

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Thursday, November 8, 1984 2:30 p.m.**

[The House met at 2:30 p.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF VISITORS

MR. SCHMID: Mr. Speaker, it's a special pleasure for me today to introduce to you three senior Chinese officials who are interested in further developing trade, and especially advertising, between Canada and the People's Republic of China. In your gallery, Mr. Speaker, are Mr. Wang Shan Jia, delegation leader, secretary of the China Foreign Trade Advertising Association, and also managing director of the Heilongjiang Advertising Corporation; Mr. Li, key advertising decision-maker, China National Cereal Oils and Foodstuffs Corporation; Mr. Wang Huang, key advertising decision-maker for the China Import and Export Corporation; and Ms Ping Ping Zhu, interpreter for the delegation. Also in the gallery are Mr. Douglas Knight, marketing manager of *The Financial Post*, the sponsor of the delegation; and Mr. Pa Wong, our associate trade director for China; as well as Marie McDonnell, our communications co-ordinator.

Mr. Speaker, the Member for Sherwood Park and I had the pleasure of meeting with these gentlemen, and they expressed again the great satisfaction and pleasure of the reputation the Great Trade Show of China now has not only in Heilongjiang but in all of China. They not only expressed appreciation to us for putting on this show but told us as well that it is of great importance to China and to Canada to have this kind of strong tie, especially regarding Alberta, which was expressed in Ottawa when Mr. John Hadwen, the desk officer for China, gave the dinner for our delegation.

Mr. Speaker, I ask the delegation to rise and receive the welcome of this Assembly.

head: INTRODUCTION OF BILLS

Bill 266
An Act to Amend the
Landlord and Tenant Act

DR. BUCK: Mr. Speaker, I beg leave to introduce Bill 266, An Act to Amend the Landlord and Tenant Act.

This Bill will require a landlord to hold every security deposit in trust. The security deposit shall either be kept in a trust account, separate and apart from other accounts held by the landlord, or it may be invested in any security provided for investments by trustees. Mr. Speaker, this Bill is designed to protect tenants by forcing landlords to put their security deposits in trust.

[Leave granted; Bill 266 read a first time]

Bill 90
Miscellaneous Statutes
Amendment Act, 1984

MR. CRAWFORD: Mr. Speaker, I ask leave to introduce Bill No. 90, the Miscellaneous Statutes Amendment Act, 1984.

By custom, this is a statute which is reviewed by both the opposition members and the government members before it's presented. By tradition, it's not debated. The purpose of it is to deal with corrections in the statutes which are almost entirely matters of form and wording changes.

[Leave granted; Bill 90 read a first time]

Bill 88
Local Authorities Pension Plan Act

MR. HYNDMAN: Mr. Speaker, I request leave to introduce Bill No. 88, the Local Authorities Pension Plan Act. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

The major principles contained in this Bill parallel those contained in Bills 77 and 87, which are presently before the Assembly. Those are: all existing benefits for pensioners are maintained; the government guarantee is retained; there is clarification of the administration of the plan and the role of the pension board, which will continue as a separate entity; and there is clarification of the rights of appeal.

I should say to the Assembly that it's my intention to allow this Bill to die on the Order Paper and to introduce new legislation next spring, after having consulted during the winter months with all those interested.

[Leave granted; Bill 88 read a first time]

Bill 267
An Act to Amend the Marriage Act

MR. WEISS: Mr. Speaker, I request leave to introduce Bill 267, An Act to Amend the Marriage Act.

The Marriage Act is amended by this Bill so that the director may register a person to solemnize marriage in Alberta, providing that person is recommended by a religious body or group as recognized by the director.

[Leave granted; Bill 267 read a first time]

head: TABLING RETURNS AND REPORTS

MR. HORSMAN: Mr. Speaker, just prior to filing this document with the Assembly, I want to advise members of the Assembly that this is being filed in response to a government policy which has been adopted relative to responses by the government to the passage of private members' motions in the Legislature. While it's not required that these be filed pursuant to the *Standing Orders*, it is now going to be done as a matter of course when private members' motions are adopted in the Assembly.

Accordingly I am pleased to file a response to private members' Motion No. 208, Mr. Martin's motion that was adopted as amended in the spring sittings of the Assembly.

MR. CHAMBERS: Mr. Speaker, I wish to table the 1983-84 annual report of the Association of Professional Engineers, Geologists, and Geophysicists of Alberta.

MR. JOHNSTON: Mr. Speaker, I want to table two important returns from city of Calgary advanced education facilities: the University of Calgary, 1983-84, and the Southern Alberta Institute of Technology, for the year ended June 30, 1983.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. STILES: Mr. Speaker, it's my pleasure this afternoon to introduce to you, and through you to members of this Assembly, an enthusiastic and energetic group of senior citizens known as the Evergreens, from the constituency of Olds-Didsbury. I met with the group earlier this afternoon in the Carillon Room and was very impressed by their enthusiasm for the building and our Legislature. They expressed gratitude for the program of grants for senior citizens' transportation, having just travelled here from Didsbury and Olds by way of that program. They are accompanied today by the president of the Evergreens, Elsie Sorenson, by their transportation committee, Margaret Clayton and Annie Miller, and by bus driver John Graham. I'd like them to rise and receive the warm welcome of the Assembly.

MR. PURDY: Mr. Speaker, from the fastest growing town in western Canada, Spruce Grove, we have 50 enthusiastic children from grade 6 in St. Joseph's separate school. They are accompanied by teachers Mr. MacNeil, Mr. Mercier, Susan Thompson, Tracy MacCosham, bus driver Patricia Frazer, and parents Mrs. Lepischak, Mr. Bernakevitch, Mrs. Bittner, Mr. Zelmer, and Mr. Hubman. They are in the members' gallery, and I ask them to rise and receive the recognition of the House.

MR. MUSGROVE: Mr. Speaker, we have a guest today from the Bow Valley constituency, the president of the Brooks and District Chamber of Commerce, Mr. Dick Alberts. I ask Dick to rise and receive the warm welcome of the House.

MR. WOO: Mr. Speaker, it's my pleasure this afternoon to introduce to you, and through you to all members of the Assembly, a group of 22 grade 6 students from Jean Vanier School in Sherwood Park. They are accompanied by their teacher, Mr. Ron Dick, and by student teachers Heather Fink and Karen Foster. They are seated in the members' gallery, and I ask that they rise and receive the warm welcome of all members.

head: **ORAL QUESTION PERIOD**

Water Management — Oldman River

MR. MARTIN: Mr. Speaker, I'd like to direct the first set of questions to the Minister of the Environment. It has come to my attention that some of the minister's constituents have indicated that the minister has said to the local people that the Oldman dam will benefit to the tune of \$30 million in local cash purchases for the construction and that 30 percent of the jobs on the project will be done locally. Does the minister have any studies which support this assertion, and if so, will he table them in the Assembly?

MR. BRADLEY: Mr. Speaker, the figures the hon. leader quoted are estimates that were given in terms of the con-

struction activity and the expected local economic and regional benefits which would accrue to that area of Alberta from the Oldman River dam project and were based on similar experience from our project on the Red Deer River, the Dickson dam.

MR. MARTIN: It's an entirely different situation in terms of population, so I take it that there are no studies.

My supplementary question is to the Minister of Public Works, Supply and Services. Has the minister any plan in place that would monitor local-content provisions in the tendering for the dam?

MR. CHAMBERS: Mr. Speaker, at this stage of proceedings it would be premature to be required to indicate what those might be. But certainly that would be part of our normal proceedings in any contracting situation in any part of the province.

MR. MARTIN: A supplementary question. Can the minister give the Assembly assurance that a significant percentage of the jobs will be done locally when that construction comes on base?

MR. CHAMBERS: Mr. Speaker, we always attempt to maximize local labour content through our contracts.

MR. MARTIN: There's a difference between attempting and doing.

I'll move back to the Minister of the Environment. I'd like to follow up something that was briefly discussed during the minister's trust fund estimates on October 30, I believe. At that time the minister indicated that there were no negotiations with the Peigan Band about the Brocket site and that he could not indicate the ultimate cost of that proposal. Can the minister confirm that the government did not stop to add up the cost of the Peigan offer before going ahead with the Three Rivers announcement?

MR. BRADLEY: Mr. Speaker, with regard to my comments during the Heritage Savings Trust Fund estimates, I believe I indicated ... Perhaps it would be useful to review some history here. In August 1980, when the government made an announcement that they intended to proceed with construction of a dam on the Oldman River, the Peigans were given an opportunity to submit a proposal. In late October or early November of 1983, some three and a half years later, we received a proposal, an outline of concepts under which the Peigans would be willing to undertake a project on their reserve. It also included a package of items they felt would be part of a compensation package. At that time they said definitively that that was not to be considered in its entirety as a proposed package of benefits but could be included in any negotiations.

When this matter was discussed before the Heritage Savings Trust Fund estimates in the House, I think I indicated that the government's decision was based on the fact that for reservoir and construction costs alone, the Brocket site would have cost some \$72.5 million more than the site that was chosen at Three Rivers. On the basis of that fact alone, the government felt that the additional cost to proceed at Brocket precluded us from entering into any negotiations to look further at the Brocket site. I also indicated that the package the Peigans presented to us in November '83 contained other items which, in part or in total, would have

added significant additional cost to their package in terms of the dollar amount which might be allocated to them.

MR. MARTIN: A supplementary question to the minister. I'm told these figures are government figures, and there's some dispute with the Peigans over them. Were there any negotiations in the previous couple or three months before the announcement of the Three Rivers dam, to see if their proposals had changed and there was some room for negotiation?

MR. BRADLEY: Mr. Speaker, the government considered the concepts the Peigans had presented to us, considered the construction and reservoir costs I have outlined, and considered the type of economic compensation package which might be negotiated. As soon as the government reached a conclusion, and as timely as we could after we'd reached a conclusion, we made an announcement about our decision as to which site we had chosen, based on the particulars I've outlined.

I'd be very pleased to file in the Assembly the letter the Peigans submitted to us and the attached package, if I have their permission to do so, so members in the Assembly and the people of Alberta will be aware of the nature of the items which were proposed to us.

MR. MARTIN: A supplementary question, Mr. Speaker. Has the minister asked his officials for any legal advice on the Peigan claims of ownership of the Oldman River water? Without revealing the contents of that advice itself, is the government satisfied that there will be no problems in eventually delivering water to the irrigation districts?

MR. BRADLEY: Mr. Speaker, the position of the government has been that the water resources in the province belong to the people of Alberta and will be managed by the people of Alberta. That continues to be the legal advice I receive and should not prove to be an impediment in terms of our responsibilities to manage the water of Alberta in the best interests of all Albertans.

MR. MARTIN: A supplementary question to the minister. The cost of this project has already escalated from \$114 million in 1979, I believe, to an estimated \$200 million today. Given the track record of over-run problems on dams like the Paddle River and the Dickson projects, has the government put into place any cost-control measures to make sure there will not be over-run problems on the Oldman and that \$200 million becoming \$300 million at some point?

MR. BRADLEY: Mr. Speaker, the appropriate cost-control measures will be put in place. The current estimate is of course an estimate and would be updated prior to the project proceeding, in terms of the detailed engineering we will have, which will give us a more closely detailed picture of what the final cost will be. But the appropriate cost-control measures will be in place. The current figure is based on our most recent large project, which is the Dickson dam, and the appropriate figures are being used.

MR. MARTIN: A supplementary question. Is the minister saying that the cost of this project could be much more than \$200 million when we eventually go ahead with it?

MR. BRADLEY: Mr. Speaker, the cost is based on our preliminary engineering. When detailed engineering is com-

pleted, which will take some 18 months, we will have a firmer figure as to the exact costs. The tendering of the project itself will indicate the final costs.

MR. MARTIN: A supplementary question to the minister. From some of the over-runs we've had, that's not very reassuring. I hope we can get a better answer than that.

I want to move into an area that has to do with cost. The Assistant Deputy Minister of the Environment, Peter Melnychuk, has been quoted as saying that the government has already equalled the estimated cost of expropriating land for the project merely in estimating the cost of the dam. Is the minister able to confirm or deny this for the Assembly?

MR. SPEAKER: To ask ministers to confirm or deny either their own or other people's statements made outside the House is not a proper question for the question period. Every such question can be asked directly.

MR. MARTIN: I'll ask the question directly. Has the government already equalled the estimated cost of expropriating land for the project merely in estimating the cost of the dam?

MR. BRADLEY: Mr. Speaker, I have great difficulty understanding the question.

MR. MARTIN: I will say it slowly. A person in his department has said that the government has already equalled the estimated cost of expropriating land for the project merely in estimating the cost of the dam. In other words, estimating the cost of the dam is going to be the same amount of money as expropriating the land at this time.

MR. BRADLEY: I still don't understand the question.

MR. SPEAKER: Since the hon. leader is asking for amounts, he might put the question on the Order Paper.

MR. MARTIN: Let me just follow up.

MR. SPEAKER: Followed by the hon. Member for Lethbridge West, with a supplementary, and then the hon. Leader of the Independents.

MR. MARTIN: I'm sure the minister will understand this one. Has any detailed budget been developed, including revisions of cost/benefit ratios due to the increasing cost of the dam — it has already increased from \$114 million to \$200 million, and it will probably be \$300 million by the time we're through — and if so, will the minister undertake to table that information for members in this Assembly?

MR. BRADLEY: Mr. Speaker, an original cost/benefit analysis was done with regard to the overall irrigation expansion in southern Alberta. I'd be pleased to file that with the House.

MR. GOGO: A supplementary, Mr. Speaker. In view of the fact that southern Alberta is going through its most serious drought in over half a century, and in view of the fact that on August 10 the Premier announced the \$200 million dam site at Three Rivers, could the minister assure the House that it is indeed the government's intention to proceed with the \$200 million dam at the Three Rivers site?

MR. BRADLEY: Mr. Speaker, I think the necessity for this project is well known throughout southern Alberta, and we will be proceeding with it as quickly as we can. [some applause]

MR. R. SPEAKER: Mr. Speaker, I'm applauding, and certainly have stood in support of proceeding with the Three Rivers dam for ten years — not just yesterday or the day before, but for ten years.

My question is to the Minister of Public Works, Supply and Services. It follows up on a question I asked the minister eight or 10 days ago with regard to the land buyers. Will a private firm be purchasing land in the Three Rivers area, or will government land buyers make the purchases?

MR. CHAMBERS: Mr. Speaker, I'm happy to respond. When the Member for Little Bow asked the question last week, I indicated that I was in the process of discussing the subject with my department people and would report back. I planned to do so at the end of the question period today. The short answer is that the land acquisition will be done by land agents from the Department of Public Works, Supply and Services.

While I'm at it, I might conclude the response to the previous question and indicate that negotiations for the survey access have been substantially completed. In fact, the survey work is under way. Another aspect is that several landowners have indicated their desire to negotiate, and we'll attempt to expedite the appraisals and negotiations as quickly as possible.

The member asked me a question with regard to the guidelines. The standard guidelines will be used, and a copy of these were distributed to the landowners on September 6.

Mr. Speaker, I think that was the context of the questions.

Women's Issues

MR. MARTIN: I'd like to direct the second question to the minister responsible for women's affairs, and it has to do with the possibility of an advisory council. Given the fact that a coalition representing some 60,000 Alberta women has been lobbying for the creation of a provincial advisory council on the status of women, can the minister advise the House what measure the government is taking to set up an advisory council made up of representatives elected — and that is the key word — by women's groups in the province?

MR. JOHNSTON: Mr. Speaker, I was certainly listening with a great deal of care to the debate on the resolution in this Assembly over the past four to five months. Although that resolution received a lot of attention, it did not receive a conclusion in this Assembly, because so many members were anxious to express views on the important issue. Nonetheless, the commitment I made when I spoke on that issue was that even though the resolution did not pass, or was not dealt with by this Assembly, the fact that it is before us suggests that certainly it is before the members of this Assembly.

I believe it's my responsibility to consider the discussion that was given to us through the Assembly, weigh very carefully the information given to us by a variety of women's groups across this province, and try to make some recommendations for discussion with my caucus colleagues. I expect I would do that sometime in the early part of 1985.

MR. MARTIN: A supplementary question. As I understand it, the minister said that a decision will be made early in 1985 about whether we will be setting up an advisory council and that it will be elected by women's groups.

MR. JOHNSTON: Mr. Speaker, that's a very cute ploy on behalf of the Member for Edmonton Norwood. We know he has developed some new skills now that he is Leader of the Opposition.

What I said was that we would consider it, and that in fact is what we will do. As I said before, we will consider it with a range of other models. As the member well knows, this province has moved contrary to other provinces in forming a women's directorate. That directorate is a very important first step to dealing with these women's issues, from a consolidation and policy analysis within government. Further steps will be considered, and we'll weigh them along with all other relevant information.

DR. BUCK: You're brave, Dick. Very brave.

MR. MARTIN: If we're going to consider, we might consider forever. That's what some of the women's groups are saying.

The minister said Alberta has gone in a different direction. It's my understanding that only one other province hasn't set up an advisory council, and that's British Columbia. Has the minister had any discussions with his counterpart in British Columbia about how they deal with women's issues, in order to create a plausible alternative to deal with women's issues?

MR. JOHNSTON: I've had discussion with a range of people on the issue, including other ministers. I want to indicate to you, Mr. Speaker, and to the members of the Assembly that all is not rosy with women's councils across Canada. Before we make any perilous mistake about formation of a status of women council, we want to be very clear as to the merits, the pros and cons ...

MR. SPEAKER: With great respect to the hon. minister, I think the question was with regard to whether certain consultations took place and not with regard to the virtues of the minister's policy.

MR. JOHNSTON: Mr. Speaker, in reacting to the debatable question given to me by the Leader of the Opposition, I wanted to be sure that a full, balanced response was provided.

Current review of status of women councils has suggested that some are in fact inadequate in terms of representation and ...

MR. SPEAKER: I really don't perceive anything in the minister's answer that relates to the consultation that was inquired about.

MR. JOHNSTON: Mr. Speaker, I dealt with the consultation earlier on in the answer, and I apologize if I overstepped that debatable boundary.

MR. MARTIN: Mr. Speaker, I think I know the answer to the question. I'll move on to another area. Can the minister advise the House when the cabinet committee he set up last March to look into women's issues will hold its first formal meeting?

MR. JOHNSTON: Mr. Speaker, we have had an informal meeting on two occasions, but the formal meeting will take place in the next three to four weeks.

DR. BUCK: Very speedy, Dick.

MR. MARTIN: I hope we make a decision a lot faster than on having formal meetings.

My question follows up from there. Can the minister advise the House what grave obstacles have prevented this committee from holding any meetings in the last eight months?

MR. JOHNSTON: Mr. Speaker, I don't know if they're grave obstacles. When the system was put in place to co-ordinate policy within the government — and I would say by way of footnote that the province of Alberta is the only province with a specific cabinet committee dealing with women's issues — the first thing we had to do was establish what it was we had to deal with. It's easy to sit down and have committee meetings; it's easy to get together and chat about issues. But we want to do something very substantive when we meet, and it's in that context that we're preparing a very comprehensive agenda for discussion and consideration in the near term.

MR. MARTIN: A supplementary question. If it takes eight months to organize a meeting, I hesitate to think when it will come. It will probably take 10 years.

My question is to the Attorney General, Mr. Speaker, if I may. Can the Attorney General advise the House what consultation was held with women's groups in the province before completion of the statute by the minister's department regarding the new Charter of Rights?

MR. CRAWFORD: Mr. Speaker, I trust that the hon. member will very shortly have the opportunity to see the results of the work that has been done. It's been very extensive.

As to consultation, that is done on a staff level and is a process that occupied well over a year in the two-year process. I cannot give the details to the hon. leader. My impression is that formal consultations with what are known as feminist groups probably did not occur as such.

MR. MARTIN: A supplementary question to the minister. That leads me to ask a very simple question. On something as important as the Charter of Rights, and knowing the sections that deal with women, why did the government not consult women's groups before looking into this?

MR. CRAWFORD: Mr. Speaker, when the hon. member emphasizes how simple his question would be, I should first note how appropriate that is, considering the source.

The approach was a broad and overall one which was not meant to zero in on any specified interest groups in order to prioritize them in the minds of the people who were doing the work with respect to what was in fact a statute audit. It was a survey of 450 statutes conducted by some 50 lawyers in the department. If the approach had been to deliberately seek out every organization that had a specific input, that's a process we believe will take place in the upcoming months. I've indicated to the hon. leader that I believe there will very shortly be an opportunity. Indeed, I intend to introduce a Bill dealing with these amendments

within the next day or so. That consultation will then take place.

Mr. Speaker, I just want to conclude the point by drawing to the hon. leader's attention that if, on the basis of groups which are particularly interested in sexual discrimination, we had sought them out in advance for a particular type of consultation — which we are of course willing to conduct in the upcoming months — then it would have been our clear duty to seek out every group that was interested, for example, in race, religion, the age question, and all the other matters dealt with in the equality section.

MR. MARTIN: I would suggest that . . .

MR. SPEAKER: Might this be the final supplementary on this question.

MR. MARTIN: Let me come back to the minister responsible for women's affairs and ask one more question. The minister recently told the Alberta council on women's affairs that women's issues have not historically been popular to be involved with in Alberta. Can the minister advise the House whether this was a statement of government policy on women's issues in this province?

MR. JOHNSTON: Mr. Speaker, in reaction to the Leader of the Opposition, I want to be very clear that what I indicated was that the issues were in fact very difficult. In fact, some of the groups involved in women's movements across the province were fairly difficult to deal with. I think a more reasonable approach is now being taken to the issues before us. I think the coalition of thoughts on a variety of issues, affecting not just women but men as well, are extremely important in terms of the public debate. I think this government is now getting on with that debate and recognizing the importance of these issues.

I merely indicated that in my view it had not historically received the focus it should have. But from a variety of events, those issues are now before us, being debated, and being handled by this government.

Priority Employment Program

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Manpower is with regard to the priority employment program. At present our office has the opportunity of hiring two people through that program. Today, from 8:30 till 12, we had 120 calls for two positions. Could the minister indicate what type of opportunity or take-up has occurred in that priority employment program in terms of opportunity? These people had a very positive attitude in their phone calls and requests, but I must say that there were some very desperate stories. I am wondering if the minister can indicate what kind of opportunity now rests in terms of the priority employment program.

MR. ISLEY: Mr. Speaker, there are 1,066 approved positions under the provincial government element of the priority employment program at the moment. We currently have 288 approved positions under the community support element. Approximately \$5 million of the program allotment is still to be taken up.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate whether those positions have

been publicly advertised at this time and the opportunities for employment available to Albertans?

MR. ISLEY: Mr. Speaker, each department under the provincial government element carries out its own hiring process. It's my understanding that in many cases they are publicly advertised. But under the program each department has the same privilege as the hon. member had to select his employee under the Legislative Assembly.

The community support element of the priority employment program: again it is the decision of the municipality, nonprofit organization, Indian reserve, or Metis settlement that creates the project to advertise and select its employees.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate whether all priority employment program positions are publicly advertised, or is it left to the discretion of departments to select without public advertisement?

MR. ISLEY: Mr. Speaker, I thought I made it very clear that each department, as the hon. member experienced in his particular case, carries out its own hiring practices.

Special Education Funding

MR. JONSON: Mr. Speaker, I wish to pose a question to the Minister of Education, dealing with concerns that have been raised regarding the proposed policy for block funding of special education in the province. Given that students requiring such education are not evenly distributed throughout the province and, further, that certain students require educational service outside small school jurisdictions, will any provision be made to provide additional funding to school boards to deal with these situations?

MR. KING: Mr. Speaker, this is the first year of what is called a new management and finance plan that conditions the financial relationship between school boards and the Department of Education. In that it is quite dramatically different from our previous financial relationships, the government has said they would treat this year as a transition year, look very carefully at the impact of the different aspects of the program, and make changes as necessary.

A limited number of school boards throughout the province have expressed concern about the operation of the plan as it affects special education. We have certainly made the undertaking to school boards that during the course of this '84-85 school year we would consider changes on the basis of the representations that are made to us and that if the experience of school boards justifies change, then changes will be made.

MR. JONSON: One supplementary, Mr. Speaker, further in relation to this proposed policy. I understand that an appeal process whereby a completely independent appeal committee would have the right to make decisions having financial implications for school boards is being proposed. Will any changes to this proposed policy be considered to provide some school board involvement and representation in such decisions? That question is based on a series of concerns as well.

MR. KING: The good thing about education in Alberta, Mr. Speaker, is that the school trustees who share their concerns with the minister also share their concerns with

Members of the Legislative Assembly. The result of that is a very positive interaction and the development of better programs.

The hon. member will be pleased to hear that a letter will be sent out to the chairman of every school board and the superintendent of every school district some time in the next four or five days. That letter and the accompanying documentation will describe the government's expectations with respect to appeal procedures on special education placements. Perhaps I could take a moment to say that the essence of that will be that we expect school boards to have an appeal process in place locally. We expect that appeal process to extend to parents the general principles of law that are in place with respect to quasi-judicial proceedings, and there will be an appeal from the local decision to the Minister of Education in the event that parents are unsatisfied with the disposition of the placement locally. The appeals will not in future be dealt with directly by the minister; they will be dealt with by a committee established for that purpose by the minister.

MR. JONSON: Just one further supplementary, Mr. Speaker. I'm certainly pleased by the general answer. But specifically, will it be possible for a school board to have representation on the local appeal committee in this revised policy?

MR. KING: Mr. Speaker, the answer is that in contrast to some of the discussion held this summer with school boards, the decision being communicated to the boards at this time is that the boards themselves may act as the final local appeal. I believe that responds directly to the hon. member's concern.

Computerization of Automobile Licensing

DR. BUCK: Mr. Speaker, my question to the hon. Solicitor General has to do with the problems with computerization of automobile licence plates. Can the hon. Solicitor General indicate what the problems are in the department not being able to get automobile licence plates completely computerized so that that information can be immediately available to enforcement officers?

DR. REID: Perhaps the member could tell me what the problems are, and I'll try to give the answer.

DR. BUCK: Mr. Speaker, can the minister indicate how long it takes for the information to come from regional licence outlets to the central office? How long is that information out there someplace before it's computerized and made available to the department?

DR. REID: Mr. Speaker, the situation is that at the moment we have perhaps slightly in excess of 75 percent of the population of Alberta in regions of the province where the issuing office is attached directly on-line to the main computer. In those locations the information goes into the computer as it's fed into the terminal by the licence issuing office. In some of those locations, the teleprinters are now issuing the certificates by return. I think the speed of the landlines is approaching that of the speed of light.

DR. BUCK: Mr. Speaker, I know that the speed of light is 186,000 miles per second. I don't need that lesson in physics.

Maybe the hon. Solicitor General could tell us what problems he's got in his department when a police officer stops and investigates an automobile and that automobile driver says: "Mr. Officer, I have my licence, but your department doesn't have it". Can the minister indicate what he is going to do about the solution to that problem?

DR. REID: I'm not sure if the member is addressing the problem that may exist with a policeman trying to immediately get from CPIC the information on whether or not a licence is suspended. There is not yet a full interlink between that system and the computer at Park Square. The potential is there to have that link, but the arrangements are not yet complete for having all the information on that computer. There is the problem, which exists with all computers, of having the access to information being restricted to those who have a valid use for it.

DR. BUCK: Mr. Speaker, when will the minister be able to assure the Assembly that the information in the regional offices will be in the computer bank so that that information is made available? Is it going to take six months, a year, or a year and a half, or are we going to still have this 25 percent of that information out there in limbo at regional offices?

DR. REID: Mr. Speaker, it's not in limbo. The information is fed into the computer either from the regional office or by mail. We have tried to avoid having too much come in by mail. There was an initial introductory phase during which the local offices were asked to retain the information in written form and, once they were hooked up by landline, feed it into the computer. There are still a small number of people whose information may not yet be on the computer. It's to try to avoid confusion and have the information fed in in a correct manner. If the system is going to work properly, it's vital that the information in the computer banks is accurate. The computer is programmed to reject information that is not compatible with the information already on the computer, in order to have a double check by the office that's putting information in.

MR. MARTIN: Just one supplementary question, dealing with the Solicitor General's department, to do with drivers' licences. We've received complaints that many of the drivers' licences are well over the 90 days. People have to go in and get temporary drivers' licences, and the clerks seem very harried down there. Could the Solicitor General indicate to the House what the problem is, what they are doing to rectify the problem, and when we might look forward to this problem being solved?

DR. REID: For the hon. member, Mr. Speaker, drivers' licences are handled by the same offices that handle the motor vehicle information. Those offices are hooked up for both types of information. Admittedly there is the introductory problem that would be inevitable, in that it was impossible to hook up all the offices at the same time. The department has been hooking them up in a sequence related to the volume they handle. It's for that reason that although the majority of the offices numerically are not yet hooked up, the majority of the population of Alberta is living in areas where there is direct communication.

As I've expressed to members previously in this Legislature, it is intended that the complete hookup will be finished by sometime in December this year. It is for that

reason that we are delaying the introduction of personalized licence plates. We have to have the system across the province before those can be started. The difficulties that exist with some individuals are related to the introductory phase of the program.

DR. BUCK: Mr. Speaker, to the hon. Solicitor General. Has any directive been sent to the RCMP as to what the police force should do in the instance when they send for information and there is no information available on whether this licence is bona fide or in force? What directive has gone from the minister's department to solve these problems?

DR. REID: We have not put out any directive. Police forces are aware of the fact that some information is not yet on the computer bank. If the member has a specific problem that any individual has had, I would be glad to receive it and find out what is the matter with that particular individual's number, either driver's licence or motor vehicle.

MR. PURDY: Mr. Speaker, a supplementary question. I wonder if the Solicitor General could obtain information on why it takes at least two months for a new registration to come out. The example I could give is that when a person buys a new car, they still haven't got the new registration for it two months later.

DR. REID: Again, that may be because they've gone to one of the offices that is not yet hooked up with a direct landline. As I said, at offices that are and have the printers, the information goes in and the licence is in actual fact issued right on the spot. As I said, some offices are not yet hooked up, and there have been some delays in getting that information in. We would rather do it accurately than have it in there inaccurately.

Expo 86 — Alberta Pavilion

MR. McPHERSON: Mr. Speaker, I'd like to direct a question to the minister responsible for Public Affairs. I understand the government of Alberta recently concluded a participation agreement with the Expo 86 Corporation. I wonder if the minister responsible could provide us with a status on the Alberta participation in Expo 86.

MR. PAYNE: Mr. Speaker, although Expo 86 is 18 months away, there has in fact been considerable progress, and I welcome the [opportunity] to summarize it for the benefit of my colleagues in the House today. Following a province-wide competition, architects were selected earlier this year. Design work was undertaken in the spring and summer and has now been concluded, and construction drawings are now being prepared. I expect that work on the site could begin very early in 1985.

I might mention that at the time of signing the participation agreement in September, I took advantage of that opportunity to tour the site of the Alberta pavilion. I'd like to mention that it's extremely well located. It's virtually in the heart of the Expo site and is on the only thoroughfare between the American and Russian pavilions. In that respect, Mr. Speaker, you will appreciate the reassurance I drew from the recent comparatively pleasant exchanges between Mr. Chernenko and Mr. Reagan.

On the personnel side, we've had an interdepartmental committee hard at work for the past few months, involving representatives of 10 government departments and agencies

and chaired by the managing director of the Public Affairs Bureau. The function of this interdepartmental committee has been to rationalize and co-ordinate the inputs and eventual participation of those departments and agencies. I might mention also that Mr. Bob Dowling, a former Minister of Business Development and Tourism and the commissioner for the 75th celebrations, has been appointed as our representative to several important functions at Expo during 1985, including the second annual planning conference in the spring. Also on the people side, I should mention that representatives from no less than 13 municipalities have been committed to provide the business development staff to represent the province during the six months the pavilion is open in Vancouver.

Finally, Mr. Speaker, I might mention that we expect to have a significant degree of private-sector participation. We hope to involve them in various ways, particularly in light of the fact that the themes of the pavilion and of Expo are transportation and communication.

MR. McPHERSON: Mr. Speaker, a supplemental. We all know now why the Member for Calgary Fish Creek is the minister for public relations.

The point of my question and the reason for my supplemental is that the minister referenced private-sector involvement. I wonder if he could succinctly advise us on what encouragement the private sector is being involved in the activities for the Alberta pavilion in Expo 86.

MR. PAYNE: Mr. Speaker, as succinctly as I can, let me reassure the Member for Red Deer that private-sector involvement will be the hallmark of this pavilion. In my earlier response, I made reference to the private-sector architects and construction firms that are involved. I should mention that chambers of commerce and trade associations across the province have been contacted and invited to participate at the pavilion, using our meeting rooms and business facilities. The response we have had so far has been very, very encouraging. In short, Mr. Speaker, the private sector will be very much involved in the Alberta pavilion at Expo 86.

MR. KOWALSKI: Mr. Speaker, a supplementary to the minister. It deals with the question of the Alberta pavilion and the role of young Albertans who might want to volunteer for the duration of the world fair. Does the minister have a plan that would invite young Albertans to submit applications to serve as tour guides and the like?

MR. PAYNE: Mr. Speaker, it would perhaps be an overstatement to say that the minister has a plan in place because, as I indicated earlier, the pavilion is still 18 months away. We have given preliminary consideration to the question of staffing. We do want to use Alberta young people. When those plans have been finalized, I will certainly advise all members of the Assembly as to how to provide those suggestions and invitations that I know will be forthcoming.

Private College Funding

MR. MARTIN: Mr. Speaker, a question to the Minister of Advanced Education. It seems to be his day today. It's just a follow-up from Public Accounts, which I chair. Would the minister outline to the Assembly what consultation has taken place in the last month with officials of King's College

in Edmonton, with respect to government funding of the college for the upcoming academic year?

MR. JOHNSTON: Mr. Speaker, I'd be pleased to reply to that question. As a matter of fact, it's one that has generated a lot of interest from my colleagues in government. They seem to share a fairly substantial concern about the future of King's College. Let me just give my assurance that we are attempting to round out a recommendation to my colleagues with respect to a stable, long-term funding solution, not just for King's College but for all private colleges in Alberta.

As a result of legislation in this Assembly in the spring of 1984, you may note that the government has agreed to allow ...

MR. SPEAKER: I hesitate to interrupt the hon. minister, and I recognize the importance of the topic. My recollection of the question is that it was asking about certain consultations.

MR. JOHNSTON: I was trying to get to that point, Mr. Speaker. I'm attempting to learn from others' examples.

Let me indicate that we have attempted to put together a working group of the four presidents of the private colleges. They worked through the summer to provide recommendations to me to solve the funding problem, and that essentially is the question the Leader of the Opposition is dealing with. Over the summer some recommendations were given to me. Last week we worked for about seven or eight hours straight to hammer out a resolution to this issue and, as a result of the major contributions made by the colleges' presidents in terms of forming this policy, I think that in the near term I will be able to make recommendations to my colleagues as to a long-term funding arrangement. It should be noted that if I am successful in my arguments, these funds will be included in the budget for the year April 1, 1985 to March 31, 1986.

MR. MARTIN: A supplementary question following from that. Will the minister outline the considerations which led his department to allocate public funding for I believe three of the four colleges — Concordia, Camrose Lutheran, and Canadian Union — which are affiliates of the University of Alberta, but not for King's College, which was also affiliated this year? What considerations led to that?

MR. JOHNSTON: As a matter of fact, Mr. Speaker, King's College did not become affiliated until within this existing fiscal year. If the member would allow me to simply cite parts of the policy, the legislation indicates that if a college receives affiliation with a university as to degree-granting status, funds may be made available to that college subject to the approval of the Legislative Assembly. The first time I'll have to represent King's College, in terms of the long-term commitment to funding by the province, will be during the budget estimates in early '85.

MR. MARTIN: Just one supplementary.

MR. SPEAKER: We have slightly exceeded the time for the question period. Perhaps we could come back to this topic tomorrow.

ORDERS OF THE DAY**head: MOTIONS FOR RETURNS**

182. Mr. R. Speaker moved that an order of the Assembly do issue for a return showing details of all expenditures of public funds for the 15 government and school officials who travelled to Japan and South Korea in May 1984, showing for the trip:
- (1) the itinerary and date of departure and return;
 - (2) total cost in each category of transportation, meals, accommodation, and entertainment;
 - (3) the names of the government officials who went on this trip;
 - (4) the written reports by the deputy minister and the group's findings of the Japanese and Korean school systems.

MR. KING: Mr. Speaker, in replying on behalf of the government to Motion for a Return No. 182, which has just been made by the hon. member, I would like to move an amendment, that clause (4) be deleted. I can advise the hon. member that reports made by the deputy minister to the minister are matters of advice internal to the government, and that's the reason for the amendment. Nevertheless, at the time I table the return to this order with the Assembly, I am prepared to provide the findings of the group, which constitute a report available not only to this Assembly but to the other organizations whose members attended this tour.

MR. SPEAKER: Is there any debate on the amendment?

[Motion as amended carried]

183. Mr. R. Speaker moved that an order of the Assembly do issue for a return showing:
- (1) the names of all shareholders of General Systems Research Ltd., recipient of a \$2 million loan through Special Warrant 598/84, approved August 22, 1984;
 - (2) the rate of interest to be charged and the terms of repayment agreed to between General Systems Research Ltd. and the government of Alberta in respect of the loan described in (1);
 - (3) the manner in which the loan described in (1) will be secured on behalf of the people of Alberta to assure that the \$2 million will be repaid;
 - (4) a copy of the contract agreement entered into between General Systems Research Ltd. and the government of Alberta covering details of the loan described in (1).

MR. HORSMAN: Mr. Speaker, on behalf of my colleague the Minister of Economic Development, I propose an amendment to Motion for a Return No. 183. I move that paragraph (4) be deleted and the following substituted:

A copy of those portions of the contract agreement entered into between General Systems Research Ltd. and the government of Alberta covering details of the loan described in (1), but not including portions relating to confidential, proprietary research information.

The key words of course relate to "confidential, proprietary research information".

Mr. Speaker, I have provided a copy of the proposed amendment to the hon. Member for Little Bow, and he has agreed that it is an appropriate amendment. I have a copy for him and copies for the Assembly.

[Motion as amended carried]

**head: MOTIONS OTHER THAN
GOVERNMENT MOTIONS**

216. Moved by Mrs. Fyfe:
Be it resolved that the government consider the upward integration of early childhood services with grade 1.

[Debate adjourned May 17: Mrs. Embury speaking]

MRS. EMBURY: Mr. Speaker, I am pleased today to resume debate on this motion, which would encourage the government to consider the upward integration of early childhood services with grade 1. When this motion was debated in the Assembly on May 17, I just had time to make a few introductory comments. At that time I directed my remarks primarily to some of the comments other speakers had made. I didn't have an opportunity to make a few general comments on children of the age we are speaking about today. If the Assembly will bear with me, I would like to continue with comments I didn't have time to make back in the spring.

Even as I speak today, many children across the province are participating in programs that have integrated early childhood services programs with grade 1. Over the last year or so, there has been a corresponding increase in the number of these programs offered. In fact in the city of Calgary there were only four such programs in 1983. Just one year later, there is now a total of 27 programs in Calgary. Why this phenomenal growth, and why is there such an interest in these programs? I think the reasons we as members of the Assembly should support this motion are contained within the answer to this question.

I suggest that the phenomenal growth and success of these programs can be attributed to the fact that administrators have now [adopted] a child-centred approach in developing them; in other words, the programs were designed with the best interest of the child in mind. Integral to this child-centred philosophy is the notion that learning should coincide with the child's development. The concept of development has traditionally been associated with the early childhood services program, while grade 1 was generally thought to be the arena in which learning occurred. It would be unfair to say that learning was exclusive to grade 1 and up while development was exclusive to early childhood services. However, this was the focus, and any mix of the two concepts of development and learning happened more by accident than design.

In the early childhood services/grade 1 integration, both concepts are utilized, with the end result being a better education for the child. In essence, we are synthesizing the best of two worlds: the best of grade 1 with the best that early childhood services has to offer. The best of two worlds includes the flexibility of the early childhood services program with the learning structure of grade 1. Both are important and both are necessary.

Traditionally, schools have placed the emphasis on knowledge and skills and the kind of conduct that we as a society regard as important. In grade 1 the child is therefore confronted with a very formal, quite structured environment. Granted, this type of teaching is very important in a child's acquisition of new knowledge; however, it is also very imposing for the child.

I would like all hon. members to hearken back and remember their first day in school. Let's relive those first impressions of school. I can hear some members saying, "I do remember". The reason we can all remember that day is that it was one of the major events of our lives. It is no different for children today. Transition from the early childhood services program to grade 1 is still a major event in the life of every child. Of course this would be a new experience for many of us in the Assembly, because I'm sure many of us, and even many of our children, did not have the advantage of attending any type of early childhood program, better known as kindergarten, in different parts of Alberta. The upward integration of early childhood services with grade 1 makes this transition much easier, much less traumatic for the child. Thus the child is introduced and oriented into our educational system much more easily from the outset and takes away a more positive approach to learning. This can only lead to a better education for the child.

I think we all recognize that not all children develop intellectually, socially, and physically at the same rate. In years past we said that six years of age is somehow the magic school age when children are supposed to be able to cope with the structure grade 1 requires. Some children are not ready to enter grade 1 at that age, while others could easily have started a year earlier. For this latter group of children, grade 1 may prove to be a small challenge. Upward integration would provide these children with the challenges of grade 1 within a more flexible, early-childhood-services-like environment. By integrating the early childhood services program with grade 1, the child is taught new things when readiness is demonstrated rather than in lockstep fashion. This allows the child to advance according to his or her ability, while still being challenged within the program. This makes for happier, more confident children who do not experience as much failure or frustration. By eliminating some of these negative experiences in a child's formative learning stages, we develop a stronger foundation for that child's learning in future years.

The growth and success of these programs can be attributed to the fact that the main beneficiaries of these programs are of course the children themselves. Both parents and teachers realize this.

Some reservations have been expressed during this debate that perhaps by integrating early childhood education programs with grade 1 we would be relegating parents and volunteers to a more minor role in the education of our children. Early childhood services programs have been noted for their involvement of parents and volunteers in this process. This input and flexibility has allowed values and priorities to be set in the communities where these programs are based. The early childhood service programs have long recognized the importance of parental participation, and this has found expression through the local advisory committees, composed of parents and teachers who set up the curriculum and administer the programs. Some fear that the integration proposed by this motion would discourage this. This is a very valid concern. However, I do not think it will happen.

I'm very pleased that the Minister of Education is here today, because at some point I hope he will be able to allay some of my fears that we will not see the end of the private early childhood services programs. These still exist in the city, as I'm sure they exist in other communities throughout Alberta. As I mentioned before, they're particularly important to small communities because of the parental involvement and, again, because of being able to integrate

and use an advisory parental group that will meet the needs of the local community. I still have two of these private programs in my constituency, and obviously they are fulfilling a need within these communities. If this is to be the future of education at this stage of a child's life, it will be very interesting to see how the minister will be able to have the private programs continue. I know it's the trend. As I mentioned before, an increase from four to 27 from one year to the next certainly indicates that these are very popular programs.

However, it has been proven that parents have a great effect upon their child's learning; I don't think anybody would debate that. Follow-up at home and encouragement by the parent will only enhance the child's learning. Basically children learn better when parents are involved. To deny parental involvement and input would be to deny the children the best education possible. This input by parents is an issue that the School Act review is looking at, and I'm confident that more, not less, input on the part of parents will be recommended.

The integration of early childhood services with grade 1 may in fact allow for more parental involvement in the education of children. In years past, parental involvement has been a fixture in the early childhood services programs but not so in the more traditional and formal elementary school environment. This integration may act as a bridge for parents, giving them more opportunities to participate in their child's learning.

Parental involvement in early childhood services programs was the subject of a recent study prepared by the early childhood services branch of Alberta Education. The results of this study were very interesting. The parents interviewed reported that they had a high level of involvement in the early childhood school programs and less involvement in the primary grades. They also stated that they enjoyed their participation in classroom activities and expressed a wish to have this type of involvement extended to the primary grades. Thus there is a real desire on the part of parents to be more involved in their children's education beyond the early childhood services program level.

Parents themselves realize benefits from this participation. I'd like to quote directly from the report.

(Parents) report that they know more about their children and can deal with them more effectively. As well, parents became more aware of what was happening at their school, gained more respect for teachers, and came away with a much more positive attitude towards education.

Surely those few comments alone justify the integration of the early childhood services program within the school system. Because of this, I think the participation should be encouraged, and I think this will be facilitated by the integration with grade 1. In the end, everyone — parent, child, and teacher — is the beneficiary of this integration.

I would like to turn now to the implications integration will have on the community programs. As I mentioned a little earlier, this is one concern of mine. These are the programs that are not directly affiliated with the school boards but have private operators. As I mentioned, this is the one reservation I feel should be mentioned and brought to the minister's attention. Hopefully it will be done on the basis of the communities that wish to pursue this type of program, and the other private programs will be able to survive.

In conclusion, I would like to make a few passing remarks on the future of education for the children of this

province. I have come to the realization that in 1984 we are educating children for a world very different from the one we grew up in. We cannot afford to assume that the children we are educating today, for the 1990s and the beginning of the 21st century, will require the same type of education we had. I think this motion addresses some of the real changes that are required in education. We are going to have to be more flexible in our approach and in our methods of teaching. The key to the 21st century child's success will be the ability to think, to solve problems, to analyze, to use resources, and to learn to be creative. I feel this motion will set the groundwork for a better educational system for children today, next year, and into the year 2000. I encourage all members to support this motion on this basis.

Thank you very much.

MR. HYLAND: Mr. Speaker, I would like to participate in debate on Motion 216, by the hon. Member for St. Albert. I would like to make some comments and remind people to consider the motion seriously. The Member for Calgary North West, who spoke previous to me, said that there are fears with the "upward integration" in this motion. She noted some of the fears I wish to express.

I believe this can be done voluntarily now, but if it becomes a mandatory thing under the purview of the school boards, you lose a lot of involvement by the local boards. For example, in my constituency I have a number of ECS groups. They're not just advisory boards, Mr. Speaker. They have to make sure the money is there to pay the teacher. They make sure the kids are taken on field trips and that there's a facility for them to meet in. They are responsible for the total operation and the payment of that operation. It gives them a lot different feeling than if they were just an advisory board and didn't have to worry about the dollars their advice may create.

In some instances in my constituency, they have bake sales to raise additional money for equipment. They have suppers. They do all sorts of things as a community and as a family to raise additional funds for their ECS groups. I think that's very good and I would hate to see it lost in an integration into the education system. In the education system you have a certain number of elected people on the school board and from your ECS groups ... Again, let me take my constituency. In one county a couple of ECS groups have more volunteers involved on their boards than the school board has. You have a lot more personal involvement. Mr. Speaker, I would very much hate to see this.

Another caution sometimes worries me, and I often think of it when I go through day cares and other facilities with the social care committee. Sometimes I wonder if we're not trying to send our children to school too soon. Why don't we just let them be children for a while and enjoy the first five or six years of their lives? They're going to spend at least the next 12 years of their lives in schools, and if they decide to take further education, they're going to spend more time in universities. I often think we should stop, think, and consider: let them be children, let them enjoy themselves, and let their parents take time to enjoy them and spend some time with them.

As I said, Mr. Speaker, I've toured a lot of day cares, and the facilities in those day cares can vary. Often sort of fun-in-learning classes are offered that almost border on ECS. These classes are something the director or the staff of the day care have put together in order to make their program more acceptable to people and, in some areas, to

entice people to come to their day care. These kinds of things are left to the people to develop themselves, to show their own initiative. I honestly believe that is just a different form of ECS that allows volunteers and others to develop different things in order to have them become part of the learning-in-fun ability of a child.

Mr. Speaker, if the intent of this motion is to get parents more involved in the total school system, especially the grade school system, through moving them from their involvement in ECS to grade 1 and on, that's a different story. I would recommend that. I think the involvement of parents in schools should be encouraged, and I hope that the rewrite of the School Act allows that to happen. In a lot of cases previously, parents weren't very welcome in classrooms. In some schools in my constituency, the staff and principal are making parents very welcome to come to visit their school, to visit their classrooms, and especially to try to get parents out on special nights. Some of the schools are again trying to get an active parent/teacher association going and to continue the operation of those associations. For example, one of the schools in my constituency is Chamberlain school at Grassy Lake. This is a school of 166 students from grades 1 to 12. There are a couple of classrooms with three or four students in them. In one section of the handbook they pass out to all students, they say:

Our staff considers parent involvement in the life of the school extremely important. Parent volunteers have been very useful in our band programs and in such areas as organizing the elementary funday and participation in field trips. Please contact the school if you have an interest in participating in any of these activities.

In the next section under parent/teacher association:

Chamberlain has a very active Parent/Teacher Association and we would urge you to join this organization as they have been very beneficial in our school in such areas as fund raising ...

It outlines the other areas. It goes on to note that they've been involved in work parties to improve the school grounds, et cetera.

Mr. Speaker, if that's what the motion means, if the intent is to encourage involvement throughout the school system, especially in the elementary system, and to use these volunteers throughout the system, having a say in some way in the curriculum and assisting in teaching it so they well understand what their child is learning and have a chance to see how it is taught in the classroom, I would support the motion with that aspect to it. But as I say, the way it presently reads I have reservations about it, and I have expressed those reservations. If we get to the stage of closing debate and voting on the motion today, I would like to have the member outline her intent in that aspect. I have a real interest in this, because next year my wife and I are going to have to decide if we'll send our child to ECS or if he will get to stay at home and play. Maybe there's another way of saying it: whether his mother can stand having him at home all the time for an additional year or is able to get him off to ECS a couple of days a week.

I would appreciate it if the hon. member would make some comments on the concerns raised.

[Mr. Purdy in the Chair]

MR. ZIP: Mr. Speaker, I am pleased to rise to speak on Motion 216, introduced by the hon. Member for St. Albert.

This subject has been very adequately treated by the hon. members who spoke on this motion, both in the spring session and today. I wish to add my voice of support on the timeliness and the sensible nature of the motion.

I well remember that not so long ago, in the mid-60s — in 1965, as a matter of fact, if I can remember that far back — the provision of early childhood services was left to private kindergartens in the city of Calgary. At the time, my son went to one in the Hillhurst area of the city. Two years later my daughter went to one of the first public school supported kindergartens in Calgary. I believe it was a school on 12th Avenue and 9th Street S.W. At that time kindergarten was largely play, and children tended to get the wrong impression of school. But in retrospect, it was still very beneficial to my children. I've subsequently witnessed the children of my friends and relatives get similar benefit from going to kindergarten and getting early childhood services provided to them by that time by the Calgary school board system, which until recently was far more limited than it is today.

Mr. Speaker, the socioeconomic situation in present-day urban Alberta has changed very dramatically. Mothers and women in general are participating much more in the work force. That's particularly true in Calgary, where the participation rate of women now exceeds 70 percent, which incidentally is the highest in Canada. The provision of early childhood services for preschool children of these mothers has become very important. When they have to work during the day, it is very helpful to their peace of mind that their children are in school. It is helpful to the children, because their development is being adequately guided, and it helps to integrate them into grade 1. This is important because attitudes toward school are developed very early, almost the first day of school, as the hon. Member for Calgary North West so ably expressed. The development in children of a good attitude toward school has to begin in preschool. Certainly we do not want to have the child develop the attitude that school is all play, because it certainly isn't.

The hon. Member for Cypress has made a good point about letting children be children and not pushing them too hard, but this has to be balanced against the practical world we live in today, where the knowledge and skills that have to be acquired by children are so much more extensive than when I was a child. In light of this, I have to lend my support to the motion put forward by the hon. Member for St. Albert and urge the Assembly to pass this motion.

Thank you.

MR. LYSONS: Mr. Speaker, I too would like to join in this very important resolution. I expect the motion will be passed; there seems to be a great deal of support for it from the members speaking here.

I've been out of the school system for quite a while, and so have my children. However, some of our children went to kindergarten, and it seemed to help. But it was more of a baby-sitting service at that time, and perhaps it still is. The children did learn a few things, although I'm not sure they wouldn't have learned as much or more had they been home. But they did learn some different kinds of things, and it did get them away from the TV set. I could relate my oldest son's reaction when he came home from kindergarten the first day, but I don't think this is quite the forum for it.

Nevertheless, these programs are very expensive to put on. In the brief period of time I had to prepare for this motion, I phoned some people I felt would have some idea

of what this would mean in terms of cost and benefit — a benefit analysis, if you like, on the social scale. I was told in no uncertain terms by at least two people who are authorities in their particular profession that if they had the kinds of dollars they felt would be required to carry this motion through, they would find other places for that money that would probably do a better job. Without getting into the details of what those situations may be, I would like to say that I understand we have problems with some children. Where they have had a fairly extensive system, they go into school and work into the regular school system very well. But there are other areas where perhaps the ECS program wasn't so well delivered, and these children then have problems. So we're sort of dealing with two situations here.

The final thing I would like to say is that if this motion does go through, if the hon. minister can find the funds to pick up the tab for it and all those other good things, then I would suggest that if a school is to be funded, it should be mandatory — or at least try to make it mandatory; encourage it — to have the parents attend the school, not from the first day or anything like that but during the time the children are in school. I believe that although children learn a great deal in school, there's a great deal the parents can learn about school. The attitude of children and parents toward school should be stressed a little more. We find that a great many parents and a great many people, particularly businesspeople, are discouraged about our school systems. They're not saying it's not adequate, but they are discouraged with some of the things that happen. I would suggest that if parents were encouraged to spend some time in the school system, a great many of our perceived problems with our educational system would be done away with.

Thank you very much, Mr. Speaker.

MR. MUSGROVE: First, Mr. Speaker, I would like to congratulate the Member for St. Albert for bringing in Motion 216, childhood services integration with grade one. I would be remiss if I didn't make a few comments about Motion 216. Having been a school trustee from rural Alberta for many years, I would like to make the following observations.

When I first became a member of the school board, not all preschool students attended kindergarten, which it was called in those days. All preschool students were assessed by the public health unit. Certain students with social problems such as speech problems, shyness, or perhaps those who had lived with their family all their lives and hadn't mingled with other children of their age, were recommended for kindergarten so they would be able to cope with the school system in grade 1. Generally the other students didn't attend.

The grade 1 curriculum of that day was set up to deal with students who had not attended kindergarten. It's a different situation today. It's almost socially unacceptable not to send your child to early childhood services, as it is known today, and the grade 1 curriculum is established to deal with children who have attended early childhood services. Those who have not had the benefit of ECS have a problem in grade 1 and quite often may have to take grade 1 in two years. I would certainly not like to see this revert to the way it was at that time.

There's another problem that has to do with the transportation of rural students. The grant to school boards is based on a formula that includes the number of eligible students who ride on a bus, plus the miles travelled to pick

up all those students. ECS students are not considered eligible students for grant purposes to a school district. However, consideration is given that they be allowed to ride on the bus, provided they are not counted as eligible students for grant purposes, that they live along the bus route so the bus doesn't have to leave the bus route to pick them up, and that there's room on the bus.

This poses a problem with ECS for parents, particularly if they have no other students attending school. If you have a student in grade 2 and an ECS student, the bus automatically picks up the grade 2 student, so the ECS student gets on the bus. But if it's the firstborn to that family and they live off a bus route, there's a problem with busing. That's the way the grant formula is set up. Also, ECS students on the bus route are not covered by insurance. So there's some risk.

Most of the ECS operations are for half days, but in some places in rural Alberta, ECS students attend only two full days a week. In places where they attend half days, although they ride to school on the bus, their parents have to pick them up at noon. A young mother recently phoned me. She has one ECS student and one infant. They live in a remote area, a mile or so off the bus route. Her husband works five days a week. She found it almost impossible to get this child to the bus route, because she didn't have a vehicle available. Her question was: why can't the bus come this extra mile and a half two days a week and pick him up and take him home? Although I sympathized with her and had dealt with this at different times when I was on the school board, I suggested to her that it was a school board problem and that she should contact the school board and try to make some arrangements. I don't know what the result of that was.

I believe the present system for ECS with parental involvement in the curriculum and operation is good. I don't think that should be changed, but it doesn't necessarily need to change if it becomes part of the educational system.

I would be remiss if I didn't also make some comment on what we heard at the zone six ASTA meeting in Lethbridge last summer. Although they recognize certain benefits from ECS students becoming part of our educational system, their question to us was: at what age do we take these students into the public education system? The present system is at six years; now they're saying it could be at five years. They said: what happens if it keeps graduating down the line till we're also responsible for two and a half year olds? I can understand their concern about it, but the way our system is set up at the present time, it's not socially acceptable if they don't attend kindergarten; it's built into our grade 1 curriculum. I think age 5 is probably the bottom line on that. I hope it would be.

Mr. Speaker, I certainly believe that ECS should be part of our educational system, and I encourage everyone to support this motion.

MR. KING: Mr. Speaker, I have to look at the clock, because I could easily go past 4:30 in discussing this resolution. I promise the House I won't do that.

MR. ACTING DEPUTY SPEAKER: The Chair will have an eye on the clock.

MR. KING: Thank you, Mr. Speaker.

I should also declare an interest in this resolution in that I have a wife who is currently teaching grade 1, but for a number of years she taught at the ECS level and has

a diploma in early childhood services. So I bring a certain perspective and, at secondhand, a certain range of experience to this resolution, which is one more reason why I'm interested in participating in the debate this afternoon.

A number of participants in the debate have already made the very valid and important point that we have two different models by which we provide the opportunity for learning experiences to young children. The participation rate in these two different programs suggests that optionality — that is, choice — is virtually as persuasive as compulsion in getting young children into the room we want to get them into. Participation in early childhood services is optional in this province. Parents choose whether or not they want their children to participate, and about 94 percent of the children who are eligible for early childhood services participate in the programs from one end of the province to the other. Grade 1 is compulsory by law, and only about 95.5 or 96 percent of our children are in our grade 1 classes. The rest aren't there because they're in very isolated communities and correspondence is the only feasible way of providing education, or because they're medically fragile and are permanently in hospitals rather than in their homes. So an optional program attracts about 94 percent of our students, and a compulsory program attracts between 95.5 and 96 percent. I've always found that a very interesting reality, something I think we should perhaps consider more than we do.

Let me take a moment to contrast these two models. I've already made the first contrast: early childhood services is optional; basic education, grade 1, is compulsory. Early childhood services is what we call developmental. It tries to attend to not only the intellectual development of the child but also the development of physical and motor skills, social skills, and moral and ethical skills. ECS is broadly developmental, and grade 1 is instructional. We are trying to teach the children knowledge, skills, and attitudes basically by a process of instructing them: standing in front of them, speaking to them, writing on the blackboard, telling them what we want them to learn.

Early childhood services is therefore comprehensive. It attempts to deal with children through a variety of different learning experiences. Grade 1 is very much subject oriented. While we are teaching children language arts or math, we're not too mindful of what else we are teaching them. As a result of this, early childhood services is multidisciplinary. While the people who administer the program provincially are located in the Devonian Building, which is the headquarters of the Department of Education, ECS is not a program of the Department of Education. Those staff people report to an interdepartmental committee of four ministers. The Minister of Education chairs that committee, but in addition the committee includes the Minister of Social Services and Community Health, the Minister of Recreation and Parks, and the Minister of Culture. The educational system on the other hand is clearly not multidisciplinary in that sense.

Early childhood services requires parental involvement. It is a condition of the operation of the program that there has to be some parental involvement. Some ECS operators are very pleased with the extent of parental involvement; some are not so pleased. For some, a lot of parental involvement is easy to attain; for others, even a little parental involvement is very difficult to attain. At any rate, parental involvement to some degree is a requirement of the early childhood services program, and it is not at all a requirement of the educational system in grade 1 or thereafter. It's

something we all hope for; to the extent that we can achieve, we're all very thankful for it; but it is not a condition of the operation of the program.

Finally, early childhood services can be organized and governed in a variety of different ways. About 70 percent of the programs in this province are actually administered and governed by school boards in the community, but about 30 percent are administered and governed by private, volunteer, nonprofit, generally parent organizations.

We have two quite different models for providing these learning experiences to young children. After almost 10 years of this reality, the important question is: why do we have two models? Is the division between the two models an appropriate division? Or with 10 years' experience, should we consider transferring the school model down or the ECS model up?

I think the purpose of the resolution is simply to have legislators consider the value of addressing that question now that we have 10 years' experience with ECS in this province. The resolution does not advocate that we make a decision about that question here in the Assembly this afternoon. The resolution only advocates that the time has come for us to consider the question. While the resolution is phrased in terms of pushing the ECS model up, any decision we make on that resolution will at the same time be a decision about whether or not we want to consider the alternative, which is pushing the educational model down.

The resolution or this debate does not prejudice the outcome of the consideration being suggested. The consideration will permit us to address all the questions that have been raised in the debate. The questions about transportation funding, program funding, and capital funding can all be considered in the context of the consideration this resolution advocates the government should undertake.

Mr. Speaker, ladies and gentlemen, I believe the early childhood services program in this province has been one of the notable accomplishments of this government in the last 13 years. When it was instituted, it was the first of its kind in North America. Through 13 years of dramatic change in our community and 13 years of dramatic change in the educational community, we have remained remarkably faithful to the policy and precepts first laid down for this program in 1972 and 1973. That has happened not simply, not largely because of commitment on the part of the government, although I am pleased that ECS has always enjoyed that commitment. The fact that we have been faithful to these precepts and this policy is much more the result of the enthusiasm and understanding that has been developed and maintained in communities throughout the province. We can be pleased with the support this program has had from all our citizens, and in any decision we make, we should be concerned to maintain and encourage the maintenance of that support for the future.

Thank you, Mr. Speaker.

[Motion carried]

head: **PUBLIC BILLS AND ORDERS
OTHER THAN
GOVERNMENT BILLS AND ORDERS
(Second Reading)**

Bill 241

**An Act to Amend the
AGT-Edmonton Telephones Act**

MR. MARTIN: Mr. Speaker, I won't take a long time because I think my stand in terms of Bill 241 is clear. I would like to give a brief analysis in terms of the Bill and open it up to other hon. members. Hopefully there will be

some Edmonton MLAs in the debate. I think they would agree with me that it is an important debate in the city of Edmonton. The Bill is very simple in its intent, as the hon. minister is well aware. All we're asking is that the AGT-Edmonton Telephones Act be amended by repealing section 7 — I'll come to where section 7 came in — and amending section 9 by striking out "Sections 7 and 8 apply" and substituting "Section 8 applies".

Mr. Speaker, in case people didn't bring the Bill, section 7 is fairly straightforward. I believe this is somewhat the crux of the problem we have. It reads:

AGT has no power to enter into any agreement or arrangement with the City whereby any part of AGT's toll revenues from telephone calls originating or terminating in Edmonton may be paid to the City.

Obviously, if we follow that literally, they can't come to an agreement. It's that simple. On the other hand, to balance it off, (2) says:

The City is not liable to pay to AGT any moneys as a contribution towards the costs of AGT's rural distribution system.

The point we make is simply to repeal that.

The minister and I have had some discussions, and I am well aware that that wouldn't automatically solve the problem. But I'll come to the point of why we think it would be a good step. Let me tell you the feeling as I perceive it. Maybe other Edmonton members are getting different feedback, and I'm sure they'll tell us if that's the case. I think it's fair to say that Edmontonians are sick and tired of this war. They're sick and tired of the inconvenience of long-distance calls, people popping on and all the rest of it. There's some anger developing out there. They see it basically as a power struggle between the province and the city. They want both sides to come to an agreement as quickly as possible. I think that would be a fair assessment of how people in Edmonton feel at this particular time.

I must say to the government and to the minister, who I'm glad took the time to be here for this debate, that when I go around to my constituents, business groups, or other groups — and I do a fair amount of it in the city — they are behind city council in terms of this issue, not on every tactic or all the rest of it because, as I mentioned, they're tired. But I think there is a feeling that Edmonton Telephones should receive more from long-distance revenues. I think that's very clear. I guess that's a fairness factor where there could be some debate. But I want to lay that out, because I think I'm correct in analyzing the feelings of the citizens of Edmonton at this particular time.

I think it then comes to a fairness factor in terms of both the province and the city. What is fair? That's what ultimate solutions come to; any negotiation tries to figure out what is fair for both sides. Mr. Speaker, I think there are some precedents. I know the minister is aware of this, and I would point out to hon. members that other independent firms — I believe there are 36 across the country — have supported Edmonton Telephones. They've looked at the situation — not that they want to be in it; I know the minister is aware of it — and they think Edmonton Telephones has a reasonable case in terms of the amount of money they're asking for. They say that with the exception of Edmonton Telephones, all other member companies currently receive a share of long-distance revenues originating from their operating territories. They make it clear that with the exception of Edmonton Telephones, all of them have agreements.

It's my understanding that if it were in any other city in North America, Edmonton Telephones would be getting roughly 50 to 70 percent of its total revenue from long-distance calls. I'm told it's now only about 5 percent of the moneys they have coming in. I make that point, Mr. Speaker, because the fact is that other cities in Canada, like Thunder Bay and Prince Rupert, and probably in North America — the minister would know that better than I — receive a lot more of their long-distance revenues than Edmonton Telephones does. I think what's happening in other areas is an important consideration in the fairness factor.

Mr. Speaker, I think it's important to take a look at a brief outline of the history of Edmonton Telephones and where we've come at this particular time. Edmonton Telephones was set up in 1885, long before AGT, by Alex Taylor and some other businesspeople. In 1904 city council, in what I think was a wise decision at the time, purchased a telephone company for the city. It was their heritage trust fund, if you like. It was a legacy for the future. That's the way they talked about it. In a sense it's been Edmonton's heritage trust fund. At that same time, in 1887, the Bell Telephone Company began business in Calgary and extended to other areas. Finally in 1908 the government of Alberta purchased all of the Bell Telephone Company and since then, as the minister is well aware, the two systems have operated in the province. It has been an ongoing battle — I'm not blaming just this minister — over how much Edmonton Telephones should receive.

Finally, though, the key Act came in — as I understand it; the minister may correct me — in 1972, and section 7(1) was brought in at that time. I believe it was passed by the provincial government to prohibit Edmonton from receiving its share of long-distance calls. There can be no other reason for it. I think it was a mistake at that time, and I'm asking for mistakes to be rectified somewhat later. I expect that the purpose of the Bill was to stop the feuding at the time about what would be a fair revenue. Basically it placed all the power in terms of the province, and life went on.

I think it's important to take a look at the numbers, Mr. Speaker. I'm told that long-distance calls generate some 50 percent net profit. I've already mentioned, and I think it's a key thing, that every telephone company in Canada except Edmonton receives its share of this profit. From the figures I have, Edmonton did receive something for the first time in 1979, but it was some 3 percent of its profit due from other telephone companies through AGT. That means that AGT had 97 percent of the Edmonton profit on long-distance calls. They've been bandied around, but it's worth bringing up the other figures I think are relevant. Edmonton Telephones generated \$127 million in long-distance revenue in 1982. After we deduct the costs, this leaves some \$76 million in profit, of which \$74 million was kept by AGT and \$2 million given to Edmonton. I pass on those figures because I think they're relevant.

The minister has talked about principles in terms of the negotiations, and I appreciate that. But, Mr. Speaker, I'm saying the bottom line is fairness. It's my understanding that in negotiating the city is not asking for even 50 percent of that. They're asking for roughly \$20 million out of what was \$76 million. When you talk to the citizens of Edmonton, and if you make the case to the rest of the province of Alberta — because I think Albertans are fair minded and want all regions to be treated fairly — I do not think that's an unreasonable amount of money to ask. It's comparable

to other city jurisdictions in Canada. The minister may correct me, but I believe Thunder Bay gets around \$18 million from Bell. If you were close to that sort of level, I suggest that this dispute would be settled quickly. That's what I think Edmontonians and Albertans want.

I come back to the Bill, Mr. Speaker, and say this as honestly as I can to the minister. I recognize that passing it does not necessarily solve the problem. But I believe it would at least be a first, important step in the right direction. I believe that Edmontonians and Albertans would compliment the government for doing something like this. To me it would not show weakness; it would show strength. It would be, if you like, an olive branch to get the negotiations going again. I would suggest that in terms of fairness, if we came up to figures roughly close to what I've talked about, we would have an agreement very quickly. I say to the government that Edmontonians and, I believe, Albertans as a whole expect as much from us. They want this dispute settled. It has gone on much too long. As sincerely as I can, I call on the government to look at a step like this and then get down to the negotiations. If the fairness factor I'm talking about is taken into consideration, I really believe you would be very surprised at how quickly this dispute would be settled, and there would be a huge collective sigh of relief from all of us.

I leave that with the government and certainly invite comment about it. I will be very interested in what government members have to say.

Thank you, Mr. Speaker.

MR. SZWENDER: Mr. Speaker, I would like to rise at this point and participate in the debate on Bill 241, brought forward by the Member for Edmonton Norwood. I as well rise out of a certain feeling of frustration, because I believe this issue has been outstanding for far too long and has really come no closer to an amiable and final conclusion than when it first started, whenever that time was. The member pointed out some historic dates, but I think we're more concerned with the events of the immediate past, say, 18 months.

However, after hearing the member's comments, I am quite puzzled as to where to begin mine. Mr. Speaker, after listening to the member present his selected bits of information, it is clear that he has little or no grasp of the total situation involving the dispute between Alberta Government Telephones and Edmonton Telephones. Bill 241 appears to me to be little more than opportunism on the member's part, which I believe will backfire on him by exposing his shallow understanding of a much more complex issue made even more difficult by certain people neglecting their responsibilities. I will elaborate on that.

By presenting this Bill, the Member for Edmonton Norwood in some way imagines that he has reinvented the wheel. Mr. Speaker, he makes it appear that only he is acting in the best interests of Edmontonians and, let us not forget, even more importantly, all Albertans. I would like to look at some reasons why this is not so. Let us for a moment assume that the Assembly agreed to pass this Bill. What have we achieved by doing so? Virtually nothing, because there are two far more important principles which must be dealt with before this Bill has any meaning. I will address those principles shortly.

Of course on the other hand, possibly the Member for Edmonton Norwood is so uncertain of his political future in this Legislature that he's preparing himself for a more promising career in municipal politics. I say this since the

very simplistic thinking evidenced in the Bill would make him far more comfortable in that other, very limited political arena. Maybe he's already developing a taste for tea and tea parties. This Bill clearly indicates to me that the member does not understand his role as an MLA.

As I mentioned before, two other very important principles must be addressed in finding a solution to this impasse. The first is a formula to determine how much, if anything, AGT should be giving to Edmonton Telephones in toll revenue sharing. So we're talking about an agreed-upon formula. Or, as the Milvain committee unanimously agreed to by stating as their first principle,

telephone companies are entitled to a share of the toll revenue generated, based on usage.

It may surprise the Member for Edmonton Norwood that I'm referring to the Milvain committee — something that has been attempted to be swept under the carpet.

The second basic principle outlined by the Milvain committee stated:

In the case of Alberta telephone companies they accept the obligation to provide funds to finance telephone services which are not self-supporting.

In other words, cross-subsidization. That is something the member did not make any reference to.

I want the Member for Edmonton Norwood to keep that in mind, not only while he's in Edmonton but also when he and his followers crowd into admittedly large telephone booths — since all the small ones are filled by his Liberal friends — while travelling throughout rural Alberta, including Spirit River-Fairview. Then the Leader of the Opposition will face those voters and explain to them why he so quickly concedes to Edmonton Telephones their completely unrealistic demands of \$2 million, \$20 million, or \$200 million without some set formula upon which we can determine those amounts of toll revenue sharing.

What about these two principles and the other four recommendations made by the Milvain committee? Incidentally, why is there no longer any mention of this report, whether in the media or by the opposition member, which set down the parameters by which a fair and equitable agreement could be reached? It was a well-respected committee, with two representatives from the city of Edmonton and two from the province, chaired by Chief Justice Milvain. It provided us with a working formula. Everything looked very promising in settling this long-standing dispute when the results of the October 1983 civic election disrupted the agreement between the former mayor of Edmonton and the Minister of Utilities and Telecommunications, which had been reached on July 19, 1983, and agreed to by both parties. This agreement was to the two principles and the four recommendations of the Milvain report.

Maybe at this point I should add what Milvain's four recommendations were.

1. That a company be created, before the end of 1988, to take over the entire telephone system in Alberta so designed as to give fair, equitable and efficient service to all users and in which the members of the public shall have the right to acquire shares.
2. As time will be needed in which to set up such a company that in the meantime A.G.T. and 'et' shall, before the end of 1983, enter into an "Alternate Appendix B" Agreement.
3. That the agreement provided for under 2, above shall, before coming into effect, be approved by

the P.U.B. who shall implement the 2 principles previously adopted.

4. That the necessary legislative changes be put in place to allow implementation of our recommendations.

Mr. Speaker, it's all here. As I mentioned before, we don't need the assistance of the Member for Edmonton Norwood to reinvent the wheel. The recommendations were presented in July 1983, including point number 4. I repeat:

That the necessary legislative changes be put in place to allow implementation of our recommendations.

As all members who are familiar with this issue know, Edmonton MLAs and all government MLAs agreed to the Milvain recommendations.

Mr. Speaker, let's keep this in perspective as we assess the situation since that time. It wasn't long before the change in the style of government at Edmonton City Hall became very apparent. It was a scenario most Albertans had long witnessed and despised in the federal government in Ottawa. But now it was rearing its ugly head right here in the capital city of Edmonton. As one example, Edmonton MLAs were invited to a so-called breakfast to share ideas and negotiate with city council. They were given a scant three days' notice and expected to all be there. It's curious; as I recall, that morning *The Edmonton Sun*, which is released at about 4 a.m., already had an article that no Edmonton MLAs showed at a breakfast with city council members. Yet that breakfast was not scheduled until 8 a.m. It seems to me that something was a little fishy there. It was well planned in advance. To coin a phrase, "piggly-wiggly" — I read that somewhere in *The Edmonton Journal*, in passing very quickly over its pages — is all I can say to the sincerity of that situation, which was followed within a matter of hours, that very same afternoon, by a lawsuit by Edmonton Telephones against AGT.

How much sincerity was there in terms of negotiation? It was all ready and in the lawyer's briefcase. All he had to do was cross the street, and everything was in place. Everything else was just window dressing to appear that they were sincere in front of the public. By the way, Mr. Speaker, don't ask me what that lawsuit was, since the city council has launched so many different lawsuits and appeals on behalf of Edmonton Telephones that I've lost track. I believe they have a briefcase more of those lawsuits just ready to be unloaded at their convenience.

As I mentioned earlier, Edmonton MLAs and all government MLAs have always taken the position of adopting Milvain's report, thus ensuring a fair and equitable share of toll revenues for Edmonton. For over 16 years, the people of this province were exposed to the vulgarities of a federal government which neglected the west and only paid attention to opportunities to prey upon its resources. Finally, on September 4 this year, we rid ourselves of that scourge. Those tactics of confrontations, divide and conquer, had demoralized much of the country. However, on September 4 the people of Alberta clearly indicated what they thought of the Liberal regime.

MR. ACTING DEPUTY SPEAKER: Order please. The Chair has some difficulty relating the member's remarks to the debate at hand.

MR. SZWENDER: Mr. Speaker, I was just going to correct that discomfort you were feeling by indicating that the change in the federal government on September 4 should have some serious implications for the type of government

we are presently seeing at city hall in Edmonton. I'm trying to draw an analogy, and members can draw their own conclusions. What I'm saying is that the remnants of this outdated and rejected approach to politics still lingers in the city hall of our capital. I believe the citizens of this city realize how they are being led down the garden path and will make their feelings known as this ridiculous nonsense drags on.

Again, Edmonton MLAs have maintained all along that the only questions that needed dealing with were: what is a fair amount, and how should this fair amount be established? This government has walked many extra miles since the Milvain committee handed down its report. Since recommendation number 1 of the report, dealing with the creation of one telephone system for all Alberta, wasn't acceptable to the city of Edmonton, the government agreed to forgo any talks of merger if it made negotiations too difficult. Next the government withdrew reference to Alternate Appendix B, a formula recommended by the Milvain committee to determine toll revenue sharing in a number of other jurisdictions, since the city also found this unacceptable. This was clearly a signal of compromise to arrive at a solution. But on and on we go.

Mr. Speaker, I have a stack of letters in front of me, correspondence between the mayor and the Minister of Utilities and Telecommunications, just playing the ball back and forth. As I said before, all types of questions have been put before the courts, thus rendering even any further negotiations difficult and confusing, thus really paralyzing action.

We saw a picture of city aldermen playing like children in front of some kind of computer — their famous Saint Valentine's Day massacre, or so they named it — a picture of immaturity and irresponsibility by elected officials. It was really quite embarrassing to witness. I'm sure even the Member for Edmonton Norwood would agree. We have Mr. Leger gloating over the fact that AGT is losing large sums of money because of the scrambling which resulted from that day. The alderman's comment suggesting that Edmontonians phoning long distance could easily give a false number and escape payment does nothing but discourage dishonesty among unscrupulous people.* Is this a proper attitude, an example to be set by a public official?

Maybe the Member for Edmonton Norwood could explain where those lost revenues are coming from. Some of us pay taxes to the city of Edmonton, but all of us pay taxes to the government of Alberta. I hope the member across is not part of any scheme which deprives AGT of its rightful revenues. Maybe the member would support a tax increase for all Albertans so a few city politicians can have a few laughs.

At this juncture, Mr. Speaker, I must ask the question: what do we do next? By passing this Bill, have we brought ourselves any closer to a negotiated settlement? If the Member for Edmonton Norwood is so keen to help bring about a settlement, why doesn't he offer his services as a mediator in this dispute? Maybe then he could see firsthand the type of people we have been forced to negotiate with. Possibly, on behalf of the unemployed in his constituency, he would ask how many city lawyers are taking city taxpayers' money home in these frivolous lawsuits. Perhaps the Member for Edmonton Norwood would ask members of city council who's in charge over there. Half the aldermen count; half don't. The mayor and his henchman Alderman Leger do all the squawking, with not a sound from the other 11 members of city council. Where are those silent aldermen?

MR. MARTIN: I appreciate the member's . . .

MR. SZWENDER: Is that a point of order?

MR. MARTIN: Yes. On a point of order, I don't think the dispute is here. I think it's inappropriate for this body to be attacking the integrity of Edmonton city council. We can disagree on the principle of the Bill. But I don't think it's appropriate here, and I don't think it's to anybody's benefit to get into accusing other politicians of a lack of integrity. I ask the member to take that into consideration in his remarks.

MR. SZWENDER: Mr. Speaker, that was not intended in my comments, and I in no way suggested that the integrity of city council was in question. If the member interpreted that, he's fully free to do so.

Anyway, I was asking the question: where are the other 11 aldermen that represent city council? They were elected to represent the city, which owns and operates Edmonton Telephones. The members of this Assembly were elected by all Albertans, who are proprietors of Alberta Government Telephones. Am I to speak for a municipally owned telephone company or the city council which was elected to govern it? Who's supposed to speak for Edmonton Telephones? I will endeavour to gain a fair and equitable sharing for Edmonton Telephones and all Edmontonians, as I am sure all Edmonton MLAs will. We cannot reach any conclusions if one side is unwilling to come to the bargaining table. Since the Milvain report's release in 1983 — and very quickly we've almost passed through 1984 — we haven't gotten any closer to a solution.

There was some suggestion that when a decision on toll revenue sharing was agreed to, it would be retroactive to the end of 1983. Mr. Speaker, I will oppose any suggestion that those payments of revenues, whatever and whenever they may be, be retroactive. They will come into effect when that settlement is finally made, in order that certain members negotiating for Edmonton Telephones do not think they can drag this on for five, 10, or 20 years, however long they feel like doing it, and then expect to get revenues retroactive to 1983. They will not get a penny before then. So let the citizens of Edmonton decide how much revenue they have forgone due to the intransigence of city council.

In conclusion, Mr. Speaker, by debating and passing this Bill, we are only putting the cart before the horse. As such, I will not support it but would be more than willing to reconsider this decision once the principles have been agreed upon by the two sides in the dispute.

[Mr. Speaker in the Chair]

MRS. CRIPPS: Mr. Speaker, I'd like to make a few comments on Bill 241. I'd like to say at the outset that I don't believe I can support it, because I don't think the enactment of this Bill would really aid in settling the dispute before us.

I'd like to give a little historical review. I know the purport of the Bill did. While recognizing the key importance of the last 18 months, I think it is important to go over the historical overview. I'd like to point out that the dispute in question is certainly not new, and the Member for Edmonton Norwood mentioned that. Upstairs I have a legislative report dated Friday, February 18, 1907, in which the same arguments were made in this Legislature on cross-

*See member's explanation on p. 1450.

subsidization and providing efficient and reasonably priced telephone service to all Albertans.

At that time, Mr. Speaker, there were 300 independent telephone companies whose main purpose was self-serving. Only one of those 300 companies is left. I might also point out that there have been three independent commissions appointed to look at the issues of toll sharing and AGT/ET boundaries over the last 25 years. In 1963 the two companies agreed that ET would not expand beyond the boundaries of Edmonton at that time. In 1971 the Telephone Mediation Committee concluded that the two systems should merge or form a partnership and ET should subsequently supply service to Mill Woods and Castle Downs.

Following the recommendations of a second negotiating committee in 1972, legislation was enacted which enlarged the ET boundaries to take in Jasper Place and conform with the city limits. At the same time, the AGT-Edmonton Telephones Act legislated no toll sharing. I understand that a compromise was reached whereby the city of Edmonton agreed to forgo toll revenue in exchange for Edmonton Telephones' absorbing the AGT franchise area which was now within the city limits. The Act also provided that ET should not be liable to pay AGT for cross-subsidization.

Quite frankly, I'm amazed that three inquiries spanning 25 years came to the same conclusion — that the best interests of Edmontonians and all Albertans would be served by a merging of the two telephone systems, thus eliminating the costly interconnect and duplication of services. You must recognize, Mr. Speaker, that I'm speaking from a rural point of view. I'm served by a toll-free area of plus or minus 200 telephones. Every business call we make is long distance. We do not have toll-free access to police, doctors, hospitals, machinery, grocery, hardware dealers, or government services. For all the services urban Albertans take for granted as being toll free, rural customers pay long-distance charges.

There's little difference in the base monthly fee, except that my phone bill, my neighbour's bill, and many rural Albertans' bills are excessive, since all business, professional, or government service phone calls are made long distance. Residential phone bills in my area would be at least equivalent if not above the business phone bill in the city. I'm told that the reason we cannot have extended flat rate calling is the lack of profit in long-distance phone calls. Yet a letter I got from the mayor of the city of Edmonton indicated that 60 percent of long-distance calls is profit.

The above leads me to cross-subsidization. Cross-subsidization is an established policy in the province of Alberta. Natural gas, power, telephone, transportation systems — even such expensive ones as rapid transit — are subsidized by the province as a whole. Last month I was in the West Pembina oil field. I stopped at one plant that pays \$206,256 a day in royalties. There are five other major companies and probably 25 minors. Since 49 percent of the general revenue of the province of Alberta is supported by oil and gas royalties, I can assure you that the Drayton Valley constituency feels there is cross-subsidization. It isn't all a one-way street. In this case, a lot of it goes from West Pembina to other centres in the province.

Mr. Speaker, in that one plant the same company paid approximately \$3,000 a month in long-distance phone charges. Fifty percent of those calls are made to Edmonton, ordering supplies and services. Quite frankly, because of the attitude taken in the ET/AGT dispute, my constituents in West Pembina wonder if Edmonton really wants their business. I think the posturing is hurting the city in the long term.

ANHON. MEMBER: We'll take their business in Calgary.

MRS. CRIPPS: It's further to haul; transportation plays a part.

I want to mention the escalation of the telephone dispute as of October. The other member has already mentioned it. There was agreement, and then of course we all know that council changed. During the first week in September, the Milvain recommendation number 1 was rejected. The thing I really want to mention is that on December 13 city council passed a resolution asking ET employees to undertake all possible means to achieve toll revenue sharing ends. They were also asked to prepare an advertising campaign to explain the city's view and position on the issue. At that point the issue became a media event, and an extensive press, radio, and television information campaign began. We had one on the other side too. It reminds me of the person who had written "WPSLH" every once in a while in the margin of his speech. One day somebody asked him what WPSLH meant, and he said, "Weak point, shout like hell". Maybe that's the reason for all this posturing.

Other members have outlined the basic principles. Suffice it to say I agree, and I certainly won't reiterate them. I'd like to point out to the sponsor of the Bill, though, that Edmonton Telephones does not in fact have long-distance equipment. That is owned and operated by AGT, and I'm sure you're well aware of that. I would love to get into calculating the net benefits and paybacks, but I really don't believe that's in the principle of the Bill.

It's becoming increasingly apparent to rural Albertans that there doesn't seem to be a determination by city council to bring this dispute to a settlement. I don't fully understand computers, but I'm certainly fully aware of the intricacy of computerization. We all realize that the February 14 scrambling was not a spur-of-the-moment decision but a very well-planned, adversarial decision on the part of Edmonton Telephones. I have a letter which is dated 1984/03/02. I don't know whether that's the third of the second month or the second of the third month but, in any case, it's very close to February 14. The last sentence in that letter says:

I assure you that my Council and I stand ready and eager to solve this situation through open, honest negotiation, and with a complete absence of customer service interruptions.

If this 84/03/02 is the second of March, which I think it is, then there were customer interruptions at that time. I'm sure all Edmontonians and Albertans would be extremely happy to see the absence of customer service interruptions and the restoration of computerized billing procedures.

As a representative of all Albertans, it is incumbent on me to give consideration to the best interests of each and every Albertan, whether they live in Edmonton or a remote corner of this province. For this reason the solution to the AGT/ET dispute must be fair to all Albertans and provide the most efficient, economical telephone service possible.

MR. SZWENDER: On a point of order, Mr. Speaker. I'd like to clarify a comment I made earlier, which the Member for Edmonton Norwood referred to. My comment, regarding Alderman Leger's comments about the ease with which false billing information could be given to AGT intercept operators, was intended to indicate that they encouraged unscrupulous people to do so.* It in no way impinged upon Mr. Leger's integrity.

*See p. 1449.

MR. PAPROSKI: Mr. Speaker, I'm pleased to enter the debate on Bill 241, introduced by the hon. member of the opposition from Edmonton Norwood. While I share his concern — and do I ever share his concern — regarding the AGT/ET dispute, I just can't accept this particular Bill as a solution. I cannot agree with the method by which you would have us settle this dispute. A solution to this dispute is not, as the hon. member intimates, as simple as repealing section 7 of the AGT-Edmonton Telephones Act. He would have us believe that by repealing this section, this dispute would end tomorrow. I suggest this is mere wishful thinking.

If I felt that a repeal of this section would produce a fair, equitable, and long-term solution, I would be the first to support this particular Bill. However, I fear that the Bill before us today is a simple solution to a very complex problem and would not have the desired effect the sponsor of the Bill is looking for. I share in the frustration of the people of Edmonton, and I hope to see a resolution of this matter in the not too distant future. However, Bill 241 is not the answer.

Apart from section 7, this Bill deals with many other considerations to be looked at. I hope to cover some of them in my remarks today. The current dispute between AGT and Edmonton Telephones over toll revenue sharing is by no means a new phenomenon, as other members have indicated. As far as my figures show, this dispute has been waged off and on since 1908, when AGT and Edmonton Telephones became the only two telephone systems in Alberta. Throughout the negotiations over the past 70 years, there has been a variety of proposals, counterproposals, and bargaining ploys by both sides. One thing has remained constant, however. In every instance, the issues were left unsettled and the dispute left unresolved.

This is why I firmly believe that a long-term solution, rather than a temporary, makeshift one, must be achieved. A solution will be long term only if it is fair and equitable. Short-term measures such as this Bill do not meet these criteria and thus, as far as I am concerned, are not the answer.

What would be a fair and equitable solution for this dispute? I concur with the hon. Minister of Utilities and Telecommunications, in that I feel a settlement must be grounded on the two principles articulated in Chief Justice Milvain's report. These two principles have been enunciated, but I think they bear repeating.

1. Telephone companies are entitled to a share of the toll revenue generated, based on usage.
2. In the case of Alberta telephone companies they accept the obligation to provide funds to finance telephone services which are not self-supporting.

If Edmonton Telephones wants a share of toll revenue, it seems fair that they also share in the cross-subsidization of those telephone services which are not self-supporting. This is the give-and-take characteristic of any negotiation. In all fairness, I think both the province and the city of Edmonton have agreed upon these two principles. Thus the current dispute does not directly revolve around section 7, in that both parties have already agreed to the two basic principles put forward by the Milvain committee. As far as I'm concerned, the Member for Edmonton Norwood, by thinking that repealing section 7 will resolve the dispute, is missing the mark.

The nuts and bolts of the dispute now revolve around what body should arbitrate over the dispute between AGT and Edmonton Telephones. The province endorses the Public

Utilities Board as the appropriate body, while the city of Edmonton prefers some other body, such as the CRTC. However, the Federal Court of Canada ruled just a few days ago that the CRTC does not have jurisdiction over AGT, in that AGT is an agent in right of the Crown for the province of Alberta. Legal jargon aside, this would appear to grant jurisdiction to the Public Utilities Board.

Mr. Speaker and members of the Assembly, there are a number of other reasons why we should not support this Bill today. The Milvain commission's report recommended that an agreement should be approved by the Public Utilities Board prior to its coming into force. It would therefore seem that to amend legislation prior to PUB approval would be premature, particularly in light of the past history of agreements between the province and the city of Edmonton on this particular dispute. The city has in the past reneged on commitments made to this province. The reversal of the city's support of the four recommendations made by the Milvain commission serves to illustrate that until a formal agreement is in place and agreed upon, it would be irresponsible to repeal section 7.

The hon. Member for Edmonton Norwood may argue that by repealing section 7 the province would be making a gesture of good faith to get the negotiations rolling again. Indeed that's what he said in this House today. The exact reverse may actually be the case, Mr. Speaker. Repealing section 7 would not be the opening gambit to continue negotiations but instead would be a radical change in the parameters of negotiations and could jeopardize the progress made to date. For example, if negotiations break down after this section is repealed, or they stall again, then the province is put in a position of having to re-enact section 7. In the course of negotiations, such a move could be interpreted as intransigence on the part of the province and exacerbate the situation further. In this scenario, repealing section 7 now and possibly having to re-enact it later might have more detrimental effects than positive ones.

Turning to the question some members have alluded to, bill scrambling and operator intercepts, as far as I'm concerned, this is in no way related to section 7, nor does section 7 stand in the way of a solution to the problem. The scrambling of billing information is a negotiating ploy employed by the city, and therefore falls, in my estimation, under the political aspects of this dispute. The timing of a repeal of section 7 is not a political ploy but a very real procedural question. Any repeal will not immediately result in telephone service returning to a pre-February 1984 state for Edmontonians. Mr. Speaker, such a move would be shortsighted and have effects of little consequence.

Having said all this, ladies and gentlemen of the Assembly, I still share in the frustration the people of Edmonton have experienced over the last eight months while this dispute has been raging. As a resident of Edmonton and an MLA for a constituency in Edmonton, I want to see a resolution to this matter. However, any resolution must — and I stress "must" — comprise three components: first, it must be long term in nature; secondly, it must be fair to both the city and the province; and thirdly, it must be equitable.

I am concerned about the inaction over this dispute, especially in the last five months. I want to urge both the hon. Minister of Utilities and Telecommunications and the city of Edmonton to get back to the negotiating table and hammer out an agreement in the not-too-distant future — not an agreement of convenience as is proposed by this particular Bill but a meaningful, long-term agreement. In

this way the people of Edmonton can go back to enjoying telephone service as it was before February 14. Let's bring some of that long-distance feeling back home and resolve this dispute in a fair and equitable fashion.

Mr. Speaker, do we want a negotiated settlement or a court settlement? Some aldermen are now publicly stating, get back to the table — a refreshing new entrance into this debate. For example, Alderman Hayter was quoted in the local press a few days ago as saying he planned to make a motion at the next council meeting that the mayor contact our minister for a return to the bargaining table. Evidently Alderman Hayter was informed by a particular alderman who shall remain nameless that a call from the mayor would be interpreted as a sign of weakness. In closing, let me quote Mr. Hayter's comments to that view: a phone call from the mayor saying, "Let's get this resolved instead of making the legal profession wealthy" isn't a show of weakness; it makes sense. Mr. Speaker, let's please communicate. It's not a we and they issue. I appeal to the minister in this House and to my mayor to please sit down and have open discussions now. Enough is enough.

MR. BOGLE: Mr. Speaker, I welcome the opportunity to add some comments to Bill 241, An Act to Amend the AGT-Edmonton Telephones Act, introduced by the hon. Leader of the Opposition.

In the opening comments made by the hon. Member for Edmonton Norwood, the question was raised on more than one occasion: what is fair? What is fair not only to the citizens of Edmonton, who through their local government own the telephone system which provides telephone services in the city on a local exchange basis, but also to Alberta Government Telephones, which as a Crown corporation is owned by all Albertans, including Edmontonians?

The hon. Member for Edmonton Belmont went on to make reference to the Milvain committee, which was jointly struck by the previous mayor and me and consisted of five members chaired by the former chief justice of this province, with representation from three Edmontonians, a Calgarian, and the mayor of a smaller rural community. The hon. member went on to remind this Assembly that the Milvain committee brought in a set of recommendations based on two basic principles that were unanimously agreed to by all members of the committee.

The hon. Member for Drayton Valley was kind enough to share with us some of the history between these two telephone companies from the turn of the century on. She made specific reference to the 1971 Telephone Mediation Committee and the 1983 Milvain committee report. I believe it was also indicated by the hon. member that the primary recommendation in both the 1971 telephone mediation report and the 1983 Milvain committee report was that there should be a rationalization between the two companies.

In fact if we look specifically at the 1971 committee, which was chaired by Alexander Lester, the retired vice-president for Bell Canada — the other two members were Jim Dodds, the general manager of Alberta Government Telephones, and Stanley Hampton, utilities commissioner for the city of Edmonton — the committee's three recommendations were: one, the two systems should be merged through the purchase of ET by AGT; two, failing an agreement on merger, a joint corporation should be formed with the city and AGT as partners in providing local services within Edmonton; and three, pending action on one and two, local telephone services in Mill Woods and Castle

Downs subdivisions should be provided by Edmonton Telephones.

The Milvain committee did not suggest that Edmonton Telephones be purchased by AGT. As their first recommendation, they suggested that both companies be sold to a new company and that that company offer shares to the public — a very exciting concept and, in my view, an opportunity to see some privatization in terms of giving Albertans that opportunity.

The hon. Member for Edmonton Kingsway has provided this House with some very sound, rational reasons why the Bill in its present form is incomplete. It may be a first step, but it does not identify in a legislative sense how you're going to solve this particular matter. The hon. member concluded his remarks by suggesting that there needed to be a meaningful, long-term agreement — not an agreement that will get us by the next year or two or five but an agreement that will once and for all bring to a conclusion the outstanding issues between these two telephone companies.

It seems to me, Mr. Speaker, that there are two basic facts which need to be put on the floor of the Assembly in terms of a basis for any settlement between these two companies. They are a recognition of the realities that exist between Alberta Government Telephones and Edmonton Telephones. I would suggest that the first basic fact is that the Alberta telephone network, comprised of Alberta Government Telephones and Edmonton Telephones, is an integrated system. The network must be operated in an integrated manner to ensure quality and service at reasonable cost for all Albertans.

The second basic fact is that within the Alberta network Edmonton Telephones and Alberta Government Telephones have the right to coexist as separate companies. Edmonton Telephones provides the city of Edmonton with local exchange services. Alberta Government Telephones provides this service in all other parts of the province. Toll services are provided throughout Alberta by Alberta Government Telephones. The head office of Alberta Government Telephones is in Edmonton, as is the toll building which serves customers in northern Alberta and the city of Edmonton.

Mr. Speaker, a basic concept that would have to be built on the foundation I've just identified is that long-distance telephone services should be provided such that Edmonton telephone subscribers are treated the same as Calgary telephone subscribers. We have two large metropolitan centres, and we should ensure fairness and equity between those two centres. The share of toll revenue that Edmonton Telephones would receive or contribute should approximate as closely as possible the amount that Edmonton would receive or contribute if it were part of the Alberta Government Telephones local operating territory.

Based on that concept, Mr. Speaker, there are six principles I'd like to enunciate. Alberta Government Telephones and Edmonton Telephones are entitled to a share of all toll revenue generated in Edmonton, and both companies have an obligation to finance basic telephone services in the province which are not self-supporting to ensure that all Albertans receive fair and equitable treatment. The cost of providing local telephone services within Calgary and Edmonton should be excluded from any determination of a settlement.

Secondly, both Alberta Government Telephones and Edmonton Telephones should be regulated by the same regulating agency, and the telephone rates for both Edmonton and Calgary should be the same. As the owner of Edmonton

Telephones, the city of Edmonton should have the right to impose different rates or charges than those fixed by the regulatory agency, as long as those differences are identified on the customer's bill. In other words, if city council in Edmonton wished to reduce the charge of telephone rates in the city, it should have the right to do that as the trustee on behalf of Edmontonians. But clearly that should be indicated on the phone bill.

As well, the telephone . . .

MR. SPEAKER: I hesitate to interrupt the hon. minister, but I must draw to his attention that the clock has reached half past five. I therefore have the duty under the *Standing Orders* to adjourn the Assembly until 8 o'clock this evening.

MR. BOGLE: Could I adjourn the debate then, Mr. Speaker?

MR. SPEAKER: I think that follows automatically without a motion.

MR. KING: Before you leave the Assembly, Mr. Speaker, perhaps I could take a moment to explain to members what the business of the House will be this evening. As you have suggested, the House will convene at 8 o'clock, at which time we will do second reading of Bills 74, 80, and 81. It is our intention to then go into Committee of the Whole to go through, first, the Bills of the hon. Provincial Treasurer and then, beginning with Bill No. 22, the Bills that are at committee stage. Depending upon our progress, at the conclusion of business in committee, we will revert to further second readings.

[The House recessed at 5:31 p.m. and resumed at 8 p.m.]

head: **GOVERNMENT BILLS AND ORDERS**
(Second Reading)

Bill 74
Municipal District of Clearwater No. 99
Incorporation Act

MR. CAMPBELL: Mr. Speaker, it gives me great pleasure to move second reading of Bill No. 74, the Municipal District of Clearwater No. 99 Incorporation Act.

Mr. Speaker, it is a pleasure to introduce some guests who are in the public gallery. I would ask them to rise after I have introduced them. They are Mr. Ty Lund, chairman of ID No. 10; Mr. Wayne Devereux, a councillor with ID No. 10, Mr. Russell King, another councillor with ID No. 10; and Evert Tekelenburg, who sits on an agricultural development committee in the Rocky Mountain House area. I'd like you to give them a welcome, if you would, please. They are certainly sitting in on some history, due to the fact that the municipal district of Clearwater is going to be incorporated as of January 1, 1985.

Bill 74 is the result of a long historical process, which I've been involved with for many years. In 1958 improvement district No. 10 established the first advisory council in the province. In 1980 the advisory council of improvement district No. 10 made a request to the Minister of Municipal Affairs that a study be undertaken to determine the feasibility of the incorporation of ID No. 10. This process took three

years. In early 1984 the advisory council brought the options available for incorporation to the attention of the minister. A series of local meetings followed, and on March 6, 1984, the Minister of Municipal Affairs confirmed that legislation would be introduced to incorporate improvement district No. 10, effective January 1, 1985.

Bill 74 legally dissolves improvement district No. 10 and formally transfers responsibility for the ongoing affairs of the municipality to the local council. I would like to outline the provisions in the Act which ensure an orderly transition.

First, section 5 of the Act establishes a 15-month period, beginning January 1, 1985, during which the Minister of Transportation and the council of the new municipality will arrange for the transition of responsibility for the construction and maintenance of roads in the municipality.

Secondly, section 7 of the Act provides the legislative authority for the new municipality to adopt the ID No. 10 property assessment values made during 1984. These values will be used by the new municipality for taxation purposes until a general assessment is made in the new municipality.

Thirdly, section 8 of the Act ensures that the advisory council of ID No. 10 will become the council of the new municipality until an election is held under the Local Authorities Election Act. There was some concern in the improvement district with regard to an election. There were very few people in improvement district No. 10 who would like an election, due to the fact that it would have to be held possibly in the spring of 1985 and then of course another election held in 1986.

Fourthly, the incorporation of ID No. 10 presented the government with a unique situation. The new municipal district of Clearwater No. 99 is 87 percent within the green area, and the area involved is almost entirely Crown land. Sections 4 and 6 of the Act represent a compromise between the requests for incorporation of improvement district No. 10 and the need to protect the provincial responsibility for the development of the natural resource base. Bill 74 states that in the unsettled areas of ID No. 10, only the assessment base will be made available to the new municipal council. Authority over control and development of the land will remain with the Crown. All municipal districts and counties in Alberta are responsible for forest fire protection and prevention within their jurisdiction. However, in the case of ID No. 10, other factors had to be taken into consideration, namely the size of the forest reserves and the extent of provincial control of land use and development. Therefore it was agreed that the province would retain responsibility for forest fire protection in the unsettled areas of improvement district No. 10. As the province is assuming a huge financial responsibility for the area, it will retain authority over the control and development of the land in question. This ensures that the province will be able to permit well planned development on Crown land, with consultation of the local council.

In closing, the incorporation of improvement district No. 10 will provide significant cost savings to the Department of Municipal Affairs, as five departmental positions will be eliminated. It will also provide autonomy for the new municipality from the province. Decisions affecting the municipality will be made at the local level and reflect the wishes of the residents of the municipal district of Clearwater No. 99.

I urge all members to support second reading of this Bill. Thank you.

MR. JONSON: Mr. Speaker, as the MLA for the northern portion of the new municipal district, I would like to add my support to second reading of the Bill. During my brief tenure as MLA for the area, I have been pleased to represent the Faraway district which, as I've said, is at the northern section of the municipal district. The Faraway district residents are a very close-knit and active community, a great group of people to meet with and represent. The area has great potential for recreation and tourism, forestry, development of the oil and gas industry and, in the area west of Rimbey certainly, further development of agriculture.

I'm pleased to see the formation of local government in the form of a municipal district. This way the school services that have been established in the area in the form of the Rocky Mountain school division in the southern and western area and the services of the county of Ponoka to the Faraway district can continue, which I believe is certainly according to the wish of the residents in the Faraway district with which I'm familiar.

I wish the residents of the municipal district and the council members, now and in the future, the very best in their endeavours in operating what I think will be a very viable and dynamic part of the province with its own local government.

MRS. CRIPPS: Mr. Speaker, I'd just like to take this opportunity to wish the new county of Rocky Mountain House best wishes. Oh, I beg your pardon. Clearwater.

MR. KOZIAK: Mr. Speaker, I want to rise in my place and join with other hon. members in supporting second reading of Bill 74, the Municipal District of Clearwater No. 99 Incorporation Act. I imagine that we're somewhat akin to attending upon a birth when we speak to second reading of the incorporation of municipal district No. 99. As a matter of fact, one wonders as to who the mother is, who the father is, and who the attending physician and midwife are. I was ready to conclude that the Member for Drayton Valley was the mother because she was already changing the name. Being the father of five children, Mr. Speaker, I know the trauma that name selection creates.

Fortunately in this particular case, we had some support from the school children in the area. Three of the children chose the municipal district of Clearwater as the name in a competition that was open to all school children in the area. I understand it was Mr. Peter Patrazzini whose submission of the name Clearwater was first. That was the name then chosen by the advisory committee as the name for the municipal district. On July 3 they also chose the number 99. I wonder what the significance of that number is, Mr. Speaker? There is no doubt that the number 99 has been worn on the back of a certain sports-minded person in Edmonton who has excelled. I imagine that number will bode well for the new municipal district.

Mr. Speaker, there are 18 municipal districts in this province, and with the incorporation on January 1 of MD No. 99 and MD No. 1, we will have 20 municipal districts. It's interesting that municipal districts today represent only 8 percent of the area of the province; counties, another 17 percent; special areas, 3 percent; and improvement districts, 72 percent. So the vast majority of this province is governed by the improvement district concept of government.

With the incorporation of the municipal district of Clearwater, we are shifting 4.6 million acres from improvement district status to municipal district status. That will increase by 36.8 percent the lands in this province that are governed

by the municipal district style of government. The municipal district will be seven times as large as the average municipal district in this province. It will be a wealthy municipal district, with an assessment per capita that's almost twice that of the average.

Mr. Speaker, when the mover of the Bill gave some of the history that led to this historic occasion, he did not identify himself as one of the early advisory council members. I want to pay tribute to his service as an advisory council member during his term in that capacity. He was appointed in 1970 by ministerial order 334/70 and served the area with distinction.

As well, Mr. Speaker, as some of the members of the advisory council are here, I want to pay tribute to that council. Their chairman, Ty Lund, and members James Varty, George Penney, David McDonald, Russell King, Wayne Devereux, and Wayne Ahlstrom did a marvellous job during the month of February this year, in 20 meetings throughout the improvement district, in encouraging the support of all of the some 8,800 residents for the incorporation of the municipal district. I know that when I attended a meeting on March 6 in the David Thompson school, the council was assembled there with some trepidation because they weren't sure what the public would raise in terms of issues relative to the concept of incorporation. But we were all pleased that in the partnership we had leading toward the incorporation, we were to provide mutual support — the provincial government and the local government — toward this very important transition leading toward local government in a very important part of the province of Alberta.

Mr. Speaker, it's my pleasure to join with others in supporting second reading of Bill 74 and in congratulating the mover and other MLAs who have spoken who represent the area and the advisory council and all their efforts leading toward this very historic moment. It's a proud moment, and I ask all Members of the Legislative Assembly to support this proud moment by voting in favour of second reading of Bill 74.

MR. R. MOORE: Mr. Speaker, I'd like to join with my colleagues and say a word of welcome to the new municipal district that's being formed in Alberta. It forms the west side of my constituency, and I concur fully in what my colleague said. Mr. Campbell said it so well. I wish them well and hope they have a very exciting future, which we visualize they have.

MR. McPHERSON: Mr. Speaker, as the member for the constituency of Red Deer, I'd like to very briefly join in the debate on this historic occasion, to acknowledge the officials in the public gallery and welcome the new Clearwater municipal district, to assure all members and all citizens in that constituency that we have an abiding interest in the issues that involve all of us in central Alberta and look forward to the opportunity of working closely with all the citizens in that constituency along with their very dedicated MLAs in the years to come.

MR. SPEAKER: Are you ready for the question?

HON. MEMBERS: Agreed.

MR. SPEAKER: Having heard the motion by the hon. Member for Red Deer for second reading of Bill 74, the

Municipal District of Clearwater No. 99 Incorporation Act, would the members in favour of the motion please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: And those opposed, please say no.

MR. McPHERSON: Mr. Speaker, on a point of order. I heard you say, sir, that the motion was sponsored by the Member for Red Deer. In fact it's sponsored by the Member for Rocky Mountain House.

MR. SPEAKER: That's what I intended to say. [laughter]

[Motion carried; Bill 74 read a second time]

Bill 80

Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Supplementary Act, 1984-85

MR. HYNDMAN: Mr. Speaker, I move second reading of Bill No. 80, the Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Supplementary Act, 1984-85.

[Motion carried; Bill 80 read a second time]

Bill 81

Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1985-86

MR. HYNDMAN: Mr. Speaker, I move second reading of Bill No. 81, the Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1985-86.

[Motion carried; Bill 81 read a second time]

[On motion, the Assembly resolved itself into Committee of the Whole]

head: GOVERNMENT BILLS AND ORDERS (Committee of the Whole)

[Mr. Purdy in the Chair]

MR. DEPUTY CHAIRMAN: Will the Committee of the Whole please come to order for consideration of Bills.

Bill 71

Alberta Heritage Savings Trust Fund Special Appropriation Act, 1985-86

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to any section of this Bill?

[Title and preamble agreed to]

MR. HYNDMAN: Mr. Chairman, I move that the Bill be reported.

[Motion carried]

Bill 77

Public Service Pension Plan Act (No. 2)

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to any section of this Act?

[Title and preamble agreed to]

MR. HYNDMAN: Mr. Chairman, I move that Bill 77 be reported.

[Motion carried]

Bill 87

Public Service Management Pension Plan Act

MR. DEPUTY CHAIRMAN: There is an amendment. Are there any questions or comments regarding the amendment?

[Motion on amendment carried]

[Title and preamble agreed to]

MR. HYNDMAN: Mr. Chairman, I move that Bill 87 be reported as amended.

[Motion carried]

Bill 22

Physical Therapy Profession Act

MR. DEPUTY CHAIRMAN: There are amendments to this particular Bill. Are there any questions or comments with respect to the amendments?

[Motion on amendments carried]

[Title and preamble agreed to]

MR. KING: Mr. Chairman, I move that the Bill be reported as amended.

[Motion carried]

Bill 29

Exemptions Amendment Act, 1984

MR. DEPUTY CHAIRMAN: There is an amendment to this Bill. Are there any questions or comments to be offered with respect to the amendment?

[Motion on amendment carried]

[Title and preamble agreed to]

MR. KOWALSKI: Mr. Chairman, I move that Bill 29, the Exemptions Amendment Act, with the amendment, be reported.

[Motion carried]

Bill 58
Corporation Statutes
Amendment Act, 1984 (No. 2)

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to any section of this Bill?

[Title and preamble agreed to]

MR. DROBOT: Mr. Chairman, I move that Bill No. 58, entitled the Corporation Statutes Amendment Act, 1984 (No. 2), be reported.

[Motion carried]

Bill 60
Election Finances and Contributions
Disclosure Amendment Act, 1984

MR. DEPUTY CHAIRMAN: There is an amendment to this Bill. Are there any questions or comments to be offered with respect to this amendment?

[Motion on amendment carried]

[Title and preamble agreed to]

MR. PAYNE: Mr. Chairman, I move that Bill No. 60, the Election Finances and Contributions Disclosure Amendment Act, 1984, be reported.

[Motion carried]

Bill 61
Wild Rose Foundation Act

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to any section of this Bill?

[Title and preamble agreed to]

MR. PAYNE: Mr. Chairman, I move that Bill No. 61, the Wild Rose Foundation Act, be reported.

[Motion carried]

Bill 62
Retirement Annuities Repeal Act

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to any section of this Bill?

[Title and preamble agreed to]

MR. R. MOORE: Mr. Chairman, on behalf of the Member for Calgary North Hill, I move that Bill No. 62, Retirement Annuities Repeal Act, be reported.

[Motion carried]

Bill 63
Fuel Oil Tax Repeal Act

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to any section of this Bill?

[Title and preamble agreed to]

MR. THOMPSON: Mr. Chairman, I move that Bill No. 63 be reported.

[Motion carried]

Bill 64
Municipal District of Cypress No. 1
Incorporation Act

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to any section of this Bill?

[Title and preamble agreed to]

MR. HYLAND: Mr. Chairman, I move that Bill No. 64, Municipal District of Cypress No. 1 Incorporation Act, be reported.

[Motion carried]

Bill 65
Special Areas Amendment Act, 1984

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to any section of this Bill?

[Title and preamble agreed to]

MR. KOZIAK: Mr. Chairman, on behalf of my colleague the Member for Chinook, I move that Bill 65, the Special Areas Amendment Act, 1984, be reported.

[Motion carried]

Bill 66
Reciprocal Enforcement of
Maintenance Orders Amendment Act, 1984

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to any section of this Bill?

[Title and preamble agreed to]

MRS. FYFE: I move that Bill No. 66, Reciprocal Enforcement of Maintenance Orders Amendment Act, 1984, be reported.

[Motion carried]

Bill 67
Water Resources Amendment Act, 1984

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to any section of this Bill?

[Title and preamble agreed to]

MR. BRADLEY: Mr. Chairman, on behalf of my colleague the hon. Member for Chinook, I move that Bill No. 67, the Water Resources Amendment Act, 1984, be reported.

[Motion carried]

Bill 68
Environment Statutes Amendment Act, 1984

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to any section of this Bill?

[Title and preamble agreed to]

MR. BRADLEY: Mr. Chairman, I move that Bill No. 68, the Environment Statutes Amendment Act, 1984, be reported.

[Motion carried]

Bill 69
Municipal Taxation Amendment Act, 1984

MR. DEPUTY CHAIRMAN: Are there any questions or comments to be offered with respect to any section of this Act?

MR. CLARK: Mr. Chairman, I would like to express a few concerns on this Bill that have been brought to me by some of the municipalities within my constituency. I'd like the minister to clarify a few points for the record. To do this, I would like to use an example as to the effect this Bill will have on one of the municipalities in my constituency. The reeve brought these concerns to me, and I thought it was only right that I bring them before the Assembly so it would know the effect that this Bill is going to have on the taxation in some of the counties, mainly the county of Wheatland in my area, and any other municipal district that is in the same position as that county.

The figures I am about to put before the Assembly are based on retaining the same income and services over the next three years that the county now has; that is, no increase in school costs, municipal costs, or health care. In other words, to retain the income they now have for school, municipal, and health services, the figures will be the amount that the county has to raise in hard cash through taxes for the loss of assessment on industry, which we have taken off.

In the last year the actual dollars — and I'm speaking actual dollars now. In 1985 the loss of revenue over the following year, with no increase in any kinds of services or income, will be \$293,882 for the first year. In 1986 the loss will be \$409,392, and in 1987 the loss will be \$614,089. The total loss for those three years will be \$1,317,063 and, at the end of three years, will amount to a 20 percent increase in farm taxes to retain the same income they have now. From 1987 on, the loss in revenue will continue to be \$614,089 per year over the next 16 years and, as I said before, there will be a 20 percent increase in farm taxes just to maintain what they have now.

The council is a very reasonable one. They understand why the government wants to do this and why they need to encourage industry into our province, as everybody does. But they have some concerns. I was informed that although it will be very tough, the county could probably tighten its belt and cut the municipal services, the road programs, and

the road maintenance to absorb any further increase in municipal expenditures, so as not to accelerate the 20 percent increase in taxes over the next three years. In other words, it wouldn't go up to 20, 25, or 30 percent if they had a 5 percent increase each year.

However, they are not that optimistic in the area of education. I sat on a school board for nine years, and I never saw a school board work on the same budget for three years in row. I have seen them keep the same budget for one year but never three in a row or more. Of course their concerns are that they really don't have control over the educational expenditures like they do in other areas of the municipality, due to large wage agreements that are sometimes put out and to programs put in by the Department of Education that are beyond their control.

Mr. Minister I have a few points that I would like you to clear up in summing up. My first point is: to relieve this large tax increase on the farmlands, I would ask if the municipal districts can go to a split mill rate to cushion the effect on the land taxes, at least for a period of a few years while the agricultural industry gets in better financial condition than it now is. I don't think we need to tell anybody here that the agricultural industry is not in a financial hardship at this present time.

My second point, Mr. Minister, is: will you be able to assure the Assembly that because this tax relief is to encourage industry to come to Alberta with lower input costs so that they can compete on world markets, these costs will be reflected in the costs Albertans have to pay for products such as fertilizer? It happens that the big Cominco plant in the county of Wheatland will be the main beneficiary of this reduction in taxes, and I hope that next spring our people don't have to pay more than they do across the border.

My third point is: has the minister done any research on the total taxes and input costs paid in, say, Sarnia, Ontario, where they may have a business tax or other taxes that they tax this industry? If so, would you be willing to give the members of the Assembly the comparison between the total taxes they pay and the total taxes we pay here in Alberta, and also to the municipalities? They claim they don't have that information, and they would like to see that in writing.

My fourth point is: is it possible for an MD to go the route of a business tax such as the one they have in effect in the city of Edmonton, where they don't tax the machinery and equipment but do have a business tax? Is this route still open to the rural municipalities as well as urban municipalities?

My fifth and final point. As you know, the AAMDC is having a convention here in the next week or so. Could the minister say whether the Bill will be proclaimed and become law before that convention? It's my understanding that the people in the municipalities thought they would get another kick at you at their convention. It now looks like the Bill could possibly be passed and be the law of the land before that convention comes into effect.

I would appreciate if you could answer those five points. Thank you very much.

MR. DEPUTY CHAIRMAN: Would the minister like to respond?

MR. KOZIAK: Yes, Mr. Chairman, I would like to respond to the concerns that have been expressed by the Member for Drumheller. Five points were raised. I would like to

deal first with is the last one. The Bill as it is written comes into effect on assent. So the moment the Lieutenant Governor of the province signifies his assent, the Bill is the law of the province, and that's expected quite shortly.

In terms of the whole process, I did spend some time during second reading identifying the whole way in which municipal districts, particularly those with a high level of assessment on machinery and equipment, were consulted. Letters went out and discussions took place. Suggestions were made, and finally what I thought was a very workable compromise was reached. From the reports I've received back, I am justified in that analysis of that compromise.

Mr. Chairman, the hon. member speaks of a 20 percent reduction in the level of revenue from machinery and equipment in his particular county. What must be kept in mind in this whole process and what triggered the concern of industry relative to the level of assessment in other jurisdictions in this country is the fact that a few short years ago — I can't give the exact year for the county of Wheatland, but I would imagine it was just a couple of years ago — the county, through a reassessment, doubled the revenue from machinery and equipment in that county. Whereas today they're seeing a 20 percent reduction, that reduction is in the face of an earlier 100 percent increase. So we must keep in mind that the net effect is still a substantial increase on industry over what existed prior to the new assessment. There is also the further effect, which the county must take into account, of the threshold or floor on depreciation below which machinery in assessment will not be allowed to fall — the 40 percent level — which will of course be useful in terms of the long-term fiscal planning for taxing authorities in this province.

I as Minister of Municipal Affairs can of course give no guarantee on the price of end products, but we're all aware in this Assembly that we're not price-makers. We compete on the open market in almost everything we create and produce in this province, and that market is the world market; it isn't the local market. If any trading jurisdiction in this country, in this part of the world, is affected by world market prices, Alberta is. Whether it's in agriculture, forest products, our oil or natural gas: all of these are subject to the vagaries of the world market. It's the same with the products produced from our natural resources, such as fertilizer.

Mr. Chairman, the matter of the total taxes when one compares Sarnia with Alberta: in my remarks on second reading I identified the fact that in terms of property taxes, a similar plant, under the regime before the passage of Bill 69 and the regulations under that Bill, could experience a property taxation level of about three times as great in Alberta as it would in Sarnia. When I say Alberta, I mean predominantly rural Alberta. If they located in the city of Edmonton, the taxes would be one-quarter of what they would be in rural Alberta because the city of Edmonton does not impose a machinery and equipment assessment on plants in the city of Edmonton. Alternatively, they impose a business tax.

The hon. member spoke about a business tax. I can't give the hon. member or the county on whose behalf representations have been made this evening advice as to which route to choose, but it's my understanding that the machinery and equipment assessment raises more funds for rural municipalities than a business tax would. That's why machinery and equipment has been the route rural municipalities have chosen to follow. That's a different story in an urban setting where the degree of huge plant construction

isn't as significant to the total assessment base and where the commercial and office type of complex is more prevalent in terms of their total overall assessment base.

Mr. Chairman, I hope that responds to the five points the hon. member raised, and I would ask for the support of the committee for Bill 69.

MR. CLARK: Just one more comment, Mr. Chairman, if I could. The minister didn't reply to the question on a split mill rate. Also, the 20 percent increase I was talking about is a 20 percent on farm taxes, not a 20 percent increase in assessment. It's an actual increase in farm taxes of 20 percent.

MR. KOZIAK: Mr. Chairman, I'm happy the member raised the split mill rate, because I didn't respond to that. On the clarification the member has provided me with, in terms of the drop from 65 to 60 to 55 to 50 of the valuation of machinery and equipment for assessment purposes, that amounts to about a 21 percent decrease in the value of assessment over the three years. That's the figure I was referring to. That has to be compared with a 100 percent increase in the value of machinery and equipment assessment when the previous general assessment was undertaken by the county.

On the matter of split mill rates, Mr. Chairman, I refer the hon. member to my comments during the course of second reading. Those are reported in *Hansard*. I don't think it's necessary to repeat them, but they deal specifically with the concerns I have on split mill rates.

MR. DEPUTY CHAIRMAN: Any further comments or questions with regard to this Bill?

[Title and preamble agreed to]

MR. KOZIAK: Mr. Chairman, I move that Bill 69, Municipal Taxation Amendment Act, 1984, be reported.

[Motion carried]

Bill 72

Alberta Mortgage and Housing Corporation Amendment Act, 1984

MR. DEPUTY CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to any section of this Bill?

[Title and preamble agreed to]

MR. DEPUTY CHAIRMAN: Who is going to make the motion on behalf of the Minister of Housing?

MR. KING: Mr. Chairman, I will move that the Bill be reported.

[Motion carried]

Bill 75

Workers' Compensation Amendment Act, 1984

MR. DEPUTY CHAIRMAN: There is an amendment. Are there any questions or comments regarding the amendment?

MR. DIACHUK: Mr. Chairman, may I just advise members of the committee of the purpose of the amendment?

The purpose of the amendment is to proclaim section 94 of the Act at a later date in order to provide some time for the legal profession and members of the Canadian Bar Association who have some concern about a new section in the Workers' Compensation Act, the section on deeming a trust account. This will give my office an opportunity to work this out with the concerned legal community. At the same time, I want to assure members of the committee that the intention is to work very expediently and proclaim this before the end of the year.

MR. DEPUTY CHAIRMAN: Any further comments regarding the amendment?

[Motion on amendment carried]

[Title and preamble agreed to]

MR. DIACHUK: Mr. Chairman, I move that Bill 75 be reported as amended.

[Motion carried]

Bill 76

Utilities Statutes Amendment Act, 1984

MR. DEPUTY CHAIRMAN: There is an amendment. Are there any questions or comments to be offered with respect to the amendment?

[Motion on amendment carried]

[Title and preamble agreed to]

MR. McPHERSON: Mr. Chairman, I move that Bill 76, the Utilities Statutes Amendment Act, 1984, be reported as amended.

[Motion carried]

Bill 83

Child Transportation Safety Act

MR. DEPUTY CHAIRMAN: There is an amendment to this Bill. Are there any questions or comments in regard to the amendment?

[Motion on amendment carried]

[Title and preamble agreed to]

MR. M. MOORE: Mr. Chairman, I move that Bill No. 83 be reported as amended.

[Motion carried]

MR. KING: Mr. Chairman, I move that the committee rise, report progress, and beg leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

MR. PURDY: Mr. Speaker, the Committee of the Whole has had under consideration the following Bills: 58, 61,

62, 71, 77, 63, 64, 65, 66, 67, 68, 69, 72, and reports with some amendments 22, 29, 60, 87, 75, 76, and 83.

MR. SPEAKER: Having heard the report, do you all agree?

HON. MEMBERS: Agreed.

head: GOVERNMENT BILLS AND ORDERS

(Second Reading)

(continued)

Bill 55

Securities Amendment Act, 1984

MRS. OSTERMAN: I would make a few comments about Bill 55, Mr. Speaker, because it's the first substantive amendment that has been made to the Securities Act, that has now been in operation for the last two some years. While the amendments aren't major in nature, I think I should comment on about five areas that are mentioned in the Bill. The rest I would describe as administrative.

The first area deals with revisions to certain statutory exemptions. The second area deals with fine-tuning of the "closed system". The third is the introduction of new forms of offering documents. The fourth is an area that gives the commission somewhat wider enforcement powers, because it will now incorporate the enforcement of written undertakings.

The fifth area which we had intended to address and had in the Bill relates to the sophisticated investor. We have received a number of comments concerning that area, Mr. Speaker, and you will note that later on, in committee, we'll address an amendment to that section. I'm going to be withdrawing the suggested amendment that's in Bill 55, because we feel there's probably a much better way of describing a sophisticated investor. We will take the opportunity, over the course of the winter, to consult more widely with respect to that.

As well, the area that deals with some amendments that are now being looked at by commissions across the country will be further investigated. It involves the takeover bid area, and I expect that next spring not only will we address the sophisticated investor, we'll also address takeover bids.

Those are the majority of the amendments that I believe would be gauged as somewhat substantive.

[Motion carried; Bill 55 read a second time]

Bill 73

Labour Relations Amendment Act, 1983, Repeal Act

MR. YOUNG: Mr. Speaker, I move second reading of Bill 73.

Bill 73 is very straightforward. It follows upon the decision which was announced last January 31 that the government would not proceed with the proclamation of what was then known as Bill 110. It had been the objective of the government to assist the construction industry in an evolutionary manner to adjust to very major differences in which the unionized sector found itself. It turned out that that was not successful. Accordingly and in respect of an announcement anticipated very shortly that there will be a permanent — hopefully — advisory committee set up encompassing representatives from all types of unions involved in

the construction industry, from the contractors, and from the construction owners, we wish to put the legislation, from their point of view, in the same state that it was over the past decade.

Accordingly, I commend Bill 73 to the members of the Assembly.

[Motion carried; Bill 73 read a second time]

Bill 85

Natural Gas Pricing Agreement Amendment Act, 1984

MR. ZAOZIRNY: Mr. Speaker, I move second reading of Bill 85, the Natural Gas Pricing Agreement Amendment Act, 1984, standing in my name.

Very simply, Mr. Speaker, the Bill enacts the program announced earlier this year by the Alberta and federal governments for a new domestic gas incentive plan for industrial markets in Canada. It provides the mechanism for the operation of the plan by the Alberta Petroleum Marketing Commission.

[Motion carried; Bill 85 read a second time]

Bill 86

Gas Resources Preservation Act

MR. ZAOZIRNY: Mr. Speaker, I move second reading of Bill No. 86, the Gas Resources Preservation Act, standing in my name.

The Bill is a re-enactment of the current Gas Resources Preservation Act, with some changes. In particular, a change is designed to ensure that the Energy Resources Conservation Board has the full authority to consider all aspects of the public interest, including overall economic benefits, in assessing gas removal permit applications. That's referred to in section 5 of the Bill. It also provides for the facilitating of spot sales of natural gas into export markets under the new federal gas export policy, as outlined in section 10.

Mr. Speaker, I think it's fair to say that this is a positive measure in terms of increasing the effective marketing of Alberta natural gas.

[Motion carried; Bill 86 read a second time]

Bill 91

Certified General Accountants Act

MR. KING: Mr. Speaker, I would like to move that Bill No. 91, the Certified General Accountants Act, be read a second time.

Before making a few brief comments, Mr. Speaker, I would like to introduce to members of the Assembly guests seated in the members' gallery. Following my identification of the group, I would ask that they rise and receive the welcome of the Assembly. The group includes Mr. Richard Boyak, president of the Certified General Accountants of Alberta; Mr. James Pratt, vice-president of the Certified General Accountants Association of Alberta; Mr. David Steeves, a member of the board of governors of the CGA Association; Mr. Wolfgang Koch, who is a member of the board of governors of the CGA Association; Mr. Clayton Givens; Mr. Gil Allenson; and Mr. Jack Logan. I would ask that they rise and receive the welcome of the Assembly.

Mr. Speaker, it is perhaps worth taking a few moments to remind hon. members of the government's policy with respect to professions and occupations. The government determined some time ago that it wished to endorse, encourage, and support the establishment and maintenance of standards through concern for practice review, discipline, and competence, and the improvement of standards that are applied to people who provide certain services to members of the public in Alberta.

One such group of people providing services to members of the public provides accounting services to our citizens. Practitioners are well aware that we pursue our policy, our purpose, within the context of our policy statement on professions and occupations. Many members of this House, as well as others, are also aware that to bring us to this point, the development of that policy was the work of more than half a decade, and that the implementation of that policy since its establishment has been the work of more than half a decade.

Accounting has an even lengthier history in the province. There are three major organizations embodying the practitioners of accounting in this province. They include the Institute of Chartered Accountants of Alberta, the Society of Management Accountants, and the Association of Certified General Accountants, the subject of the Bill under consideration by the House this evening. One of these groups is very old, one of them is middle-aged, and one of them is youthful. One of them is very large, one of them is moderately large, and one is the smallest of the three. One of them practices almost entirely in a public practice, one of them practices almost entirely in employed management situations, and one of them practices in part publicly and in part as the employees of others. In other words, it is a very diverse involvement in a very diverse field by three quite different organizations.

With that as a brief background and with the policy in mind, the government wants to endorse, encourage, and support the establishment, maintenance, and improvement of standards for the practice of accounting in this province. This desire on the part of the government, I believe shared by the three organizations I have alluded to, necessitates a positive relationship among the various bodies, a relationship that must be imaginative and patient as well as positive. There is very little room for a pessimistic let alone a negative outlook in approaching the challenge we face together with respect to the field of accounting. The Certified General Accountants Act will make a definite contribution to this relationship. In addition, it will serve the interests of Certified General Accountants and the interests of the public.

Briefly, the Act provides right-to-title for Certified General Accountants in the province. The organization is charged with the responsibility for establishing the standards that must be adhered to by anyone who wants to call himself or herself a Certified General Accountant. The association is further charged with the responsibility for ensuring that those standards, once set, are maintained by each and every one of the practitioner members of the association. The association is given the legitimate means to enforce the maintenance of that standard through practice review, discipline, and competence provisions.

There is unfortunate confusion and misinformation that surrounds this Bill. While it is not ordinarily my practice in the course of discussing such a Bill at second reading to comment on misinformation, I feel forced to this evening. The House should be aware, as should all members of the

public, that this piece of right-to-title legislation does not convey a single, solitary, new right to practice on any Certified General Accountant in the province. The Act does not empower the individual practitioner or the association to any kind of practice that they could not have done last week, last month, or last year. There is no new right to practice that is conveyed. There is no imposition on the right to practice of any other group. There is no application to any practitioners who are not members of the Association of Certified General Accountants of Alberta. There is no application to any other associations representing accountants in Alberta.

At the same time, Mr. Speaker, it bears saying that the other two groups, the Institute of Chartered Accountants and the Society of Management Accountants of Alberta, are equally interested in legislation for themselves and their members. In response to that interest, the government has made a commitment that comparable right-to-title legislation will be brought before this House in the spring of 1985, so that we can provide comparable opportunity to the other two organizations. With special reference to the legislation that is planned for the Society of Management Accountants of Alberta, perhaps I should say that it will include the reserved designation of Certified Management Accountants.

The government is concerned for the fruit of the relationship among individual practitioners and associations concerned with accounting in the province. We hope that this legislation and the two similar pieces of legislation planned for the spring of 1985 will be seen as stage one of a two-stage process. Some people hold the view that we should have dealt with exclusive scope-of-practice first — or if not exclusive scope-of-practice, that we should have first dealt with the question of scope-of-practice, shared, partitioned, held in common, or however — and then, subsequently, that we should have dealt with the other questions. The government's view is that this has been a fruitless avenue of attention in the past and that it will now be more fruitful to write off a variety of other questions first, leaving the question of scope-of-practice for the second stage.

I hope and expect that in co-operation with the government the three groups will be able to develop a basis for a permanent, stable, and productive relationship that will be beneficial to the public, the groups involved, and the practitioners. This is an important first step that is going to be of assistance to the Association of Certified General Accountants of Alberta and, in the long-term, of assistance to us all. I am optimistic about our prospects.

Thank you, Mr. Speaker.

MR. NELSON: Mr. Speaker, I'd like to rise very briefly to discuss this and some of the issues related to and around it. First of all, one of the reasons I rise in support of the Bill is because it is a Bill of right-to-title, and only that, but also to express my disappointment in some of the professionals. I use the term somewhat loosely, particularly relevant to the institute. I feel that some misinformation has been given many of their members, who have not only taken up two days of my time this week, and possibly that of other members of the House, in getting expressions of what this Bill was about. They were annoyed because they felt and it was interpreted to them that this Bill was to be scope-of-practice for the Certified General Accountants, which they do not presently have with their own Act.

Mr. Speaker, in supporting the right-to-title for the Certified General Accountants, and of course in future when the other type of legislation does become available as

discussion goes on with these groups of professionals, hopefully somewhere along the line these three major groups of professionals will get together as professionals and develop some criteria of scope-of-practice amongst themselves rather than having something of this nature legislated for them. I think it's ridiculous. However, we'll see how these professionals perform in the next few months as far as what scope-of-practice they might work out.

I would like to express my disappointment — and I will be doing this directly with the president of the institute — because I think it is unfair and totally out of context for a group of professionals to misinform their members when they know not what they're talking about, and to take up unnecessary time in their busy schedule and also the time of the MLAs to express the reality of what is actually going on. I don't wish to indicate that I don't like talking to my constituents, because the opposite is true; I enjoy every minute of it. However, when it is on a matter of misinformation by an organization such as this, I think it should be expressed, and that is what I'm doing now.

Mr. Speaker, in general terms, after saying that, I think we can deal with this Bill in a positive fashion. Thank you.

MR. McPHERSON: Mr. Speaker, I would like to address some comments to second reading of Bill 91. It's not very often in addressing second reading of a Bill that I find myself rebutting the comments of a colleague, but I really must do just that this evening. To suggest for one moment, as the hon. member has, that there has been a waste of time or frivolity involved in the very serious concerns associated with this issue, I think is not well stated.

Mr. Speaker, I don't think there is any member in this House who hasn't anguished very seriously over the concerns with respect to this Bill. The representations by the Institute of Chartered Accountants have been made in the utmost seriousness with regard to their profession and their long-standing interest in serving the public of Alberta, and their record stands on its own.

Mr. Speaker, no doubt all members will have given very serious consideration to the principles involved in this Bill, to the principles involved in the right-to-title legislation that we're dealing with today. It is my fervent hope that this Bill will present an opportunity for serious, honest negotiation and dialogue between the groups involved, in order that a consensus can be arrived at for the betterment of the protection of the financial community and indeed all Albertans.

Mr. Speaker I just wanted to rise to make the point that I think it's important for the member, and indeed all members, to recognize that we as legislators always have to keep the very best interests of our constituents and the public at heart. While we often find ourselves in a situation where those decisions can be very, very difficult, we try to make those decisions with the greatest sincerity and effort. I believe we've done that this evening.

MR. KOWALSKI: Mr. Speaker, I take great pleasure in offering a few comments tonight with respect to Bill 91. Bill 91, the Certified General Accountants Act, is a very interesting Bill. I must say that in the last number of years I have been very impressed with the quality of material I have received from the Certified General Accountants Association of Alberta. That association has been very aggressive in conveying its message and its determinations to Members of the Legislative Assembly. It was only in the last several

days that all members received the letter dated November 5, 1984.

Having said that, I have to raise a number of questions out loud with respect to the items, concerns, and points addressed by the Minister of Education. He indicated that Bill 91, 30 pages in length, in essence contained simply a right-to-title for the Certified General Accountant. He indicated further that this Bill was essentially ensuring that there would be certain standards set up for a certain level of accountancy practice in the province of Alberta and, once those standards were set up, they were to be maintained. He further indicated that there were no new rights being given to a particular profession in the province of Alberta. Indeed the minister is a very loquacious person. It takes 30 pages to put forward those three points.

We have also been petitioned by other professionals who serve this subject matter in the province of Alberta. In recent weeks I have received a fair amount of written and verbal information from those who are professionals and members of the Institute of Chartered Accountants of the province of Alberta. As we go through second reading of this particular Bill, I think it's important to address at least some of the basic concerns that the Chartered Accountants have given. As the minister who is responsible for this Bill will have an opportunity to conclude the debate, I certainly hope he will be able to respond to the concerns I raise.

Number one, essentially 30 pages to address three simple items: the right-to-title, the issuing of certain standards and governance with respect to those standards, and a definition of no new rights. If that's the case, then someone is clearly not providing me — someone at least who is writing to me, the various accountancy professions in the province of Alberta, is in essence either misleading me or has gotten me very, very confused. It's my understanding that the Institute of Chartered Accountants in the province of Alberta really sees something more in Bill 91 than there would appear to be. Perhaps the minister would take the time to share with me and other members of this House exactly what it is that this other group of professionals is so concerned about. What is this bogeyman that they somehow fear is going to happen as a result of Bill 91?

Secondly, I think we in this Assembly have always prided ourselves on the need to undertake good communications with all of the people in the province of Alberta. When pieces of legislation are brought before the Assembly, we've taken the time and the opportunity to in fact ensure that that information is conveyed to the various groups in the province of Alberta who might or might not be affected. It is my understanding that it was only in recent days that Bill 91 was tabled in the Assembly. Perhaps the concern raised by the Institute of Chartered Accountants, that they simply did not have adequate time to take a look at the full contents of the Bill and understand how it might affect them from their professional point of view, is a point that needs a response by the minister responsible for this Bill. In fairness, I think all members of the Assembly should be in a position to really understand exactly the level, the items, and the types of communication that took place with respect to this Bill.

Some of the other information that the Institute of Chartered Accountants has basically indicated to me — and I really believe that as a member of this Assembly I should have the right to an explanation. When they would indicate that in their view we — perhaps this Legislative Assembly or the government — view them as an elitist profession and somehow it's a territory that they want to have protected,

it is a matter that I would like a public explanation from the minister on, so I can be in a super-good position to rebut these erroneous positions that are being put forward by certain groups and further my communications with them.

Mr. Speaker, I raise these items because I have no doubt at all that the minister has spent a great deal of time in the last number of years looking at the various accountancy professions in the province of Alberta. I know that he spent many hours, many occasions, meeting with the Institute of Chartered Accountants, the Certified Management Accountants Association, and the Certified General Accountants Association. Somehow on this particular day in November 1984 we've arrived in the Legislative Assembly with one Bill, and we're really talking about three professions. The minister indicated that perhaps this is only phase one or step one, and perhaps in the spring of 1985 we will be moving to step two. I am wondering why it was so difficult to arrive here at the same time with all groups in hand, patting him on the back and saying: thank you very much, Dave; a job well done. We don't appear to be at that point at this time in November, and it has caused me a bit of consternation, because I have all this mail I have to respond to. Somehow you can't speak out of both sides of your mouth, and it has certainly not been my position to do such. I want to deal with everybody with the greatest degree of dignity that they really deserve.

Thank you.

MR. ALEXANDER: Mr. Speaker, a couple of things have been said and said well. I don't wish to comment on the loquaciousness of the minister and certainly don't wish to be loquacious myself. But I think a couple of other points must be added. I agree with the Member for Red Deer that the people we're referring to here are essentially professionals, and I think we ought to give them credit for that. There are some perception problems that I would like to hear a response from the minister about as well. Like the Member for Barrhead, I also have absolutely no objections whatever to Bill 91, the Certified General Accountants Act. I also might wish that it was going in tandem or in conjunction with the other two Bills.

As I see it the perception problem is this, and I'd appreciate it if the minister might take a moment to comment. We've seen a contraction in the marketplace for business at large, and I think that reflects on all these groups in terms of market share. What I'm hearing from people who are not just professionals in their industry but also businessmen is the fear or apprehension that something we may do here, which we have designed and which we purposed to make a neutral event, might not be a neutral event in the marketplace. As I think I've heard other members say, I sincerely hope this will in fact be a neutral event, that here we are not in any way affecting one group's opportunity to grasp an additional market share at the expense of some other group. I've made that concern known to all the people who have contacted me about it. I think it's a legitimate concern, and I would like to hear what the minister has to say about it, because I'd like to be able to pass it on to the other accounting groups and reassure them that what we're doing here is in fact market-neutral. I'm not convinced that it necessarily is, simply because, as the Member for Barrhead so rightly pointed out, there are some 30-odd pages here. It's a tricky business, and I'm not sure of all the ramifications. I'm simply reflecting the hope that the ramifications don't have market-reallocation ramifications to them.

It strikes me that the perceptions of the other two groups, particularly the chartered accountants, are such that something is going to happen. Their question to me is: if in fact this is a neutral event — right-to-title doesn't have anything to do with scope-of-practice — if it's a right-to-title and therefore a market-neutral event, what's the rush? Why can't all these things go together? Trying to struggle with that question has taken a lot of time for me, too, in the last little while. I'm not sure I've done it successfully, but I've made the attempt. I've tried to reassure those who have spoken to me that there is no attempt and, as far as we can see the effect of the Bill, there will be no effect in terms of reallocating market shares.

I think that if the market were in a state of equilibrium, if the market were not pressing in on all sides on business in general, or had not been recently particularly, the problem would be somewhat less in terms of its overall impact than it is at the present time. However, having simply expressed the view that I don't want the Bill [now] — I would have preferred to see them all go together — and that I hope it has no effect in terms of reallocating market shares, I nonetheless support the Bill, even though I close by wishing it might take place in the spring.

MR. DIACHUK: Mr. Speaker, first of all may I indicate that I support second reading of Bill 91. I rise — sincerely, with no conflict — in my place as the Member for Edmonton Beverly. Since I have been in business and have needed the work of accountants, I have always had a good friend of mine and member of the Institute of Chartered Accountants do my work. So I stand here with no conflict that a member of the Certified General Accountants is doing my work. I also want to share that in the volume of communication I have had, as have many other colleagues, I found it encouraging to receive communications such as "we do not disagree that there's a place for all three designations in this province", written by a member of the Institute of Chartered Accountants. It's good. Now we're going to quibble which legislation is introduced first.

I guess I can only compliment my colleague the Minister of Education, who has worked so diligently at this and prepared his presentation for us, possibly at the sacrifice of his portfolio, the Department of Education. But there comes a time when we must compliment our colleague for his perseverance and the work he's done. As the hon. Member for Edmonton Whitemud indicated that he will, with some difficulty, support this Bill, I hope that all members of the Assembly will support the Bill.

MR. SPEAKER: May the hon. minister conclude the debate?

HON. MEMBERS: Agreed.

MR. KING: Mr. Speaker, I will try to make brief comments on some of the main expressions of concern that have been raised by hon. members here this evening, and if I don't cover all those main points, the opportunity will remain at committee stage to further pursue these questions.

My colleague from Barhead wants to know why law is so lengthy if it expresses three simple ideas. I find his question reassuring, because it means he has forgotten all the time he spent as an assistant deputy minister in the public service, which bodes well for the future.

MR. KOWALSKI: Mr. Speaker, on a point of order. It was as a "deputy minister" of the public service, and as

a deputy minister I always took my instruction from my masters. [laughter]

MR. KING: Which brings us to the second point I wanted to make, Mr. Speaker. The fact of the matter is that it is very simple to express the objectives we have in mind. In any organization, it is somewhat more complex to implement the means of achieving those objectives. If my hon. friend will look at the index to Bill 91, he will notice, for example, that the Discipline section, part 5, commences at section 30 and carries over to section 64. If he looks at part 7, Regulations and By-laws, only two sections long, he will see that they are pages long in the text of the Bill. The implementation of the ideas is a little more difficult to express than the three simple ideas themselves. That is for a number of reasons, but the one that is most apparent is found in part 5, the Discipline section. If we are going to extend to the association the means of disciplining its members, then it is equally important that that discipline structure should be established so as to provide due process to the investigated member as well as to the member of the public who first laid the complaint. It is important that we should set out for the association a structure that is consistent with our established understanding of law, due process, and natural rights.

The legislation does nothing more than give effect to the three ideas I described. It is lengthy because the implementation of that is sometimes difficult. We give to the association the right to set certain standards of practice that it expects of its members. Then we give the association the right to describe the educational and training standards that it believes are minimal for the successful accomplishment of the practice standards. Then we give the association the right and responsibility to review the practice of its members on some basis that the association believes is effective and equitable. Then we give the association the responsibility for disciplining and ascertaining the competence of its members upon complaint from the public. We do all of that because we believe that in the longer term, the best service that will be provided to the public is going to be the service that is overseen by the practitioners of accounting in Alberta.

With respect to the question of why, if it is so simple, others are so concerned, it's difficult for me to answer. I've had that discussion, and the simple statement I must make in the House is that I do not understand the basis of their overwhelming concern. I understand why they would have some concerns — and I believe we can deal with those; I've said that to them and I repeat that in this House — but I do not understand why there is such an overwhelming concern.

I can say to you with absolute confidence that the Institute of Chartered Accountants and the Society of Management Accountants are not mentioned once in this Act. I can say to you with absolute confidence that this Bill is going to have no effect whatsoever on the practice of any RIA or CA in this province. It is not going to have any effect whatsoever on the organization, the activity, or the relationship of the institute or the society with the respective members of those two bodies. It is not. There is nothing more that can be said about that question, nothing more that needs to be said about that question.

You'll notice in this Bill that accounting is not even defined. Since it is not exclusive scope-of-practice legislation, the definition of accounting that will be applied to the members of the association for the purposes of conditioning the relationship between those members and the association

is exclusively the business of the association. So the Certified General Accountants can and undoubtedly will define accounting in one way for the purpose of their relationship with their members, as the Chartered Accountants will define it in another way and the RIAs, the Society of Management Accountants, may define it in a third way. I can only say that there is no provision in this Act which affects any other organization or the members of any other organization.

The last question that was asked is about the redistribution of market share. If the redistribution of market share was going to occur, what in this legislation might cause it? One possibility is status. Maybe as a result of the passage of this Bill, people who have never formerly looked for the services of a CGA will go out and seek the services of a CGA. Frankly, ladies and gentlemen, I am skeptical about that. If we walked down Jasper Avenue and asked 1,000 people what the basis is of the organization of the Institute of Chartered Accountants of Alberta, I don't suppose there are five in 1,000 who could tell you that the institute is founded on a public Act. If we asked 1,000 what the basis is of the organization of the Society of Management Accountants, I doubt there are five who could say they're organized on the basis of a private Act. And if tomorrow or next week or next year, we go out and ask 1,000 people what the basis is of the organization of the Certified General Accountants Association of Alberta, I don't believe there would be five out of 1,000 who could tell you.

The second possible basis for affecting the redistribution of market share would be provisions in the Act. Does this give CGAs the power to do something which they couldn't do yesterday? The answer is no. Does it give them a capacity to share a legislated preserve that is currently held by any other group? You know that some legislation says that audits can only be done by members of the institute. Does this over-ride this other legislation? Does this give a CGA the power to perform a function which in some other law is reserved to some other group? The answer no, it does not. The question then is: if it isn't going to affect the market share, why are we doing this?

Of the three groups involved with accounting in Alberta today, there is only one which is in no way subject to the government's policy on professions and occupations. There is only one whose practice would benefit, for the protection of the public, by legislation such as this. It's the Certified General Accountants Association. This legislation establishes the reality that the public will be represented on the governing authority of the Certified General Accountants Association. It establishes the reality that the public will be involved with the practice review process, the discipline and competence process. It establishes the reality that the standards of education and practice of the association will have to be approved by the Lieutenant Governor in Council. In other words, it brings the practitioner members of the Certified General Accountants Association of Alberta under the authority of our policy on professions and occupations. Ladies and gentlemen, I can't believe there is any other word for that than progress.

Thank you, Mr. Speaker.

[Motion carried; Bill 91 read a second time]

Bill 93

Health Occupations Amendment Act, 1984

MR. KING: Mr. Speaker, I move second reading of the Health Disciplines Act — I suppose I should say second reading of the Health Occupations Amendment Act, 1984; it will be the Health Disciplines Act as a result of the amendment.

The amendment also enables the health disciplines board to designate existing associations that represent practitioners in the health care field as committees for the purposes of the Act. Previously we have been obliged to establish committees for each of the designated occupations, even though they may have been served by well-established and well-functioning volunteer associations in the province. It will also improve the flow of information from the board to the associations or committees and vice versa.

[Motion carried; Bill 93 read a second time]

Bill 96

Judgment Interest Act

MR. STILES: Mr. Speaker, I'm pleased tonight to move second reading of Bill 96, the Judgment Interest Act.

I don't need to say a great deal with respect to the principles of this Act, because much of what I would have said has already been said with respect to Bill 6, which was the Pre-judgment Interest Act. This Bill essentially replaces Bill 6. The need for replacement of Bill 6 was basically due to the public input we received over the summer, this Bill being allowed to stand over from the spring sitting. We received a great deal of input from the Bar, the insurance industry, and interested individuals across the province. As a result of that input, we found it prudent to introduce changes that caused us to rework the Bill. Accordingly, we have brought forth this new Bill.

I can just address the changes, essentially, without dealing with the basic principles, which, as I said, I spoke to previously on second reading of Bill 6. There are two aspects of change in this Bill. The first one has to do with the interest rate which will apply to the prejudgment period. In the first place, I should explain that the interest rate which we generally understand to apply to loans and borrowing is basically composed of two factors. One factor is the loss of use of money, and that is referred to by economists and others as the pure interest rate. That ranges somewhere in the area of between 2.5 percent and 5 percent, depending on the times. The other factor in an interest rate is the loss in value of money, called inflation, which, as we know, has been occurring in fairly dramatic style in the last few years. Compensation for inflation represents the balance of the interest rate we currently have.

With respect to the damages that make up the awards known as judgments handed down by the courts, those are basically broken into two parts, one being commonly referred to in the lexicon of the courts as nonpecuniary damages. Those are the damages which are assessed for loss of amenities, loss of enjoyment of life, pain and suffering, grief and anguish. Those kinds of effects of an injury are called nonpecuniary damages. Generally speaking, they form the major portion of an award of damages. The other damages are essentially damages which flow from the injury in terms of out-of-pocket expenses incurred by the plaintiff. These are referred to as pecuniary damages, and I think that's the simplest way to characterize them.

With respect to nonpecuniary damages, it's essentially the practise or certainly the tradition of the courts that awards of damages in that area tend to be in current dollars. In other words, in 1984 a judgment for loss of amenities of life, loss of enjoyment of life, pain and suffering, would be handed down in 1984 terms even though the accident that caused these injuries or damages may have occurred three or four or even five or six years previously. The

award of damages does not come down in terms of the dollars of that previous period. In other words, the judges of our courts tend to compensate in current dollars. They take inflation into account. So it would really be unfair to impose on the defendant or the defendant's insurance company the interest on that sum of money which would take into account an inflation factor, because that has already been dealt with by the judge in giving the award. Accordingly, the new Bill will deal with that head of damages with a fixed interest rate of 4 percent, being the compensation to the plaintiff for loss of use of the money but not for loss in value.

The interest rate for pecuniary damages, for the out-of-pocket expenses, sometimes referred to as special damages, actually expended by the plaintiff — incidentally they would include the interest paid if you had to borrow money to pay those damages. That award would include the interest you pay on the borrowed funds. The interest in the pre-judgment period on that head of damage would be awarded on the basis of a rate of interest determined by the Lieutenant Governor in Council on an annual basis and, in the event there would be no change, the interest rate would continue from one year to the next under the new Bill. That is essentially the first change that was made requiring the introduction of a new Bill.

The second change that was made was the application of this interest Act to the postjudgment period as well. I should explain that at the present time the postjudgment period is actually covered under the Canada Interest Act. The concern is that if we're going to award interest at relatively current rates up to the time of judgment, at least for pecuniary damages, we should in fact make that rate applicable after judgment as well. The unfortunate situation at the present moment is that the Canada Interest Act provides for a rate of interest of 5 percent, which is simply not a reasonable rate of interest in terms of current interest rates.

The other aspect of the Canada Interest Act which I should mention is that sections 13, 14, and 15, which deal with this business of judgment interest, only apply to the provinces of Manitoba, British Columbia, Saskatchewan, and Alberta, and the Northwest Territories and Yukon Territory. In other words, they don't apply across Canada; they only apply to part of Canada. We have urged our federal colleagues to consider the Interest Act and these particular sections and deal with them in the sense that they should apply to all of Canada and the interest rates should be contemporary or they should not be there. We are hoping that our federal colleagues will deal with these sections of the Interest Act, in which case the postjudgment interest part of Bill 96, the Judgment Interest Act, will come into force. The same rate of interest will then apply to judgments after the award as before in the case of pecuniary damages.

Those are the basic principles of the changes to this Bill, Mr. Speaker, and I commend it to the Assembly.

[Motion carried; Bill 96 read a second time]

Bill 97

Natural Gas Pricing Agreement Amendment Act, 1984 (No. 2)

MR. ZAOZIRNY: Mr. Speaker, I'm pleased to be able to move second reading of Bill 97, the Natural Gas Pricing Agreement Amendment Act, 1984 (No. 2).

As indicated at the time of introduction, the purpose of this Bill is to ensure that Alberta's ethane-based petrochemical industry is not prevented by virtue of any statutory impediment from purchasing natural gas at an intra-Alberta price. This Bill flows from and follows the ministerial statement made by my colleague the hon. Minister of Economic Development on November 5 in the Assembly.

[Motion carried; Bill 97 read a second time]

Bill 98

School Amendment Act, 1984

MR. KING: Mr. Speaker, I move that Bill No. 98 be now read a second time.

[Motion carried; Bill 98 read a second time]

MR. KING: Mr. Speaker, perhaps we could consider Pr. No. 9 and Pr. No. 14 at second reading.

head: PRIVATE BILLS (Second Reading)

Bill Pr. 9

Jewish Community Centre of Edmonton Act

MR. ALEXANDER: Mr. Speaker, I move second reading of Jewish Community Centre of Edmonton Act.

This Act provides exemption from municipal taxation for the Jewish Community Centre, which provides a non-profit public service with full access to public programs. The Bill comes, I might add, after consultation with the city of Edmonton. I don't think I'd go quite as far as to say the consultation was necessarily all that successful, but it was consultation. I commend to members second reading of this Bill.

[Motion carried; Bill Pr. 9 read a second time]

Bill Pr. 14

Central Western Railway Corporation Act

MR. STROMBERG: Mr. Speaker, I move second reading of Bill Pr. 14, being the Central Western Railway Corporation Act.

[Motion carried; Bill Pr. 14 read a second time]

MR. KING: Mr. Speaker, the business of the House tomorrow will be further consideration of Government Bills and Orders at second reading, at Committee of the Whole, and at third reading, as would be appropriate.

[At 9:58 p.m., on motion, the House adjourned to Friday at 10 a.m.]

