

Legislative Assembly of Alberta

Title: **Monday, February 22, 1999** 1:30 p.m.

Date: 99/02/22

[The Speaker in the chair]

head: Prayers

THE SPEAKER: Good afternoon. Let us pray.

As we begin a new week, help us, O Almighty, to also begin with the principle of You as the giver of all things.

Amen.

Please be seated.

head: Presenting Petitions

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

DR. MASSEY: Thank you, Mr. Speaker. I beg permission to table a petition signed by 64 citizens urging the government to consider increasing funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

head: Reading and Receiving Petitions

THE SPEAKER: The hon. Member for Wetaskiwin-Camrose.

MR. JOHNSON: Thank you, Mr. Speaker. I ask that the petition I presented Thursday last be read and received.

THE CLERK:

We the undersigned petition the Legislative Assembly to urge the Government that the section of highway 13 from Camrose to Daysland be widened with work to commence in 1999 and completion in the year 2000.

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

DR. MASSEY: Thank you, Mr. Speaker. I'd ask that the petition I presented Thursday last now be read and received.

THE CLERK:

We the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government to consider increasing the funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

head: Introduction of Bills

Bill 9 Tobacco Tax Amendment Act, 1999

MR. DAY: Mr. Speaker, I request leave to introduce Bill 9, the Tobacco Tax Amendment Act, 1999.

The amendments in this bill are designed to improve our ability to administer the Alberta Indian tax exemption program with respect to tax-exempt tobacco products.

[Leave granted; Bill 9 read a first time]

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

Bill 203 Privatization Accountability Act

MRS. MacBETH: Yes. Mr. Speaker, I request leave to introduce a

bill being Bill 203, the Privatization Accountability Act.

[Leave granted; Bill 203 read a first time]

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

Bill 204 Medicare Protection Act

MS BARRETT: Thank you, Mr. Speaker. [applause] Thank you. So what's that? About 75 NDP votes that I can count on?

Mr. Speaker, I beg leave to introduce Bill 204, the Medicare Protection Act.

This bill would, if passed, preserve the integrity of the public health system and, furthermore, ensure that the establishment of private, for-profit hospitals in our cherished public health care system would be specifically excluded and not allowed.

[Leave granted; Bill 204 read a first time]

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

Bill 205 School (Early Childhood Services) Amendment Act, 1999

MR. AMERY: Thank you, Mr. Speaker. I request leave to introduce a bill being School (Early Childhood Services) Amendment Act, 1999.

Mr. Speaker, this bill would make it mandatory for all school boards in the province to provide a minimum of 400 hours of ECS instruction to all the children who wish to take it.

[Leave granted; Bill 205 read a first time]

THE SPEAKER: The hon. Member for Wainwright.

Bill 206 School (Grade One Entry Age) Amendment Act, 1999

MR. FISCHER: Thank you, Mr. Speaker. I rise to introduce Bill 206, the School (Grade One Entry Age) Amendment Act, 1999.

Thank you.

[Leave granted; Bill 206 read a first time]

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

Bill 207 Seniors Benefit Statutes Amendment Act, 1999

MRS. MacBETH: Thank you, Mr. Speaker. I beg leave to introduce Bill 207, being the Seniors Benefit Statutes Amendment Act, 1999.

[Leave granted; Bill 207 read a first time]

THE SPEAKER: The hon. Member for Wetaskiwin-Camrose.

Bill 208 Prevention of Youth Tobacco Use Act

MR. JOHNSON: Thank you, Mr. Speaker. I request leave to introduce a bill being the Prevention of Youth Tobacco Use Act.

[Leave granted; Bill 208 read a first time]

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

Bill 209
Alberta Wheat and Barley Board Act

MR. HLADY: Thank you, Mr. Speaker. I request leave to introduce a bill being the Alberta Wheat and Barley Board Act.

This bill will allow farmers a choice of whether they wish to use the Canadian Wheat Board or an Alberta wheat board.

[Leave granted; Bill 209 read a first time]

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

Bill 210
Charitable Donation of Food Act

MRS. LAING: Thank you, Mr. Speaker. I request leave to introduce Bill 210, being the Charitable Donation of Food Act.

[Leave granted; Bill 210 read a first time]

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

Bill 211
Workers' Compensation (Competitive Marketplace Review Committee) Amendment Act, 1999

MR. PHAM: Thank you, Mr. Speaker. I request leave to introduce a bill being Bill 211, the Workers' Compensation (Competitive Marketplace Review Committee) Amendment Act, 1999.

[Leave granted; Bill 211 read a first time]

THE SPEAKER: The hon. Member for Little Bow.

Bill 212
Gaming and Liquor Amendment Act, 1999

MR. McFARLAND: Thank you, Mr. Speaker. It's my pleasure to request leave to introduce a bill being the Gaming and Liquor Amendment Act, 1999.

The intent of the bill is to raise the age of a minor from 18 to 19.

[Leave granted; Bill 212 read a first time]

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

1:40 **Bill 213**
Alberta Advisory Council on Women's Health Act

MRS. FRITZ: Mr. Speaker, I request leave to introduce Bill 213, which is the Alberta Advisory Council on Women's Health Act.

Mr. Speaker, it is powerful medicine when health care solutions are offered through a collective wisdom, and a women's advisory council would look for answers to the questions raised about women's health problems and challenges.

[Leave granted; Bill 213 read a first time]

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

Bill 214
Independent Advocate for Children Act

MRS. SLOAN: Thank you, Mr. Speaker. I request leave to introduce Bill 214, being the Independent Advocate for Children Act.

[Leave granted; Bill 214 read a first time]

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

Bill 215
Employment Standards (Parental Leave) Amendment Act, 1999

MR. CAO: Thank you, Mr. Speaker. I request leave to introduce a bill being Employment Standards (Parental Leave) Amendment Act, 1999.

The object of this bill is to focus and improve on the care of our Albertan infants, the role of family, the equity of parenting. It is not about benefits to parents.

[Leave granted; Bill 215 read a first time]

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

Bill 216
Endangered Species and Habitats Protection Act

DR. PANNU: Thank you, Mr. Speaker. I request leave to introduce Bill 216, Endangered Species and Habitats Protection Act.

The purpose of the act, Mr. Speaker, is to provide meaningful protections for species and their habitats which are presently not available in the existing statutes.

Thank you.

[Leave granted; Bill 216 read a first time]

THE SPEAKER: The hon. Member for Livingstone-Macleod.

Bill 217
School (Students' Code of Conduct) Amendment Act, 1999

MR. COUTTS: Thank you, Mr. Speaker. I request leave to introduce Bill 217, being the School (Students' Code of Conduct) Amendment Act, 1999.

This bill will assist school boards to help develop a policy on a code of conduct that involves parents, students, teachers, and the school board.

[Leave granted; Bill 217 read a first time]

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

Bill 218
Chronic Disease Prescription Drug Act

MR. DICKSON: Thank you, Mr. Speaker. I request leave this afternoon to introduce Bill 218, being the Chronic Disease Prescription Drug Act, a bill that would make the provincial formulary both more transparent and more responsive to the needs of Albertans.

[Leave granted; Bill 218 read a first time]

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

Bill 219
Insurance (Gender Premium Equity)
Amendment Act, 1999

MRS. O'NEILL: Thank you, Mr. Speaker. I request leave to introduce Bill 219, Insurance (Gender Premium Equity) Amendment Act, 1999.

The intent of the bill is to eliminate the gender discrimination on car insurance premium payments.

[Leave granted; Bill 219 read a first time]

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

Bill 220
Motor Vehicle Administration
Amendment Act, 1999

MRS. FORSYTH: Thank you, Mr. Speaker. I request leave to introduce Bill 220, the Motor Vehicle Administration Amendment Act, 1999.

Bill 220 amends the Motor Vehicle Administration Act to allow administrative penalties to be imposed upon drivers who have a blood alcohol concentration between .05 and .08 percent.

[Leave granted; Bill 220 read a first time]

head: Tabling Returns and Reports

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

MS LEIBOVICI: Thank you, Mr. Speaker. This afternoon I've got two tablings. The first is a letter from the Leader of the Official Opposition to the Premier of the province requesting that the Official Opposition not be forced to select three members to attend the health summit and that in fact all members of the opposition be given official observer status.

The second is a letter from myself to the Minister of Health requesting that all members of the Official Opposition be given official observer status at the health summit.

Thank you.

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

DR. NICOL: Thank you, Mr. Speaker. I'd like to table five copies of letters that were sent in by my constituents concerned that the new traffic amendment act have stiff penalties for drinking and driving. They're using the new modern communication. They sent in their letters by e-mail.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Speaker. I rise to table the appropriate number of copies of a letter from the Alberta Pine Shake Homeowners Association to the *St. Albert Gazette* outlining the communication or lack of between themselves and various government departments.

Thank you.

head: Introduction of Guests

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

MRS. MacBETH: Thank you, Mr. Speaker. It's always a pleasure to welcome guests to our Legislative Assembly, especially three strong supporters of public education in our province. I would like to introduce Colleen Connelly, who is the president of the Calgary Council of Home and School Associations; Jennifer Pollock, who is a member of the Calgary board of education; and Kurt Moench, who is the president of the Calgary local of the ATA. They have risen. May we welcome them to our Assembly.

THE SPEAKER: The hon. Member for Drayton Valley-Calmar.

MR. THURBER: Thank you, Mr. Speaker. It's indeed a pleasure for me today to introduce to you and through you to this Legislature 50 very bright, enthusiastic young visitors from the Aurora elementary school in Drayton Valley. They are accompanied today by their teachers Diane Orr, Donna Cameron, and Bob Irwin and by parents and helpers Debbie Ellard, Eileen Chapman, Karen Sluchinski, Zina Claffey, Joanne Chapman, Heather MacDonald, Catherine Belva, and Robert Martin. I would ask that they all rise and receive the traditional warm welcome of this House.

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

DR. MASSEY: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of the Assembly 52 students from Tipaskan elementary school in Edmonton-Mill Woods. They're accompanied by Mr. Lonnie Wilcox, Mr. Ken Tranter, and Miss Carolyn Payne. I believe they're in the public gallery, and I'd ask, with your permission, that they stand and receive the traditional warm welcome of the Assembly.

THE SPEAKER: The hon. Member for Livingstone-Macleod.

MR. COUTTS: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and through you to members of the Assembly four available members of the local committee of the Porcupine Hills and Willow Creek Special Places 2000 program who could make it to the city today. They are Bill Newton, Raymond Nadeau, John McKee, and Bill Stronski. They are joined today by the senior planner from the Department of Environmental Protection, Brian Chinery, who worked as liaison for that local committee. They're seated in the members' gallery. I'd ask them to please rise and receive the traditional warm welcome of the Assembly.

head: Oral Question Period
1:50

THE SPEAKER: First main question. The Leader of the Official Opposition.

Autonomy of Local Authorities

MRS. MacBETH: Well, thank you, Mr. Speaker. You know, while the government painted a very rosy picture in Ottawa this past weekend of services in our province, Albertans know a different reality; for example, that this government treats local authorities with disdain and a lack of respect. The boards of regional health authorities are fired by government when they defend the health priorities of people within their region, school boards are stripped of their autonomy to raise money for education or hire superintendents in their district, and government ministers ridicule the transportation infrastructure decisions made by local councils. My questions today are to the Premier. How can the government justify appointing members of regional health authorities and then refuse to listen to their advice?

MR. KLEIN: Well, Mr. Speaker, the hon. leader of the Liberal opposition should know all about that. She not only fired a hospital board, but it was an elected board that obviously wasn't doing as she wanted them to do. I would remind this Legislative Assembly that in 1990 she stepped in and she fired them.

We went through the situation relative to the Lakeland regional health authority, and like it was in 1990, it was deemed to be prudent and appropriate to dismiss the board, put it under the guidance of an administrator. If you wish to know more about the situation as it exists today, I'll have the hon. minister supplement.

MRS. MacBETH: Well, Mr. Speaker, another example is: how can this government talk about school board autonomy when the decisions on funding and hiring of superintendents must be approved by the Minister of Education?

MR. KLEIN: Well, Mr. Speaker, I would take that particular issue under notice, but I can speak to one other issue that was raised. [interjections] I will take that question under notice for the Minister of Education because he is not here to supplement my answer.

Mr. Speaker, in the first preamble offered by the hon. leader of the Liberal opposition, she alluded to local councils as well. Maybe that will be in her second supplementary. I don't know. I would like to remind the hon. leader of the Liberal opposition that it wasn't so long ago when we brought together the mayors of Calgary and Edmonton, the president of the Alberta Urban Municipalities Association, the executive director of the Alberta Association of Municipal Districts and Counties together with a number of ministers to talk about sustainable infrastructure funding. As a result of that meeting . . .

MRS. SOETAERT: The autonomy of the school boards.

MR. KLEIN: No. She alluded also to local councils, and I assume local municipal councils.

At that time and as a result of that meeting we put in immediately \$148 million to address the emergency needs relative to infrastructure, committed ourselves to \$150 million a year for three years, and also committed that we would continue with this task force to look at long-term and sustainable funding for municipalities.

MRS. MacBETH: Well, Mr. Speaker, so much for school board autonomy.

Education Tax

MRS. MacBETH: My second question is to the Premier as well. What is the Education Tax Review Committee report?

MR. KLEIN: Mr. Speaker, I'll have the hon. Provincial Treasurer supplement. We're working on it right now as we're working on other aspects of tax reform. So I'll have the hon. Treasurer supplement.

MR. DAY: We are indeed, Mr. Speaker. There's a number of assessments that are presently ongoing related to the whole issue, and it's something that's very important in the minds of Albertans. There isn't a date that has been set yet for all that work to be concluded and terminated and reported on. I can tell you that it's ongoing, it's something that's on the minds of Albertans, and we're pursuing it.

MRS. MacBETH: Thank you, Mr. Speaker. In fact, the government-

commissioned report states that, and I quote, many Albertans are experiencing substantial increases in their education taxes. My question is: why is that the case?

MR. KLEIN: Well, it's a growing province, and obviously there's a demand for growing expenditures. I remember when I was the mayor of Calgary and the requisition on the local school tax was less than 50 percent, far less than 50 percent. I think at one time it was only about 40 percent. Now it's over 50 percent. Maybe you can answer the question.

MRS. MacBETH: We'll get there; don't worry.

Mr. Speaker, my third question to the Premier is: why have residential property owners experienced a \$77 million, or 12 percent, increase in their education property tax over the past four years when this government promised not to raise taxes?

MR. KLEIN: There's been a tremendous growth in assessment. People are moving here from all over the country. They're moving here because it's a good place to work and to live and to raise a family. The fact is that it's a growing population, Mr. Speaker, and the education system per capita obviously is a lot more expensive today than it was 15 years ago.

As I said, in most municipalities the school board requisition was far less than the municipal portion. That trend has now changed. In other words, it costs more to run the school systems today than it does to run police, fire, ambulance, garbage collection, grass cutting, general maintenance, road building, and all the other services that municipalities offer.

THE SPEAKER: Third Official Opposition main question. The Leader of the Official Opposition.

Environmental Laws Enforcement

MRS. MacBETH: Thank you, Mr. Speaker. Today's report from the Pembina Institute, which is on environmental impacts of the oil and gas industry, warns that

the short-term economic benefits of saving a few million dollars in enforcement and regulatory infrastructure will be offset by hundreds of millions of dollars of annual losses from higher regulatory and public intervention costs and delayed project timelines.

The oil and gas industry is making an effort -- for example, by reducing emissions from flaring -- but Albertans are worried that the environment and their health are being affected. My questions are to the Premier. Why is the enforcement and regulatory structure in this province deemed inadequate?

MR. KLEIN: It's deemed inadequate by the Pembina Institute in Drayton Valley, and that report is purely subjective.

During the 1997-98 fiscal year Alberta Environmental Protection laid approximately 6,000 charges and assessed over 120 administrative penalties related to infractions of legislation administered by the department. A total of \$1.4 million in penalties were assessed against violators during that period. Six thousand charges. So Environmental Protection is indeed on top of the game, Mr. Speaker.

Environmental Protection now is reviewing its environmental regulations as they relate to the upstream oil and gas industry. The report is in its final stages and will be released shortly. [interjections] Yes, it's also reviewing downstream operations, the whole situation relative to contaminated sites, service stations, and so on. We are actively working with the clean air strategic alliance on gas flaring, and I understand that the Pembina Institute is part of that process. Certainly they have been invited, and when I was involved with

CASA, they certainly were involved. We recently announced the waiving of the royalty on flared gas, so it can now be used for the generation of electricity.

The minister is working with his colleagues through the Canadian Council of Ministers of the Environment on benzene emissions. We were the first province, by the way, to adopt a comprehensive air quality management system to address global and local concerns on the effect of emissions on the atmosphere. We are actively working with industry and other managing organizations in monitoring air quality.

2:00

The minister, along with the Minister of Energy, as the result of representation made by a well-known environmentalist, Martha Kostuch, has agreed to put in place a dispute resolution mechanism so that the producers and the farmers can iron out some of these problems before they have to go to court or, unfortunately, before violent action is taken.

Numerous steps are being taken, and I don't agree, by the way, with the Pembina report, and I don't think a lot of Albertans agree with it either.

MRS. MacBETH: Thanks, Mr. Speaker. The Premier in fact mentioned and did promise the new dispute resolution panel. Can he give a sense to this Legislature and tell Albertans how that might work?

MR. KLEIN: Well, Mr. Speaker, I made the commitment that such a dispute resolution process would be set up. The first step would be to have more people in the field -- in other words, the actual field workers both in Energy and Environmental Protection -- to work with the producers and the landowners to see what can be resolved there. Then, secondly, a dispute resolution mechanism, something like the Environmental Appeal Board -- I don't know exactly how it would be put in place or the mechanics, and I don't think we've figured that out -- some kind of an adjudication process to address these issues before they reach the more formal process of the court or before they escalate into violence.

I'll have either or both the Minister of Energy and the Minister of Environmental Protection supplement.

DR. WEST: Well, Mr. Speaker, the Premier is exactly right. Through a meeting that we had in Calgary with environmental groups, we made that commitment that the EUB would work forthwith with Martha Kostuch and others to set up this appeal mechanism and an intensified investigation into the oil and gas industry as it interfaces with the private sector. Neil McCrank, former Deputy Minister of Justice, knows very well how to set up adjudication and appeal panels and has given the strongest indication that he will put more investigators in the field as well as set up a good process going into the future.

MRS. MacBETH: That's good to hear, Mr. Speaker.

Will the Premier complement the work of the dispute resolution panel by ensuring that the Alberta Energy and Utilities Board have the staff to undertake early dispute resolution in the field, thus avoiding the need for the panel to take place; in other words, a commitment to ensure that the staff and the training are there and adequate to do the early intervention work?

MR. KLEIN: Well, that to me is precisely what the hon. Minister of Energy outlined, that, yes, we hope to do most of the work in the field. I would assume that the hon. minister will make sure that the

AEUB has the human resources available to undertake such a process.

THE SPEAKER: The hon. leader of the NDP opposition, followed by the hon. Member for Bonnyville-Cold Lake

Institutional Confinement and Sexual Sterilization

MS BARRETT: Thank you, Mr. Speaker. Last March 11, in retreating from the atrocious Bill 26, the Premier and the Justice minister made effusive and sympathetic comments regarding those who had been confined and subsequently sterilized in what was then the provincial training centre, now known as Michener Centre. Since then the government has denied, while paying nonchild claimants \$75,000 each, giving any advance payment to the child claimants. My first question is to the Minister of Justice. Since the Leilani Muir decision, has the department any ballpark figure as to how much it has spent on its departmental lawyers and its contract lawyers, mainly Macleod Dixon, in defending the government's position of no responsibility while these claimants are waiting for a chance at due settlement?

MR. HAVELOCK: Well, Mr. Speaker, I don't accept the premise of the question at all. In fact, the department and this government has not rejected responsibility. We've made it quite clear that we recognize that a number of individuals suffered as a result of what happened a number of years ago. We have instructed our counsel to work diligently and as quickly as possible with respect to settling claims. In fact, to date over 575 claims have been settled, there are about 250 claims right now in the court process, and there are about 40 claims in the negotiation settlement panel which was established. We've offered a number of choices for resolving these issues, Mr. Speaker: the court process, negotiating directly with government, or the settlement panel.

To suggest that the fees we're paying counsel are really to try and argue that government is not responsible is not accurate at all. We've asked counsel to work closely with the claimants. We need to appreciate and understand, however, that these are very complex issues -- some of the claims are very large, in the millions of dollars -- and it will take some time to review these claims. There are thousands upon thousands of documents being reviewed at this time, and I've instructed our counsel that in the event they can settle claims expeditiously, they should do so. However, we should also recognize that sometimes when the claimants come forward, the dollars they're asking for are not, in our view, a reasonable estimate of the damages they suffered. That's what the court process is for or ultimately the settlement panel process.

MS BARRETT: Well, Mr. Speaker, to the Premier then: how can the government say and how can the hon. minister say that they're in pursuit of justice and fairness when in fact a document filed just a few weeks ago by Macleod Dixon in defence of the government's position with respect to Ken Nelson's case, a man who was confined because he had cerebral palsy, for God's sake -- they deny absolutely every allegation with the exception that Ken exists, his birthday is accurate, and that he lived at the Michener Centre. How can this government say it's in pursuit of justice?

MR. KLEIN: Well, with respect to Mr. Nelson, Mr. Speaker, I've had discussions with him on a few occasions, and we're sympathetic to his case. We're doing all we can to see that this is resolved amicably.

Relative to the intricacies of the legal action, I will have the hon. Justice minister and Attorney General respond.

MR. HAVELOCK: Yes. Thank you, Mr. Premier. Some of the comments that are being alluded to really are standard statements that are made in any defence. Now, the matter is before the courts. Therefore, we need to be careful in what we say. I can, however, indicate to the members of the Assembly that I have instructed our counsel specifically to work with Mr. Nelson and his counsel to see if we can resolve this as quickly as possible because, as the Premier indicated, this particular case, as are all the cases, is of great concern to us.

MS BARRETT: Mr. Speaker, if they're of such grave concern to this government, why doesn't it do the fair and decent thing and offer an interim down payment on settlements so that these people -- three of them under the purview of the Public Trustee have died in the last year; another child claimant just died three weeks ago -- so that the remaining survivors have half a chance at dignity for their remaining years? Why doesn't this government just give them a down payment instead of watching these trials being delayed month after month and year after year?

MR. KLEIN: First of all, Mr. Speaker, I would point out that there is a mechanism that has been set up for early settlement of any of these claims. As the hon. Minister of Justice and Attorney General pointed out, if anyone wants to be settled, they can be settled almost immediately. If a claimant, through his or her lawyer, wishes to go to court -- we don't like to see it anymore than anyone else -- that again is their prerogative.

Relative to a down payment or a partial settlement of a claim that still is before the court, I'll have the hon. minister supplement.

MR. HAVELOCK: Yes. Thank you, Premier. I think it would establish a very dangerous and difficult precedent for government or any litigant, in fact, to make any type of payment in advance of damages being established with respect to any case before the courts. I would also point out that in the negotiation settlement panel process, the individuals on that panel have authority to settle claims up to \$300,000, which is a very significant amount of money. In fact, it far exceeds the settlements that we've entered into to date, and it actually exceeds the average settlement which has been made in this particular area over the last number of years in Canada. So I think we have a very good process in place.

Again, I meet with department officials on a regular basis to be updated as to our status. We want to settle these as quickly as possible. We have an obligation to settle reasonably and fairly with those who are bringing forward their claims, but we also have an obligation to today's taxpayers to ensure that the claims themselves are reasonable.

THE SPEAKER: The hon. Member for Bonnyville-Cold Lake, followed by the hon. Member for Lethbridge-East.

2:10 **Lakeland Regional Health Authority**

MR. DUCHARME: Thank you, Mr. Speaker. Following the public consultation process regarding the Lakeland regional health authority deficit elimination plan, a very clear message has been directed to government: rural Alberta will not support reductions to acute care services in their communities; ignore us at your peril. My question is to the Premier. Mr. Premier, over the past year you have publicly stated that health cuts are over. Therefore, will you give the constituents of Bonnyville-Cold Lake your assurance of no further cuts to their acute care health services?

MR. KLEIN: Well, Mr. Speaker, the hon. member is absolutely right. Cuts to health care ended about three years ago. Since then we have reinvested almost a billion dollars in health care, and there will be substantially more to health care this year. [interjection] They say: incredible. I hope they mean that is an incredible amount and they will accept that that is a very significant amount.

Mr. Speaker, the Lakeland regional health authority has itself received a significant funding increase over the past few years, an increase of over \$7 million, or 10 percent. What I have said is -- and this is the commitment -- that our spending on health will increase in our upcoming provincial budget to reflect the priorities as a province that our government places on health. The Lakeland region will certainly receive a fair share of that funding increase, as will all regional health authorities.

With respect to acute care, Mr. Speaker, I will assure the residents of Bonnyville and Cold Lake that this government will take the steps necessary to ensure that they have access to the acute care services that they need, when they need them. However, we need to recognize that how those services are provided may continue to change as our health system changes to better meet the needs of all Albertans. If the hon. member is talking about closing no acute care beds, if indeed it can be identified that the long-term needs are greater than the acute care needs, then that's a decision that will have to be made in concert with the regional health authority.

You know, there are acute care beds right now that we need for acute care patients that are being occupied by long-term patients. If a long-term patient leaves that bed, is it then deemed to be a long-term care bed? No. It's an acute care bed and should be there to accommodate acute care patients. So, Mr. Speaker, acute care beds will be there for people who need acute care. It's as simple as that.

MR. DUCHARME: Thank you, Mr. Speaker. My first supplemental is directed to the Minister of Health. Mr. Minister, since Alberta Health's present no-loss provision and population-based funding formulas appear to negatively impact rural Alberta health authority budgets, will you commit to review and correct those implications?

MR. JONSON: Mr. Speaker, first of all, a good part of the request in the member's question has actually been done. We have had a comprehensive review across this province of the funding formula that is applied to regional health authorities, otherwise known as the Bonnie Laing report. We have a goal to implement the provisions of that particular report, and that report's recommendations have been well received.

Secondly, in the area of specifically rural regional health authorities and how the funding formula applies to them, we have undertaken to hold meetings with regional health authorities' chief executive officers to review any very specific concerns that they have with respect to the formula. To date there have not been any significant changes suggested, but we will keep working in that area.

The last point I would like to make in response to the question, Mr. Speaker, is that when the funding formula that we currently have in place was implemented, the Lakeland regional health authority was a beneficiary, a very significant beneficiary of a decision to grandfather in health authorities who were over the formula's allocation. That, over the last two to three years, has provided an additional amount of funding to the regional health authority at Lakeland. I think today that amount is somewhere in the neighbourhood of \$10 million.

MR. DUCHARME: Thank you, Mr. Speaker. My second supplemental is also directed to the Minister of Health. Mr. Minister, as

recommended in the Cuff report, will you create rural centres of excellence in Lakeland in order to reduce the annual \$24 million loss in patient transfers to other regional health authorities?

MR. JONSON: The member, Mr. Speaker, is of course referring to the amount that is transferred to, say, the Edmonton or Capital health authority for specialized services needed by residents of Lakeland. Yes, in fact, it has already occurred to a modest degree across the province. We are making efforts to work with physicians and regional health authorities to have, wherever possible and feasible, certain properly offered specialized services in the outlying regional health authorities.

As the member knows, his own major town, Bonnyville, has had the services over the past number of months of at least one specialist and probably two that have worked out an arrangement to serve the people right there in the Bonnyville area. We've also had some modest success in the area of Grande Prairie and other parts of the province. Certainly we want to be able to pursue that whole concept with more support and more vigour in the coming year.

THE SPEAKER: The hon. Member for Lethbridge East, followed by the hon. Member for St. Albert.

Farm Income Disaster Program

DR. NICOL: Thank you, Mr. Speaker. Last year, Alberta's farmers lobbied the federal government hard to get disaster support for their industry to enhance Alberta's farm income disaster program, which provided positive margin assistance to farmers in trouble. Many of the troubled farmers are viable in the long run but have negative margins this year because of the low prices. My question is to the Premier. Why is this government taking these hard-fought-for dollars away from the farmers and putting them into general revenue when they were provided by the federal government in support of farmers experiencing income disaster?

MR. KLEIN: Mr. Speaker, that assumption is wrong. That statement is absolutely wrong. The farm income disaster program is there for farmers when they need it, when they deserve it. This notion of money being funneled into the general revenue fund, to say the least, is absolutely nonsense.

As to how the program works, I'll have the hon. minister respond.

MR. STELMACH: Mr. Speaker, the hon. member is referring to the national farm income program, the idea that was originally introduced by the Hon. Lyle Vanclief in November. We will be meeting in Victoria tomorrow and Wednesday to sign the agreement. I believe we've now agreed on most of the major clauses of that agreement and some of the conditions that the federal government wanted to put on the farm income disaster program.

DR. NICOL: Thank you, Mr. Speaker. Will the Premier commit that any dollars received from the federal government will be used to top up FIDP rather than replace it?

MR. KLEIN: Mr. Speaker, I don't know exactly how it is going to work. The only commitment that I can make right now is that the money allocated to accommodate very low commodity prices will go to the farmers. The mechanism that is going to be set up to do that I'll have the hon. minister explain.

MR. STELMACH: Mr. Speaker, the formula for the national farm income disaster program will be similar to that of the Alberta farm income disaster program. It is the formula that triggers the payment

to the farmer, not the amount of money that the government may say we have available for farm income support. It's going to go to those farmers who see a substantial loss, a 30 percent loss in their average previous three years' margin. That will trigger the payment. There are some other factors related to that in terms of the administration costs, how we're going to approach some of the issues centred around our native community, farming on reservations, Métis settlements, et cetera. That we will try and resolve tomorrow.

2:20

DR. NICOL: Thank you, Mr. Speaker. My final question again is to the Premier. Will the Premier commit to tabling any documents where interpretations of the World Trade Organization rules specifically show that changing the FIDP to cover a negative margin is not WTO neutral?

MR. KLEIN: Admittedly, Mr. Speaker, I do not understand as much about farming as the hon. doctor over here, who has made it his business to know a lot about farming and WTO and all those other things. But I'll tell you, we have someone on the front benches here just as knowledgeable, and he's the hon. minister of agriculture.

MR. STELMACH: Thank you, Mr. Speaker. There are a number of implications centred around using negative margins to pursue payment in terms of disasters to farmers. One of them, of course: if the government were to cover all negative margins, then why would people want to crop insure or use other risk management tools to maintain their margin on the farm? Very clearly in the annex to the WTO it does state that if you are subsidizing the cost of production, that clearly violates the agreement, but if you are working off the positive margins, then that in itself doesn't violate the agreement. But I'd certainly work with my hon. colleague across the way, and we'll share that information and the specific clauses in the WTO agreement and the annex to ensure that he does have the necessary information.

THE SPEAKER: The hon. Member for St. Albert, followed by the hon. Member for Edmonton-Ellerslie.

Capital Region Governance

MRS. O'NEILL: Thank you, Mr. Speaker. My question is to the Minister of Municipal Affairs. According to the Capital Region Alliance there are more than 500 intermunicipal agreements in place already within the capital region. So my question is: why is the minister conducting a governance review of the capital region, citing a need for more regional co-operation?

MS EVANS: Mr. Speaker, in the preamble to the question it was noted that there are already 500 intermunicipal agreements in the capital region, which in itself begs the question: isn't there a more efficient and effective way to do this? Isn't there a better way than having 500 or perhaps in the future even more intermunicipal agreements?

Mr. Speaker, in the next 30 to 50 years we need to have better, more globally competitive, more responsive municipalities. The efforts of the chief elected officers, including now Thorsby and Warburg, who have joined in, are to do just that: look to the future, look at what is in place, but over the longer term, how they can be more efficient and effective.

MRS. O'NEILL: Thank you. My first supplemental again is to the same minister. You have met many times with the mayors and

reeves of these capital region municipalities, but my question is: why are the other 140 locally elected members being left out of this whole process?

MS EVANS: Mr. Speaker, in the first instance the chief elected officials have met. On March 25 and 26 not only do we intend to add all of the other locally elected officials, but MLAs that are affected in the capital region will similarly be invited to a workshop to review the process, to look at the scope of the information. As we are currently in the House, they are looking at what additional studies may be required in order to do a thorough and comprehensive job. All of the other elected officials will be involved at varied times during the process.

I should point out further, Mr. Speaker, that Lou Hyndman has been chairing this process very effectively, particularly since the new year, and they're exploring new ways to build consensus.

MRS. O'NEILL: Thank you. Madam Minister, now that we've looked after everybody, my question is: what other opportunities will there be for other ratepayers and residents to participate in this process?

MS EVANS: Mr. Speaker, there are a number of ways that we intend to first of all get information out to the residents: through the web sites, newsletters, questionnaires. There are plans that the elected officials themselves are creating for regional workshops so that chambers of commerce and other interested residents can come forward, make their views known, and be valued contributors to the process.

THE SPEAKER: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Calgary-Fort.

Well Water Quality

MS CARLSON: Thank you, Mr. Speaker. This government has known for a year and a half that arsenic levels in some domestic wells in the Cold Lake area are in excess of the Canadian drinking water standards. Well owners are frustrated that it has taken the government this long to get systematic monitoring started. What is the Minister of Health doing to ensure the safety of the public water supply in the Cold Lake area? People want to know.

MR. JONSON: Mr. Speaker, we are well aware of the situation and the concerns in the Cold Lake area. Our public health division is working on monitoring and assessing that overall situation. I share the member's concern. A considerable amount of testing and reporting has occurred already. However, I fully recognize that we need to increase our overall surveillance and reporting and, if necessary, action in that area.

MS CARLSON: Well, Mr. Speaker, as monitoring isn't enough, will the Minister of Health undertake both a regional health study and in particular a study of all individuals where arsenic levels in well water exceed the World Health Organization's standards? It hasn't been done yet.

MR. JONSON: Mr. Speaker, certainly we would want to apply the appropriate standards to our assessment of the situation up there. It is also our intention to establish a community advisory group that we can communicate with and work with on this particular problem.

THE SPEAKER: Hon. Minister of Environmental Protection, do you want to supplement that?

MR. LUND: Thanks, Mr. Speaker. I think it's important to recognize as well that Environmental Protection is working with the Department of Health and with Imperial Resources to do a comprehensive study of the area to try to determine whether in fact the arsenic in the water is naturally occurring or is from something that happened during the extraction of the minerals that Imperial Resources is involved in.

MS CARLSON: Well, Mr. Speaker, the issue for the people out there is: when will the Minister of Health himself meet with the people in the area and just give them access to clean and safe water? That's what they want to know.

MR. JONSON: Mr. Speaker, to my knowledge there's been no reluctance expressed by my office to meeting with them. However, I would not claim to be the scientists that need to look into and to judge these matters, and I really do think that we need to have the best data base possible to take action.

THE SPEAKER: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Gold Bar.

Electric Power Outages

MR. CAO: Thank you, Mr. Speaker. Electricity is meant to bring light and power. However, it brought darkness and stoppage early last Friday morning in part of northwest Calgary and again last night, Sunday night, in part of northeast Calgary. The blackouts affected about 8,000 people in one and 14,000 in the other. Many Calgarians, especially my constituents, are concerned about these incidents. My question is to the Minister of Energy. How did it happen? Is it because of an electricity shortage?

DR. WEST: Well, Mr. Speaker, I'm glad to answer this question because if you can remember last fall, about October 25, the great doom and gloom that was put throughout this province by the opposition and others about the tremendous shortages we were going to have all winter and the blackouts and the Christmas lights and what have you. Well, it never happened. I'm pleased to say that these outages are not because of shortages. In fact, these are a problem with distribution that periodically comes about.

I'll give you some indications of that. The recent outages experienced in Edmonton and Calgary were caused by local distribution events. Namely, the Edmonton outage was caused by a squirrel on a wire. [interjections] It's their question period too, Mr. Speaker.

2:30

The Calgary outages were caused by weather-related circumstances. Thick fog in Calgary resulted in moisture, thus shorting out local distribution facilities. Now, ENMAX has indicated that they have accelerated their spring spraying program by one month to reduce this type of outage from recurring. Their spring spraying program is essentially washing the dust of their electric distribution facilities. Outages such as these that occur at the local distribution level are not generally reported to the power pool of Alberta as they are the sole responsibility of the distribution utility.

EPCOR indicated that outages caused by animals -- namely, squirrels on the wires -- are one of their most common outages and even more frequent than lightning strikes.

I just want to complete by saying: let's give some examples. On January 20, Edmonton south side, 2,600 customers, switch failure; February 15, Edmonton, a squirrel; February 19 in the morning, Calgary northwest, 8,000 customers, weather and dust flashover;

February 21, the one that you're referring to, 10,000 people, a dust flashover and weather in Calgary northeast.

MR. CAO: Thank you. My second question is to the same minister. Since a major incident of a shortage on October 25, 1998, what has been done to secure our power supply?

DR. WEST: Well, Mr. Speaker, another good question, because I can remember some of the opposition criticizing the government for not being prepared for the increased growth in the province. We have today about 7,600 megawatts in the generation capacity, but our average use right now is 6,000 megawatts. On a daily basis the load can swing as low as 4,500 and to a high at supertime of close to 7,000 megawatts. To cover that off, we have another 950 megawatts in the system now that we can get from British Columbia, Saskatchewan, or load curtailment within the province.

I can also say that at the high, when we were concerned back a year ago, we were using about 4 and a half percent growth in power a year, but right now because of the back-off of some of our growth and our growth only occurring at about 3 percent this year, we're using less than a 2 percent increase. So with this new supply that we found, along with more supply coming on-line, there is no indication whatsoever that we will ever hit the doom and gloom that the opposition had predicted.

MR. CAO: Thank you. My last question is regarding the deregulation aspect, I think it was. Can you give us an update on that, please?

DR. WEST: Well, Mr. Speaker, at the present time deregulation is proceeding. We will have full customer choice by the year 2001. Right now we're dealing with the regulations that will allow the power pool to take market surveillance forward to ensure that nobody monopolizes or uses undue market forces to control the marketplace. We're also consulting with the stakeholders so that they're ready to understand the new responsibilities of the new retailers as well as the distribution utilities and their role in this. We are setting up the balancing pool, which is the financial fund which will flow the costs and benefits of existing generation back to the customer when it comes forward.

We're also working on the definition of the regulated stable rate, which small customers will have access to during the transition to full retail competition. That stable rate will come in in 2001 and carry to 2006. We're also setting the rules for capturing any benefits created from extending the life of these plants, the benefits that will go back to the customers or Albertans who paid for them over the last 40 years.

I can also say that there is one big challenge ahead of us, and that's setting up the option design system that will take the existing plants that were under EEMA forward in the 20-year contracts and set in place full retail competition. It's an exciting future. It starts on the industrials and those close to major transmission lines in April of this year and will flow through to continuing access to full customer choice in the year 2001.

Speaker's Ruling Questions on Large Policy Matters

THE SPEAKER: Hon. members, at a time like this it's opportune to perhaps advise hon. members to refer to Beauchesne's Parliamentary Rules and Forms respecting oral questions, and 408(1)(f) says, "Such questions should not raise a matter of policy too large to be dealt with as an answer to a question." Perhaps this last exchange was a fine example of that. We'll start dealing with that particular *Beauchesne* matter as we go forward.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Mill Creek.

Pine Shake Roofing

MR. MacDONALD: Thank you, Mr. Speaker. I would like to go from electrical blackouts to brown roof rot. As more and more untreated pine shakes continue to decay on Alberta homes, so does the credibility of this government. My questions are to the Minister of Labour this afternoon. Was the durability of untreated pine shakes discussed when your government retired a \$244 million loan to Millar Western, the largest pine shake manufacturer in North America?

MR. SMITH: Mr. Speaker, to the best of my knowledge with respect to the Building Code and untreated pine shakes the answer is no. The answer to any question about what happened with the loan to Millar Western, when it was given, the inclusion of pine shakes in the Building Code -- this happened in 1986-89. In this room there is only one member who was privy to cabinet discussions at that time that could demonstrate or comment on any leakage.

MR. MacDONALD: Mr. Speaker, this question is also to the Minister of Labour. Why were untreated pine shakes not vigorously tested in 1995, when the biggest manufacturer began warning the government about their decay potential?

MR. SMITH: Mr. Speaker, the question of pine shakes and the brown fungus rot that occurred in them came to the attention of this government in June of 1997. From June of 1997 through a process that culminated in the shakes being eliminated from the Building Code in March of 1998, a period of less than nine months, proper action was taken, due diligence occurred, and the right outcome was a result of the right investigation.

MR. MacDONALD: Mr. Speaker, my third question is also to the Minister of Labour. Should materials not be tested before their inclusion in the Building Code, not after, when it's already too late?

MR. SMITH: Mr. Speaker, it's clear that the listings in the Alberta Building Code are often products that are already listed under the National Building Code. These products that are not listed in the national code can be listed in the Alberta code if they meet standards established by the Canadian Construction Materials Centre, previously called Canada Mortgage and Housing, or other testing organization.

It's very clear that manufacturers approach testing agencies like the Canadian Construction Materials Centre and others to have their products evaluated so they can become listed in the National Building Code. It is important to know that the Alberta government does not perform any tests on the products for inclusion in the building code or referencing by the code. This is a national body. The groups that were involved in the technical committee were from all over Canada. They're from a wide variety of jobs, professions, and expertise in the industry itself. So it's abundantly clear that the government of Alberta does not have any tests available for products that are included in the Building Code.

2:40

Recognitions

THE SPEAKER: Hon. members, in 30 seconds I shall call on six members to participate in Recognitions today. We'll proceed on the following basis: first of all, the hon. Member for Calgary-Egmont, followed by the hon. Member for Edmonton-Centre.

Adolescent Recovery Centre

MR. HERARD: Thank you, Mr. Speaker. I'm so proud to share with you and all Albertans that last weekend the Alberta Adolescent Recovery Centre celebrated their 100th graduate free at last from serious substance abuse. Seventy-eight of their clean and sober young men and women who could attend celebrated with 460 parents and siblings, who also graduated along with the children into functional families no longer ravaged by the pain and trauma of addiction. You see, AARC treats the whole family and returns loving, contributing families back into society.

Congratulations to the board of directors, chaired by Mrs. Ann McCaig, to the staff headed by Dr. Dean Vause, to the families, their siblings, and addicted children. Thank you for repeating your miracle more than 100 times in Calgary-Egmont. Surely soon AARC's program will be recognized as a centre of excellence and replicated everywhere. It's so desperately needed for the most seriously addicted children in our province.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Edmonton-Centre, followed by the hon. Member for Edmonton-Mill Creek.

Black History Month

MS BLAKEMAN: Thank you, Mr. Speaker. February is Black History Month, and I'd like to recognize and salute the Black community in Alberta. In Edmonton and Calgary music concerts, lectures, dance performances, film screenings, youth activities, family festivals, and award banquets are being held this month. Most activities are sponsored by the National Black Coalition of Canada and in Edmonton, the Edmonton branch.

The NBCC's mission is to foster communication and to work with other Canadians toward achieving full social, racial, cultural, political, and economic harmony across Canada and to create a positive impact on the lives of everyone in our country and community.

An open invitation welcomes all Albertans to a celebration of history and culture. I urge members of the Legislature to join in one of the many activities still on this February.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Mill Creek, followed by the hon. Member for Edmonton-Meadowlark.

Hindi Language Resource Centre India Day Celebration

MR. ZWOZDESKY: Thank you, Mr. Speaker. I wish to recognize two important East Indian events that occurred this weekend. On Saturday along with Mayor Bill Smith I was pleased to attend the official opening of the Hindi Language Resource Centre co-ordinated by the Alberta Hindi Parishad (Association) with President Raj Singh, building committee chairman Viren Bhatnagar, city of Edmonton police, Indian Consulate General representative Mr. Gusain, and numerous others. With the help of a \$24,000 grant from the Wild Rose Foundation of this government this centre will expand its language teaching, its translation services, and immigration language services for libraries, hospitals, universities, and the regional airport.

The other event was the annual India Day celebration, which I was pleased to attend yesterday with the Hon. David Hancock, His Worship Bill Smith, and MLAs for Edmonton-Ellerslie, Edmonton-Mill Woods, and Edmonton-Strathcona. Many talented East Indian

groups were showcased, and numerous young academic achievers were presented with awards. Congratulations to Madan Prasad, Charu Ranjan, Vimal Bhatia, Vinod Sharma, Rajeshwar Singh, Krishan Chawla, Thomas Pullukatt, Bhanu Joshi, Jitendra and Savita Patel, Naresh Bhardwaj, and young emcees Noopur Gupta and Tapasya Ranjan.

Congratulations to all the volunteers, organizations, sponsors, and participants for an excellent event.

THE SPEAKER: The hon. Member for Edmonton-Meadowlark, followed by the hon. Member for St. Albert.

Aurora School Library

MS LEIBOVICI: Thank you. It's a pleasure this afternoon to recognize a milestone in the history of Aurora school in my constituency and, particularly, the Aurora school library committee. The Aurora school library is the first fully functioning library in a charter school in Alberta and serves 350 students. The library became a reality because of a grant from the Donner Canadian Foundation, the persistence and the hard work of parents and students and staff, and the drive of the library committee.

The targeted date for achieving this goal was June 1999 and was in fact reached six months ahead of schedule. To give this Assembly an idea of the enormity of the task, the committee had to determine the needs of the library and how to meet those needs, develop a workable floor plan, research and purchase computer hardware and library software, acquire furniture and library shelves from auction sales and assemble them without instructions, compile a comprehensive list of library material, purchase approximately 2,500 books within a time span of one and a half days, and of course organize volunteers.

Although this project is by no means completed, the foundation is definitely in place to support the future needs of the school, students and staff.

THE SPEAKER: The hon. Member for St. Albert, followed by the hon. Member for Calgary-Bufferlo.

Random Acts of Kindness Week

MRS. O'NEILL: Thank you, Mr. Speaker. From February 8 to 14 we celebrated Random Acts of Kindness Week, and I'd like to pay special tribute to the two women who began this movement some four years ago: Ms Colleen Ring, who is a resident of the Edmonton-Mill Creek constituency, and Debbie Riopel, who is a resident of St. Albert. These two women have succeeded in establishing this random acts of kindness focus through 500 communities throughout North America and certainly around the world.

What I'd like to say today, though, is that on November 13 in the year 2000 the first World Kindness Day is to be celebrated, a day in which I hope we throughout the world will be able to recognize this wonderful value that we all hold so dearly and the recognition of it, which was initiated in our communities.

Thank you.

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

Calgary School Councils

MR. DICKSON: Thank you, Mr. Speaker. I wanted this afternoon to salute the absolutely excellent advocacy we see for strong public education provided by the school councils in the city of Calgary. I'm sure that same kind of advocacy is happening in other centres around this province, but I was reminded in recent meetings with representatives of the Western Canada high school council, the

Sunalta school council, and representatives also of the Earl Grey elementary school in the Premier's riding, I think, just how hard these people work and the high level of frustration they're experiencing when they observe the overcrowded classrooms, inadequate supports for special-needs students, fund-raising exhaustion. These concerns are genuine and legitimate. One may be able to discount the advice you get from elected school boards and from the Alberta Teachers' Association. I don't think any member in this Assembly can or ought to discount the kind of legitimate frustration, those very real concerns heard by members of school councils right around this province.

Thank you, Mr. Speaker.

THE SPEAKER: Two hon. members had indicated to me during the previous part of our Routine that they might want to participate in a purported point of order.

I think we're going to Orders of the Day.

head: Orders of the Day

head: Government Bills and Orders

head: Second Reading

Bill 2
Dairy Industry Act

THE SPEAKER: The hon. Member for Leduc.

MR. KLAPSTEIN: Thank you, Mr. Speaker. I'm pleased to move second reading of Bill 2, the Dairy Industry Act.

Bill 2, the Dairy Industry Act, has come about as a result of a review of the Dairy Industry Act under the regulatory reform process that began early in October of 1997. Harmonization with the new national dairy code was one of the key principles in drafting this legislation. Working closely with the Dairy Control Board, duplication between the Dairy Industry Act and the Dairy Board Act was eliminated. Food safety and quality issues are consolidated in the Dairy Industry Act; commercial and marketing issues are consolidated in the Dairy Board Act. Consultation meetings were held with stakeholders, which included the Alberta Dairy Council, the Alberta Milk Producers, the Alberta Milk Haulers Association, and the Alberta Goat Breeders Association.

Thank you, Mr. Speaker.

2:50

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

DR. NICOL: Thank you, Mr. Speaker. It's a real pleasure this afternoon to get up and speak in response to the Dairy Industry Act. There are a couple of things that I'd like to say in the context of this bill. It's probably exactly what the dairy industry wanted. I've talked to a number of people throughout the industry, and everybody has been warning me for a year that it's been coming and that it is what they want. Basically they were telling me that when it comes in, just sit down and keep my mouth shut.

I think what we've got to do is look at this from the perspective of a good process of consultation. It's worked with the dairy industry to make sure that what the government is doing in the context of simplifying their operation by separating the powers of the Dairy Control Board away from the government and making sure that the Dairy Control Board has the authority and the power to deal with the marketing and the commercial issues of the industry and that government has the responsibility of the quality and safety issues -- the people in the industry like that. They want to be able to control their own commercial aspects and their marketing aspects, yet they recognize the need that we all have as a society for a degree of safety

inspection and quality control on top of that.

It also, as the Member for Leduc said, brings into Alberta the mandate of the national dairy code, and it is going to facilitate what has been going on within the industry in the context of an expansion to a true national market. We've seen the provincial marketing agencies in western Canada now all amalgamated into the western marketing pool, and that's going to probably expand to a full national pool if the producers have their way. Mr. Speaker, in that context I think that what we have to look at is how this piece of legislation is going to give the producers the freedom to essentially be in control of the economic aspects of their industry. It'll allow the government to control the quality and safety parts of it, and it'll provide the flexibility to the consumer where they're going to have the freedom of choice to select the product that gives them the kind of diet they want.

So I hope that everybody in the Legislature rises in support of this bill. Thank you.

THE SPEAKER: The hon. Member for Leduc to close the debate.

MR. KLAPSTEIN: I call the question.

[Motion carried; Bill 2 read a second time]

Bill 1
Fiscal Responsibility Act

MR. KLEIN: Mr. Speaker, it is my pleasure to move second reading of Bill 1, the Fiscal Responsibility Act.

The Fiscal Responsibility Act is the next in a series of extremely important steps put in motion by Albertans over six years ago. Six years ago, as we all know, our province was facing some troubling financial conditions, including massive debt and an unacceptable tendency toward deficit budgeting, which was adding year by year to that debt.

Albertans knew at that time that something had to give and as a matter of fact were saying to government: get your financial house in order. The first thing they told us was: get rid of the deficit; quit spending more than you earn. That just made so much sense. They knew that eliminating the deficit was the key to our future prosperity. They told us what they wanted to do, and the government indeed listened.

Together we took that all-important first step with the introduction of the Deficit Elimination Act. I should note, Mr. Speaker, that our then colleagues in the Liberal opposition unanimously rose to support that bill in May of 1993.

MR. DICKSON: It wasn't a standing vote.

MR. KLEIN: It was a standing vote. All Liberal MLAs present at that time -- well, Mr. Speaker, if it wasn't a standing vote, it should have been, because they all would have stood. All Liberal MLAs at that time voted in favour, including the then leader, the deputy leader, and the current Member for Edmonton-Rutherford.

Four years ago all the hard work put forward by Albertans and Members of the Legislative Assembly paid off when we finally said good-bye to what is expected to be the last deficit ever that this province will see. Albertans have told us since then: "Stay the course. You've started on the right course. Stay the course, and keep blazing a trail of fiscal responsibility." Albertans told us that indeed they have the vision and they have the stamina that it takes to keep pushing ahead.

Now with the deficit eliminated, Albertans have their sights on getting rid of the debt. Once again their government listened. We introduced, first, the Balanced Budget and Debt Retirement Act, which was designed to free our province from the burden of carrying the net debt. Again, Mr. Speaker, the Liberal opposition of the day, many of whom are still in the House, voiced their support for that legislation as well. In fact, I note that the Official Opposition's own policy statement, called 2020 Vision: Managing Alberta's Debt, says in the statement of principles, number 3: "Alberta Liberals are committed to preserving legislation to prevent the government from running deficits."

The second piece of legislation has also been a great success. In fact, the responsible paying down of the debt has allowed us to save \$439 million in interest payments since 1994-1995, Mr. Speaker, dollars that are now going to services instead of the banks. We are eagerly looking ahead to next year, when we expect to finally rid our province of our net debt.

When some might be content to just sit back and coast and say, "Okay; the province is now on autopilot," I believe that Albertans are showing once again their pioneering strength and determination. The people of this province know that we've come too far and worked too hard to see our vision fail. Albertans want to enjoy the freedom and prosperity that comes from being completely debt free.

Albertans across the province were recently given the chance to cast their vote in the recent Talk It Up; Talk It Out survey. The survey was probably the most successful public consultation ever conducted in this province, with some 80,000 Albertans sharing their views on the future of this great province. The message they sent was very loud and clear. Albertans used the survey to tell us that paying off the accumulated debt is their number one priority. Once again we are listening, and we are acting on their wishes.

Bill 1 will do precisely that. Bill 1 will allow us to carry out the very clear instructions Albertans have handed us. The bill has four key components each designed to ensure that we continue to move successfully toward the fiscal goals Albertans have set for their province. Firstly, the Fiscal Responsibility Act sets up a debt payment schedule that begins once the net debt has been deleted, or eliminated, next year. These repayments will unshackle our province from the staggering interest we've been forced to pay since the debt began to accumulate in 1985 and 1986. The plan calls for Alberta to pay down the accumulated debt over a period of 25 years and includes five-year milestones to help ensure that progress is being made. Mr. Speaker, with all due respect, if the Liberals will refer again to that document, 2020 Vision, they will see that their party proposes a very similar kind of program.

3:00

Secondly, the bill reconfirms the promise we made to Albertans when we first set out to get our financial house in order. Bill 1 continues to make deficits illegal so that we can never return to the kind of spending that got us into so much trouble in the first place.

The third component is also designed to help us keep our promise to Albertans. It calls on the province to maintain larger revenue cushions in order to help protect against deficits. These revenue cushions will go a long way toward keeping the books balanced during inevitable fluctuations in the various markets that generate revenues for Albertans. We must keep in mind the words of Professor Paul Boothe, who said -- and I believe we all adhere to his assertions: Alberta has probably one of the most volatile economies not only in Canada but in North America, perhaps in the world.

The fourth key component of the Fiscal Responsibility Act leaves no doubt as to how any excess revenues are to be spent. In fact, the

bill calls for any excess revenues above total expenses to be allocated as follows: at least 75 percent will go toward debt repayment, and the remainder, up to 25 percent, will be available for in-year spending increases targeted toward Albertans' priorities, such things as health and education and good infrastructure.

Each of these four key components is designed to help us achieve the fiscal goals Albertans have set out for their province. Bill 1 is rooted in the principles of sound and responsible fiscal management. It is also rooted in the beliefs and the wishes of the people of this province. We've been acting on what Albertans have asked us to do since we set out to eliminate the deficit over six years ago. Albertans knew what to do then, and their instincts and their judgment are still just as true today. We've turned our finances around thanks to the important steps taken today, thanks to the hard work of Albertans, and thanks to the dedication and commitment of the Members of this Legislative Assembly.

Bill 1 is the next logical step in the process. In fact, it is the all-important step that will allow us to go the rest of the way. It will do more than free up money once spent on interest payments for reinvestment in Alberta's priorities. Bill 1 will also allow us to finally make Albertans' dream of a debt-free province a reality.

Thank you, Mr. Speaker.

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

MR. SAPERS: Thanks, Mr. Speaker. [interjection] The Treasurer is very optimistic, and I want to congratulate him on his performance this weekend. Maybe that optimism will be rewarded.

Mr. Speaker, Bill 1 is a challenge for members of the opposition. I appreciate the time and the trouble that the Premier went to in referring to Alberta Liberal policy in his remarks on his flagship bill. It's flattering. Of course Alberta Liberals are the party that put debt and deficit elimination on the map in the province of Alberta when Laurence Decore was the leader of this party. I believe it was the election in 1993 when Albertans overwhelmingly voted for one of two parties that campaigned on solid fiscal plans. That was of course a very close election, and I guess history will be the judge of that.

The Premier should have gone a little bit further when he was analyzing the Alberta Liberal plan if he was wanting to take our advice on what to do next in the province of Alberta. Of course, that plan also talked about the creation of a stability fund and a couple of other things that I'll mention over the next few minutes that I have available during this second reading debate.

I would like to try, though, to set the record straight a little bit on the context of Bill 1. I listened carefully as the Premier referred to the Talk It Up; Talk It Out survey, and I believe he used the phrase: Albertans had "the chance to cast their vote." That really caught my attention, Mr. Speaker, because I know that Albertans get a chance to cast their vote in several ways. They can vote for municipal councillors. They can still vote for school boards. They can't vote for health authorities, but they can vote for members of the Legislature. They can vote for their Members of Parliament. The one thing that they couldn't cast a vote on because it wasn't put in that context was what the province should do with its finances.

This was a survey. Some have called it propaganda; some have called it manipulation. The one thing it wasn't was part of a democratic process. It did allow some Albertans -- and we don't really know how many -- to give some response to a carefully crafted set of questions. It certainly wasn't scientific. It hasn't been audited. We can't say that it was independent. While I trust the voices of Albertans, I'm not sure that I entirely trust the interpreta-

tion of those voices as it comes through the government's public relations machine. So I'm not sure that we should thank or congratulate or chastise Albertans for Bill 1. Bill 1 is not the creation of the taxpayers of this province. Bill 1 is the creation of the government of Alberta.

While we're on the subject, Mr. Speaker, Bill 1 sounds like another pre-election slogan, and I'm not really much of a fan of slogan legislation. Who is opposed to paying off debt? I don't know anybody who's opposed to paying off debt. Who is opposed to having more money available for necessary, important priority programs? I don't think there's one man or woman in this Assembly that's not in favour of having the amount of money necessary to pay for those programs. For a government to come forward time and time again and bring forward legislation that reads like a slogan, that really can be undone by a subsequent act of another Legislature to me does not speak of a great commitment or a great vision.

[The Deputy Speaker in the chair]

So I'm in a bit of a quandary, because if at this point I were to stand here and say that I am not in favour of Bill 1, if I were to make that statement, immediately the spin doctors out there in government land would crank up the presses and say: Liberals are opposed to debt reduction. Of course, that's not true. That's not true. If you need any proof, you just have to look at the federal government's attack on the national debt and the fact that every Liberal policy that we have ever put forward has talked about debt reduction. So that wouldn't be true if they were to say that about us.

Now, on the other hand, if I were to stand here and say, "You betcha; I support that Bill 1," if I were to stand here and say that, then the government would immediately jump to their feet and say: look; the Liberals agree with our plan. Mr. Speaker, that's not true either. First of all, we're not sure that it's much of a plan, and, second of all, the parts of it that the government has shared with the public we certainly don't agree with. We don't agree with the government's definition of balanced; we think it's unbalanced. We don't agree with the lack of priority that the government puts on necessary programs, including health care and education. So we don't agree with where this government is going in a very, very real sense.

Mr. Speaker, the proof of the argument has to be, I guess, in the detail, in the real substance of the bill. Now, you know, the Premier was very good at taking us through the four general principles of the bill and really harping on that aspect of it, which I've branded as just a slogan. You know, he was good at talking about how we're all going to work together, stay the course, steer the boat -- and I can't remember what other clichés he used -- and we're going to get rid of that debt. What he didn't really talk about were some of the nitty-gritty parts, which do cause some concern for myself and some of my colleagues.

3:10

Now, we have in this bill a proposal to legislate debt repayment over 25 years. Not a bad idea perhaps. The difficulty is that this government had a legislative debt repayment schedule in the past, and when the net debt was being attacked, this government made some very interesting choices. This government made the choice, for example, to cut kindergarten funding but to continue accelerating debt repayment. I just use that as one example. So we have to ask ourselves: how committed will this government really be to staying the course that it itself has chosen to follow; that is, sticking with the 25-year plan?

You know, Mr. Speaker, speed isn't everything, and there are some endeavors where I would say that speed doesn't really count

all that much. I'm not sure that speed is of the essence if we have the ability and the vision working hand in hand so that we can continue to afford what's important to Albertans. It's been said over and over and over again, and I don't want to dwell on it because I think it is getting a little bit trite, but it is an important value. The value is this: you don't double up your mortgage payments if you can't feed your children.

So while this government has talked and talked and talked about the house that Al and Berta built -- I believe those were the characters in the first budget roundtables way back when -- and they've talked about the foundation and they've talked a lot about how we have to get the fiscal house in order, I'm afraid that sometimes it's a house of cards. While this government is making all those pronouncements, they would pretend that there has been no harm caused by the changes. There has been harm done. So I will be looking for assurances from the Premier, from the Treasurer, from others when we come to the more detailed debate on the repayment schedule: how will we know that we're going to stick to that schedule?

Now, something else that caught my mind. If you think I don't have an exciting life, I was recently reading the form 18K of the Securities and Exchange Commission from Washington, D.C., which I would recommend to anybody if they want to get a good view of the province's financial management structure from an independent third party. [interjection] It's an 18K. I think I got it from your office, Mr. Treasurer, so you should have access to it. Mr. Speaker, I'm sorry; through you to the Treasurer.

When I was reviewing the 18K, what struck me were the various definitions of debt. I guess I would have more confidence in the province saying that they were listening to Albertans if I had seen evidence that the province had actually done a good job making sure that the language was common and understood when it comes to debt. Let me just tell you that in here under the general heading of Debt of the Province, the U.S. Securities and Exchange Commission talks about consolidated debt, which "includes direct and guaranteed debt," talks about direct debt, which "consists of funded and unfunded debt," and talks about various kinds of debt instruments, in total nearing \$18 billion worth of debt.

Now, the Premier has said that the net debt's been eliminated, but that doesn't necessarily talk about some of the debt that's held by other entities that are reported in the consolidated financial statements of the province of Alberta. Then we start talking about the accumulated debt, which is a figure somewhat lower than that of the U.S. Securities and Exchange Commission. I think it's some \$5 billion less than what they say is the total debt picture of the province. I guess what that means, perhaps, if I were to be cynical, Mr. Speaker, is that a couple of years from now, maybe on the eve of an election or after a leadership review or something, there would be another slogan bill that would come forward that would be called the real, actual, what-we-meant-to-say debt elimination retirement control act, because there always seems to be another kind of debt that the province wants to talk about instead of putting all the cards on the table at one time.

Mr. Speaker, the next point that I want to make is about this 25-75 percent split. I referred earlier in my comments to the stability fund that the Alberta Liberals have been calling for. When I first saw this act, my heart began to race and I felt joy swelling in my soul because I thought that the government had really taken a page out of our book, because we'd been talking about what the impact would have been had the government been prudent and only spent 75 percent of its billions and billions and billions of dollars' worth of surpluses over the last half dozen years and put 25 percent into a stability fund that would have helped us ride out this short-term period we're experiencing in terms of revenue downturn.

Now, under that 75-25 percent plan that we would have proposed, just for example, over \$1.8 billion in cumulative residual funds would have been generated between '94-95 and the current fiscal year, that could have been placed into a special fund, technically an off balance sheet fund, and this is allowed for under the generally accepted principles of accounting for governments. That nearly \$2 billion could have been placed into a fund that would have been available to the Treasurer to pay for priority programs, instead of the fear mongering we saw earlier this year and late last year that there could yet be further rounds of program cuts because of the downturn in commodity prices, particularly in agriculture and in energy.

The implications would have also included that the net debt would have been still at around \$2.6 billion or \$2.8 billion, that debt servicing costs may have been marginally higher but not remarkably higher, and instead of being 10 or 12 years ahead of the legislated pay-down schedule, we might only be six or seven years ahead. In any case, Mr. Speaker, we still would have been ahead, we still would have been in a very good position on the debt side, and we would have been in a much stronger and a much more comfortable position on the program spending side.

So I will want the Treasurer and the Premier to talk in this Assembly about why they've only gone halfway on the proposal, on the 75-25 percent split, and instead of taking the 25 percent and just putting it into a current-year situation, where it could be accessed in a current year, why they haven't decided to go whole hog and create a stability fund with that 25 percent or that up to 25 percent, which, as I said, could be used to help stabilize the peaks and valleys.

Now, I guess I can answer part of it myself. Again being suspicious of motives, I notice that the language in the act allows the 25 percent to be used for spending or for tax relief, for revenue reduction. I wonder if this is really going to be a hedge against revenue loss or whether the Treasurer has perhaps up his sleeve some midyear tax relief, another part of the plan. I think I heard the Treasurer on the radio talking about how he's got this three-year vision for incremental tax change, and I'm sure he does. I would just hope that he would share that quickly with the rest of us, because I don't think tax change should be done in a piecemeal fashion. I think it should be done as a whole package so that we can all evaluate the pros and cons and the risks and the benefits.

Anyway, I suspect that the way this legislation is worded may be very political in the sense that it would allow the Treasurer to give us some midyear tax goodies or perhaps pre-election tax goodies without having to come back and seek legislative approval to do that.

There's another clue that I have in coming to that conclusion, if I may call it that, Mr. Speaker, and that is that the language has changed. You know, language is remarkable. It's of course what we do in this Assembly, use language, and words are very important. We no longer talk about surpluses and we no longer talk about revenue cushions because those have some other connotations. We now are talking about an "economic cushion" in the act. The economic cushion really is, in my mind, just another way of describing what a surplus may or may not be. But the so-called economic cushion, the surplus, that's now built into the budget -- now, you have to get your head around that. The government talks about a balanced budget, but within the context of the balanced budget they are building in a surplus; okay? So it's an imbalanced budget, but anyway this part of the balanced budget calls for a surplus to be budgeted for, and the budget that it calls for is 3 and a half percent of the expected revenue.

3:20

Now, in the past there's been another formula that's been fairly

well documented. I won't go into it; I think it's available for anybody to review. But in the past that formula has not totaled 3 and a half percent. This 3 and a half percent is a real increase. This next fiscal cycle alone it would have grown by over \$100 million. So the revenue cushion that's in the budget now is around \$460 million. If the 3 and a half percent principle was applied, it would be about \$580 million, \$577 million. So again I have to ask myself: why is the government first of all shaving words, changing the language, no longer calling it a revenue cushion but is now calling it an economic cushion, sort of denying that what they're really doing is budgeting for a surplus and then raising it in this next fiscal cycle perhaps by as much as \$100 million, \$110 million?

It seems to me that there's some explaining to do, and if this is truly a hedge against expected revenue loss, then why is the calculation (a) based on projected income and (b), again, why is it only within the context of a current year and doesn't allow us to take from fat years to spend a little bit in lean years? So I do expect that the Treasurer and the Premier will have more to say about that.

The next issue that I want to raise about Bill 1 is the way in which it treats the Alberta heritage savings trust fund. The trust fund also was the subject of a consultation, but you know, Mr. Speaker, it seems to me that it was a consultation that probably had a little bit more integrity than this consultation about Talk It Up; Talk It Out. It was an all-party committee that led that consultation and traveled and met firsthand with Albertans as well as received the written submissions. It was very much more in the public eye, and I think we could all take more comfort in the message that we received.

One of the messages we received was that the Alberta heritage savings trust fund was considered to be a gem in the crown of Alberta and that it should be protected. So the government inflation-proofed the trust fund, took a little bit of the investment income and held it aside to make sure that the trust fund was always keeping up with inflation. Well, Bill 1 would erode that protection. Under the proposal some \$165 million to \$175 million could be taken out of the income stream of the Alberta heritage savings trust fund and dumped into general revenue thereby eroding the value of the heritage savings trust fund, moving away from the principle of maintaining its value and inflation-proofing it, and again makes me think that this Treasurer is maybe a little bit more nervous about the revenue picture of the province of Alberta than he's letting on.

Thanks, Mr. Speaker.

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

MS BARRETT: Thank you, Mr. Speaker. I'd like to add a few comments to those just offered by the previous speaker on the Fiscal Responsibility Act, sponsored by the Premier.

As everybody knows now, the act sets out a schedule of targets to pay off what the government has now dubbed the accumulated debt, which according to the September 30, 1998, second quarterly report would stand at approximately \$12.8 billion, and the proposition is that this would be done over a 25-year period. Now, it's that proposition that I question. This period is supposed to start as soon as the net debt reaches zero, a point that may already have been reached as of even the September 30, 1998, quarterly report, because it showed at that point only a \$400 million net debt. As we know or as figures I'm about to read out will prove, once we get the public accounts a year after the fact, the figures are often out by a factor of billions of dollars, not even hundreds of millions.

Before I do that, Mr. Speaker, I think it's important to realize that the government does have financial assets, mostly in the heritage

trust fund, that are approximately equal to the accumulated debt -- that's the new phrase, the new buzzword -- and that we have over and above this some \$7.2 billion in capital assets. These are not included in the financial balance sheet to which the government refers. So on the face of it the bill seems reasonable and prudent. After all, as everybody so far has said, who would argue with paying down the debt? One needs to do it in an orderly fashion, however, and that is not made clear by this bill. What is made clear is that it enables the government to do what it did with its Balanced Budget and Debt Retirement Act, and that is set out a schedule which it has no intention of honouring but in fact accelerating at a rate of two, possibly three times the apparently stated goal of the legislation.

I would like to point out that if this bill is passed, while the so-called accumulated debt is being paid down, we will also be accumulating financial surpluses, which is not properly addressed by this legislation. Let me just go through some of the facts to make it pretty clear how this government has by accident, coincidence, or other means managed to tell the public one thing at the time of a budget yet had to confess to a very different fact a year after that budget was proposed when the public accounts show the truth.

I will give you an example. Well, I'll give you several. In the year 1992-93 the government estimated its revenues as being \$10.984 billion. They didn't account for any cushion at all. The actual was \$13.521 billion, a difference -- and this is small compared to what's going to happen -- of \$2.537 billion. That's a lot of money. The following year the government decided that it might be prudent to incorporate the cushion concept and allowed for \$120 million in that cushion, nonetheless estimating its revenues to be \$11,462,000,000. The actual came in at \$4,740,000,000, the resulting difference being \$3,278,000,000. Meanwhile, the atrocious cuts were occurring.

The following year the government outdid itself. In fact, it practically doubled its so-called accomplishments of the fiscal year 1992-93, because in '94-95 the government's estimate of revenues was \$11,429,000,000 and allowed for a cushion of \$190 million, but the actual revenues came in at \$15.519 billion, a difference of \$4,090,000,000. The following year, '95-96, the government's estimate was \$13,352,000,000, assuming a cushion of \$391 million. The actual came in at \$15,572,000,000 for a difference of \$2,220,000,000.

In '96-97 the estimate of revenues at \$13,662,000,000, the cushion estimate at \$545 million. The actual revenues came in at \$16,651,000,000, the difference being \$3,039,000,000. Finally, for actual figures right now I've got for '97-98 the estimate being \$14,112,000,000, the cushion now at \$680 million, and the actual revenues coming in at \$17,754,000,000, the difference being \$3,642,000,000. If you add that up, I believe we're in the \$13 billion range, but it could be higher because we don't know what the actual surplus revenue compared to estimate will be this year, although I still suspect that it will come in around \$2 billion.

3:30

The government has proposed in this legislation that we will not be able to access any of the surplus funds because the law must be adhered to in section 2, which says that "actual expenditure during a fiscal year must not be more than actual revenue." Well, I think I've just told the Assembly about the profound differences between revenue estimates and actual revenues, so I don't need to belabour that point. However, what we do need to look back at is the element of the survey that says -- of course the bill doesn't talk about the survey Talk It Up; Talk It Out. However, the survey did show, if I'm not mistaken, that about 49% of the respondents did identify debt repayment as a priority and the other 51% split evenly on asking the government to spend more on programs or asking for tax relief.

Now, see, it seems to me that the government didn't like the results of the first survey that it did, that being the Growth Summit, which was held last autumn. That Growth Summit indicated clearly from all participants, even those who thought that they would disagree with one another upon entering the forum, that Albertans across the board placed the highest priorities on spending and spending in particular on health, education, and municipal services, which has subsequently been called infrastructure. Well, municipal services are a lot more than infrastructure, and if you want to do a casual survey, just go ask any Edmontonian about the last month or two and how they feel about the city's ability to remove snow. It's not just an infrastructure issue.

So it looks to me like what the government did is it didn't like the response from the first survey, that being the Growth Summit, and went back and sent out a questionnaire, knowing which kind of people would be more likely to respond to it and also phrasing questions in what I would call a slightly biased way and then putting the first, second, and third answer in the order in which it was clear the government itself wanted to be headed.

This year it would appear that according to the Provincial Treasurer's second quarterly report, we've got another \$400 million in revenue that was not expected, meaning that there was over \$18 billion dollars in revenue, yet the last provincial budget allowed for only \$15.2 billion. I know the government is saying, "Well, the sky is falling," because oil prices are falling, but I don't see them saying the same thing about the fact that we've seen fluctuations in the amount of money being generated by gambling in this province, because that would be an admission that the government is also counting more on gambling dollars than it is on oil revenues, which by the way in last year's budget was for the first time the case.

So when the government says that they want to be careful about paying down our accumulated debt in a careful fashion, I say: fine; do it in a careful fashion, but don't lock yourself in to the point where you can make an arbitrary decision with any surplus that you've got such that 75 percent must go to debt. I mean, talk about putting blinkers around the eyes of the horse, for heaven's sake, and telling it to participate in a global race. I cannot think of a better example.

Nonetheless, this legislation calls for, as a strict rule, 75 percent of any surplus to go to paying down what is now called the accumulated debt and allowing for a maximum of 25 percent of such surpluses to go either to what the government has been using lately as a buzzword, pressure points, probably meaning health and education, not social services -- they don't care about social services; that's clear enough -- or to tax breaks, allowing for an arbitrary interpretation of that 25 percent room to move, which, I suspect, inevitably will be used in a pre-election moment of zeal to announce a personal income tax cut à la the kind that the Provincial Treasurer of the government made actually only about seven, eight months before the last election was called.

But you know what? When it's only 1 percent -- and that's what the government did, allowed for a small tax break of only 1 percent -- it was so insignificant that Albertans didn't even notice. So while the principle of this legislation is just fine, the point is that it need not be enshrined in legislation. Legislation can be strangling. While all of those multibillion dollar surpluses were being turned in to one purpose alone, and that was accelerating the rate of net debt pay-down, in the meantime 45 percent of the hospital beds on average between Edmonton and Calgary got closed. In the meantime, our student population grew by 45,000 while our teachers shrunk by 1,500. In the meantime, parents had to go out and do fund-raising to put paint on the walls of the classrooms where their kids go to

school and try to defy the corporate invasion of organizations like Coca-Cola, who said: hey, your gym floor is rotting; if we can put up a big Coca-Cola insignia in the middle of the gym floor and sponsor the clock, we'll pay for your rotting gym floor.

These are the realities that people were faced with, including the harsh reality of family members needing to be at the hospital at the bedside of their sick or loved ones to do what used to be done and should be done by public hospital personnel, including changing the sheets and blankets, changing the clothing of those loved ones, and feeding them because there were not enough staff to do it. If the government thinks that I or the NDP will go along with a policy like that, I can assure the government that that will not be the case.

I move to adjourn debate.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Highlands has moved that we adjourn debate. All those in support of this motion, please say aye.

HON. MEMBERS: Aye.

THE DEPUTY SPEAKER: Those opposed, please say no. The motion is carried.

Bill 3
Agriculture Financial Services
Amendment Act, 1999

THE DEPUTY SPEAKER: The hon. Member for Innisfail-Sylvan Lake.

MR. SEVERTSON: Thank you, Mr. Speaker. It is my pleasure to move second reading of Bill 3, the Agriculture Financial Services Amendment Act, 1999.

The purpose of this bill is to enable the Agriculture Financial Services Corporation to market its expertise around the world. The bill also contains some housekeeping changes that allow the corporation to be a more efficient Crown agency.

[Mrs. Gordon in the chair]

Some background is perhaps in order, so I will present some recent history of the corporation and the act under which it operates. In 1993, upon the passing of the Agriculture Financial Services Act, the Alberta Agricultural Development Corporation and the Alberta Hail and Crop Insurance Corporation were merged into one corporation known as the Agriculture Financial Services Corporation.

For those of you who may not have an agriculture background, I would like to briefly outline the function of the Agriculture Financial Services Corporation. The Agriculture Financial Services Act has two main divisions: the lending and financial assistance and the insurance and compensation. The corporation delivers programs covered by these divisions through more than 50 offices throughout Alberta. The insurance business involves offering to all Alberta farmers hail and crop insurance, a partial cost of which is shared by Canada and Alberta. AFSC also has its own hail insurance program, that continues to be self-sufficient.

The insurance part of AFSC's business is also involved in administering compensation programs like wildlife programs, providing farmers with compensation for damage caused by waterfowl and wildlife. The corporation's lending business involves the popular beginning farmer program, the new hog assistance loan,

the financial assistance to secondary food processors. In the past few years the corporation has supported value-added food processing through its assistance in the diversification of Alberta's agriculture economy.

AFSC delivers the farm income disaster program. This program concept, originally unique in North America, has been adopted by British Columbia, Prince Edward Island, and now by Canada. In fact, AFSC is involved in helping Canada and some provinces develop and deliver their programs. Because of AFSC's initiative in developing its unique products and the expertise its staff has gained through the experience, demand has grown for AFSC's expertise. British Columbia has asked AFSC not only to administer a program similar to Alberta's farm income disaster program but to make a proposal to assist British Columbia with this crop insurance program.

3:40

The country of Chile, with which Canada has a free trade agreement, is considering the services of the corporation to design and help implement a crop insurance program. Similar talks with Russia may also prove fruitful. AFSC has also been asked to assist the Canadian Wheat Board with an audit of some of its customers in Alberta. This makes use of AFSC's adjusting expertise in assessing insurance claims from farmers. This bill will allow AFSC to sell its expertise to various provinces and countries for developing and delivering their own programs.

Another part of this bill adds a new section, 11.1. This change ensures the deduction from any money owed by AFSC to a customer of amounts a customer owes to AFSC. For example, if a customer has borrowed money from AFSC and that customer loan is in arrears, AFSC would be able to deduct from an insurance indemnity the amount owing as arrears. The new section is added to ensure that there is no confusion over what can be set off by AFSC. In other words, AFSC would be able to set off any debt owed by the customer on the date AFSC is paying the customer money from crop insurance, the wildlife program, or from the farm income disaster program.

The word "debt" is given an extended meaning to ensure that mortgage loan debts are included as well. Rights of setoff are allowed by common law between what are called mutually exclusive debts. The amendment allows for a setoff of all debts, whether they are mutually exclusive or not. By this manner AFSC ensures that taxpayers' funds are properly protected and debts owed are collected.

AFSC through its commercial lending is expected to move to be more involved with other lenders to handle lending needs in a particular agriculture project. In these situations other lenders provide all or most of the funds and take on all or most of the risks. In a syndicate loan situation several lenders are willing to participate in a loan deal, but each of those lenders is seeking a neutral party to handle the administration of the funds. AFSC is trusted by these other lenders to do due diligence in an unbiased way for these syndicate loans, and those lenders ask AFSC to be trustees of any funds those other lenders may wish to administrate. As a result AFSC has to be sure it has the power to assist business in this manner. Section 4 of the bill is to allow AFSC to be trustees for any funds or money supplied to other lenders.

Madam Speaker, another aspect is in section 46 of the Agriculture Financial Services Amendment Act and allows AFSC to have a lien on crops to ensure payment of outstanding premiums or other charges and interest. The effect of the bill is that the lien would extend to crop proceeds as well. It does happen that crops subject to lien are sold without notice to AFSC. Proceeds are then paid

without regard to the crop lien on the basis that there is no lien on the proceeds, even in the case where notice of the crop lien is served upon the grain buyer. To protect the taxpayers' investment, the lien on crops would now become a lien on crop proceeds as well to ensure that the grain buyers have a duty to honour the lien notice.

Madam Speaker, there are a number of other amendments in the bill, which we can get into in more detail as we get into Committee of the Whole. I look forward to passage of this bill so we can assist the Agriculture Financial Services Corporation in providing even more extensive customer service by making a more efficient use of taxpayers' money.

Thank you.

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

DR. NICOL: Thank you, Madam Speaker. It's a real pleasure to rise and speak to Bill 3, and on this one I can guarantee you I have not been asked to just sit down and let it pass through. So we'll cover some of the issues that come up in this.

I have had a chance to have a discussion with the sponsor of the bill and talked to a number of people about it. I guess the first part that was introduced in the bill, the first section of it, deals with the ability of Ag Financial Services to in essence become a consultant in the areas of its own expertise. This is probably quite advantageous, especially when you're dealing with some of the international community and where they want to have the background of the credentials of a government to help them. A lot of the things that Ag Financial Services has been doing here in Alberta have been at the cutting edge of program development and administration, so they are recognized as a world leader in some of the things they're doing. So to do this is probably a good idea.

I guess, Madam Speaker, the concerns I've got here probably deal with the direction that's going to come from the minister as he provides this authorization operationally to Ag Financial Services in terms of: how do they keep their accounts separate so that we know that Alberta farmers are not subsidizing some of these other activities? Or if some of these other activities are making a profit, what happens to the end result? What happens to the surplus that's left? Is it going to be put in to support agriculture? Is it going to go back to general revenue, or is it going to go to Ag Financial Services to allow them to in essence advertise and promote their own consulting activities? So this is kind of an in-between part of the bill. It's got some good aspects to it, but it's also got those concerns that need to be addressed.

The second part of the bill looks at the ability of the corporation to use any receipts payable to a farmer to pay off debt the person has with the corporation. I spoke with the sponsor of the bill on this one, and I warned him that I was going to question this part of the bill to a greater degree. What I see here is that essentially in some ways we have a captive audience when it comes to dealing with Ag Financial Services. They offer loans to farmers who are at the margin, especially the beginning farmers, and this is where Ag Financial Services has really created a niche for themselves in the lending market, where they're getting out there and helping young people get into the agricultural production area. They don't really have a lot of opportunities in seeking sources for loans, so they basically are in a position where if they're going to get started in farming, Ag Financial Services is the automatic place for them to go.

Now all of a sudden they're going to get a crop insurance payment or some other payment out of the farm income disaster program, and Ag Financial Services has the right to take that money before the farmer has the choice of how it can be best managed in the context

of the risk management and the decision-making of their farming activity and their family. So that is a concern.

We also look at it from the perspective of the crop insurance program, where for sure farmers who want to get crop insurance that includes drought and other damages other than just hail pretty well have to go to Ag Financial Services. So, again, those farmers are a captive part of the group that are dealing with Ag Financial Services. That means that they basically are in a position where if they, again, get payments through the farm income disaster program or even a payment out of their crop insurance, they do not have the flexibility they'd have if they could use an independent vendor.

So these are the concerns that I've got, especially when you tie those two programs into the farm income disaster program. What we end up with now is basically a program which is specifically designed to put cash in the hands of the farmer so they can manage their disaster situation. What we're saying is that we're giving Ag Financial Services the right to step in and pre-empt a farmer in making that decision. This is an issue basically where the captive clients of Ag Financial Services are not going to have the same flexibility of farmers who have graduated to the true commercial aspects of agriculture production. In other words, they've got beyond a beginner farmer status, and they do have the equity level and the credit history so that they can go to a commercial lender and get their money. What we've got, then, is this kind of situation where we're really limiting the ability of the farmer to make the decisions that are best for their operation in the context of that farmer.

3:50

Madam Speaker, on this one I would really like to see the minister, when he puts together the regulations on how this is going to work and under what conditions Ag Financial Services can actually invoke this part of this new legislation, put in some broad negotiation with the farmer so that effectively Ag Financial Services can see that, yes, by doing it this way, they're not going to put their situation at risk. In other words, the farmer may not make his loan payment this year, but because he wants to do these kinds of things, he'll have a better ability to pay it back the next year. He can still stay in business, whereas if they just said, "Oh, we're sorry; you're going to get a FIDP payment; it's got to go to offset your mortgage," the farmer could be driven out of business.

So I would like to encourage the minister, when he's putting the operational aspects of this part of the bill in place, to make sure that farmers have a chance to sit down with Ag Financial Services in an open, up-front way and say: "Look; this is my three-year plan. If I get that money now instead of you taking it, this is what I can do so that I'm going to be financially more secure next year." We'll all be happier because we'll all have the money we need and the individual will still be farming. That's the concern that comes up with that part of it. You know, just because some of these farmers are relying on Ag Financial Services for their financial management, their risk management in a way that creates a captive client, we don't want to put them in a position that risks their ability to be productive farmers in our province.

The other aspects that are there. I guess the ability of the corporation to act as a trustee for the other bodies -- I've been sitting around and have talked to some of my colleagues, and I don't really see where this is going to come into effect. I guess this is planning for the future a long time in advance. If the minister or the sponsor of the bill can give us some examples of some concrete proposals Ag Financial Services is considering where they in essence are going to be a trustee to administer funds on behalf of somebody else, that is

not associated with the responsibilities they've already got in section 36 and in section -- well, there was another section, but basically the two sections. One gives Ag Financial Services the ability to look at and handle moneys that are "related to lending or financial assistance." The other section dealt with the ability to handle moneys that are associated with insurance or income support.

I guess after what we're seeing in the way they're handling the federal dollars here now that are coming in support of the farmers that are dealing with their income disasters for this year -- and we're not so sure how Ag Financial Services is going to handle that in an endowment way -- this is going to be something where we're going to have to make sure we get some true transparency in the operation of those dollars. If this really means that we're creating trustee relationships for Ag Financial Services so they can be a trustee to handle, you know, dollars that are coming from the federal government, there has to be a degree of transparency in how they get passed through actually to the farmer and not become substitutes for dollars that the province could have used in programs or had committed to use, had promised to use in programs that were actually doing the same thing. These are the questions that are coming up around a new program from the federal government being piggybacked on top of the Alberta farm income disaster program. So those are issues that come up there.

The other aspect to the bill that the sponsor spoke on was this ability of Ag Financial Services to have a lien on proceeds as well as a lien on the commodity. Great; we've got no problem with that. I don't think that's very much of a concern, but you have to look at it in the context of: how do you know that somebody has actually sold their grain or their livestock? You've got a very small window of opportunity there from the time they actually sell it until they get the cheque. It's almost like now we're saying that this puts an opportunity up there for everybody to be each other's watchdogs to make sure we're not selling our grain when the government has a lien on it through Ag Financial Services. So I just would like to see a little bit in terms of how they would actually go about administering this to make sure that anybody is not overly supervised. Are they going to be asking a grain merchant or a livestock merchant to clear with Ag Financial Services to make sure that Ag Financial Services doesn't have a lien on that commodity before they issue the cheque? The time frame during which that part of the amendment would actually have a window of opportunity for it to be invoked is very narrow, and I would like to see some explanation for how that kind of program would work.

Madam Speaker, the issue of particular wording and that can wait till later when we deal with committee, but overall the bill seems to provide Ag Financial Services with the flexibility that they need to be a good arm of the government, a branch of the government, an arm's-length agency of the government, and it is going to provide the degree of stability to Ag Financial Services that they need to have accountability to the general public. What I spoke about a little bit is some of the concerns that I see in terms of where Ag Financial Services can actually be a little bit overpowerful when you're dealing with the perspective of the relationship between that institution and the client farmers that are out there. I think we need to make sure that that power balance isn't worked over to the point where essentially what we're trying to do is going to discourage anybody from dealing with Ag Financial Services for fear of the big hand of government.

So with that, Madam Speaker, I'll let others make address to the bill. It's one that in the end, with a little clarification, I'll probably end up supporting.

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

MR. DICKSON: Thanks very much, Madam Speaker. Just a couple of questions. I appreciated the commentary from my colleague from Lethbridge-East, and I share the same sorts of questions that he posed.

Just a couple of things that occurred to me. Bill 3 isn't very long, so I went back to the mother statute, the Agriculture Financial Services Act, which is 32 pages long, and I started looking through for an object clause, a purpose clause. You know, it's interesting: there isn't one in the statute. I mention that for two reasons. One, just in anticipation of somebody trying to argue that I'm not speaking to the principle of the bill, I want to say there is no principle in Bill 3, and there isn't even one in the statute to be amended.

The other reason I raised that is, you know, we've seen this situation with West Edmonton Mall and the Alberta Treasury Branch. We saw a case there where the Alberta Treasury Branch was originally set up to afford farmers, to afford people in small communities in rural Alberta access to banking services that to that point weren't available to them. Then we saw, as time went on, that the Treasury Branch seemed to have lost some of its focus, Madam Speaker, and then ended up financing all kinds of things that could just as easily have been done by international financiers or financial institutions based in other parts of the country.

4:00

I think that experience is instructive, because when I look at this, I can say to myself: are we as legislators always satisfied that in fact the Agriculture Financial Services Corporation is advantaging Albertans? What so often happens is that if the economic opportunities are elsewhere, then we have to decide whether this is still an agency providing a service primarily for the benefit of Albertans. Once that ceases to be the case, Madam Speaker, then surely don't we have to wonder why we'd even have such a board, such a corporation? If you accept the premise that the purpose is to advantage Albertans, then it would seem to me that it would sure be helpful to spell that out, because otherwise one might imagine the corporation here chasing economic opportunities wherever they may be. I suppose there's some value in that but not if it means destroying sort of the *raison d'être* for having such a corporation in the first place.

I raise that sort of general concern, and to me the concern is somewhat aggravated because there is no purpose clause. We see, as I look through the 32 pages of the Agriculture Financial Services Act, that we have a range of different kinds of programs. But to the best of my review of it, whether it's the local opportunity bonds or whether it's the insurance and compensation or lending and financial assistance, I assume that each one of these elements in the bill was set up primarily to the benefit of Albertans and Alberta farmers and farm service organizations. It just seems to me that with Bill 3 we may be weakening, if not severing, some of the ties that ensure that this corporation achieves what presumably was the initial mischief that lay behind the creation of the Agriculture Financial Services Act in the first place.

The other thing I wanted to ask. It was my understanding that in fact the AFSC had undertaken a contract last year to run the farm income disaster program for the province of British Columbia. Now, my understanding is they didn't have the legal mandate to do it and that's why we're dealing with Bill 3. I'm not sure I heard the sponsor of the bill address that, but if that's the case, then it's interesting to me that there's no retrospective application of any element of Bill 3. So I naively ask, Madam Speaker -- and maybe the minister of agriculture or the sponsor can enlighten me at some point -- if in fact the corporation entered into a contract to provide

services to this organization in British Columbia, the farm income disaster program, how is that going to be regularized? From what I understand, there was no legal authority to do that last year and there's no attempt to retroactively validate it in this bill, so what's happened to that contract? Is that orphaned? It is something that is authorized or enabled by some other provincial legislation? If the government isn't required to pass retrospective legislation to deal with that British Columbia contract, then I'd have to ask why we're expanding some of the other powers, because it would then seem that there may not be the need, there may not be the utility for some of the expanded role for the corporation if it wasn't necessary to do something to legitimate the work that had been done last year.

I have those questions, and I'm not particularly well informed in terms of the business operation of the Agriculture Financial Services Corporation. But since it's a bill in front of this Legislature now, those are questions that I'm hoping we'll get answers to, answers before we get to the next stage of the bill.

The other comment I was just going to make is about the provision in terms of section 4. I think there's a really problematic part. I know we're not getting bound up in the details, the minutia, of the clauses now, Madam Speaker, but can I do this? Can I simply flag for the attention of the sponsor an area that I'm hoping he will address before we get to the committee stage? I'd refer him to page 2 of the bill, section 4. It's the amendment to section 17, the new (a.2). I just have a bit of a problem here that the power of the corporation to act as a trustee can be expanded or contracted by regulation. I'd urge the sponsor to have another look at that because I think that's not appropriate, for that very broad kind of power to be delegated, to be done by way of regulation. The specific part I'm looking at is section 4, and it would be the proposed (a.2) to be added to section 17.

Those are the issues that I just wanted to raise with a preliminary reading of the bill, Madam Speaker.

With those comments I'd propose that we adjourn debate on Bill 3 at this time. Thank you.

THE ACTING SPEAKER: The hon. Member for Calgary-*Buffalo* has moved that we now adjourn debate on Bill 3. Does the Assembly agree with the motion?

HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed? Carried.

head: Consideration of His Honour
the Lieutenant Governor's Speech

Mrs. Fritz moved:

That an humble address be presented to His Honour the Honourable the Lieutenant Governor as follows.

To His Honour the Honourable H.A. "Bud" Olson, Lieutenant Governor of the province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank you, Your Honour, for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

[Adjourned debate February 18: Ms Carlson]

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

MR. AMERY: Thank you, Madam Speaker. It's a great privilege to enter into this debate on the Speech from the Throne, and in doing so, I will try to present a bit of a different perspective to the discussion that we have had so far.

The riding of Calgary-East is perhaps one of the most ethnically diverse ridings in Alberta. It's heavily populated by immigrant families, with more than 26 percent of its residents from nontraditional immigrant backgrounds. Many of them are relatively recent immigrants to Canada, and I feel very fortunate that they decided to make their homes in Calgary-East. My constituents speak many different languages and have many different needs. Being new Canadians, many of them require the assistance that government departments and programs provide to them to assist them along the way to be productive and active members of Canadian society. Madam Speaker, programs like ESL, access to affordable health care, and the opportunity to gain employment to support their families are issues of tremendous importance to my constituents. These are issues which our government has worked so hard to provide over the years, and this year's Speech from the Throne has enshrined those issues as well as guaranteed new opportunities which my constituents will benefit greatly from. For that reason I am proud to support the Speech from the Throne on my constituents' behalf.

Madam Speaker, having listened to my colleagues from this side of the House address the Speech from the Throne, I think we are in agreement when I say that there are several key points to this year's speech. Our government has laid out a balanced approach for the coming year and has sought to strike the right balance between our key people development and fiscal needs. This approach is consistent with what my constituents have been telling me and have been telling our government. They have said that while we must address their key priority areas, we must also be careful about how we spend their tax dollars.

4:10

My constituents will be particularly enthusiastic about our government's emphasis on protecting and developing health care for the future. For several years our government has had to go it alone on the issue of health care as a result of the federal government's reduction in the Canada health and social transfer. Since 1993 the province has experienced a loss of around \$6 billion in funding.

AN HON. MEMBER: How much?

MR. AMERY: Six billion. Yet they were admonished by Ottawa and the federal government if any reduction in services was experienced. In spite of the federal cuts our government increased funding for health care each of the last three years. Since 1995 we increased health spending by around 20 percent. This year our government has guaranteed that health funding will be further increased to address pressure points on the system brought about by increased demand on our hospitals and emergency rooms. Finally, Madam Speaker, we have committed that we will match all returned funding that is provided through the CHST.

Also on the issue of people development, Madam Speaker, our province's Growth Summit indicated the need to expand the opportunities of young Albertans. Initiatives sponsored by the departments of Education and Advanced Education will go a long way to helping young people in my riding achieve their full potential.

Madam Speaker, our province already boasts a fine education system with students who perform better than their counterparts in the rest of Canada and students from anywhere in the world. Our education system is responsible for developing one of the most highly skilled workforces in our country and has been instrumental in the attraction of many companies and businesses to our province.

To increase our advantage in this area, our government will commit additional resources to develop our young people. We will ensure that Alberta students become more computer literate and have increased access to computers at an earlier age. Computer literate students will be better able to make use of the multiple formats of information available today and have a skill which is crucial for helping them find a job.

Moreover, Madam Speaker, our government will double the number of spaces in Alberta postsecondary education institutions for high-tech programs over the next two years. A large number of new jobs created in Alberta require applicants to have degrees in high-tech fields. Communications technology, physics, computer sciences, and engineering degrees will help Albertans get those jobs.

Madam Speaker, thousands of people move to Alberta each year because of all the advantages our province offers. These advantages make Alberta far superior to anywhere else in Canada, and it is something that all Albertans should be proud of; that's including the Liberals. Access to a cutting-edge education, quality health care, and an environment where jobs are plentiful are our advantages, and our government is committed to protecting them.

Madam Speaker, the throne speech balances our fiscal and social needs and works to protect them for the future. For that reason and many others I will vote in favour of this throne speech and would encourage everybody, even the other side, to vote for it too.

Thank you.

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

DR. MASSEY: Thank you, Madam Speaker. I'm pleased to join the debate on the Speech from the Throne as we take a closer look at the proposals that were put forth by the Lieutenant Governor in that document. Each year we look forward and I think Albertans look forward to the throne speech, and they look at it in terms of being a very important document in setting the direction for our province for at least the next year and often for a much longer term than that. They look for their ideas in the throne speech. They look for that speech to express their voices in some way. I think there's also an expectation that it will reflect some leadership from the government in terms of some new directions and provide some new ways of looking at problems and solving problems and working towards progress.

Progress is an important word when you look at throne speeches. That is what I think people expect a throne speech to be about, to be about progress. That very notion, the notion of progress, writers like Nisbet have tried to examine and to unpack in some ways. Nisbet proposes that progress is really one kind of change, that there are many kinds of change but progress is one kind of change, and it's a kind of change that has been basic to our way of government from early Greek times to the present. In one of his books he used words like people have progressed in the past, they're progressing now, and we will continue to progress. That very notion of progress is very basic to how we think about ourselves and how we think about our world, particularly the political and economic and social worlds. So it was with Nisbet's exploration of the term "progress" that I looked at the Speech from the Throne.

I asked where we might go for some reflection of what Albertans think should be in a document like the Speech from the Throne, and I was drawn back to the Growth Summit. The Growth Summit that was held in September of 1997 was a major effort on the part of the government to tap into what Albertans were thinking and the kinds of directions that they thought this province should be moving

towards. It was a major effort. The figures indicated that it cost taxpayers at least \$75,000 to conduct, that there were 40 minisummits held in preparation for the Growth Summit, that there 170 submissions. There was a poll conducted by the government. In fact it was a rather massive effort to try to find out what Albertans thought about the future and where this province should be going.

It really makes an interesting contrast when you go back to that document and compare it to the Speech from the Throne. If you look at the priorities, the Growth Summit's number one priority was human development. Their number two priority was health and quality of life. Number three, they mentioned a vision for the province, and number four, they touched on the infrastructure. It wasn't until number five that they got to taxes and tax reform. That's quite a contrast to the Speech from the Throne, where the number one priority, the very first mentioned in the Speech from the Throne, is fiscal responsibility. That seems to be out of kilter in terms of Albertans' priorities. Then the Speech from the Throne moves on to health, to education, to the economy, to the environment, and then has sort of a catchall, other initiatives, at the end.

4:20

From the very beginning it seemed to me that if we were to believe what Albertans said at the Growth Summit, the Speech from the Throne didn't reflect what Albertans were thinking about and didn't reflect their priorities. I think that if you look at the priorities they listed and compare them, they are different.

When you look for instance at the vision, what people seem to want for this province, the vision that was important to them wasn't a fiscal framework. But if you go back and read the statement from the Growth Summit, you can't help but be impressed in terms of what those people said about this province. They asked themselves: what kind of a province do we want to live in? They came up with the kind of vision that we, I think, should expect to be reflected in the Speech from the Throne.

Their very first care was concern for the environment and the air that we breathe, and the quality of the natural landscape was very, very important to them. They liked the fact that we live in an underpopulated province, that we have vast spaces with few people, and they thought that was precious and something we should set as something we want to preserve.

They focused on good health care. Albertans have a history of valuing good health care, and some in this room are old enough to remember the days when we didn't have good health care. We may have had good health care, but the access to that health care was only for the rich and was very difficult for those people who had limited resources. After they talked about the quality of life, the health care, and a good education for everyone, only then did they start to talk about the economy and wanting job opportunities, good opportunities for families and children. The contrast if you look at the Speech from the Throne, where at the very beginning the effort is to talk about economic growth and then to start on a fiscal balance and talk about fiscal concerns, just seems very, very much out of touch with where Albertans are if we can believe their views were reflected at the Growth Summit.

If you look at some of the specific priorities, if you look at what they wanted in health care -- and it's interesting that we're on the eve of another health consultation or summit or blue-ribbon panel. I don't know what the words are right now, but if you go back again to the Growth Summit, it seems to me that they addressed the problem. If you look at the comments they made, they were pretty down to earth and had some pretty good common sense in the advice they gave the government over two years ago. They said that they

wanted adequate public funding for the needed health services for all Albertans. It seems like a pretty straightforward goal.

I'm not sure how many more summits are going to be held, how many more roundtables before the government is going to start to believe that advice from Albertans. We don't have it and there are no proposals in the Speech from the Throne that will assure Albertans that they're going to get it. There's nothing there that assures Albertans that the adequate funding they're going to need for needed health care services will be there. The kind of ad hoc approach to health reform is just not going to do the job, and I think all of us fear that the events next weekend are going to just be one more forum where Albertans get together and the government takes the information, puts it on the shelf, and then moves on to another forum or another roundtable when things go wrong.

The Growth Summit was very clear. They wanted a complete revision of the health funding formula and users to be taken into account in that formula, and again we don't see that in the Speech from the Throne. If you go back to the Growth Summit document, there's a pretty good listing of suggestions for improving the health care in this province. They even had the wisdom to put some target dates on them. It would be interesting to look at those target dates and the kinds of suggestions they made for improving health care and see how many of those have been accomplished at this time.

Albertans not only expect progress in health care, but they expect progress in education. I think that area, along with health care, was an area where people were looking to the Speech from the Throne with great anticipation. It was thought, I think, in most quarters that the issue had been aired and had been lamented by so many and so often in so many corners of the province that there would be something in the throne speech that would indicate some change and some progress in that area. Unfortunately, that wasn't the case. What we got was the reannouncement in the K to 12 system of at least three of the programs that had already been announced by the minister at least once and in some cases several times before.

Again, a look back at what people at the Growth Summit said was needed in education I think would have been informative for the government in drafting and crafting the Speech from the Throne. They indicated that the kind of education that all Albertans want is one where there are appropriate class sizes, where the teachers have few enough students to work with that they can work with them individually, that they know those youngsters well enough to plan programs the children will benefit from. They talked about the school boards and university and college authorities having enough money to fund the system properly and that they had to have sufficient funding in order to be able to provide competitive salaries and working conditions. It's becoming a major issue, the provision of those competitive salaries.

The University of Alberta's *Folio* has an article in the last issue or two where they talk about the salaries at that institution, one of the country's largest and best universities. The title of the article is that U of A salaries are near the bottom of the Canadian pack. It talks about us being 16th or 17th with the kinds of salaries that we pay faculty at our institutions. They go on to say that that's fine, that we don't need to be the top, but it makes it very, very difficult in a competitive world where you're competing for scholars, and we want the very best at our institutions. It's very, very difficult to compete when you're at the bottom of the list salarywise.

The Growth Summit indicated the tuition policies, that the government had to ensure that prospective students had access to postsecondary education. There's nothing or very little in the throne speech that assures us that that's going to happen. One of the fears I've had since the tuition inflation, when the government decided

that the goal for tuition would be 30 percent of operating costs, is the number of students and the kinds of students that that policy is working against. I think it's regrettable that there hasn't been work done by the Department of Advanced Education and Career Development to look at the kinds of students who are being barred by high tuition and high loans. I think it's working very, very selectively to exclude students from low-income families.

I think the term used -- and I've used it before -- is sticker-price shock. It's fine to claim that for tuition there'll be scholarships, that there'll be forgiveness of tuition and loans, but the fact remains that if you're going to charge \$5,000 in tuition, you're going to scare off students from low-income families. The experience elsewhere -- and I think it's pretty well supported -- indicates that those students will start and opt for low cost, short programs so they can get in them and out of them without them costing too much.

I think the notion of expanding the loan limits works against those students too, because just as fearful as they are of high tuition, they fear going into debt. If you're in a family that's living on minimum income, then the notion of a \$20,000 debt or a \$40,000 debt is just one that you don't entertain for very long. There's nothing in the Speech from the Throne that addresses that problem, and I think it's one that's going to become increasingly a problem for this province.

4:30

Another suggestion from the Growth Summit that would have been useful and that I would have liked to have seen at least addressed in some way in the Speech from the Throne is the call for adequate speech therapy for students. The speech therapy situation, at least in this city, is regrettable. If you look at speech therapy being provided by the local health authority, it's only available to students up to the third grade level. The superintendent of the Edmonton public schools is indicating that that system is able to access about one-third of the speech therapy services that are required by students in that system alone. I think it's an area that we might have expected would be addressed. The whole notion of speech therapy and the needs of youngsters seem to have been disregarded by the funding of the health authority and the education system.

If you go through the Speech from the Throne, you can't help but be struck by -- I'm not sure what term you would have for it. Nisbet talks about change that's good change as being progress, but there seems to be some change that is sort of stalling change. I'm not sure that there is a better word. But you go through and look at the items, and a number of times you see things like review, another summit. They're going to create a forum. We're going to work at the process; we're going to set out a new system for doing things; we're going to clarify relationships. I'm not quite sure what kind of change that is, and it's the kind of language you usually find in a department document to internal employees, not in a visionary statement for the citizens of this province. The number of forums I think again are troubling.

Develop a long-term strategy to monitor water quality in agriculture. Well, you'd think that might have been a priority some time before now, and you'd think there might be something more than just developing a strategy. Surely there has to be some action that follows it. To develop a new framework: the document is replete with those kinds of statements and those kinds of actions.

Again I'm not quite sure how Nisbet would view the change and the kind of progress that we see in the Speech from the Throne, but certainly I'm sure that he wouldn't label much of it progress. It may be something else, but progress it isn't.

I think with those comments I'd like to conclude my remarks. Thank you, Madam Speaker.

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

MR. STEVENS: Thanks, Madam Speaker. It's a real pleasure to follow my colleagues from the government caucus in support of the Speech from the Throne. The throne speech is our government's business plan for the upcoming year. After listening to the Lieutenant Governor, I can see that we have a lot to do this session to meet the expectations laid out for us by His Honour.

This year's speech is very much a reflection of and a reaction to what Albertans have been telling us over the past several months. As importantly for me, it's what the residents of Calgary-Glenmore are saying. They are saying that it is important that we strike the right balance between our fiscal targets and our people development responsibilities. They are saying that we need to increase spending in some key areas but at the same time need to keep the budget balanced, taxes low, and keep making payments on the debt.

Madam Speaker, through the years of sacrifices by Albertans and of careful planning and prudent budgeting our government is now clearly in a position to make good on the desires of Albertans to strike that right balance and reinvest in key-priority people development areas, areas like health care, education, advanced education, children's initiatives, and the environment. These areas will receive funding increases as well as the introduction of new initiatives and programs to deal with the changing needs of Albertans. At the same time, it is equally important that we don't stray from the careful budgeting principles that put us in the position we are in today.

Albertans tell us that we can't spend more than we earn, and I agree with them wholeheartedly. The policies of spend, spend, spend, and deficit financing are far behind us. Certainly they are not part of the policies of this government. We will work very hard to ensure that they never return again. This throne speech does strike the right balance, and for that reason I will be delighted to vote in favour of it. Of course, I will be encouraging all of my colleagues on both sides of the House to do the same.

Madam Speaker, at present health care is probably the key priority area in my constituency. As well, there is no denying that the future of the health system continues to be a key concern for the rest of Alberta. Our government has worked hard to increase confidence in the health system over the past three years. To this end, health care spending has increased by a total of almost 20 percent over those years. Our government has injected an additional \$90 million in 1998-99 and provided the Calgary health board with an additional \$27 million to meet the sudden increased demand experienced by hospitals and emergency rooms in Calgary due to recent rapid population growth.

We clearly recognize the need to continue increasing health funding to deal with pressure points in the system. Those Albertans who have raised this concern will be encouraged to hear that our government is committing to an increase in health funding for the coming year targeted at the pressure points we have identified. Of course, health funding is not and never will be unlimited. We need to find new ways of making our precious health resources go further.

For that reason our government will be holding health summit '99 later this month. The health summit will be a continuation of the government policy of working together with members of the public, stakeholders, and system professionals to find long-term solutions. As such, I'm confident that the health summit will be successful in addressing many of the concerns Albertans have with the health system. The Minister of Health encouraged hon. members to hold their own local health meetings to assist in the preparation of discussion points and solutions for government. I'm pleased to be hosting such a community health summit for the residents of my

constituency, Calgary-Glenmore, later this month.

Also in the area of health, Madam Speaker, I'm very encouraged that the government will be introducing the health information act. This act will, among other things, protect the personal health information of Albertans and, in turn, ensure protection of their privacy. It will also provide rules for sharing of personal health information to improve health care for individual Albertans and the management of the health care system. I'm pleased to be able to introduce this legislation on behalf of the hon. Minister of Health.

Madam Speaker, this throne speech keeps us on the right track on financial matters against a backdrop of an increasingly uncertain global economy and cyclical commodity prices. Our province must do all that it can to protect Albertans' enjoyment of the highest provincial credit rating and the lowest taxes anywhere in Canada. This throne speech keeps us on that course.

4:40

This spring will mark the introduction of another balanced budget; 1999-2000 marks our fifth straight balanced budget, a proud accomplishment for our government and particularly for Albertans, who shared in the sacrifices to achieve this goal and who are receiving the corresponding benefits of this fiscal sanity.

Recently our Treasurer released Talk It Up; Talk It Out to ask Albertans how we should spend any future budget surplus. Albertans have told us loud and clear: pay down the debt, and do it now. My constituents have also told me: let's pay down that first mortgage; let's get rid of the debt.

Madam Speaker, already our province is set to retire our net debt by next year, and in doing so, Alberta will be the first province to accomplish that goal. As well, Albertans will be encouraged by our government's new debt repayment plan, one that will give us the opportunity to one day hold a very special, indeed unique event, a mortgage burning party.

This year our Treasurer will announce an innovative method of taxation for our province. Novelty notwithstanding, Albertans can be assured that they will continue to enjoy the lowest taxes in Canada. This is something that Albertans have come to expect and something our government is proud to provide.

As you can see, Madam Speaker, this throne speech is important because it recognizes the diverse issues of Albertans. It ensures that key priority areas of people development be taken care of. It ensures that we continue to protect the strong economy that allowed us to take care of those key areas of people development in the first place. It is both pragmatic and a sound reason for Albertans to continue their optimism about the future. These are issues that my constituents care about. I'm confident that they will support our government's manner of dealing with them. For that reason I am proud to lend my support to the Speech from the Throne and encourage my colleagues to support it as well.

Thank you.

THE ACTING SPEAKER: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Madam Speaker. It's a pleasure to rise this afternoon and say a few words about this throne speech. I listened with interest as it was delivered by the Lieutenant Governor, and it struck me -- and I've said this before, but I haven't had the pleasure of saying this in the House. I believe I was out in the suburb of St. Albert when I had the opportunity to speak on this subject. It confirms to me that this government has lost touch with the realities that Albertans face every day. There are waiting lists for

surgeries, fund-raising for schools, overcrowded classrooms, unsafe water, crumbling roads and sewers, and overworked police. Now, a good society and a province that is moving forward will try to address these issues. They won't try to hide them in words.

There are two big policy issues, Madam Speaker, that are facing this province at the moment: health care and education. It has been 30 years since Albertans first achieved a form of universal, non-profit, publicly administered health insurance. We have reached, with this throne speech, a fork in the road. Many Albertans, particularly those who are old enough to remember how the Social Credit government of Ernest Manning had opposed medicare, are anxious and concerned by the actions of this present Conservative government. The Alberta Social Credit government had opposed medicare from the start and was reluctant to exclude the very powerful and influential insurance industry from the health care field. This province rejected participation in Ottawa's national health program in the spring of 1967, when the federal government started their strong advocacy of medicare. I know this sounds familiar, but under the Alberta health plan that was initiated, the minister was given authority, authority to approve insurance companies and to negotiate a fee with each insurer for the administration of their plan.

Now, if this doesn't give any authority to the minister, if this doesn't sound eerily like Bill 37, I don't know what does. But I do know that the public were angry with this idea. Public criticism of Alberta's reluctance to support Ottawa's national program was widespread throughout the province, just as the criticisms are widespread about your ideas on public health care now.

In 1969 Alberta decided to establish a commission to administer the plan, and both commercial and nonprofit insurers were excluded. These insurers are now banging on the back door of the Legislative Assembly, and they're looking to get back in.

Now, Madam Speaker, this fork in the road that I spoke about leads, obviously, in two different directions. In one direction lies a publicly funded health system that most of us know, admire, and respect. It gives all family members the support they need to stay healthy and productive. When family members unfortunately fall ill, high-quality care is guaranteed. Down the other fork in the road, the one that I am proud to say has not been traveled recently in this country, is a profit-driven health care industry that is not even locally owned but is integrated across international boundaries and dominated by a select few global corporations. Poor health should not and cannot mean personal bankruptcy for Albertans.

Now, it is interesting, as I pause for a moment, that 1969 to 1971 was two years, and the political winds, did they ever blow in those two years. They blew a government, a long established government, into the opposition benches. The same thing, Madam Speaker, is occurring now.

Canadians spend more than \$76 billion on health care; 68 percent of that was through their respective governments and the remainder through individual purchases of drugs, medical equipment, insurance, home care, and various products and services. We all know health expenditures have increased annually recently. However, the most dramatic change has occurred in the split between public and private per capita spending in Canada. In 1991 Canadians spent on average \$600 in the private health care sector. By 1997 Canadians spent \$790 in the private health care sector, an increase of 30 percent. Public-sector expenditures decreased during this time by 2 percent. This sharp rise in private health expenditures is taking place when we have a very low rate of inflation, we have increased privatization, federal and provincial health care funding cuts, deregulation, and public health plans that have limits placed on them.

Now, the big question for Albertans after reading this Speech from

the Throne is: can we trust this provincial government to care about public health care? There is no doubt about the promotion of privatization. There is also no doubt that the private health industry is the main beneficiary of this Conservative policy. Four years ago, when the Capital health region cut from 3,300 beds to 1,600, we know the chaos that came about. I don't know if we need 3,300 beds, but putting back 24 beds here, 42 here, and 18 over there is only a small step in making health care well again. Health care should not become a nightmare. The struggle that led to the establishment of medicare has been forgotten. The ideas of compassion, equality, access, and fairness must still be used when implementing public policy.

A fork in the road is a difficult place to stand. We cannot take two different roads at the same time. I believe that Albertans, Madam Speaker, want to move ahead with confidence. We must build on the achievements of our predecessors. The direction towards a market driven system of health care is not progress; it is just simply chaos.

Now, I mentioned privatization and deregulation. We know, Madam Speaker, what privatization and deregulation have done to people's confidence in the Alberta Building Code, but it has also affected the energy industry. Earlier today I thought for a minute that the squirrel was going to become a special interest group in this province.

4:50

This province's power problems stem from a supply crunch that began in 1994, when Alberta turned itself into a laboratory for experimentation by setting out to be the first to deregulate its electricity industry. All jurisdictions in North America, if they proceed at all with electrical deregulation, do it with extreme caution. In 1994 here in this province the dominant view was that all government regulation was not only unnecessary but also prevented business from investing and eventually making profits, but after announcing with great fanfare the radical reconstruction of the \$2.5 billion a year electrical industry, our Conservative friends failed to follow up with a workable timetable until last March, when the Department of Energy had to invoke closure of Bill 27. These four years of uncertainty have cost the three major utilities in this province to hold off on building significant new generator capacity. This uncertainty, combined with higher than expected economic activity, pushed Alberta's power supply to the limit in 1998.

[The Speaker in the chair]

Now, I'm fond, Mr. Speaker, of driving to Calgary. I get past Airdrie, and on the west side of the highway you see the sign, just as you're coming into Calgary, of the cowboy on the bronc. The sign says: Calgary -- Energy Plus. Well, this no longer applies after the blackouts last fall. What are we going to do with the cowboy? I guess we're going to have to have a squirrel on his shoulder. This afternoon we heard about the squirrel, but we're also hot-wired to the British Columbia grid. This is the answer to our problems. We've got an energy crunch, and we hoped that we'd have a mild winter. Fortunately we've had one, so we have another year to work out the uncertainty. But industries in this province are being paid to shut down in emergencies, and voluntary rationing has been implemented.

This is clearly not the much talked about Alberta advantage. What does all this mean to industries and homeowners in the province? Deregulation or, as some people insist, reregulation of this province's electricity industry means opening up the market to competition and removing government control over electricity and sales. The transmission lines are to remain regulated. Before all this

deregulation government boards regulated the amount of power produced and the prices charged. Now it is up to companies to decide whether they could make enough money to construct new generating stations, which we all know are very expensive, costing hundreds of millions of dollars each. Industrial power consumers in Alberta are by far the largest users of electricity. They originally were the biggest supporters of deregulation in this province, but they are quickly becoming disenchanted and suspicious of what has occurred.

The government decided to leave the market power of its three major generators intact, so now it is forced to introduce competition in another way. All this has left too many people nervous. This is not progress. It is not allowing a good future for the province because we do not have a supply of electricity that everybody can rely on at a competitive cost. We don't know where we're going, and it is unfortunate that this was not addressed thoroughly in this Speech from the Throne. It is not progress to allow ideology to overrule common sense, and this is exactly what's happened in this situation.

Mr. Speaker, I believe Albertans -- I know Alberta Liberals are -- are committed to education to make it the best and the most affordable publicly funded system possible. By improving their education system, Albertans will be in a better position to assume a leading role in the 21st century.

Now, let's talk for a few minutes about what some people call the restructuring of public education and what was promised. We know that restructuring promised increased local authority through school-based decision-making. The promise of school-based decision-making was simple enough. School staff would no longer have to stand silently by as their classrooms were painted and children sat without needed textbooks. Schools would be able to set priorities and build a budget to match these needs. For the exercise to be meaningful, there had to be a good percentage of the budget not tied up in fixed costs. There had to be a sorting out of which tasks were most efficiently and effectively funded and administrated centrally. There had to be a recognition of experience elsewhere that indicated that school-based budgeting presented special problems for small schools, in schools with declining enrollments.

Restructuring also promised us a more meaningful role for parents and communities in educational decision-making. Parent involvement in local school affairs has been the subject of many debates. On one side lies a desire to have the parents of the children involved in school affairs. On the other side are those who see parents virtually running the schools. Restructuring has made both of these concerns academic. Parent councils have become fund-raisers supplying dollars for the cash-starved schools. They are not legally allowed to raise money. The council simply meets until 8 o'clock, adjourns, and reconstitutes themselves as a funding-raising committee.

For PACs, or parents after cash, as some call them, restructuring has become a constant search for new ways to extract dollars from the local community. This results in fund-raising fatigue for parents, ethical arguments about using gambling proceeds to support school programs, and a bottom line where 3 percent of school budgets across the province depend on fund-raising and user fees of some sort. Is this what most Albertans consider a meaningful role in decision-making?

One of the big losers in restructuring has been the local school boards. Reminded time and time again that they, like city councils, are children of the government, there has been an attempt to make them little more than flow-through agencies for the provincial government. They've lost their taxing authority. They can't even hire a superintendent without the minister's approval. They get to

distribute the dollars and take the criticism when those dollars fall short of classroom needs.

Restructuring also promised for parents and students increased choices of schools that best meet their needs. Between the language of meeting student and parent needs, the real intent has been competition, an attempt to bring marketplace values to the education system. Sanctioning charter schools and opening school boundaries were part of that effect and that effort. Much of the private school debate resulted in a 20 percent increase for those schools organized on a private basis, the theory being of course that forcing schools to compete for students would improve programs and teaching. In practice parents consider many factors in placing students, including the programs offered, school size, safety, proximity, and transportation costs. A writer commenting on the competitive approach to education once said that attempting to improve public schools by funding private schools is like trying to improve the public water supply by buying shares in Perrier.

5:00

Restructuring also promised a significant reduction of administrative costs and bureaucracy with savings directed to the classroom. Have you noticed the difference in our classrooms? Some teachers will answer: "Yes, there has been a difference. The math consultant we used to call upon is gone. The psychologist we needed has been dispersed. Any help we had with special-needs children has been lost." Yes, certainly some teachers have noticed a difference. Exactly how much money has been saved and redirected to the classroom? Have the moneys that have been redirected in any way balanced the original massive cuts?

Restructuring also promised, Mr. Speaker, a fair system of funding for school jurisdictions so that all Calgary students have access to quality basic education. The taxpayers down in Calgary have a lot to say about that. Have the funding inequities disappeared? We all know there were problems. Some school districts drew upon a rich tax base, while others were not so fortunate. Was the solution pooling the money and then redistributing funds so that now school districts run deficits? Has making more boards poor helped? Is having a school dependent upon chocolate bar drives, casinos, and raffles a fair system? Is forcing schools to impose user fees more just?

Unfortunately, in light of all this, there was not a single mention in this throne speech of increased funding for education, which leads me to believe that education of our children is simply not a priority for this government. Summits of all kinds have taken the curling bonspiel off the social agenda of most Albertans. We have more summits than the Canadian Rockies, yet nothing is ever done. The Alberta Growth Summit, the granddaddy of them all, identified people development as the number one priority facing this province.

It's unfortunate, Mr. Speaker, that I could not get to finish my remarks. I had a lot to say about pine shakes, but during this session I'm sure I will get another opportunity at the untreated pine shake.

I thank you. I thank all members of the House. Thank you, Mr. Speaker.

MS EVANS: Mr. Speaker, it's an honour to rise this afternoon to discuss the 1999 Speech from the Throne, delivered to this Legislative Assembly by His Honour the Lieutenant Governor. Albertans have told us to find the right balance between investing in social concerns and continuing to be prudent managers of taxpayers' money. The Speech from the Throne lays out a plan on how this can be achieved. Throughout the speech, which addresses involvement of our people through various processes, His Honour identified, for

example, the health summit as one process which I intend to conduct as well in my constituency office.

Mr. Speaker, this afternoon I would like to speak about Municipal Affairs and our four core businesses: local government services, housing, consumer affairs, and registries. We plan to continue to work with our partners finding innovative yet cost-effective ways to improve the service we deliver to Albertans. Our focus on excellence in delivery is inspired every day by our partners, who are constantly evolving, improving, and challenging us to be better. In delivering these services to Albertans in 1998, we had many successes, of which we are extremely proud. All of our accomplishments were the result of strong relationships we've built with our stakeholders, clients, and other government departments, and as we head into the millennium, we plan to build on those successes.

Mr. Speaker, the Lieutenant Governor thanked municipalities for their outstanding service to the people of this magnificent province. I, too, add my thanks. Last year the entire budget of this government was \$15.8 billion, and it was spent on behalf of the priorities and the people with the best interests of all Albertans in mind in all Alberta communities. Although \$1.3 billion was contributed to our debt, \$14.5 billion in operating funds supported the people in our communities, indeed the Alberta advantage.

At the outset I applaud with pride the growth and innovation of local governments. Some, however, do struggle with rapid growth; others, with erosion of their tax base. We're committed to working closely with municipalities to help them with the fiscal challenge they presently face.

We are reviewing the roles and responsibilities of both levels of government, municipal and provincial, to see if there's a better funding formula to help municipalities meet the demands. One program instituted last year and continuing is the Municipal 2000 sponsorship program. Provincial funding is focused more on specific programs that reflect the priorities of Albertans and less on unconditional funding of local governments. The continuation of this program targets support to small and medium-sized local governments. This year over 300 Alberta communities will once again be able to apply for a conditional grant under the Municipal 2000 sponsorship program.

This program last year saw several successful projects, among them the creation of a virtual city hall by the city of Airdrie. The county of Athabasca, the town of Athabasca, and the village of Boyle submitted a joint application for the upgrading of facilities that are used by people throughout the area, huge and several examples of co-operation. A hundred and twelve municipalities received funding to embark on computer-related projects, 56 of which will ensure municipalities are prepared for the year 2000.

Mr. Speaker, in the throne speech the Lieutenant Governor said that one of the government's goals for the next century is for all Alberta schools, businesses, and homes to have high-speed connections to the Internet. As part of the Municipal 2000 program we're launching the Let's Get Wired project to link all municipalities, the provincial government, and other stakeholders through the use of leading edge technology. The University of Alberta and my department will create a new web site, munimall.net, that will give municipalities the technological tools to take full advantage of the opportunities provided by the Internet.

When I became Minister of Municipal Affairs, there were municipalities that didn't have a fax, and they have worked hard to become even more computer literate. Through this program \$600,000 in grant money will be made available to municipalities for the purchase and upgrading of computer equipment and training. We will provide elected and nonelected, appointed municipal

officials new educational opportunity and new ways to communicate, access information, and conduct their business. People involved who are interested in municipal government will be able to take the University of Alberta's local government certificate program on-line and access information from the university's department of government studies library. Municipalities will be able to access information and studies from the world, communicate with each other through Internet discussion, and perhaps host a conference.

Mr. Speaker, much has been said about the capital region governance review, and I just want to highlight for the record that this is one area among many in the province in which we are involved either in discussions, in mediation, or in fact preventing any other overlap in government services. Mr. Lou Hyndman, recently appointed to chair this review, has with its members a new vision for its future that supports improved co-operation, efficient government, a strong focus on economic development, and a forward thinking approach for the next 50 years. Mr. Hyndman is expected to complete this review by the end of this year.

I'd like to commend Calgary and its surrounding municipalities for initiating a similar initiative. Their infrastructure task force will also help to maximize efficiencies and create a plan that serves the transportation needs of the entire region.

Municipal Affairs this year is providing leadership to ensure that the provincial property tax policy system is responsible and accountable to taxpayers. To encourage fair and accurate assessments, our department and Alberta assessors produced a Best Practices handbook. This resource guide for municipalities received the prestigious international award from the International Association of Assessing Officers. In 1999 we will continue to consult with local partners to provide leadership in this important area through our work on farm tax assessment, linear assessment, and education property tax.

Municipal Affairs works closely with six other government departments. Mr. Speaker, at the direction of our Premier we have been working together to ensure that Albertans who are most in need have access to affordable housing. Through our various grant programs we housed over 22,000 seniors and 15,000 families in 1998. By helping these families, we put a roof over the heads of around 20,000 children each year. Our province's role in the delivery of housing and support services is changing. The challenge will be to strike the right balance between the province's fiscal resources and the needs of Albertans.

5:10

Mr. Speaker, following the housing symposium, we sought valuable input from other Albertans, and now working with the departments on a new housing policy, we will move in these following areas: away from government owned and operated facilities; toward housing visions created at the local level and community-based delivery of housing and support services; toward improved relationships between ministries to create an effective framework of shelter and support programs; toward promoting partnerships between municipalities, nonprofit groups, housing bodies, local authorities, business, and government.

Mr. Speaker, last June a certain speaker in the public suggested that we would have corporate involvement when pigs flew. Mr. Art Smith in the foundation in Calgary is a testament to the many types of activities that are being developed at the local level by responsible corporate partners.

On the Fair Trading Act we received over 50,000 consumer-related calls this year. In 1999 we will promote fair market practices in an increasingly complex marketplace by ensuring an effective and

efficient regulatory system. By improving our legislation and monitoring the marketplace, our enforcement measures and customer awareness and self-reliance will improve. With the proclamation of the Fair Trading Act scheduled for September, consumer-related acts will be combined into one, adding teeth to Alberta's protection by offering courts the option of tougher penalties as well as the option of making the criminal pay restitution to the victim. Our act will modernize existing consumer legislation by including areas not currently regulated in Alberta, such as the consignment sales of motor vehicles, credit and personal reporting to ensure the accuracy of information, protection of the privacy of a person's credit history, time share purchases to allow a seven-day cool-off period, negative option practices when selling goods or services, a ban on businesses collecting advance fees by loan brokers prior to the delivery of the loan.

Mr. Speaker, Internet commerce is estimated to become a billion dollar industry in Canada, and currently we're consulting to ensure that Canadian consumers and businesses profit from this potential. To achieve an optimum response to the discussion paper, we are on the web on our home page in Municipal Affairs, and the general public can receive the discussion paper on that page. Deadline for public input is March 5, 1999.

Our registries initiatives continue to improve with high quality service. We have a 95 percent customer satisfaction rating, and the privatization of Alberta registries is a success story for our government. Today 228 registry agents across Alberta sell 168 products on behalf of five government departments. The success has taken place because our staff have never been afraid of innovation. A major initiative for registries in 1999 will be to finalize a new set of

standards regarding the protection of Albertans' personal information held in the motor vehicle registry. Mr. Speaker, you know that at present we are undertaking a further consultation for our final review and a report that has been recently distributed.

Thanks to the efforts of our staff and the contributions of our stakeholders, Municipal Affairs is now recognized as being on the leading edge in many of its fields of expertise. As we move into the next millennium, we will continue to strive for excellence and build on our achievements by embracing innovation, forging strong partnerships with our valued stakeholders, fostering the growth of our employees, and most of all continuing to listen to the needs of Albertans.

I'm proud to support the 1999 Speech from the Throne and feel that my department's initiatives for this year will complement this direction set by the government to strike the right balance.

Mr. Speaker, I would move that we adjourn the debate.

THE SPEAKER: Would all members in favour of the motion please say aye.

SOME HON. MEMBERS: Aye.

THE SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

THE SPEAKER: Carried.

[The Assembly adjourned at 5:17 p.m.]