalf of all Albertans, on behalf of their constituents, and on behalf of some of the constituents of government members. The government has yet to put one member forward to defend or to explain or to elaborate on or justify why they're putting forward these amendments at this time, Mr. Speaker. Some of them we've dealt with prior, and the government had backed off, but now we see that – I'm not sure – maybe ideology is coming back in place and they want to drive this through. We saw that evidence of ideology last week, when Bill 34, against the wishes of the majority of Albertans, was being put forward as supposedly the wishes of Albertans. So I see here in Bill 37 that once again it's ideology and not a result of consultation, not a result of what's best for Albertans. It's an ideologically driven government that's putting forward a number of amendments to the School Act.

Mr. Speaker, the one concern and perhaps the largest concern that I have and something that I've seen become a predominant feature of government legislation is that so much is being left to regulation. We have a number of sections here that at least are explicitly stated, and we as opposition can stand and ask questions and hope to have some of our concerns put aside with a response from the minister or a government member, but with regulations we don't have that opportunity. Not only don't we have that opportunity, but Albertans don't have that opportunity.

I'm not sure what percentage of legislation that's attributed to governing the schools is going to be left to regulation. What will surprise Albertans at some later point and in fact perhaps the greatest concern there is that Albertans won't have any ability to change those regulations. It will all be left to the discretion of the minister and some senior bureaucrats. I think that's very troubling. We came to this Legislature, we were elected to come here and represent. So much of our role is taken away. It's taken away by the government's direction and by the government's not denial but lack of desire to stand and defend the direction in which they're taking Albertans. So the first concern, Mr. Speaker, that I have with Bill 37 is that in fact there is no accountability in Bill 37. It's all left to regulation, and that's very much a concern.

Mr. Speaker, the next area – and I'm not sure why this has been done – is one of those areas, one of those sections on which the opposition has raised concerns. You would have assumed that it would be a relatively straightforward response that could come forward from the government. The question pertains to section 6, transportation.

AN HON. MEMBER: Question.

MR. SEKULIC: Yes, I have more questions, and I'm looking forward to some answers. I heard one of the government members – I won't use the word "chirp" – call for the question. I am asking the question. The question that I have, to whoever raised their voice to call out "question," pertains to section 6, transportation. The amendment here is taking out the arbitrary distance of 4.8 kilometres and making the distance subject to regulations with respect to distance. I'm not quite sure. As I said before, there's really nothing here for us to debate except to ask the question: why are you doing this? Is there a reason? We may accept that reason. But no. There is no explanation as to why this is happening, merely a statement that this is going to go to regulations. I'm not sure that that's good enough. I think the Legislative Assembly is the place to debate, discuss, and to iron out a lot of these issues, and as I said, no one on the government side is standing to describe or to explain why this is occurring. So that's one question, Mr. Speaker.

The other concern I have is with regards to assessment of property. I know that many of the members on this side have raised this issue, and I think it's a very valid issue. Sections 12 and I believe 29(2) automatically default to public at the expense of Catholic schooling. I think, certainly speaking on behalf of my constituents, that this isn't an acceptable amendment. The last time we saw this amendment come forward I believe was in the Miscellaneous Statutes Amendment Act, 1994, last fall. I look back to an independent legal opinion which was provided with respect to that amendment, and what it reads is that the only provision which seems to be of concern in that Miscellaneous Statutes Amendment Act is the provision for the amendment of section 67 of the School Amendment Act, 1994. Under 67(2) as it was in the School Amendment Act where

a municipality has recorded property as being assessable . . . for public school purposes . . . or for separate school purposes, the property continues to be assessable

until a new declaration of school support is received under section 135 or the municipality has been advised that ownership of the property has been transferred. This in effect left the 1988 assessment base in place for separate boards, subject to gradual attrition.

It goes on to say that the amendment would change section 67(2) so that for the purposes of the 1994 and subsequent tax years, the property assessable for separate school purposes would be limited to individual declarations, interfaith marriage declarations, and corporate declarations. Undeclared corporate assessment would go for public school purposes. Mr. Speaker, this automatic default to public schools at the expense of separate schools – and I hear some government members yelling out "Good." I'm not sure that it is, because as I said, it works in favour of one against the other. I don't think it represents any consultation at all, and if anything, I think it may reflect some ideology. I'm not sure what that is.

Mr. Speaker, I've echoed many concerns similar to those that members of the opposition raised prior to myself, and I would appreciate it if one of the government members, perhaps the

minister himself, would rise to respond to some of the questions that have been put forward. In fact that's the purpose that we were put in this Legislature for, to debate this, to ask the questions. In fact I remember so many times that they'd say – what was it? We won; you lost. Or you lost; we won. We won the right to ask the questions, and they were put in that position to answer the questions, and I would appreciate it if one of them would stand and answer the questions that have been put forward by the opposition.

With those comments, Mr. Speaker, I assume I am now providing the floor to one of my colleagues on this opposition side.

11:10

THE ACTING SPEAKER: The hon. Member for Calgary-Bow.

MRS. LAING: Thank you, Mr. Speaker. It's a great honour to rise this evening to debate Bill 37. There has been extensive consultation on these amendments. The minister has gone out, and the task force under the able leadership of the Member for Highwood and the Member for Calgary-Shaw has gone out and met with many groups and has certainly listened to people and brought back to the minister the suggestions that were made to them. The minister has listened, and we see that that has been reflected in the amendments that are made regarding the school councils.

He has listened to what the parents have asked for and has certainly complied, so the councils are certainly meeting the expectations that the parents have for them, looking forward to having a chance to take the opportunity to be involved in the school on a meaningful level. Also the council has the opportunity to judge what degree of involvement they wish to have. So that has certainly met many of the concerns of people that were expressed in the original submission.

I'd like to take this opportunity to adjourn debate on the Bill, Mr. Speaker.

THE ACTING SPEAKER: The hon. Member for Calgary-Bow has moved that we adjourn debate on Bill 37, School Amendment Act, 1995. Does the Assembly agree with this motion?

SOME HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed?

SOME HON. MEMBERS: No.

THE ACTING SPEAKER: The motion carries.

Bill 38

Alberta Corporate Tax Amendment Act, 1995

MR. DINNING: Mr. Speaker, I am pleased to move second reading of Bill 38, the Alberta Corporate Tax Amendment Act, 1995.

Mr. Speaker, in summary, the Bill takes the necessary steps to mirror federal legislation, particularly Bill C-27. Secondly, it's involved in the streamlining of corporate tax administration, especially as it applies to small businesses who will be exempt from filing due to their having a nil income for a particular taxation year and as well ensures that the monthly installment exemption continues. It also provides for harmonization and finally puts into legislation capital tax relief for double tax and for

small, Alberta-based financial institutions. A straightforward piece of legislation that takes some steps to lift some of the burden of complying with tax law for Alberta businesses, particularly the smaller ones.

I move second reading of the Bill.

MR. GERMAIN: Mr. Speaker, let me say that since we're debating at second reading the principle of this Bill, this Bill continues to aggravate the corporate tax structure and the corporate tax regime for corporations and small businesses in the province of Alberta. We are going in the wrong direction. What Albertans want is less government intrusion. They want less government intervention. They want less civil servants employed duplicating work. There is nothing that this particular agency, the corporate tax collecting agency in Alberta, does that is not a complete duplication of the federal government's corporate tax legislation, but the minister of course always has to come up with different nuances and different twists to justify the fact that we have a dual collection and filing system in the province of Alberta.

I compared the fraud avoidance sections word for word last Wednesday night in the Legislative Assembly, Mr. Speaker, when it appeared that this Bill was going to come up then, and I noticed that the operative sections indeed do track the federal legislation word for word. But the government goes on to create a new tribunal that will resolve disputes, listen to taxpayers, deal with the fights, the same fights that are resolved by notice of objection on a federal level and in the tax court if the notice of objection cannot deal with the issue.

It is wrong in the province of Alberta for us to have a dual tax collection system. Every one of the members in this Legislative Assembly knows it is wrong. They also know that when this legislation came into effect, it was marketed on the basis that it would be for unique Alberta tax credits. That was how it was marketed. The Institute of Chartered Accountants denied and decried that. They said that it wouldn't work out that way: there would soon be an audit department; there'd soon be investigators; there'd soon be collectors; there'd soon be differences; there'd soon be people paying provincial tax and not paying federal tax, paying federal tax and not paying provincial tax; duplication for the businessman.

Now, the hon. Provincial Treasurer stood up some months ago, and with the crescendo fanfare that always rises in his voice when he wants to say something good to Albertans said: we're committed to getting rid of this thing. In fact, I think it was in the throne speech. Now what do we have here? Almost biblical definitions.

Hon. members, it's 11:15. I defy the hon. members to flip this Bill open and take a gander, take a good hard gander at page 4, take a good hard gander at section 22, the definition section of what I think is a minimum tax definition section. If there's any member of this Assembly that can stand up and explain the equation and the calculation and the accounting on page 4, then on behalf of all small business owners in the province of Alberta I'd like to see them do that. I'd like them to say in plain language what a business owner in this province has at jeopardy or to his advantage.

We are moving in the wrong track, the approach. What we want to hear from the minister about the Alberta Corporate Tax Amendment Act, 1995, is: this Act is repealed. That is the amendment that Albertans are waiting for, and that is the amendment that the Provincial Treasurer in fact has promised them. In fact, I think it was in the throne speech, Mr. Speaker. Little do

they care, of course, that Alberta taxpayers have to file double returns, face the risk of double tax assessment, double jeopardy.

You can't ever read the magazines in an accounting office in this province, Mr. Speaker, without having people, the people who earn a living in this province, the people who create jobs in this province grumbling about the income tax, the Alberta Corporate Tax Act. Now, instead of moving in the opposite direction, we have more odious legislation. More than that, we pile on the legislation by creating a new tribunal to deal with disputes, a new "show me yours and I'll show you mine" type of tribunal, where they're going to in fact in the corporate fraud section sit down and talk about it. You've just gone to an Alberta business and you've said that he's a corporate fraud, and now you're going to sit down and chat with him about it. That's the minister's approach to this.

Now, some hon. members I know were working with their pens and their pencils, Mr. Speaker, and they were talking and they were going to tell me the formula that's found on page 4 of this Bill. They were going to tell me what page 4 means. I'm sure that members opposite have all read this Bill and studied it and they'll be able to get up in the debate, you know, crisscross, this side, that side. Then when they've got their hands wrapped around the interpretation on page 4, we'll make an easy one. We'll ask the Provincial Treasurer to explain the significance of paragraph (2.1) found on page 7 of this particular Bill, and he'll have a good time telling us all about that.

AN HON. MEMBER: Page 25.

11:20

MR. GERMAIN: Page 25. I'm encouraged to invite commentary on page 25. That's the granddaddy of all. Hon. members opposite will want to gaze at page 25 of this Bill and stand up and tell Alberta taxpayers . . . [interjection] I'll leave page 26 for you, hon. member. My hon. colleague from Calgary-Buffalo urges me to invite the members opposite to also interpret for us page 26, but I'll let him do that in his speech. Or the hon. Member for Redwater: I know he'll have some interesting observations about the Alberta Corporate Tax Act in the province of Alberta. We have a situation in this province, Mr. Speaker, that has gotten out of hand. The Provincial Treasurer knows it, and he's promised Albertans that we would see the end of this odious, only-in-Alberta tax collection.

I don't understand this Alberta advantage. The Alberta advantage is that you get to file two tax returns. The Alberta advantage is that you get to run the risk of double audits. The Alberta advantage is that if the federal government department of revenue spots a \$1,000 accounting error, the provincial government employees are so upset that they didn't spot it that they'll look around until they find another \$1,000 error, and they'd bandy the taxpayers of this province back and forth, back and forth like a ping-pong ball. That is wrong. That is wrong, and I say that to the Provincial Treasurer. Members of this Legislative Assembly are going to vote for a Bill that they don't understand, that they don't care to understand.

Let me tell you what this Bill does, Mr. Speaker. This Bill has only one principle, and that is to engrain deeper and deeper, like a scuff mark on a wooden floor ground with the passage of feet deeper and deeper into the oak fibre so that it can never be removed, the provincial tax regime in the province of Alberta. That is simply wrong.

Now, other members on this side of the House have other technical issues that they want to raise about this Bill. I wanted to once again on behalf of all of the working taxpayers in this

province who run and operate corporations, the 60 percent of the new jobs that are created, created by small business – and they've been tax accounted to death in this dual system in the province of Alberta. I remind the Provincial Treasurer that if he goes back and reads Treasury speeches and old Treasury debates on this issue – when the Institute of Chartered Accountants said to the government, "No, don't do this," the government again said, as the hon. minister of transportation so graciously reminded us last week, "Because we're Tories, we know what we're doing."

Well, if we know what we're doing, why are we, with the exception of Quebec, the only province in this dominion that has an independent corporate tax collection system? Why do we still have this odious collection system, this duplication of work, this duplication of audit function, this duplication of employees, when the government itself has promised them, in much desk banging here – the hon. Member for Calgary-Varsity was banging his desk when it came up in the throne speech, and the Member for Lethbridge-West was banging his desk when it came up in the throne speech. The Member for Highwood was banging his desk when it came up in the throne speech. I think that when that came up in the throne speech, there wasn't a member over there that wasn't banging his or her desk with ecstasy, Mr. Speaker, banging their desks with ecstasy because the government was going to get out of the face of Alberta corporate taxpayers.

If the government felt that they were on the right track with this Alberta tax collection Act, they would apply it to all Albertans. Let's see how long the hon. Provincial Treasurer gets to remain in that position, let's see how long the Premier talks about the Alberta advantage if every single taxpayer in Alberta had to do exactly what a small business in this province does, which is duplicate all of their tax and accounting work.

So with that cry to arms, Mr. Speaker, with that urging and encouragement of the Provincial Treasurer to keep his promise: simply keep your promise. It came up in a throne speech; it came up in the budget. Keep your promise; get rid of the thing. It's unreasonable to ask the federal government to make special rules for Alberta, because we are one of 10 provinces. It's unreasonable, and in fact . . .

MR. DINNING: One size fits all.

MR. GERMAIN: One size fits all in tax collection; that's right. Mr. Speaker, the Provincial Treasurer says, "One size fits all." One of the fundamentals of tax collection is one size must fit all, because a taxpaying . . . [interjections]

MR. DINNING: You ought to be ashamed of yourself. [interjections]

MR. GERMAIN: Well, I want to deal with that, Mr. Speaker. The Provincial Treasurer says I ought to be ashamed of myself. Ashamed of what? Ashamed to speak up? What is it that I should be ashamed of? Speaking up for small business in this province? Speaking up for the taxpayers in this province? What exactly should I be ashamed of? Speaking up to avoid duplication? Is it duplication you want, hon. Provincial Treasurer? Should I be ashamed for speaking up to get rid of duplication? Shame on you, Provincial Treasurer. Shame on you and shame on a government that would subjugate Alberta businesses to this extent. Shame on you.

Now, Mr. Speaker, you will clearly know that I was presenting in a very calm and collected way the value judgment of Alberta

business, and that is that they don't want an Alberta corporate tax, when the Treasurer, as is always the case, wants to rise and holler from his seat, urging Albertans to buy into duplication and wasteful government, urging Albertans to buy into discriminatory tax practices, urging Albertans to buy into complicated legislation, and urging Albertans to forget something. What is it that they want Albertans to forget? They want Albertans to forget that that man there promised that he would eradicate this Alberta corporate tax, and he has not done so.

Those are my comments on this very exciting and entertaining piece of legislation, Mr. Speaker.

THE ACTING SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Speaker. It's fallen on me to bring a sort of sense of decorum to the Legislature. I must confess I can see, you know, why the hon. Member for Fort McMurray is really hitting home on the point. As a matter of fact, rather interestingly enough, I was tangling with some of your minions the other day in a company I was interested in, and what they wanted, hon. Member for Fort McMurray, was to see a copy of what I told the federal government so they could check what they're going to do with the provincial. So what we had was silly: two sets of bureaucrats using me as a funnel to talk to each other.

[The Deputy Speaker in the Chair]

What I think is sort of intriguing here is that this government has talked about the Alberta advantage, and all we've seen here is a clear disadvantage. You know, one of the interesting things, to the hon. minister: I doubt whether he has read the Bill. I don't think he has read the Bill, but I'd be willing to bet nearly all the pizza that's sitting behind both halls here that nobody else has read the Bill. He should go through it. He should take a look at it, just glance through the complex formulas. Talk about quadratic equations gone nuts: you see it here. You're asking the small businessman – maybe he's or she's doing fairly well, a mom-and-pop business, got the hardware store going or the clothing store or maybe they've even expanded, Lord help them, and own the McDonald's or the hamburger one down at the other place. They then have been asked because of the income tax laws to reincorporate it again because you're not allowed to write off losses from one business against another. So whether they like it or not, they've gone in to see a friendly, understanding lawyer like the Member for Fort McMurray to set up another corporation, and here they have maybe three corporations plus their joint filing to do and do it twice over. That's six filings. This minister is talking about simplifying matters, having it easier for people to compete and to create jobs.

This is the same government that gets into a big fuss and all tied up – as a matter of fact, the Premier nearly lost the last election on it: the machinery tax. [interjections] It came pretty close. If 3 percent of the people of Alberta had decided to vote one way rather than the other, you'd have been over here asking the smart questions and we'd have been over there giving the stupid answers. It was just that close: 3 percent. The point of the matter is that we go to all the trouble of trying to get the machinery tax out to try to make our industry more competitive, and then he ties a lead ball and chain onto their left foot and right foot, both feet, in filing another income tax return. It's absolutely ridiculous that we would ask industry to do it.

11:30

I would just ask the members there tonight – I know you can't do it now because it'll probably upset your sleep and so on and so forth. As you wind off to bed in your little blue and orange pyjamas tonight, you don't want to be haunted with the thought of what a corporate income tax looks like. But tomorrow after you've got up and brushed your teeth and combed your hair and found your false teeth wherever the kids have hidden them around the house, then take a look at this. You will find that it's got at least three of the most complicated formulas you ever saw in your life. No one could figure it out. They might try. Just look at it.

You know, what's happened is what so often happens when you amend a Bill: somebody with two PhDs way back in the corner of research in Treasury or finance has come up with this idea. I don't think he or she thought they were trying to perpetuate forever their job by making it so complicated, but it happens to be that way. After all, if you've got one degree over here, then you get a postgraduate down east, then you go over to the London School of Economics and get another degree, you have forgotten how to talk in plain, two-syllable words anymore or how to plain add and subtract. So you come up with all this, and you put it in.

Well, the Treasurer's deputy ministers and assistants don't want to pretend that they don't understand it, so they pass it on. Then the Treasurer of course looks at it – well, as I recall, the Treasurer was never a whiz in math anyhow – and then he passes it on. Of course, the caucus says: well, if the Treasurer, who is balancing the budget, says it's okay, we'll pass it on. As I say, not one of them has read it. It might as well be written in Swahili as far as they're concerned. As a matter of fact, I think he would probably do better if he would read it in Swahili. I would challenge them: put up your hands, anybody that has read this Bill. [interjections]

Speaker's Ruling Gestures

THE DEPUTY SPEAKER: Order, hon. members. I know that it's coming to the witching hour, but as to which member has read or not read something and let's all stand up, wave our hands, wiggle our ears: it's not relevant to the behaviour that we are supposed to be evidencing here. So that will be treated as a rhetorical question.

MR. N. TAYLOR: Thank you, Mr. Speaker. I'm glad you said it, because if I had said that it wasn't relevant whether or not they read a Bill before they voted for it . . . [interjections]

THE DEPUTY SPEAKER: We appear to have a couple of coyotes that have arrived early this evening and are baying at the moon. The hon. Provincial Treasurer and perhaps Calgary-Fish Creek could find out who those people are and admonish them not to carry on in such tones of perhaps derision.

MRS. ABDURAHMAN: And he's mangy, Mr. Speaker. He's mangy with it. It's a mangy coyote.

MR. N. TAYLOR: My colleague from Clover Bar-Fort Saskatchewan says that it's a mangy coyote. Actually, I noticed in the press that they are looking for the father of those wolf pups down there. It might have wandered back up here. You never know.

Debate Continued

MR. N. TAYLOR: The bureaucracy started this in motion, and it's going on and on and on. Now, I know a few of them put

their hands up. I think they asked whether I wanted free pizza or not, really. It wasn't whether I stood . . .

AN HON. MEMBER: We tried to buy you off, Nick.

MR. N. TAYLOR: I know. They're trying to buy me off. Well, it could be happening too, Mr. Speaker.

The point to remember is that this has been the party that's been the home of the flat tax, the simplified tax, and what we have is somebody coming up with the most convoluted, introverted, complicated, incestuous looking set of legislation that you could hope to come across and saying that that's going to help small business.

One of the things that happens, of course, is that many of the people, when they are elected, are no longer in small business and don't know some of the rigours of it. I would suggest that what any of them do, because every one of these people represents a constituency where there are at least dozens of small businesses, is take this Act home. Take it back home. Then Sunday, instead of heading off to early Mass or to the afternoon church picnic, drop around to a few of them that are open, and just drop this on the desk and say: "Would you glance at it? Would you just run your eyeball over it, Mr. and Mrs. Small Business, and tell us what you think? Do you think it should be passed? Or would you rather just file your income tax with the federal government and let the province get a certain percentage back?" I'll venture this. You'll find no one, not one, that says, "Oh, I love this."

I practically had a . . . What did I have? I'm trying to think of something anyhow. A vision. When I read this, it really turned me on. I mean it was better than reading an Ayn Rand book or, worse still, reading Hagar in the comics. I loved it so much. I challenge you: take it home, because they're fairly cheap. I'll loan you my copy. Just give it to any small business person in your riding. I think you should do two to get an average. If you get one that comes back and says they like the idea: "It's about time Alberta paid its own tax. I've hated the thought all these years of filing federal tax and not knowing that the province is getting their fair share or not. I think it's really important that we file extra taxes for the province." I just want you to hear that.

Mr. Speaker, I can't understand why they would look at that. Let's just go on a step further. Stranger things have happened. Let's think for a minute that the minister cannot lose face by taking this out or amending it or changing the whole thing so that all we do is get a certain percentage of the federal tax. By the way, if all the provinces went that way – right now Alberta and Quebec and to a lesser extent Ontario are the only ones that try to make you file different taxes – how much nicer that would be for us in this free trade era to try to move and expand our businesses into the other provinces. Let's suppose that for some reason or another the minister will not back off, doesn't want to retreat, that he really loves these formulas and that. Let's get quite progressive about it. Maybe we could file income taxes electronically. We have Internet and everything else now. Why do we have to go through the system we have now? Why don't we set up an approved system on our computer that handles both . . . [interjection]

The guy from Innisfail is giving me a bad time, Mr. Speaker. Really, I'm out there today hunting for bear, and I don't want to waste any time on a squirrel right now.

The minister has taken off, but I'm hoping he's listening as he's sipping his hot chocolate and eating the pizza that has been brought in for him and that it doesn't give him any heartburn.

One of the things he could do is use the computer system – it'd be a more modern system if we're going to use the two systems – and give free a computer program so that mom-and-pop small businesses would just have to plug in those complicated formulas that they wouldn't have to work out again. For instance, the one on page 25 here, I think it was, says: $A \text{ minus } A(\text{TPUC} \text{ minus } 100 \text{ million})$ – not many small businesses have ever seen that many zeroes before in their lives – over 100 million. Now, as you recall, that's sort of a quadratic equation. You've got to factor 100 million into TPUC to get it to work out. That's just the one on page 25. It doesn't say what TPUC – you'd have to go on.

You're looking kind of puzzled. I don't blame you. You're a lawyer, not an accountant, I can see that right now. That's the formula on page 25. See what I mean, Mr. Speaker? They haven't read it. They wouldn't know what they've done. I mean, he probably thinks it's something to do with the pedigree of that wolf that got away or the genealogy chart or the coyote's chart over there.

Mr. Speaker, that is just one formula. I think if I haven't made the point now, I guess it's never going to get across. These people on the front bench and the rest of them over there are just voting for this because the Treasurer has asked them to. What's happened is that somebody has run rampant through the Treasurer's department and come up with this monstrosity and plugged it in.

11:40

MR. HAVELOCK: This quadratic equation.

MR. N. TAYLOR: I'm sorry. I can't hear what you're saying, but I don't think the Speaker will allow it.

MR. HAVELOCK: He can't hear it either.

MR. N. TAYLOR: I see. The Member for Calgary-Shaw has a very intriguing habit of moving his lips, but I don't hear the same thing that his lips are forming. He like all the others is quite happy to take the Treasurer at his word that this is a good Bill, that we should pass it. What surprises me is that while the

Member for Calgary-Shaw is famous for not taking anybody's word, he would take the Treasurer's word on this thing, that this is a good Bill.

As I say, please take it home. Pass it around. A formula like that is just too good to be wasted. I see the member from Brooks. I defy him to find anybody on Main Street who would understand that formula, on the main street of Brooks. There's not one soul. But here he is, Mr. Speaker, a man who practises the medical profession, one who is very familiar with mumbo jumbo and making statements that nobody understands, and still he will probably turn around and vote for this, something that would wreck small business.

No, Mr. Speaker. I think it's time that they sent this back, that the Conservatives go back to where they think their founding fathers lie, where their true philosophy lies, which was to simplify business, remove obstacles so that people could get out with their dollars, get out of the face of business, and take this thing and junk it.

Thank you.

MR. WOLOSHYN: Mr. Speaker, I think that in view of the hour and in view of the direction of the debate, which is nowhere near the Bill, I would move that we adjourn debate.

THE DEPUTY SPEAKER: The hon. Member for Stony Plain has moved that we now adjourn debate on Bill 38. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

THE DEPUTY SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

THE DEPUTY SPEAKER: The motion is carried.

MRS. BLACK: Mr. Speaker, in light of the hour that we've arrived at tonight and with the rousing debate that has taken place, I'd like to move that we adjourn until 1:30 tomorrow.

[At 11:45 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]