

Legislative Assembly of Alberta

Title: **Wednesday, May 1, 1996**

8:00 p.m.

Date: 96/05/01

[The Deputy Speaker in the Chair]

THE DEPUTY SPEAKER: Please be seated.

head: **Royal Assent**

MR. DINNING: Mr. Speaker, His Honour the Honourable the Lieutenant Governor will now attend upon the Assembly.

[Mr. Dinning and the Sergeant-at-Arms left the Chamber to attend the Lieutenant Governor]

[The Mace was draped]

[The Sergeant-at-Arms knocked on the main doors of the Chamber three times. The Associate Sergeant-at-Arms opened the doors, and the Sergeant-at-Arms entered]

THE SERGEANT-AT-ARMS: All rise, please. Mr. Speaker, His Honour the Honourable the Lieutenant Governor awaits.

THE DEPUTY SPEAKER: Sergeant-at-Arms, admit His Honour the Lieutenant Governor.

[Preceded by the Sergeant-at-Arms, His Honour the Lieutenant Governor of Alberta, H.A. "Bud" Olson, and Mr. Dinning entered the Chamber. His Honour took his place upon the throne]

THE DEPUTY SPEAKER: We'll let you all be seated.

May it please Your Honour, the Legislative Assembly has, at its present sittings, passed certain Bills to which, and in the name of the Legislative Assembly, I respectfully request Your Honour's assent.

THE CLERK ASSISTANT: Your Honour, the following are the titles of the Bills to which Your Honour's assent is prayed.

- 1 Agent-General Act Repeal Act
- 2 Alberta Economic Development Authority Act
- 3 Lloydminster Hospital Act Repeal Act
- 4 Glenbow-Alberta Institute Amendment Act, 1996
- 5 Racing Corporation Act
- 7 Municipal Affairs Statutes Amendment and Repeal Act, 1996
- 8 Alberta Energy and Utilities Board Statutes Amendment Act, 1996
- 9 Agricultural Societies Amendment Act, 1996
- 12 Persons with Developmental Disabilities Foundation Act
- 13 Registries Statutes Amendment Act, 1996
- 14 Health Foundations Act
- 15 Hospitals Amendment Act, 1996
- 16 Economic Development and Tourism Statutes Repeal Act
- 17 Financial Administration Amendment Act, 1996
- 18 Energy Statutes Amendment Act, 1996
- 19 Agriculture Financial Services Amendment Act, 1996
- 20 Fuel Tax Amendment Act, 1996
- 21 Financial Institutions Statutes Amendment Act, 1996
- 25 Alberta Corporate Tax Amendment Act, 1996
- 27 Public Health Amendment Act, 1996
- 205 Limitations Act
- 208 Highway Traffic Amendment Act, 1996

209 Medical Profession Amendment Act, 1996

Pr. 1 Alberta Wheat Pool Amendment Act, 1996

Pr. 3 Evangel Bible College Act

Pr. 4 Bethesda Bible College Act

Pr. 5 Farmers' Union of Alberta Amendment Act, 1996

[The Lieutenant Governor indicated his assent]

THE CLERK ASSISTANT: In Her Majesty's name His Honour the Honourable the Lieutenant Governor doth assent to these Bills.

SERGEANT-AT-ARMS: All rise, please.

[Preceded by the Sergeant-at-Arms, the Lieutenant Governor and Mr. Dinning left the Chamber]

[The Mace was uncovered]

THE DEPUTY SPEAKER: Please be seated.

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

8:10

Bill 32 **Alberta Heritage Savings Trust Fund Act**

[Adjourned debate April 30: Mr. Dinning]

MR. DINNING: Mr. Speaker, as I was closing my remarks last night, I was advising the Assembly that over the longer term the endowment portfolio will strengthen the financial position of the province since long-term total returns should be higher than debt costs and higher than the return on the transition portfolio.

We also indicated, Mr. Speaker, when we introduced Bill 32 that there is a new government structure for the heritage fund. It improves the accountability, and it provides for a new management structure that builds on the five principles identified by the review committee chaired by the hon. Member for Lethbridge-West. As well, it's consistent with the new investment framework for the fund.

What the structure sets out is an oversight committee of Members of the Legislative Assembly that will approve the overall direction, will evaluate the performance of the fund and report regularly on the fund's performance to Albertans. The framework establishes an operations committee that will involve private-sector expertise to oversee the investment activity of the fund.

The ongoing investment decisions will be made by a group within Alberta Treasury called the capital markets group, which will be led by the chief operating officer, and the activities of this group will include investment management, liability management of the province's debt, banking and cash management, and accounting for its activities. The chief operating officer will report to the operations committee, which in turn reports to the Provincial Treasurer.

Mr. Speaker, what the Bill does basically is repeal and replace the old heritage fund Act. It crystalizes the rationale and purpose for the fund by entrenching a clear mission statement for the fund, and that's spelled out in the preamble on page 1.

Whereas the mission of the Heritage Fund is to provide prudent stewardship of the savings from Alberta's non-renewable resources by providing the greatest financial returns on those savings for current and future generations of Albertans.

It sets out the separate investment objectives for both the

transition portfolio and endowment portfolio. In section 3(2):

Investments made under the endowment portfolio shall be made with the objective of maximizing long-term financial returns.

Whereas in 3(3):

Investments made under the transition portfolio shall be made with the objective of supporting the Government's short-term to medium-term income needs as reflected in the Government's consolidated fiscal plan.

It institutes the "prudent person" rule for investments, thereby restricting investments made for economic development or for social investment purposes. Mr. Speaker, this does not stop fund income that flows to the general revenue fund from being invested for social investment purposes, but they will not become assets of the heritage savings trust fund. They will in fact be assets, for instance, of the heritage scholarship fund or the Heritage Foundation for Medical Research or something of that sort.

It sets out in section 6 the overall governance structure by establishing the standing committee and laying out its functions. It sets out a requirement that the Treasurer shall annually prepare a business plan for the fund and present that to the committee, specifies how the fund will be inflation-proofed. It establishes a minimum amount of \$1.2 billion to be transferred annually from the transition portfolio to the endowment portfolio such that by December 31, 2005, all of the fund's assets will reside in the endowment portfolio. It continues the Auditor General as the auditor of the heritage fund, and it sets out requirements for timely quarterly and annual reporting on the results and the performance of the fund.

To conclude second reading, Mr. Speaker, I would say that this Bill puts the heritage fund on a new track, on a track that is in keeping with this government's commitment to financial responsibility and full accountability, and I would certainly commend once again my colleagues who served on the committee headed by the Member for Lethbridge-West, thank them for their hard work in traveling throughout the province, and thank Albertans for their advice wherein they said that this was an important fund, important to the history and to the future of Alberta, one that Albertans were committed to keeping but wanting to see strengthened in its financial performance and strengthened in its financial outlook for the future of this province.

I would move second reading of Bill 32, Mr. Speaker.

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

MR. GERMAIN: Mr. Speaker, thank you. The Alberta heritage trust fund, the amount of money in the fund, the history of this fund, and the legislation which governs the handling of this fund in the province of Alberta are all very important issues to Albertans. Without unduly arousing the Legislative Assembly, I think it can be fairly said of these moneys, of the Alberta people's heritage in this province, that never has so much been squandered by so few, and I must say that to have the Provincial Treasurer come forward with these efforts at containment is laudable but regretfully to the people of the province of Alberta many years too late.

Now, Mr. Speaker, there are 53 Members of this Legislative Assembly who were not here prior to 1993, but by definition that means that there are approximately 30 Members of this Legislative Assembly, 30 members – and you know who you are – in the House that stood by year after year after year while Alberta's heritage was squandered. Some economists have calculated that

had the heritage trust fund continued with its previous scheme of continued resource revenue, it today would have been a fund of over a hundred billion dollars, and not only would Albertans have been paying no personal tax in the province of Alberta, but in fact the fund would have been subsidizing essential services such as health care, education, and social services. Instead, today in Alberta we have a debt that is so large that Albertans pay 1 and a half billion dollars in interest.

I want to suggest to the Provincial Treasurer that he do more in the way of education of the Members of this Legislative Assembly about that debt, because when that figure came up in this Legislative Assembly one evening, hon. Treasurer, some of your ministers in the front row were startled. They sent hostile notes over here suggesting that I exaggerated in jest, and when I pointed to the page in the budget where the interest on the provincial debt is \$1.49 billion, all they could say is that it's not really 1 and a half billion dollars by a few hundred thousand dollars and it is indeed the consolidated debt. It's like an ice-cream cone with a cherry on top: the cherry on top still doesn't disguise the fact that it's an ice-cream cone. We pay close to a billion and a half dollars in this province in interest in a situation where we could have in fact been paying zero interest, zero taxes for Albertans, and had much of our health care subsidized.

So where did it all come apart, Mr. Speaker, and what of the Treasurer's efforts to rein in the problem? First, it came apart with the resource revenues, which are clearly a nonrenewable resource. It means that someday in this province, excluding the potential of the oil sands plant, there won't be any more oil, and the oil rigs will have gone silent and be rusting in the farmers' fields quiet and unattended, a silent memory of what was once a revenue base of this province. Perhaps not in our lifetime, but it will happen. What we do now with this heritage trust fund will depend, in my estimation, on the quality of life that future generations of this province and indeed future generations of Canada have.

So what we have is a Provincial Treasurer who has built himself an Act, which on its surface is an improvement over the previous legislation. I accept that, and I think it would be wrong of any Member of this Legislative Assembly to doubt that. But one of the problems with this particular Act is that it depends on the goodwill and the forward thinking and the generosity of the Provincial Treasurer, and unfortunately the Provincial Treasurer is not one individual cast in stone. Provincial Treasurers can and often do change at the whim of the Premier. In fact, there are some Premiers in some provinces that will remove a Provincial Treasurer if it looks like the Provincial Treasurer is starting to make vocalizations at some press galleries that he might like to be Premier someday. Premiers have removed Treasurers for those kinds of discussions and those kinds of private thoughts. You know, the Shadow knows, Mr. Speaker, if I can borrow that phrase from a cartoon character.

So we want to talk about this Bill in the abstract, and when I comment on the goodwill and the discretion of the Provincial Treasurer in a negative sense, Mr. Speaker, I'm talking about the role of the Provincial Treasurer, not the personal individual who sits and presently holds that role, and I know he will take my comments in that regard. Much of this Bill requires the discretion of the Provincial Treasurer. The Provincial Treasurer can make decisions, and there is no control on those decisions.

So my thesis on this particular Bill in second reading debate is that all Members of this Legislative Assembly should look at whether the control of this very important fund really exists or is

illusory. It is my suggestion to the House this evening that this particular protection is somewhat illusory, and I would like to stimulate the debate, if I might, by pointing out to the members some of the broad-brush concepts in this particular Bill that ought to raise eyebrows, even though it is conceded that perhaps this particular Provincial Treasurer may in fact administer this Bill in a positive and appropriate way for all Albertans.

8:20

As I have indicated, Provincial Treasurers do from time to time change. It can be said that it is very much a job with no job security, and it can also be said that it is very much a job that must bend on occasion to the political practicalities and realities of the day. As a result, I wonder if Members of this Legislative Assembly, as they go through this Bill, might be motivated and might conclude that it would be more appropriate to stiffen up this Bill, protect further the assets of the province of Alberta, and take away some of the discretion that is vested in the figure of the Provincial Treasurer, because our future Provincial Treasurers may not have the same attitudes, skills, and abilities, of the present Provincial Treasurer. I won't assess or comment or interpret those attitudes, skills, or abilities, Mr. Speaker, because it would be more appropriate that the citizens of Alberta do so.

Let us take a look, for example, at paragraph 4 of this Bill. Now, if you were advising your mother on a stock portfolio, would you consider her appropriately well advised, investing what you might consider the family nest egg of a province, to tackle some of the following speculative investments?

Exchange agreements, futures agreements, option agreements, rate agreements, and any other financial agreements or any combination of the agreements or activities referred to in this subsection.

Or would you say to your mother: "Mom, you are paying \$1.5 billion a year in interest. We'd better take care of this fund. We'd better not squander this fund on high-risk investments. We'd better delete futures agreements, we'd better delete options, and we'd better delete some of these other rate exchange participation agreements and stick to more fundamental securities, the backbone of which is that we will receive a decent rate of return with absolutely no risk"?

Mr. Speaker, the bond rate was announced today and has been subject to some speculative downward spiral because of talk of inflation. A 30-year bond rate is still 9 percent and with the discount is hovering close to 10 percent. Well, that's a pretty good rate of return. You don't have to get involved in options and futures and rate exchange agreements, some of the high-risk funding, to take advantage of your nest egg.

On top of that, Mr. Speaker, when the Provincial Treasurer indicates that he is going to have fund advisers, some of which will be external, some of which will be internal, we have to wonder if whether so much of Alberta's future should be entrusted to a group of fee-for-service investors or a group of internal managers with the Treasury Department, because the errors that they make go way beyond simply the loss of their salary, as the Provincial Treasurer might remove them from office, or the loss of their commissions if the Provincial Treasurer cycles them. We in fact could sustain a serious devaluation of this particular fund. So I think if you ask most Albertans, Mr. Treasurer, they would say that they want the safe, solid, 30-year bond type of investments giving them the 9 percent interest and not speculative investments.

One might say, "Well, that's where the discretion of the Treasurer comes in." That makes my point, Mr. Speaker,

because we don't know who from time to time, from year to year, from day to day, and week to week the Treasurer will be. Indeed, we don't know what our present Treasurer is going to be, because I understand that at the *Calgary Herald* review committee a while back, there was much speculation as to whether this Provincial Treasurer would someday be the Premier of this province. It is not for me to say more on that subject; it is up to the Provincial Treasurer and other Members of this Legislative Assembly.

Mr. Speaker, I hear some of my colleagues hollering: bring Ken back; bring Ken back. I should stop for a moment, Mr. Speaker. I want to in passing make a comment about the hon. Member for Barrhead-Westlock. I know that in his constituency, that he represents so well, there are many people who, if they were standing right here beside the Member for Fort McMurray today, would say to the Provincial Treasurer: "You bet your booties, Provincial Treasurer, we don't want options. We don't want rate exchange agreements. We don't want future contracts. We want those nice, safe, 30-year, 10 percent bonds. That's what we want."

I know that the hon. Member for Barrhead-Westlock is going to speak about this heritage trust fund because he is indeed one of the 30 people who were here in the dark days. I know that after my comments he will stand up and give us his rendition of how it happened and how it got away from us, that today in the province of Alberta we would have been paying no tax, Mr. Speaker, no tax at all. But we are in fact paying a significant portion of our income in taxes, and we will want to hear from the hon. member as to his position on that.

I also want to go to the sections that allow the Provincial Treasurer to prop up the fund. Now, I may be too suspicious. You know, I may have been hanging around those provincial courthouses in the province of Alberta for too long and have become too distrustful and too concerned and maybe I read things funny and maybe I have some reading deficiencies, but words like this always send a shiver down my spine, and these words are: "specified by the Provincial Treasurer."

Now, when you first read this Bill, you think there's going to be guaranteed inflation-proofing in this Bill, but if you read this thing, the "gross domestic product price index" is going to be "specified by the Provincial Treasurer." Now, that doesn't sound to me like that's a certain and ascertainable formula. That sounds to me like the Provincial Treasurer is going to specify what the rate of inflation-proofing is. How can that be any kind of security for the honourable citizens who live in Fort McMurray or who live in the Calgary-Currie subdivision or who live down in the Brooks area? How can that be any protection to them? How can that be considered inflation-proofing for them?

I would ask the Provincial Treasurer, before he closes this debate at the end of second reading, to explain exactly why he has reserved unto himself even the ability to certify what the consumer price index is going to be for the purpose of inflation-proofing this particular fund. Now, it's true that if there is a surplus of over \$500 million a year, that surplus is going to be put into this heritage trust fund. But if there is not that surplus, why should the Provincial Treasurer have the opportunity and the option to determine what the inflation-proofing rate is going to be? So I would want to urge all members to look at that aspect of this particular legislation as they go through it.

We also have another open-ended section of this particular Act, and that's section 13. Section 13, by the way, Mr. Speaker, is an interesting section, because it says that the Provincial Treasurer

can allocate assets from the fund to the general fund for fund administration. There's no subject-to-any-review clause. There's no approval by the committee on what those fees are. There's no way of determining the accuracy or fairness of those fees. I would say to the Provincial Treasurer that he should in his comments and rebuttal to the debate on second reading come clean with the House and say: "You know, hon. members opposite, we agree with you. We will ensure that section 13 now says that the special select standing committee that deals with this fund will approve those reasonable fees before they are charged back against the fund."

You know, the hon. Treasurer from time to time has made comments about the legal profession and charging legal fees. The Treasurer in his role as the government purse strings man has had to pay a few lawyers in his time. He's always commented on the desirability of having the fee announced up front and negotiated up front and dealt with up front so there's not a bunch of surprise fees. Well, if you were administering this heritage trust fund and if you were speaking for and on behalf of your relatives tonight, Mr. Speaker, and this was your bank account, you wouldn't want somebody to arbitrarily assess the fees, take the fees, and give you no right of recourse.

You see, in the public domain, Mr. Speaker, when it's your money in a mutual fund, if you don't like what the fund manager is charging you, you can pick up the phone and ask him to transfer the fund to another fund manager, but in this particular situation, if we view the Provincial Treasurer as a form of figurehead for the fund management, we don't have a choice. So surely the legislative committee at least, given the watchdog function that they have been given, should be given one additional function, and that is to specifically approve the Provincial Treasurer's proposed debit fees contained in section 13, and I would urge that on the Provincial Treasurer.

I move on to section 15, and I talk about the often heard expression in this Legislative Assembly: open and accountable government. In fairness to the current Provincial Treasurer, he has tried to provide financial information in a timely way. Now, in this particular case he's going to propose that the quarterly reports of the fund be first given to the standing select committee, and then that committee has two months, two whole months out of each quarter, which consists of three months, to produce and release those reports to this Legislative Assembly.

8:30

I say to you and I ask you, rhetorically, Mr. Treasurer: what in the world would require that that standing committee take two months before they release to this Assembly and to the citizens of Alberta how their money is being managed? You're two-thirds of the way through the next quarter. Surely when the Legislative Assembly is in session, the standing committee should be able to file those reports within a week of getting them and reviewing them. That would be like your accountant providing you your financial statement on the first of the year and you not bothering to get around to showing it to your business partners for another 60 days. I simply say that that is too long a time period to keep Albertans in the dark, and I urge the Provincial Treasurer to consider changes, consider friendly amendments and bring in a change to that effect.

So I would urge the Provincial Treasurer to take a hard look at section 15 of this particular legislation. Indeed, if you look at the thing, Provincial Treasurer, in contrast to section 16, which is the release of the annual report, the annual report has to be released on June 30 for the end of a fiscal year that ends on March 31.

That's only, if my math is correct, a 90-day period. Yet for these quarterly reports, after the standing committee gets them, the rest of the Legislative Assembly is still going to wait two months. That seems to be an inappropriate delay and doesn't seem to be tied together with reality.

Now, sometimes from time to time we hear here, Mr. Speaker, that the province of Alberta will, in the ebb and flow of politics, perhaps go to a time when there is not an equal and balanced and thoroughly prepared opposition. Fortunately, those days are not here with us now, and, as a result, since 1993 the Provincial Treasurer has found a way to balance the books of this province with aggressive and conscientious opposition. But the provincial government sometimes assumes that there won't be opposition, so they put in – in fact, one Member of this Assembly even used that as a reason to vote against a recall Bill, because it would be used to wipe out the opposition.

I think that when you look at what's happened in the province of Alberta and, more importantly, you contrast that, you know, to effective opposition – and you remember and all Members of this Legislative Assembly will remember that the hon. Member for Edmonton-Glengarry was going around the province of Alberta four years before the citizens of this province and the government woke up to the financial crises we were in, banging his wallet on the podium. I say today, as I have said before in this Legislative Assembly, that the hon. Member for Edmonton-Glengarry probably did more to turn the fortunes of this province economically than any other single Member of the Legislative Assembly today. [interjections] Yeah, well, I see other hon. members from the side opposite wanting to chirp about the heritage trust fund too. Be sure that you have all of the data when you stand up to speak, hon. member, so you can stand up and explain why we're \$32 billion in debt in this province.

Now we have a Provincial Treasurer that says: trust me; I'm here from the government. Just like a coy maiden holding up a strand of garlic to ward off a vampire, the hon. Provincial Treasurer says: trust me; I'm here from the government.

SOME HON. MEMBERS: He is the vampire.

MR. GERMAIN: Oh. Now some hon. members say the Provincial Treasurer is the vampire, and on that happy and speculative note I will take my place, Mr. Speaker.

Thank you.

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

MR. DOERKSEN: All right, Mr. Speaker. I want to spend a few moments discussing Bill 32, the Alberta Heritage Savings Trust Fund Act. There's a reason that this Bill is even before us in the Assembly today. The reason for that is that we went to the people of Alberta and we asked them, "What do you want for the future of the Alberta heritage savings trust fund?" We even had the decency to include some of the opposition members in that particular panel that went around the province talking to people. Unlike some of the opposition members we did not prejudge what the outcome would be. They went out in advance and were suggesting that the people of Alberta would tell us that we should sell the fund and apply it to our debt. We had the good sense to ask the question and ask for their opinion.

Mr. Speaker, I think that the notion of the opposition party about liquidating the fund probably had some validity prior to the

Klein government taking over in 1993, because at that point in time the people of Alberta began to realize that this was a government which was now committed to getting its books under control and to running responsible financial management. Because of that, I believe they gave us a message and said, "Because you are taking that track, we are willing and we should keep the Alberta heritage savings trust fund for the future."

Mr. Speaker, it would be good to remind ourselves of the five principles that were developed through the committee that talked to Albertans and through the results that came back from the correspondence, the questionnaire that we sent out. The first one, of course, is that "the Fund should be retained, but not at the status quo." The second principle is that "the management of the Fund should be at arms length from the political process." The third principle is that private-sector "managers should be involved in investment decision making, along with Alberta Treasury staff." The fourth: "the Fund should be more transparent; the Fund's managers should be more directly accountable to the people of Alberta." Fifth: "the role of government is to set objectives for the Fund." It is around those five principles that Bill 32 has been developed.

Section 3 of the Bill that we're discussing tonight really sets up the two portfolios, one being the growth portfolio, which is the endowment portfolio, and the second portfolio is the income-oriented or the transition portfolio. We're going to move the fund from that income portfolio to a growth portfolio over a period of time. Mr. Speaker, that is a reasonable and a prudent approach to changing the Alberta heritage savings trust fund, which has assets close to \$12 billion, over into a long-term endowment fund, which is what the people of Alberta have told us to do.

In section 12 of the Act it shows how that transition will take place. It begins in 1996-97, and by December 31 no later than the year 2005 the portfolio will have moved from the transition portfolio into the endowment portfolio and be there held for the people of Alberta into the future.

Mr. Speaker, then turning to the governance model, we see this under section 6 where we set up the new governance, and again I want to make note that . . .

MR. DECORE: Mr. Speaker, point of order.

**Point of Order
Questioning a Member**

MR. DECORE: *Beauchesne* 605. I'd like to ask a question of the hon. member.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Glengarry is asking a question. You just have to say yes or no.

MR. DOERKSEN: Mr. Speaker, no. I am not as competent as others to argue both ends against the middle.

Debate Continued

MR. DOERKSEN: Section 6 sets up the governance structure, and again I want to point out that we have set up an all-party committee that includes members of the opposition, so we continue to provide accountability to the people of Alberta through the governance structure of that standing committee.

The functions of the committee are outlined in that section, 6(4). There's one that I want to point out that I think is key and something new, and that is (e) under that section, which says, "To hold public meetings with Albertans on the investment activities

and results of the Heritage Fund." Mr. Speaker, as I understand it, that does not mean here in the Assembly. That means that we will go out to the public with the results of the Alberta heritage savings trust fund and the business plans and tell them what is happening to their fund, because it is their fund and their money, after all. I think this is a good change, something that is important, and something that I support.

8:40

Sections 8 and 11 – well, primarily 11 – set up the inflation-proofing section of this Act, because again the people told us, when we went out to talk to them and through their response back in the questionnaire, that we should inflation-proof the account and not let the value of the heritage fund be eroded over time through inflation. Mr. Speaker, again I think we've set out a responsible mechanism to ensure that that can happen. It also ensures and follows our commitment under the Deficit Elimination Act to continue to reduce the gross debt by \$500 million per year.

Mr. Speaker, I think that overall this Act is what the people of Alberta have asked for. The principles are sound. It's what they told us to do and what we are now putting into legislation. So on that, I would end my remarks.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Glengarry. No? Okay.

The hon. Member for Calgary-West.

MR. DALLA-LONGA: Thank you for the handoff there, Mr. Speaker.

This Bill and the provisions within it are an admission that there was something wrong with the heritage savings trust fund, and that admission comes now despite the fact that for the last three or four or five years, maybe even longer, this government maintained that there was nothing wrong with the heritage savings trust fund, that it was being managed properly.

I would now like to thank the Provincial Treasurer for implementing several of the changes that were advocated by our party over the years. I'd like to thank the Provincial Treasurer for doing that, although he doesn't go far enough. I'd like to just recommend some of the changes . . .

MR. DINNING: Just sell it off. They wanted to sell it off. Sell it off.

MR. DALLA-LONGA: Mr. Speaker, the Provincial Treasurer says that we advocated selling it off, but that would have been better than what was happening in the past, which was squandering it, throwing it away. At least we'd have gotten something for it. [interjections]

**Speaker's Ruling
Decorum**

THE DEPUTY SPEAKER: Hon. members, there's a process of debate which all members who have been here for any more than a few minutes know perfectly well. We have one person speaking, and when that hon. member is finished, then another hon. member can get up and speak in response. The current debate is unparliamentary.

The hon. Member for Calgary-West.

Debate Continued

MR. DALLA-LONGA: Mr. Speaker, the Provincial Treasurer often talks about the Liberals as the Tax and Spend Liberals, but

if we were to attach a similar label, a label that fits the members on that side, it would be the Tax and Give Away or the Tax and Blow Tories. At least we'd get something for our money.

Anyway, Mr. Speaker, not to stray from the Bill. Before I was sort of interrupted, I was thanking the Treasurer for implementing some of the changes that we had recommended, specifically three of those changes that we had advocated during those dark days when the Treasurer along with many of his cohorts, many of his partners, were saying that there was nothing wrong.

Specifically, the changes were that the fund should be managed by somebody at arm's length, not what was happening in the past, Mr. Speaker, where we would have these circular paths for where the money was going. You needed a mural to figure out where the money was going, where it was coming from, where it was going to end up. Now we're going to have, hopefully, arm's-length individuals looking after the management of this fund. That was a recommendation that our party had right from the very beginning, right from when we saw that we had a financial problem with this fund.

The second thing is the involvement of private-sector investment managers in the decision-making. Now, we'll get to some of the other recommendations that are being proposed in this Bill, but we're going to get some real people who have real knowledge about handling money involved in the management of this fund, and maybe we can even earn a real rate of return on this thing. Maybe, Mr. Speaker, we'll be able to figure out what that rate of return is, not what's happened in the past; like, do we have a fund? Do we own outhouses in Kananaskis? Is that part of our assets? What have we got in this fund? We're going to have real people who really know what's going on helping this government manage this fund, which is very important to the people of Alberta.

The third recommendation that our party had been making is that the fund should be more transparent and should be made more accountable to the people of Alberta. It started off with the appointment of the Auditor General, who's made some positive steps and who, I've all the confidence, is going to make even more recommendations to make this fund more understandable. I'm an accountant, and sometimes I look at the books for the heritage savings trust fund and I'm hard pressed to understand what's going on in there. Now, maybe I'm not the best accountant in the world. Maybe the Provincial Treasurer could teach me a trick or two – and I use that word loosely, a trick or two – or maybe three or four. But, Mr. Speaker, we're going to have a fund that's more accountable and that's more in line with what's happening out there in the real world.

MR. GERMAIN: Ten years too late.

MR. DALLA-LONGA: It's too late. We've blown a lot, and it's been an expensive lesson, Mr. Speaker. Unfortunately, they have not been held accountable for that, but some day their day of reckoning will come. Some day their day of reckoning will come.

Mr. Speaker, I want to thank the Provincial Treasurer. I want to thank him for those three changes. You know, he probably learned that lesson from his days at Dome Petroleum, what happens when you mismanage money. He's a quick learner. He's a quick study. From those days at Dome Petroleum he knows what happens when you mismanage money. It's a good start. It's a good start. Three changes he's got there; okay?

But I want to go to some of the negative things, and some of them have been alluded to already by my colleague. You know,

Mr. Speaker, the Provincial Treasurer comes out with catchy phrases. He comes out with the catchy slogan – what was that? – straight choices, straight talk. It should have been: strange choices . . .

MR. GERMAIN: Straight Talk, Clear Choices.

MR. DALLA-LONGA: Oh, Straight Talk, Clear Choices. That's what it was. It should have been strange talk, muddy choices.

Anyway, Mr. Speaker, he comes out with, "What are we going to do with our surplus? What are we going to do with all the good things that we've done?"

You know, Mr. Speaker, if we take that slogan that he's come up with – Straight Talk, Clear Choices – and we sort of look into some of the aspects of this Bill, it still gives too much opportunity for manipulation. There are sections in here that leave decisions, leave opportunities – and I'm not saying that this Provincial Treasurer, the current Provincial Treasurer, would necessarily do this on purpose, but you know he could stray off or he might get replaced for making a wrong decision. The opportunity lies within this Bill as it's presently drafted for one individual to make some decisions to handle the resources of this province which are handled within the heritage savings trust fund. That might not necessarily be in the best interest of Albertans.

I would like to just give a couple of examples of things that I've spotted in my first reading of this. For example, Mr. Speaker, let's talk about clause 13.

The Provincial Treasurer may charge a cost, expense or other payment to the Heritage Fund if in the opinion of the Provincial Treasurer the cost, expense or other payment was incurred or paid in respect of the Heritage Fund.

Now, we know from past experience that the opinion of the Provincial Treasurer or anyone else in government could be seriously affected by what would be the most opportune decision to make. What would be the best political thing? And that would be his opinion.

8:50

That's one example, and I could go in to other examples. I'm sure other members who will have the opportunity to speak after me will bring up other examples, and I did spot them, but I want to get on to some of my other points.

Another one is immediately after, clause 15(1). This is one that we saw in some other Bills. It talks about quarterly reports. It says:

The Provincial Treasurer shall, as soon as practicable after the end of each of the first 3 quarters of every fiscal year, prepare and provide to the Standing Committee a report on the activities of the Heritage Fund and financial statements for the preceding quarter.

The words there that I'm really keying in on are "as soon as practicable." Well, out in the real world, out there where all the businesses have to report to the government, they don't do things as soon as practicable. Yesterday was April 30. We had to have our tax returns in on April 30, not as soon as practicable. We had to have them in by a set date. What gives this government the right to say, "Well, when we get around it." Once again, Mr. Speaker, maybe it would be opportune to have "as soon as practicable" be a year or six months after the fact.

We see another example of that in clause 16(1).

The Provincial Treasurer shall, as soon as practicable after the end of each fiscal year, prepare and provide to the Standing Committee an annual report of the Heritage Fund, et cetera. Now, Mr. Speaker, corporations have to have their tax

returns and they have to report to their shareholders within a certain time frame. They don't do it as soon as practicable. This government has to report to its shareholders, the citizens of this province. Let's decide what a reasonable time frame is. Is it two months? Is it three months? When should that happen? But don't say "as soon as practicable," because that would be dictated by political expediency.

Anyway, Mr. Speaker, I know that some of my other colleagues want to get up and speak to this. We've made some positive changes, but we can't stop there. We've got some other things that need to be changed here. There is still some opportunity to look after this fund in the manner that it should have originally been looked after, to care for it as Albertans expect us to.

With that, Mr. Speaker, I'll allow the Member for Edmonton-Glengarry – he's just chomping at the bit here – to get up and speak. I know he has some words of wisdom.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Glengarry. [interjection]

MR. DECORE: My wallet's empty. I can't pull it out because there's nothing in it, hon. member.

Mr. Speaker, the reason I stood and asked the hon. Member for Red Deer-South if I could ask him a question was because he was trumpeting the government position that one of the principles that the government was adhering to was that the private-sector managers would be involved, would work in concert with managers in the ministerial portfolio, to ensure the best investment of these moneys, and we're talking about billions of dollars. I look at the Act and I don't see anything about that principle, and to me this is a pretty important principle.

What I see instead of a reference to the private sector – and to me this is important because we always seem to defer to Ontario or to Vancouver, and I think we have an incredible infrastructure, a strength of financial management in Alberta, particularly in the city of Calgary. I want to ensure as a legislator that these funds aren't given off to somebody in Toronto or in New York or in Vancouver solely or completely to manage. I want to know that Albertans who I know are competent to do the job will do the job, but there is nothing about this principle in this Bill. There is nothing. There is no reference to this principle.

I see instead, first of all, a reference in section 17 that says, "The Lieutenant Governor in Council may make regulations respecting the investments that may be made under this Act."

Then I look at section 2(2), and I think this is in conflict with the section I just read. That section says:

The Provincial Treasurer shall hold, [shall] manage, [shall] invest and [shall] dispose of the assets of the Heritage Fund in accordance with this Act.

Then it goes on to say in section 4 that "the Provincial Treasurer may enter into agreements providing for" – and you heard my learned friend from Fort McMurray talk about entering into futures and exchange agreements and so on and so forth.

There's nothing in here about private-sector managers, hon. Member for Red Deer-South, and I want to be assured by the Treasurer that this isn't going to be spun off to Toronto or to New York or to Vancouver, that in fact Albertans are going to be given the jobs.

Mr. Speaker, I remember as an alderman in the city of Edmonton when an Edmontonian came and asked for permission, asked for authority to be allowed to assist in the investment of the city of Edmonton's sinking fund, and I remember the commis-

sioner of finance saying, oh, well, we don't have the expertise to do that. I said that if we don't have the expertise, why not link this individual – and I had done some homework on the individual. I thought that the individual was competent. By the way, that individual came to be the biggest investment planner in the city of Edmonton, planning other people's moneys and institutional moneys. I said: why not link that particular Edmonton portfolio investor with somebody in Toronto and somebody in Vancouver to give that individual, to give that firm strength, to give them experience to place funds? No, they said, we can't do that. Well, that's what I'm worried about. I'm worried about the same sort of thing happening here, that we don't give Albertans the right chance.

Now, there's a flip side to this, Mr. Speaker, and the flip side is that when you give unfettered authority to one individual – and this is unfettered authority to the Treasurer – you invite some difficulty. It may not be this Treasurer, but it may be some Treasurer who says, "Well, I think I should give that portfolio, that file to a particular friend of mine or somebody that worked on a campaign that I think should be rewarded." That's the danger here when there isn't control, when there isn't clear reference to private-sector managers, when there isn't clear reference to control over private-sector managers in the management of these billions of dollars.

So this Bill fails, Mr. Speaker, in I think a critical area, that area of ensuring that Albertans manage and, number two, ensuring that the best managers look after the fund. Who are the best managers? Are they people that are going to be individuals that are specially trained? There are such individuals. You have to go through certain accreditation procedures to get trained as an investment broker. Are they going to be those kinds of people or somebody else? Well, this Act doesn't say anything about that. There is no reference or control or monitoring of that particular aspect.

When my friend from Red Deer-South talks about and starts crowing about the section that deals with the standing committee, the standing committee doesn't even have any authority to look in on this issue. They're sort of after-the-fact managers. If something goes wrong, if an investment manager isn't the kind of investment manager they should be or if an investment manager is sort of a political hack, they can't do anything. It's all after the fact. They simply review what has been done.

Mr. Speaker, I think there are some good things in this Act. The fact that the Auditor General is the Auditor General for the Act and the fact that there are certain clear conditions that are put on are good. These are good because in the past the heritage trust fund has been used as a political slush fund. Whenever the government of the day wanted to do something nice for Albertans, they just sort of opened the chest and gave it out. The words that we were always given were, "If there's a rainy day, we'll come and help."

Well, there was, as my friend from Calgary has already indicated, something wrong with the previous legislation, but this legislation doesn't do what it should do. I'm asking that the hon. Treasurer stand, when he again speaks to this matter, to reassure me that changes will be made which will allow me to vote for the matters I spoke of.

Mr. Speaker, I'll sit at this point because there are other issues that I wish to raise later.

Thank you.

9:00

SOME HON. MEMBERS: Question.

THE DEPUTY SPEAKER: The question has been called.

The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you, Mr. Speaker. I appreciate that. I was simply giving the government members time.

One of the privileges I've had as a member of this Assembly is sitting on the Alberta heritage savings trust fund standing committee. I refer to it as a privilege because it's given me an opportunity to understand the scope and the breadth of the work that's been done with the heritage savings trust fund endowment. Mr. Speaker, I can tell you that becoming more familiar with the irrigation projects, the funding for urban parks, alternative energy programs, and the medical research that's been done helped me better understand just how important the stewardship of this fund is.

This Act would purport to be an Act that puts into operation the findings of the provincial review and reflects the opinions of Albertans who have commented to the government about the future of the heritage savings trust fund. Several of my colleagues have commented on some of the weaknesses or some of the deficiencies in terms of translating all of that input into legislation. Now, I would add for just a moment a couple of my own thoughts, again as I reflect on my experience as a member of the standing committee.

The first one is that there are currently 15 members on the standing committee. This Bill would reduce the number of members to nine. I'm not exactly sure why. I'm not sure whether 15 was considered burdensome. I'm not sure whether it's because it provides less opportunity for opposition members. I'm not sure whether it's because the government caucus had some input that its own members didn't want to participate on the committee. We're left to wonder why fewer Members of the Legislative Assembly would have an opportunity to participate in that standing committee. It is a standing committee that holds meetings, unlike other standing committees, most notably the one on law and regulations. It is a standing committee that has a fairly short agenda, and it's a standing committee that in my experience seems to get its job done and seems to enjoy the support of members, notwithstanding that one of the recommendations of the standing committee at one point was that if the fund were to be abolished, maybe the committee should be as well. But we see that the government is not going to be abolishing the fund, and in fact they're trying to develop a whole new way to take care of the fund and its assets.

Now, the next point that I want to make, Mr. Speaker, is on section 3(4), which relates to the scope of regulations as they relate to the making of investments. As the Member for Edmonton-Glengarry pointed out, the Provincial Treasurer in some parts of this Bill seems to hold all of the cards, and at other times it seems that the cards that he plays will be subject to the regulations made by the Lieutenant Governor in Council. Yet when we look for guidance as to what specific areas will be regulated or may be regulated by the LG in Council, we see that section 17 deviates somewhat from the government's usual pattern. Instead of having a rather exhaustive list of all of the technical detail that may be subject to regulations, what we're left with in this Bill is a very simple statement that reads, "The Lieutenant Governor in Council may make regulations respecting the investments that may be made under this Act." At first I thought that maybe this was better than having that exhaustive list of things that was subject to regulation, but upon reflection, I feel that this is in many ways even worse. What we have is really

nothing in this legislation that would cause the Treasurer to pause and think, cause the Treasurer to have a sober second thought as he becomes even more and more giddy with the power that he's given in this particular Bill.

The LG in Council may make regulations, but the Treasurer may also make the decisions. It's really not clear which is going to take priority, and because the Bill is silent on those specific areas that may be regulated by the LG in Council, we don't really know what will be left to the council, what will be left to the Treasurer, and what will just be left unregulated. This causes me some concern because I don't think that's what Albertans wanted when they said, "Protect the heritage savings trust fund." I don't think this is what Albertans contemplated when they gave this government some direction to ensure that this rainy day fund was there for future generations.

I don't want to prolong the debate on Bill 32, but I do think it's important to note that again we have a Bill that takes away some authority from the Legislature. It diminishes the role of the Legislature by reducing the number of members appointed by this Assembly to the committee. Again it passes over a tremendous amount of power to the Treasurer. What the Treasurer doesn't regulate, the Lieutenant Governor in Council may regulate, and finally, Mr. Speaker, with no reference at all to this Legislature's Standing Committee on Law and Regulations.

Thank you.

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

MR. SEKULIC: Thank you, Mr. Speaker. I also want to get up and add some of my comments to this debate. I'll say at the onset that I will be supporting this Bill. [some applause] Oh no, don't give me applause just yet.

I'm one of the current members of the Standing Committee on the Alberta Heritage Savings Trust Fund Act and have had the opportunity to participate in a number of debates on the fund. I have to say that the committee has been functional, unlike many of the other committees of the Legislature. I have to say that is one that we've actually made progress on. Despite the fact that I will be supporting this Bill, I think we have to discuss what it is that brings this Bill to the floor of this Assembly.

[Mr. Clegg in the Chair]

It's so much like the Premier's Bill last session, Bill 1, the Alberta Taxpayer Protection Act, Mr. Speaker. What caused it to be that such a Bill would have to be introduced? Well, the government couldn't trust itself. Mr. Speaker, what causes this Bill to come to the Assembly today is that the government can't trust itself.

We have to review for Albertans I think some of the history, and it's a financial history. All too often when we see information like Straight Talk, Clear Choices, it's fast on words and short on numbers that I think people can really get a grasp of on what happened in Alberta to bring us to the point where we have to cut programs and services so dramatically and so quickly. Let's take a look at some of the numbers, which many Albertans will quickly relate to. Particularly for those who pick up a copy of *Hansard*, they'll find that this is in fact straight talk, and it may then enable them to make some clearer choices.

Debt servicing in Alberta, debt servicing costs. The hon. Member for Fort McMurray spoke of this in his comments

earlier. It's important, because I don't believe that all the government members are aware of the magnitude of the debt servicing that every year taxpayers are forced to pay out. I know the hon. Minister of Energy is very much interested in this. In 1992 the debt servicing costs in this province were \$1.67 billion. In 1993 they were \$1.755 billion; in 1994, \$2.03 billion; in 1995, \$2.1 billion. That's an incredible growth in the cost of servicing our debt. Now, if that was our household, the alarms would have gone off after that first year, but because we had a Conservative government in Alberta, it took four or five dramatic years until the bell started ringing that we did have a problem. In fact, even then they didn't get it. It was the hon. Member for Edmonton-Glengarry who rang the bell loud enough so some of them would actually hear it. But in fact even then they didn't hear it; it was Albertans who heard the bell first and realized that we had a problem.

9:10

Well, during that same time period Albertans would probably be curious: "Well, maybe we were spending more because revenues just weren't coming in." So I had to look at that information, Mr. Speaker, and I went to the province of Alberta form 18K, which is, once again, the form that we send off to the money markets international when we go and borrow money.

So what were the revenues in those same time periods? Well, Mr. Speaker, in 1992, when we were running a \$1 billion deficit, the revenues of the province were \$12.84 billion. The next year, 1993, when we ran a \$1.75 billion debt servicing cost, the revenues were \$13.218 billion. In 1994 the revenues of the province were \$14.337 billion; in 1995, \$16.067 billion. So we see that the revenues were growing, our debt servicing costs were growing, and in fact spending was growing.

At the same time, resources royalties – it's important to know these, because these all work together nicely and paint an accurate picture of the mismanagement that was occurring in this province over that time period. The resource revenues during that time period: 1992, \$2.022 billion; 1993, \$2.183 billion; 1994, \$2.817 billion; 1995, \$3.378 billion. I know that very few government members could dispute these because it's in fact their own publications that put these numbers forward, but these aren't numbers that are generally put together on one page, because they are very distressing when they are presented on one page.

Mr. Speaker, another important consideration has to be given to paint yet a clearer picture of the financial history that Alberta was taken through under a Conservative government. It's really important to know why we've cut back so dramatically and so quickly. We have to take a look at gross debt. Despite those revenues, despite the debt servicing, despite the resource revenues that we were bringing in at that time, let's take a look at the debt picture over that same time period. In 1992-93 gross debt was \$29.068 billion. It's shocking, because some members in here will not believe the number we will come to when we come to 1996. In 1993-94, Mr. Speaker, \$32.075 billion worth of debt. In 1994-95, \$34.101 billion worth of debt. In '95-96, \$35.053 billion worth of debt. Now, these numbers are being quoted from Budget '93 Update, Alberta Treasury, September 1993, so they won't be disputed by the hon. government members. The projected debt for 1996-97 is \$35.026 billion.

Well, that's a fine mess that no Liberal government in Alberta brought Albertans to. It was a tax, spend, give away, burn money Conservative government in Alberta that did it to us royally. And they have the gall, then, to point at the federal government and say what an example they've set. Well, Mr.

Speaker, they were no better. That's why the current Whip of this government crossed over from a less socialist party to a more socialist party: because they were so much better at giving away money.

MR. GERMAIN: What does that make him?

MR. SEKULIC: I don't know. They appointed him to be Whip. Nonetheless, Mr. Speaker, that should bring Albertans to some awareness as to where we are now.

There are other considerations, and this makes it yet more personal for those that will read *Hansard*. Before 1982 debt servicing in real, per capita terms was consistently less than \$200 per capita. By 1988, Mr. Speaker, it had risen . . .

Speaker's Ruling Decorum

THE ACTING SPEAKER: Obviously all members of the House know that we're not in committee. If we were in committee, I'd be sitting down there instead of up here. I see one member, Medicine Hat, has already moved. The hon. minister responsible for science and research has slipped over to her place, and the Member for Calgary-Shaw has also slipped over to his place. So we're now all in order.

Before I sit down, before I recognize Edmonton-Manning, could we have unanimous consent to revert to Introduction of Guests?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed, if any? Carried.

head: **Introduction of Guests**

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

MR. ZWOZDESKY: Thank you, Mr. Speaker. It's a pleasure to introduce to you a number of individuals who are here tonight to watch the spirit of debate and the proceedings in the House. These are individuals who come to us from the Northern Alberta Heritage Language Association. They are, in fact, the teachers and volunteers and hard workers who keep the community heritage language program moving in our province. There are many others of course, but this is a sampling of some of the people who have come here tonight to show some support for that cause. At the same time, they have also come here as individuals who are concerned about the state of multicultural policy and of multiculturalism in general in our province because they are all supporters of that policy. Consequently, they are here because they're very concerned about Bill 24. I know that the Premier keeps asking: who out there is interested? Well, this is a group of people who are very interested. They're very, very hardworking individuals. I'd like them to rise at this time. Please welcome them warmly in this House for the first time.

Thank you.

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

Bill 32 Alberta Heritage Savings Trust Fund Act (continued)

THE ACTING SPEAKER: Hon. Member for Edmonton-Manning, please continue.

MR. SEKULIC: Thank you, Mr. Speaker. I'm glad we have some Albertans with us this evening, so they can get a better picture of why some of the programs with which they work have been cut.

Let's take a look at more shocking financial information that this Conservative government delivered. In fact 30 members, at least 30 members, the hon. Minister of Energy being one of those 30, were there while this all happened.

DR. TAYLOR: It's not this government, Peter.

MR. SEKULIC: But not the Member for Cypress-Medicine Hat. Mr. Speaker, the hon. Member for Cypress-Medicine Hat says, "Not this government," that it was the previous government. Could you imagine if you went to a bank and you had financial transactions with them, incurred significant debt as a corporation, and then one individual in that corporation says, "Well, it wasn't me; it was them"? Well, there's an association here. In fact, if we take a look at the front bench – what? – maybe 80 percent of those ministers that sit there today were here back then.

AN HON. MEMBER: And returned by their constituents.

9:20

MR. SEKULIC: They were returned by their constituents. Quite rightfully so. Democracy did work.

So I want to get back to these debates. Let's get on to some more straight talk that was conveniently omitted from this document, which the government paid a quarter of a million dollars to produce and distribute throughout Alberta. Before 1982 debt servicing costs in real, per capita terms were consistently less than \$200 per capita; 1982 was not that long ago. By 1988 it had risen to slightly less than \$400 in real, per capita terms. By 1990 it had exceeded \$500, and by 1994 it exceeded \$600 per capita, Mr. Speaker, \$600 for every man, woman, and child in this province on an annual basis towards paying interest.

That household analogy is so appropriate when the hon. Premier uses it, because if this was happening in our homes, we'd all be living somewhere else. We wouldn't have homes, Mr. Speaker. This is where this government has brought us, one of the wealthiest provinces in Canada, one of the provinces that has the ability to generate the most revenue through its royalties on natural resources. I hear some sighs across the way. This is painful to hear, and if more of my constituents had to hear this, I think their minds would have been a little more – I can't say more supportive; they were very supportive. But certainly if Albertans had this picture, then maybe the political landscape would be slightly different.

Having said all that, having tried to set the record straight in terms of why we are here today in terms of this Bill, I have to say that this Bill is a positive measure. I was one of the members of that Standing Committee on the Alberta Heritage Savings Trust Fund Act. There were five recommendations at the end of this past year's meetings, and yes, they were all Liberal recommendations, Mr. Speaker. I'm just going to put forward two or three which I put forward which are embodied partially in this Bill, and I'm happy to see that.

AN HON. MEMBER: He's learned the Sheila Copps thing.

MR. SEKULIC: Everything I say is a Sheila Copps type thing. I'm committed to it, and if I don't do it, I will resign, and it won't take a week to make my mind up. There's one politician

in Canada today that did the right thing, and I think there should be a lot more doing what Sheila Copps did.

Mr. Speaker, continuing on, there were three recommendations which I did put forward, and I want to briefly discuss them. The first one that I put forward was:

Be it resolved that the government should, through the legislative process, set clear restrictions and conditions for the investment of fund assets. This would require the development of guidelines specifying what is considered to be an authorized investment.

Once again, Mr. Speaker, when I put that recommendation forward, I wanted parliamentary democracy to work. I wanted all 83 members of this Assembly to have some input in setting the course for that 12 billion dollars' worth of assets that we call the Alberta heritage savings trust fund.

Mr. Speaker, the second recommendation I put forward was: "Be it resolved that the government should ensure that a reasonable and prudent diversification among investments is maintained." That's a marketplace standard. It's very much fair, positive, proactive, and reasonable.

Mr. Speaker, the last one:

Be it resolved that the government should ensure that the fund's investment or brokerage firms be dealt with through the independent management board, which in turn maintains accountability to the Legislature.

What I was trying to do there is ensure that there's an arm's-length distance, that politics can't play a role anymore in the way taxpayers' money is managed.

Mr. Speaker, this is a significant step. I will be supporting it. I think we can continue to make improvements. I would encourage all members of the Assembly to vote in favour of this Bill.

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

MR. DICKSON: Thanks very much. Fortunately, because of the very excellent analysis that's been done by previous speakers, much of which I can simply incorporate by reference, my comments will be much shorter. [interjections] Not that much shorter, Mr. Speaker, but certainly shorter.

Mr. Speaker, I want to focus on a couple of specific concerns with the Bill, and these have been highlighted to some extent by others. The concern I have is trying to reconcile section 6 and section 17. The observation I'd make in looking at section 6 immediately is that we have this provision that the standing committee actually has some very significant responsibilities in terms of reviewing and approving the annual business plan, receiving and reviewing quarterly reports, approving the annual report, reviewing after each fiscal year the performance of the heritage fund, and then finally, holding public meetings to consult with Albertans on investment activity. So those are all very significant and important activities. What is curious to me is why, then, we see section 17, which really gives the Lieutenant Governor in Council carte blanche to make investment-governing regulations without any reference at all to that standing committee.

Now, the government has a majority on the standing committee, so the government will have its way in any event on any issue because that's the way standing committees of this Legislative Assembly operate. The government has a majority, and the most that the opposition can ever do is point out shortcomings, point out weaknesses, and challenge the government to do better.

Now, it would seem to me that it would be a minimal kind of requirement that the same standing committee which is invested with all of these powers in section 6 would also at least have the

power to be consulted on regulations before they become law. If you have nine people representing the Legislative Assembly, building up a particular kind of expertise and specialized knowledge in this very important area, why wouldn't the minister solicit input and advice from those members and from that committee in a corporate sense before rushing off and bringing into force a whole set of investment regulations?

So it seems to me that one of the things we're going to have to do when this gets to committee, even though I support the principle of the Bill now and will vote in support of this Bill at second reading – I think an amendment ought to be introduced. I serve notice on the government now that an amendment ought to be introduced to reduce the ambit of section 17 to ensure that in the process of the regulatory design of the regulation-making, there will have to be, at minimum, consultation with the standing committee. It may be that that won't necessarily mean a veto power in the standing committee, although that's certainly something that may merit consideration, but there has to be consultation.

Now, even the Member for Peace River in his deregulation task force recognizes the importance of consulting stakeholders. That's a key part of regulation-making, and I think this may be one of those significant times when I make common cause with my friend from Peace River. I think he agrees that stakeholders have to be consulted. Well, what could be a more significant stakeholder here than the standing committee, which is mandated not under the *Standing Orders of the Legislative Assembly* but by statute? We don't have very many standing committees that are mandated by statute. I think that to reflect and be consistent with the kind of importance we're attaching to that, why don't we in section 17 make that kind of tie-in? I'll suggest that the government may want to have a go at that. If the government doesn't introduce an amendment to address that, then it would certainly be my intention to do precisely that.

Now, there had certainly been plans, and I know that the Calgary MLAs take particular interest in this. There was an intention to set up an operations committee, and we talked about private-sector expertise being brought to bear through an operations committee. Well, I thought it was an important recommendation. It came from the all-party review of the heritage fund. It rates not a single mention in Bill 32, not a single mention. Why would that be, Mr. Speaker? If in fact what the government is attempting to do is reflect in statutory form those key recommendations that came from the all-party panel, then why don't we provide for that within the four corners of the Bill? If there's some good reason why we don't do it, does this mean that the government has lost its resolve to in fact establish an operations committee to involve private-sector expertise? If they have not, let's say it in the Bill.

I wasn't fortunate enough to be a member of that committee, but I understood from my colleagues on the opposition side that were part of that committee that the operations group, the operations committee was an absolutely key, integral recommendation to ensure that our heritage fund works for Albertans. Why isn't it set out in Bill 32? If there's a good reason, I'd like to hear it. I haven't heard that explanation so far.

9:30

Then I think I'd just make the observation, Mr. Speaker, that our caucus in May of 1995 did support Motion 21, and those five principles in fact we see reflected in the various text and provisions in Bill 32. I think the government deserves and warrants some recognition in it's an attempt to make the management of the

fund more arm's length from the political process. It was a positive recommendation. It's a very positive element in Bill 32.

The other major theme was involving private-sector investment managers. That is nowhere apparent in Bill 32. Bill 32 is defective to that extent, but I'm hopeful that that can yet be remedied.

So those would be my principal concerns. I hope they can be addressed before this Bill comes out of committee. I stress again that I'm supporting the Bill in principle, but I have those concerns, and I'd like to see them addressed before we deal further with this or at least before we dispose of it at the committee stage.

Thanks very much, Mr. Speaker.

[Motion carried; Bill 32 read a second time]

Bill 34

Municipal Government Amendment Act, 1996

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

MR. LANGEVIN: Thank you, Mr. Speaker. It is my pleasure this evening to move second reading of Bill 34, which is the Municipal Government Amendment Act, 1996.

As we all know, this government introduced a new MGA Act in June of 1994. This new Act gave municipalities more authority and flexibility to manage their day-to-day affairs. In fact, about 25 different pieces of legislation were rolled over into one new Act. Along with the amendments introduced in June of 1994, the new Act consolidated municipal and planning legislation into the same Act. As well, it dealt with changes needed to move toward a uniform provincial mill rate for education funding.

This new Act, Mr. Speaker, has now been out and in use for two years. We have received some recommendations for amendments by the users of the MGA, specifically the AUMA and the AAMDC. We've received recommendations from legal counsel acting for municipalities and also some recommendations from our own department.

Bill 34, Mr. Speaker, brings forward some of these recommendations. These changes will accommodate four main issues that need to be dealt with. Number one, it will legislate the phaseout of the education tax on machinery and equipment. This is done to fulfill the government's commitment to create a climate that will attract new investment and create jobs. It will clarify other assessment and taxation procedures. It will make some changes to the tax recovery procedures, especially those dealing with contaminated land sites. It will also cover other minor clarification and housekeeping amendments which are needed to make this more workable.

Mr. Speaker, I'd like to take a little bit of time to talk about each of these four areas. The first matter I would like to deal with is the amendment that relates to the 20 percent phaseout of the education tax on machinery and equipment. As we all know, the provincial tax on machinery and equipment will be reduced by 20 percent in 1996 and by a further 20 percent in 1997. This government is committed to providing legislation which ensures the Alberta advantage. Writing the reduction of the M and E tax in the MGA Act fulfills that commitment.

Mr. Speaker, we all know that taxes paid on the machinery and equipment assessment are a major barrier to new investments and value-added manufacturing and processing in Alberta, yet these are exactly the types of industries that we are trying to attract to Alberta to add value to our resources, especially in agriculture, forestry, and energy, before they are exported. These are the

types of industries that create high-wage, high-skilled jobs in Alberta. These are the types of industries that make Alberta prosperous. Alberta needs a competitive tax regime to attract its share of new investment for these industries.

The Municipal Government Amendment Act, 1996, contains a number of other amendments on assessments on taxation. Without getting into a lot of legislative details, the amendments will clarify the following: that the operator of service leases, especially in the oil and gas field, is the person who is assessable and taxable and not the landowner; that all provincial weigh scales are exempted from assessment and therefore are not eligible for grant in lieu of tax payments to municipalities; also that bylaws passed by municipalities making the mobile-home park owner taxable will have additional requirements, such as that the bylaw will have no effect until the tax year one year after the bylaw has been passed and the bylaw must be advertised in public.

Based on submissions from many stakeholders, the owners of mobile units will have the same rights as other homeowners. It will no longer matter where the mobile home is located or if the municipality has passed a bylaw making the owner of the mobile-home park taxable. Municipalities will also be required to prorate the tax on mobile homes moving out of municipalities. Any tax refunds will be returned to the person who paid the taxes.

The amendment to the tax recovery procedure dealing with contaminated sites was requested by a number of municipalities along with their associations. Municipal Affairs, working in cooperation with Alberta Environmental Protection, recommended that a municipality not be responsible under the Environmental Protection and Enhancement Act in respect to properties in the tax recovery process.

Municipalities which take possession or ownership of tax recovered property other than for their own use will not be liable for existing contaminated sites. Liability will be limited to instances when the municipality has increased contamination or creates new contamination on the site. In effect, municipalities will only be responsible for their actions as they relate to contamination. However, municipalities which take ownership of property for their own use will have the same environmental liabilities as other owners have. Environmental Protection will be assisted in recovering the remedial costs of contaminated sites, recovered sites, from any proceeds from tax sales. Municipalities in turn receive a clean site capable of new development and new tax generation.

Municipalities also requested that the tax recovery procedure be amended to allow them to enter into a three-year agreement for payment of tax arrears. This agreement will suspend the requirement to offer the property for sale at public auction. It will give a chance to the owner of the property to catch up on his arrears and retain his property. The legislation has been clarified to allow municipalities to release surplus funds from tax sales directly to the previous owner if no encumbrances exist on the title. This removes a requirement to apply to the court for surplus funds in some cases.

Finally, Mr. Speaker, the clarification and housekeeping amendments in the Municipal Government Amendment Act, 1996, respond to a number of concerns raised by the various stakeholders. These amendments address such areas as correction for typographical errors and punctuation; extending the term of the lease agreements that have been advertised from three years or more to five years or more; clarification of the provision on annexation, formation, and dissolution; clarification of the role of the administrator of the municipal government board; and also clarification of the provision found in the planning and development part.

Mr. Speaker, that concludes the four major areas of change that Bill 34, the Municipal Government Amendment Act, 1996, proposes. I would like to briefly recap.

9:40

MR. DECORE: Mr. Speaking, I'm rising on a point of order.

Point of Order Questioning a Member

MR. DECORE: *Beauchesne* 482. Will the Speaker allow a question?

THE ACTING SPEAKER: It's not up to me to allow a question, hon. member. Hon. Member for Lac La Biche-St. Paul, would you like a question? Yes or no?

MR. LANGEVIN: No, Mr. Speaker. I think we can allow that in third reading.

THE ACTING SPEAKER: Okay. Continue.

Debate Continued

MR. LANGEVIN: Just in conclusion here, Bill 34 will enshrine in the MGA Act a machinery and equipment tax reduction. It will also make other major changes to the assessment and taxation procedure. Bill 34 will also amend the tax recovery procedure for contaminated land, and Bill 34 will make other clarification and housekeeping amendments to the MGA Act.

In closing, I urge all members to support Bill 34. Thank you, Mr. Speaker.

THE ACTING SPEAKER: Before I recognize the Member for Leduc, could we have unanimous consent to revert to Introduction of Guests?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed, if any? Carried.
The hon. Member for Barrhead-Westlock.

head: Introduction of Guests (reversion)

MR. KOWALSKI: Thank you very much, Mr. Speaker and to the Assembly. In the members' gallery tonight is a well-known Albertan who is spending his Wednesday evening, I guess, observing what is going on. I'd like to introduce all members to a former chairman of the Alberta Securities Commission, a former candidate for public office in the province of Alberta, a leader in Alberta's multicultural community, now a part-time journalist who has column in a paper here in Edmonton called the *Edmontonians*. He's originally from the community of Vegreville, which is the same community that the Member for Edmonton-Glengarry hails from. In the member's gallery is Mr. Bill Pidruchney. I'd ask him to rise and receive the warm welcome.

head: Government Bills and Orders head: Second Reading

Bill 34 Municipal Government Amendment Act, 1996 (continued)

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

MR. ZWOZDESKY: Thank you, Mr. Speaker. I just have a few brief comments that I want to make on Bill 34, the Municipal Government Amendment Act, 1996, before we get into the larger points of debate which Leduc and perhaps Calgary-Buffalo and others may want to raise.

The issue that I want to bring forward here, since the nature of this Bill deals with all the different clauses that are being corrected or amended in a minor fashion regarding clerical or administrative points, is with regard to the taxation aspect that surfaces in various parts of the Bill. Specifically I want to address the point where municipalities would have the right or perhaps not have the right to levy taxes on our so-called cultural centres in the province.

Now, I know that the hon. Member for Lac La Biche-St. Paul has no doubt addressed that issue because I'm sure he has cultural centres in his area as well, but I know, Mr. Speaker, that here in Edmonton this has been a very hot point of debate. There are a number of these volunteer community centres which are of course staffed by volunteers, served by volunteers, and really were erected through the good graces of the volunteer effort of this province, most of it coming from the so-called pro multicultural sector. In Edmonton alone we have several dozen of these facilities. I was just thinking that as we have representatives here from some of that community, they might be interested to hear some comment from government members regarding that aspect.

Is it the government's intention through this Act to allow the taxation of these centres? If that is the case, then you will find organizations and centres such as the German Canadian centre or the Italian cultural centre or the Ukrainian youth unity centre and numerous others having some questions, I suppose, for the government. These centres, Mr. Speaker, were not set up on a for-profit basis. Quite frankly, they provide so much good to our community not only in terms of cultural programming but also in terms of larger community uses which are available to all of society, not just to one particular ethnocultural organization.

I think just for purposes of the record, if there is somebody from the government side who can comment on that issue, we would all appreciate hearing it. We know that these individuals involved in a volunteer capacity, Mr. Speaker, are already stressed to the max, as the expression goes, because of course there is a tremendous competition for fund-raising in many ways. I'm not talking just about bingos, but I'm talking about the whole catering industry and so on. So as not to put too much burden on them, I wonder if the government did consider some form of tax alleviation with regard to these larger cultural centres, not just in Edmonton but throughout the province.

Again I issue that question to anyone from the government side should they wish to respond, particularly since we have at least 15, 16, 17 members from the multicultural community here tonight. These are individuals who are exactly the type of volunteer that we're talking about, and I know there are at least that many language groups represented here. They have a very vested interest in this because the community heritage language programs that we were talking about earlier last month and throughout the last few days in the House are exactly the types of programs that occur in some of these centres. They do occur elsewhere too, Mr. Speaker, but here in this Act I see that there are a number of facilities and a number of properties that are particularly excluded from taxation levies.

I noticed in reading the Act that there are certain establishments on native reserves that are exempted, and there are other establishments on Métis settlements that are exempted. That's not just

facilities per se; that includes the entire property. I don't have a problem with that because I understand that that probably falls under the federal legislation, but I think here we have an opportunity to engage in some interesting debate on what concerns us at the provincial level.

Bearing in mind that we have something like 58 percent of the population in Alberta currently being not of Anglo-Saxon background, I think this would be a tremendously positive move for the government to consider: some form of tax relief, some form of relief for these cultural centres.

So with those few comments I appreciate the Member for Leduc letting me go first here to kick off this debate, and I look forward to someone else from the government side perhaps clearing up that issue in view of our very special guests here tonight. I know they're very interested. I thank you for your time.

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

MR. DECORE: Thank you, Mr. Speaker. That's precisely the issue that I rose on, to ask the hon. Member for Lac La Biche-St. Paul, the sponsor of this Bill, who spoke on behalf of the government, to clarify for me – and this is a very appropriate time, as my friend who has just spoken has indicated. There are members from the ethnocultural community here who have had to deal with this issue and still are not satisfied that the issue has been properly dealt with. Now, I look to the hon. Member for Lac-La Biche St. Paul to answer these questions because he's been a mayor and he knows exactly what I'm talking about. So I await an explanation by the mover of this Bill, who I presume knows what this Bill is all about.

Let me just reiterate the difficulty here. The sections that are being amended or the changes that are being advocated ask or suggest that the minister may make regulations that allow for certain lands to be exempted from taxation. Now, if there's one thing that drives a municipality mad – and my friend from St. Paul knows this, because he was a mayor – it is to have a municipal council take a certain position on the taxation of land and then see that matter appealed to a provincial authority and see that authority is given for exemption. There are some examples in our community. There is a Ukrainian centre in our community that's exempt from taxation. The Jewish Centre in Calgary is exempt from taxation. I can't remember all of the others, but there was a strong argument made by ethnocultural leaders saying, "Well, if the Jewish Centre can be exempted from taxation by the provincial authorities and the Ukrainian centre can be exempted from taxation by the provincial authorities, how come the rest of the ethnocultural centres can't be exempt?"

The cities and the towns were pulling their hair out saying, "Why isn't there some consistency in this?" and the best that the government can do is simply put forward a suggestion that there be a change to the regulations saying: and the minister can make whatever regulations he wants. This doesn't satisfy the issue that's outstanding. This doesn't clarify the issue that's outstanding. And for a person who has been a mayor not to be able to stand and give us some direction on this I think is sad. I want these ethnocultural leaders that are here tonight to be able to go back to their communities and say, "You know, I heard the hon. Member for Lac La Biche-St. Paul stand up and give me a good explanation on why my cultural centre is being taxed but the Jewish Centre and the cultural centres in Calgary and Edmonton are not."

So, Mr. Speaker, I wait for that explanation.

9:50

THE ACTING SPEAKER: The hon. Member for Edmonton-Glengarry obviously knows that if the hon. Member for Lac La Biche-St. Paul speaks, he closes debate in second reading. So he's asking for the impossible.

The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. I'm sure the hon. Member for Lac La Biche-St. Paul can make notes of that and in his conclusion provide the answers to the questions that the hon. Member for Edmonton-Glengarry put forth here.

Now, the hon. members for Edmonton-Avonmore and Edmonton-Glengarry certainly brought out one particular aspect of this Bill that perhaps could receive more clarification. I heard the Member for Lac La Biche-St. Paul indicate that it was in essence a housekeeping Bill, and on an initial glance it seems to be innocuous. However, when you put it into a proper context, Mr. Speaker – and I will deal with this particular Bill – a couple of clauses pop out immediately in the first three pages of the Bill. I'm looking at page 2 here under clause 126. Now, this seems to be a subtle little change. It reads this way:

Despite sections 116 to 125, the Lieutenant Governor in Council, on the recommendation of the Minister, may by order annex land to a municipal authority.

Now, that perhaps doesn't seem like a large leap, but when you compare it to the previous section 126, it says:

Despite sections 116 to 124, the Lieutenant Governor in Council may by order annex land to a municipal authority if the minister believes that . . .

And it gives two very specific conditions.

- (a) the proposed annexation is of a minor nature, and
- (b) there is no dispute about the proposed annexation.

The difference there is large. The difference there is significant.

When you look at these two clauses, you'll recall the comments that the minister has made in the last several months about how if a municipality is weak, it should fold itself into a strong one. I would suggest that when you keep that in the context of these particular clauses, you also take the minister back to his comments of about six weeks or two months ago, when he indicated and he publicly exposed – I shall use this term – 13 municipalities in this particular province that were in a supposed weak financial position.

Now, Mr. Speaker, that in itself was reprehensible, in my view, because what it did was publicly advertise to any business or any person who may have been considering those communities that they may not have the best financial standing, and by doing so, he sullied the reputations of those communities. I would suggest that if there was a business that was contemplating moving to those particular municipalities, they would have revisited that decision, based on the minister's comments. So it was very harsh and undue criticism of those municipalities, because they were not given the same stage and the same opportunity to explain their finances and exactly when they would be in an approved situation as far as their finances are concerned.

Taking that in the context of that clause I just pointed out to you, Mr. Speaker, and knowing full well that the minister has disclosed his philosophy that the strong should inherit the weak or control the weak, whatever term you want to use – and I would suggest that's definitely a Progressive Conservative philosophy – you must consider this clause 126 to be a very large change to the Municipal Government Act. If there's any municipality in this province that considers itself to be singled out by the minister or has expressed some concern about their finances, if I was them I

would be looking very closely at clause 126, because the operative word there is the first one of that clause, and that's "despite." I say that because when you look at the present situation and the present reading of that Bill and you look at the sections that this overrides, those sections, 116 to 125 of the Municipal Government Act, clearly and very definitively outline a process that municipalities must follow if they are to annex property.

Now, those steps include, too, a discussion. They also include notice for annexation. They include compulsory meetings that have to be effected. They include a process that requires a mandatory response from the initiating municipality and also one that is the subject of an annexation meeting. It requires the initiating municipality to submit a report on the results of negotiations and a description of public consultation that has occurred. So these sections 116 to 125 of the Municipal Government Act, which have gone to great length to outline steps to ensure that an annexation hearing is very clear and fair, come under jeopardy when we look at clause 126. Previously clause 126 did not give the minister that power. It defined the two areas where he could by order force an annexation. Those two little caveats have now been removed, and I would suggest that it should cause all municipalities in this province a large concern, particularly in light of this government's philosophy and this minister's philosophy.

I would also suggest, Mr. Speaker, that when you look at the Municipal Government Act and that newly created Municipal Government Board that was included in that Act, it was included in there so that when municipalities came into difficulty or came into a dispute with one another about annexation, those matters would be referred to that Municipal Government Board. In essence, this clause here specifically, I would say, neutered that particular Municipal Government Board, makes it impotent. It struck me that in that initial Municipal Government Act that came into this Legislature about two years ago for discussion, we had amalgamated several different boards to create this super Municipal Government Board, and now in one clause I would suggest that that whole board is rendered useless.

So, Mr. Speaker, when we look at that page 2 – that's as far as I got in evaluating this Bill – when I look at that clause and I compare it and I frame it in the context of the philosophy that this minister has telegraphed to all municipalities, it is a large, large leap from the previous, and it should cause concern. I would suggest that that particular point, where in fact the minister becomes king and can in essence crown one municipality to swallow another, is not acceptable to the municipalities out there, and if they look at it and read it very analytically, I'm sure they'll arrive at the same conclusion that I'm advancing here.

I moved on to page 3 here, Mr. Speaker. The question that I would ask when I look at this amendment, 30 pages of amendment to an Act that came into this House two years ago, 276 pages in that Act if I recall correctly – already we've got 30 pages to amend it. Now, I'm looking at these amendments and trying to make some sense of them. I would take and direct the members' attention to page 3. There, under 9, it indicates that the previous Act will be amended this way, and you really have to listen to this closely. I read it three or four times. I shared it with the Member for Edmonton-Avonmore next to me. We tried to put some sense to this particular amendment. [interjection] No, this section they want to amend, hon. Member for Fort McMurray, says that "section 170(2) is amended by striking out 'matter' – spelled m-a-a-t-t-e-r – and substituting 'matter', " m-a-t-t-e-r. Now, hon. Member for Fort McMurray, you're of the learned legal

profession. I only know “matter” to be spelt correctly in that particular way, and when I read it . . .

MR. GERMAIN: Look at the comma. They're taking a comma out.

MR. KIRKLAND: There we go. Language and learning are so important, you see.

THE ACTING SPEAKER: The hon. Minister of Justice on a point of order.

Point of Order Relevance

MR. EVANS: Well, thank you, Mr. Speaker. *Beauchesne* 459. I've listened quite carefully to the hon. Member for Leduc, and he seems to think that we're in committee. He's dealing with specific provisions of the Bill in great detail, whereas as he knows well, we should be talking about the principle of the Bill. Now, if he wants to argue that that's somehow related to specific references in the Bill, I'd like to hear that, but I would suggest, Mr. Speaker, that he's going beyond what we would normally consider to be an appropriate discussion of the Bill in second reading. I'd appreciate your ruling on that, but he should be sticking to the principle and not dealing with the specifics in the legislation.

10:00

MR. DICKSON: On the point of order.

MR. GERMAIN: I've got to speak on the point of order too.

THE ACTING SPEAKER: We're going to let Calgary-Buffalo, but that'll be it on the point of order.

MR. DICKSON: Mr. Speaker, thanks very much. On the specific point of order, I thought that we had at this point established a reasonably clear convention in this Assembly, through you and those other individuals that occupy the office of Speaker, that when you deal with an amending Bill – and that is precisely what we've got in Bill 34. There is no statement of objectives here. There's no grand, philosophical outline. There's a hob-glob collection and assortment of patchwork bandages to another statute – in fact, more than one statute – and if you look through the whole 30 pages, there is nothing in there but detail and changes, some minor, some major. That's all there is to talk about.

If we were dealing with a substantive Bill that set out a series of objectives, fine. I'd agree with the hon. Minister of Justice. But given the kind of Bill we're dealing with, there is no other way of addressing it, Mr. Speaker, at second reading other than talking about the detail of the Bill. We can't move amendments.

MR. WOLOSHYN: Well, then let it go to committee. Move it to committee and we'll talk about it.

MR. DICKSON: Well, why would we be denied, Mr. Speaker, the opportunity at second reading to debate it? If they want to short-circuit it, change the Standing Orders.

THE ACTING SPEAKER: We seem to be getting into debate across the House, which I won't . . .

AN HON. MEMBER: Tolerate.

THE ACTING SPEAKER: . . . tolerate. I was looking for that word. Thank you, hon. member.

I don't believe that the hon. Minister of Justice – I'm always scared to say that because, you know, I might get into trouble, and I want him on my side. I don't think he has a point of order because of what the hon. Member for Calgary-Buffalo has said, that these are amendments to a Bill. The Chair has difficulty in really getting to the real principle when you have several amendments to the Bill.

I do think you've wandered a little bit, Leduc, and I'm sure that your intentions are more on the principle, but I do see the difficulty.

The hon. member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker, for your fine ruling there. As you know, I have the utmost respect for the House, and certainly if I was wandering a bit, as a fellow politician I'm sure you can understand that occasionally we have a tendency to do that.

Debate Continued

MR. KIRKLAND: I did speak to the principle of the Bill, Mr. Speaker, and I spoke to it very clearly. Of the 30 pages that we have in this particular Bill, it was very difficult to get past 126. I consider that to be the principle of the Bill, and that is the collection of power at the minister's desk.

Really, the rest of the amendments in a lot of cases may in fact be housekeeping. Now, some of that housekeeping, Mr. Speaker – and relating back to the principle once again, I spoke of a 276-page Bill that came into this House two years ago, and now we have 30 pages before us amending it. It does not give me a lot of confidence that when we're drawing up legislation and a mere two years later, by the time the dust has simply settled on it, we have to go back and amend some 15 percent of that particular Bill. So the principle that I'm speaking about is: why do we have to have 30 pages of amendment to a Bill that was put in place not that long ago?

So, Mr. Speaker, back to it – and I won't tear it apart clause by clause. There are some questions that have to be asked. I know that the Member for Lac La Biche-St. Paul is going to stand before this House, and certainly he would like some input so he can stand and intelligently answer some of the questions and concerns so that we're better prepared when we go into Committee of the Whole.

But if we look at section 24 of the Bill, it gives the government the ability to exempt “weigh scales, inspection stations,” et cetera, from taxation. What the Bill doesn't address – and this is specific, but you have to be specific with some of these clauses to illustrate the point and carry the point across for some clarification to be brought to the debate. There's nothing in that particular clause that indicates whether the municipalities will in fact be able to apply for a grant in lieu of the taxes that they formerly collected on such buildings. As you know, Mr. Speaker, the municipalities have accepted a tremendous downloading from this government, and they are very, very squeezed for dollars. So to deprive them of more dollars through removing their ability to tax some of the structures within their municipalities is only going to further hamper their ability to provide services to the citizens of those particular municipalities. So I would ask the hon. Member for Lac La Biche-St. Paul if he would provide some clarification

there. It would strike me that that is a small area, but certainly it has to be addressed.

The other thing that struck me, Mr. Speaker – and we looked at it and it surfaces throughout the Bill – is an amendment that changes time periods for amortization in financing from three to five years. Now, I just spoke of downloading by this government to the municipalities, and I would have to ask: did we have to increase that time to finance and borrow as a result of the added financial stress this government has put on the municipal governments in this province? I could come up with no other reason why they would do that. So if the hon. Member for Lac La Biche-St. Paul can provide some clarity to that, certainly it would be very, very desirable to assist me in supporting this Bill at this particular point.

In principle the Bill sounds good enough. It doesn't sound overly intrusive on the municipal government's powers. However, Mr. Speaker, as I indicated in my opening comments, one should stay focused on that first amendment on page 2, and one should look at that very closely. One should keep that particular clause in mind in light of the minister's philosophy and what he has, as I indicated, telegraphed to all the municipalities across this province of Alberta. The municipalities, as I indicated, certainly should focus on that themselves because there is a concern in my mind, and it's a concern that should be in their mind.

So with those comments, I will yield the floor so in fact we may speak some more to the principle and in some cases the specifics of these amendments, Mr. Speaker.

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

MR. DICKSON: Thanks, Mr. Speaker. With respect to Bill 34, a number of questions and concerns that I'm hopeful we'll get responses to, perhaps before we even complete second reading tonight. I'll just go through them sequentially. Firstly, sections 13, 14, 15, and 16 all deal with moving from three years to five years when it comes to the period in terms of borrowing by municipal governments. So I'd like an explanation in terms of why the additional two years, why we're moving from three to five years. I also have the query or concern whether this in fact is necessitated because of off-loading that we've seen by the provincial government in a host of different areas to a lower level, to municipal government.

As I work my way through the Bill, section 20 is curious. In section 20 we've got: "This section expires on December 31, 1997." Now, because that's section 288, it seemed to me that that wouldn't be necessarily consequential to the change to the M and E tax, so I'd like an explanation in terms of why section 20 is felt to be necessary in the Bill.

Moving on, in section 21 and then again in section 22 we're seeing a diminution in the kind of accountability that local ratepayers are going to experience. They're going to be walking into the trap that we find Members of the Legislative Assembly, where the government would have us review what happened in history a year and a half ago instead of last month or what's happening this week. I'm curious in terms of why the government feels it's necessary to in fact require municipal governments to provide information which is staler and less contemporary than the information that's required under the current Municipal Government Act, so I'd be hopeful that we get an explanation from the Member for Lac La Biche-St. Paul before we go much further. Now, that was sections 1 and 22.

10:10

There's reference there to a "recreation area" in section 24. That would be section 24(b)(iv) where "roadside camp or picnic ground" is struck and "or recreation area" substituted. But there's no definition. I looked at the Municipal Government Act, and although there's a very extensive amendment section, section 1(1), which goes on for some six pages, there's no definition of "recreation area," and that ought to be included.

[The Deputy Speaker in the Chair]

Moving on, then. Section 28: some concern there. Why is it felt necessary – there's already a whole series of exemptions from taxation for nonprofit organizations, for charitable, benevolent-purpose organizations, but the government wants to add a provision that would say, "any other property that is described in the regulations." It seems to me that that expands what exists currently in section 362(n), and it just seems to me that there has to be an explanation why the government wants to make that change. It hasn't been made by the proponent, the mover of this Bill. I assume that "after `regulations'" in section 28 refers to that which appears at the top of page 12, and it says, "and that meets the qualifications in the regulations." It seems to me it doesn't really fit very well, then, to add after "regulations," "and any other property that is described in the regulations." I think everyone knows what the current classes of exemptions are. I'm a bit uncomfortable with creating a whole other body or group of exemptions that's beyond the scrutiny and kind of examination that can only be provided in the Legislative Assembly.

We know, Mr. Speaker, that when it comes to regulations, this is effectively secret lawmaking because it goes on without any input from the Legislative Assembly, and we're dependent exclusively on those interest groups, normal or abnormal Albertans, using the Premier's definition, that the appropriate minister deigns it important to consult with. I don't think that's good enough. I don't think Albertans are satisfied with that kind of provision. I think I have a problem with section 28, but I'm hopeful that there's a good explanation for it. I'd like to hear it. On the face of it I would be opposed to section 28 without that clarification.

Section 29 is also curious. I understand that we're going from an exemption for "property held by and used in connection with the Canadian Youth Hostels Association," and I understand that that's split to presumably reflect the reorganization of Hostelling International and breaking it out into the different associations. But I see we're also deleting the exemption that used to exist for the Royal Canadian Legion, for veterans' clubs, and any "other organization of former members of any armed forces." Well, I've always understood that in this province those people that had gone to war on our behalf and on behalf of our country have always been found to warrant special attention, and I think there's been good reason for that. So I'd like somebody to explain to me why it is that veterans' associations, veterans' clubs have been deleted from the list and no longer are entitled to those kinds of provisions. Now, it may be – as I look at it even now, I see that I may have misread it. Mr. Speaker, to be fair to the sponsor of the Bill, as I look at it a little more closely, I erred. I see that the veterans' buildings are still included.

The other concern I had, though, dealt with section 42.

MR. DECORE: You almost gave Tom a heart attack.

MR. DICKSON: Well, Mr. Speaker, I operate on the principle that it's better to ask the questions, and if it turns out that the question may be unnecessary, far better that than not to have asked enough questions as we go through. [interjection]

It's been suggested, I know, by my colleague from Fort McMurray that there are other groups that warrant attention on that list. Certainly I think a good argument could be made that we have a closer look at this. I understand the need of municipalities, municipal corporations to maximize their tax revenue. I understand that there's a natural reluctance to create an excessive number of exemptions. But I think when we look at what makes our communities operate, we recognize that there's a whole range of charitable, worthwhile activities that sometimes warrant special consideration. I think it has to be done not on a sort of project-by-project basis. You have to set out what the criteria are going to be. But I think there's more that could be done, and I think this has not been renovated to the extent that it ought.

Now, section 42 I have some questions about. For a government that always likes to boast that it's open and accountable and so on, why would they go with the more restrictive wording that's proposed for section 469? The provision there that if you don't make a request for reasons at the time of the hearing, you can't get a copy of the board's reasons strikes me as being a really draconian, ham-handed kind of measure. This is a decision that will have been made that will be of serious import to the people that are affected. Why is it that if they don't happen to be at the hearing, they're disintitiled to get a copy of the reasons? Is there some reason that that information should be hidden from public scrutiny? I would seriously question why that's required. I'd be curious to know. Has the city of Calgary, that I represent part of, come forward and said, through the Speaker – I'm asking the hon. member – that they don't want to see those reasons given to an individual because that individual didn't come to the hearing and make the request then? That seems to me to be a gigantic step backwards for a government that likes to wrap itself in this new so-called accountability and transparency. It sure as heck doesn't exist in section 42.

The other question I'd have would be in moving on to section 50. This is a curious thing. This deals with intermunicipal disagreements, and it seems to me that we may see more and more of this since the government has embarked on basically doing away with the regional planning structure that we've had in this province that's worked so well. Now we lose some of those mechanisms and tools to help broker differences and disputes between municipalities. In section 570 there's going to be this provision that the minister has three choices. He can "conduct any investigation or inquiry" as the minister determines appropriate. This is all on page 20, Mr. Speaker. He may

- (b) appoint a mediator to assist the municipalities in resolving the disagreement; [or]
- (c) make a decision to settle the disagreement and order the municipalities to implement the decision.

10:20

Now, the difficulty I have with that: why wouldn't you say that the decision to settle a disagreement by the minister would not be made until after either there's been a mediator – at least an attempt has been made to allow the municipalities to resolve the agreement?

On the one hand, what we've done with our new municipal government legislation is confer a whole lot of additional powers to municipalities that didn't exist before, yet what we have is the potential here where the minister can step in when the minister

perceives a disagreement – this is at page 20, Mr. Speaker – jump in and in a very clumsy, arbitrary fashion say, "I decided that the city of Calgary is going to do this, and we're going to do something else with the adjacent MD." I would have thought that maybe the city of Calgary should have been given an opportunity as a right to resolve it through mediation before the minister jumps in and says that this is what's going to happen.

Now, maybe there have been some experiences in the past where cities can't be trusted, municipalities can't be trusted to try and resolve problems on their own, but I've always thought that the people that run municipal corporations aren't any . . .

MR. DECORE: Careful.

MR. DICKSON: When it comes to assessing the quality of municipal representation, I always defer to the Member for Edmonton-Glengarry, so perhaps I'll make a different observation than the one I had intended to make.

Mr. Speaker, it just seems to me that if there's been an attempt by municipalities to mediate and they've still been unsuccessful to co-author their own solution to whatever the problem may be, it's perfectly appropriate – the buck has to stop somewhere – for the minister to then step in and make a decision. I just have a great deal of difficulty with enabling the minister to settle the disagreement. There's no definition of what constitutes a disagreement, so what you may have is a minister who is overly keen on interfering in a different level of government, who may jump in with both feet where it would have been much smarter to encourage some kind of a mediated settlement at a local level first. I raise that concern because it would seem to me that in terms of section 50 and the change to section 570 you would make (c) a consequential kind of relief, not your first line of alternative relief. So I make that observation, and I'd propose that that should be amended at committee stage, if the government doesn't undertake to do it sooner.

Now, the other thing, moving on to the kind of notification required. If one looks at section 57 – and this is the amendment to section 636 . . .

AN HON. MEMBER: Question.

MR. DICKSON: There are lots of questions. You know, the member from Calgary in the back row has as many questions as I do. In the course of this debate this evening I've heard him say "Question" five or six times, and I'm waiting for him to get up and tell the minister exactly what those questions are. It seems to me, Mr. Speaker, that that member's constituents in Calgary north are probably wondering: why is it that the member keeps on raising questions and never tells anybody what they are? He just keeps on saying that he's puzzled and he's quizzical, but he's not going to share with us exactly what the basis of his confusion is. [interjection] Yeah, it may be that the Conservative caucus should spend a little more time discussing the Bill in their legislative committee.

Anyway, moving on to section 57, the concern there would be that the notification that exists there is being rolled back. I'd like to know why the proposal for a substitution in section 57(b) when we're dealing with the statutory plan and what goes into the preparation of that statutory plan. I'd be interested in some clarification on the amendments (a), (b), and (c).

Then I have a concern on section 60. This is the amendment to section 653. We're now talking about an application for

subdivision approval, and one of the interesting things we've got here is that if there was "an area structure plan or a conceptual scheme and a public hearing has been held with respect to that plan or scheme," then the subdivision authority "is not required to give notice to owners of adjacent lands." Well, there's no connection in terms of time. There's no proximity in terms of when that public hearing would have been held. I can see if the public hearing was within the last six months or within the last couple of months, but it's conceivable that there could be an intervening space of years. Property owners would have changed. You have people who move in who currently have status who weren't there and didn't have opportunity to participate in the area structure plan or have their input into the conceptual scheme. If they otherwise qualify as adjacent landowners, why would those people be disentitled to get notice of a subdivision plan application? That doesn't make any sense to me, Mr. Speaker, and I'm hopeful that the mover of the Bill will give us an explanation before we move on with that.

[Mr. Clegg in the Chair]

I thought the other way it might be addressed would be on page 23, the amendment section 60, the new (4.4), when we're talking about defining a "conceptual scheme." It may be that there's some way of building in some time restriction to make good sense.

Those are the comments I'll make at this stage, Mr. Speaker. Thanks very much.

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

MR. GERMAIN: Thank you very much, Mr. Speaker. It's a delight to speak this evening on the Municipal Government Act, the third time that we have had major municipal government legislative initiative in this Legislative Assembly since the election in 1993. Other members of the Assembly have commented on the concept and have been very discreet in pointing out that when the last two rounds of the Municipal Government Act were before this Legislative Assembly, members of this opposition recognized the extensiveness, the width and breadth of this legislation.

We felt that we should have been supported more by ex-municipal government officials sitting in this Legislative Assembly, who elected at that time to remain mute and to not comment and speak up for municipalities. One example is the hon. Member from Calgary-North Hill, himself a municipal politician of some renown in the community of Calgary. He could have sensed and should have sensed and should have known that the Municipal Government Act amendments were too fast, too many, had not been thought out. The legislation was pushed through the Legislative Assembly, upsetting municipalities. Now we have found that we have this duplicitous amount of time revisiting these issues. I won't make those comments tonight, Mr. Speaker, because others have made them more eloquently, but I intend and hope to point out to the Assembly some concerns that are particularly troubling.

One concern that is particularly troubling, I'm sure, to the residents of the community where I live – and I think it would be troubling to the MLAs that are elected here from the city of Red Deer, the MLAs who are elected here from the city of Grande Prairie, the MLAs who are elected here from the city of Lethbridge and Medicine Hat – and that is that section found on page

5 of this Municipal Government Act, which gives Edmonton and Calgary the right to use an in-house auditor but does not give the other communities . . . [interjection] The hon. member opposite asks where are the members from Grande Prairie? Well, you tell me. [interjections] Well, you tell me where the hon. members are from Red Deer, because those are the ones that should be concerned. This particular section says that Edmonton and Calgary are given a prejudicial preference by allowing to appoint and use an in-house auditor.

10:30

The municipality of Wood Buffalo is denied that opportunity, Mr. Speaker. The city of Grande Prairie is denied that opportunity. What about the city of Red Deer? What about the city of Medicine Hat? Who is standing up speaking for those cities tonight? Why aren't their representatives raising that concern? There is within the width and breadth of this Municipal Government Act discriminatory legislation that creates one set of rules for the larger cities of Calgary and Edmonton but does not give the same opportunity to hire an in-house auditor to the other smaller communities.

On behalf of the municipality of Wood Buffalo and the city of Fort McMurray, that I represent in this Legislative Assembly, I raise that as an issue. The municipality may not wish to avail themselves of that opportunity, but why should that opportunity be prejudicially taken away from them? This is supposed to be the sober second thought of municipal government legislation. I know that the hon. sponsor of this Bill cannot speak to it a second time, but the minister in charge of Municipal Affairs surely can stand up and say why communities like Grande Prairie, Medicine Hat, Lethbridge, Fort McMurray, Red Deer, and the other cities in this particular province are discriminated against. Mr. Speaker, even if their MLAs won't stand up and fight for those cities here tonight, I'm happy and honoured to be able to do it.

I also want to say to you, Mr. Speaker . . . [interjection] Well, the hon. member from Grande Prairie says, "Why don't you write back to them?" I'm going to write to the municipal officials up there tomorrow and send them a copy of *Hansard*. If he's not concerned – it may be that those municipalities have fine relationships with local CA firms in their communities. Nobody says that they have to hire an in-house auditor, but why should the right to hire one be taken away from them? That's the discriminatory practice that I find so odious even though other members that represent those communities seem not to find it odious.

MR. McFARLAND: A point of order.

THE ACTING SPEAKER: Hon. Member for Fort McMurray, I think we have a point of order from Little Bow.

Point of Order Questioning a Member

MR. McFARLAND: Mr. Speaker, no. I was just wondering if the hon. member would entertain a question.

THE ACTING SPEAKER: Okay. Will you entertain a question, hon. Member for Fort McMurray? Yes or no.

MR. GERMAIN: I'd be happy to entertain a question at the expiration of the time. If there's enough time in my comments, I'll be happy to do that, Mr. Speaker.

MR. KIRKLAND: I take it he doesn't have a good question to ask anyway, Adam.

MR. GERMAIN: Yeah, well, that's likely right. I don't want to waste my time on a bad question. Mr. Speaker, I also want to take the Legislative Assembly to . . . [interjection]. We seem to have let some wildlife into the Assembly.

THE ACTING SPEAKER: It's so quiet in here. Talk fast, hon. member; it's so quiet.

MR. GERMAIN: Well, I was simply responding to the opportunity to answer a question. I'd be delighted to at the end of my comments in the time permitting.

Debate Continued

MR. GERMAIN: I also want to direct the Legislative Assembly's attention to page 11 of this particular piece of legislation, where once again we find unleashed and unbridled in Alberta more regulations unreviewed, uncontrolled, and not subject to any feedback, not subject to any debate in this Legislative Assembly, because now some of the exempt taxation sections will be defined by regulations as opposed to being set out in the Act where all can see them.

On page 12 we again come face-to-face with the issue of which community organizations, social groups, and benevolent societies should be exempt from tax at the municipal level by being exempt from the assessment process. The hon. Member for Calgary-Buffalo raised a most eloquent, well-put point when he was nervously wondering if Legions have been dropped out of the no-assessment category. It appears that Legions have been spared the axe for yet another day, but of course every year we see amendments to this Municipal Government Act, so maybe it's just a temporary sparing.

What about all of those other good community organizations and clubs that do benevolent work in the province of Alberta, Mr. Speaker, and that have often picked up the shortfall of budgetary cutbacks advanced on them by this provincial government and that then are subject to continued and ongoing taxing. That is an area that has to be reviewed again and again, and not enough can be said about that very, very serious issue.

I also want to draw the House's attention to the concern about mobile-home taxation. It is very clear in the Legislative Assembly that mobile-home taxation has hit a sensitive nerve. There is no rationalization for the government concept of permitting a landowner to bear the economic burden of the improvement tax that constitutes the value of a mobile home simply because that mobile home is renting raw land space from a landlord. There is no other concept at the federal, provincial, or municipal level that I can understand or find, Mr. Speaker, that would make me liable for your taxes, that would make the hon. Member for Calgary-Shaw liable for my taxes, that would make the hon. Premier liable for the taxes of the Member for Calgary-Buffalo. No other provision in any taxation legislation taxes someone else's property and makes someone else pay for it. That entire scheme is simply wrong.

There are numerous methods of collection of taxes for mobile-home owners in the province of Alberta. There is the civil process. There is seizure. There is rent distress. There is cutting off the water. There is removing utility rights. If the municipalities and the government want to collect taxes from mobile-home owners, there are ways to enforce that. Making a landowner pay those taxes, Mr. Speaker, is simply wrong. It sends the wrong signal. In a province where the government from

time to time touts how we all want to stand on our two feet and we all want to be responsible for our own taxes and our own bills, to make somebody else pay a third party's taxes is simply wrong.

It is indeed interesting that the government has come forward this time and has said, "Well, at least we'll give you a year's notice." That's effectively what they've done. They've said, "We'll give you a year's notice of our bylaw." But the whole concept is wrong. The government having now touched upon this raw nerve again in this amendment, if there are amendments that come forward to delete in their entirety these taxation provisions, I urge all hon. members at the appropriate time to vote for the deletion of this third-party tax and go back to their constituents and say: "We heard you. It was wrong to attempt to set the machinery in place to tax a landowner for a mobile-home assessment, and we are going to do something about it now."

Now, sure, some municipalities may say, "We need the revenue." If they need the revenue, there are other ways to get it directly from the person who owns the mobile home. In fact, the very scheme is fraught with difficulty because in the amendments this time around, Mr. Speaker, the municipality concedes that if the mobile home leaves their municipality, the tax issue is gone. Well, how does that work? If the owner simply picks up his mobile home and takes it out of the municipality, then the owner of the trailer is now exempt from taxes, but the landowner, the poor guy left behind building your communities, contributing to your rinks, supporting your local United Way, is going to be the only person left on the hook paying the taxes. It's not even a joint and several liability anymore.

This is a wrong approach, Mr. Speaker. This is not a partisan issue. This issue hurts just as badly up in Grande Prairie, where they voted for government members, as it does in Calgary, where they voted for opposition members, or in Fort McMurray. This issue strikes at basic fairness across the province of Alberta. It has nothing to do with politics; it has everything to do with fairness. By taxing landowners for the unpaid mobile-home taxes of mobile-home owners, we come to a situation in this province where we want to tax somebody for property they don't even own.

Now, the hon. sponsor of this Bill, the hon. Member for Lac La Biche-St. Paul, indicated that the government had reacted to issues about pollution concern. Well, I want to ask hypothetically the Members of this Legislative Assembly: how is it that the government has reacted to pollution concern? Have they made the pollution go away? Have they expressed a policy need to clean up pollution? Have they agreed that the government would come forward and pay for municipal pollution that the municipality is stuck with? No, they've done none of these things. They have buried their head in the sand. It's as if it doesn't apply or doesn't exist. They have said to the municipalities: "You don't have to pay. You will only have to pay for your own pollution."

Well, within the four corners of a municipality, who is going to pay? Is the government going to come and pay, or are we just going to pretend the pollution doesn't exist? If you have a corporation that owns land in the city of Calgary and they pollute and go broke and disappear and they're all bankrupt, the land is contaminated. So the Municipal Government Act now says that the municipality is not responsible for the pollution cleanup until they take title of the land and then sell it. Well, that doesn't seem to be the right answer, Mr. Speaker. It would have been better if the government had utilized some of its environmental reclamation funds to clean up the pollution rather than foist that obligation . . .

10:40

MR. DINNING: It cost the taxpayers money for your so-called contribution to the Liberal Party last year.

MR. GERMAIN: The hon. Provincial Treasurer was not happy enough getting his Bill through. He now wants to debate the Municipal Government Act, but he wants to do it sitting there in his chair, chirping away to my hon. colleague from Edmonton-Manning.

MR. MAGNUS: There's none from Edmonton.

MR. GERMAIN: The hon. Member for Calgary-North Hill seems to be now wanting to engage in the debate. The hon. Member for Calgary-North Hill didn't get up and speak when the first Municipal Government Act came in. He didn't get up and speak on the second. Maybe on the third he'll come forward and say: I'm going to stand up and protect the municipalities . . .

MR. MAGNUS: A point of order.

THE ACTING SPEAKER: On the point of order, Calgary-North Hill.

**Point of Order
Factual Accuracy**

MR. MAGNUS: Standing Order 23(i) and (j). The member opposite says that I didn't stand and speak to any of the amendments or any of the MG Acts when they came forward. I should remind him that I was the sponsor of the amendment Act.

MR. GERMAIN: On the point of order, Mr. Speaker. I can only say that it has not stopped me.

THE ACTING SPEAKER: I think we've got worse problems than that point of order. The point of order obviously isn't a point of order. However, on both sides of the House we don't have to yell back and forth. It's happening both ways, so let the hon. member have his say.

MR. GERMAIN: Now that the Speaker has in a discreet way pointed out to the hon. Member for Calgary-North Hill that you do not have to sponsor a Bill to speak to it, I hope and pray that we have unleashed the floodgates and we will now have extensive debate. You know, it's a wonderful opportunity to be here at 11 o'clock at night, debating the future of the province of Alberta and engaging in this dialogue with other members.

Debate Continued

MR. GERMAIN: I want to return to the more serious analysis of Bill 34, the Municipal Government Amendment Act, 1996, and some of its 40-some pages of amendments and point out to the Members of the Legislative Assembly that this particular Bill continues to miss the point. The point is that there was in the Municipal Government Act chapters 1 and 2 a rushed and hurried and harried approach to passing that legislation. We see the evidence of that when we review this particular piece of legislation, Mr. Speaker, and we know that we are only at the tip of the iceberg. There will be lightning bolt after lightning bolt of revelations that come out about how this particular Act is affecting the citizens of the province of Alberta.

Now, let me make my final point by indicating one section, for example, that was, for want of a better word, handled badly in the original Act, which was the section that restricts the municipality's liability in the area of injuries caused by snow falling and by icy conditions. There was missed in the Municipal Government Act the protection for the municipality for somebody who has slipped on sidewalks. Frankly, we didn't think that was missed. We thought that the government in its infinite wisdom had decided that people who were injured on sidewalks, which means that they're walking pedestrians and very often the senior citizens and the elderly of our communities, would have the right to sue, would have the right to bring action against the municipalities to ensure a better level of personal care and attention to snow removal from the streets. Now the government reveals that this was not missed deliberately; this was a terrible loophole that was left unnoticed and unchanged.

The government constantly markets these Bills with the expression: trust me; we're here from the government. That was the advice they gave to municipalities, that is the advice the sponsors of a Bill always give to this opposition, and that is the reason they will not adopt and pick up these valuable amendments, amendments that if they went out and got on a consultative process they would pay thousands if not millions of dollars for and that come to the government free in this Legislative Assembly. This is the benchmark upon which they say, "Trust us." Mr. Speaker, when you see a Bill like this that requires pages and pages of amendments, that particular trust is sorely lacking.

I would urge all of the members of this Assembly, particularly those members who have served so faithfully and loyally in various municipalities and municipal governments – the hon. Member for Peace River himself was a mayor of that community at one point. These members are the Members of this Legislative Assembly that we count on to stand up and speak for their municipalities. I urge you to do that, and I issue that challenge to the hon. Member for Calgary-North Hill.

With that, Mr. Speaker, I know there are other members of this Assembly that want to speak to the important principles in Bill 34, so I will take my place.

THE ACTING SPEAKER: Does the hon. Member for Lac La Biche-St. Paul want to close the debate?

MR. LANGEVIN: Thank you, Mr. Speaker. I appreciate the debate from the Official Opposition, and I understand that they have certain concerns. I'd like to remind them that this is only second reading, and in committee stage I will undertake to alleviate their concerns and give them some answers. I would also like to remind the hon. members that a large percentage of the amendments were brought about by recommendation from municipal governments, and we're just trying to react to their requests. So I would urge the members to support this reading.

THE ACTING SPEAKER: The hon. Member for Lac La Biche-St. Paul has moved second reading of Bill 34, the Municipal Government Amendment Act, 1996. Does the Assembly agree to the motion?

SOME HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed, if any?

SOME HON. MEMBERS: No.

THE ACTING SPEAKER: Carried.

[Several members rose calling for a division. The division bell was rung at 10:50 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the Chair]

For the motion:

Amery	Fritz	McFarland
Black	Gordon	Mirosh
Brassard	Haley	Oberg
Burgener	Hanson	Pham
Cardinal	Havelock	Rostad
Clegg	Hierath	Sapers
Coutts	Jacques	Sekulic
Dalla-Longa	Jonson	Severtson
Day	Kowalski	Shariff
Dickson	Laing	Stelmach
Dinning	Langevin	Taylor
Doerksen	Magnus	Thurber
Evans	Mar	Woloshyn
Friedel	McClellan	Yankowsky

Against the motion:

Decore	Kirkland	Zwozdesky
Germain		

Totals:	For - 42	Against - 4
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[Motion carried; Bill 34 read a second time]

[At 11:03 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]

