

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Friday, November 9, 1984 10:00 a.m.**

[The House met at 10 a.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: **NOTICES OF MOTIONS**

MRS. EMBURY: Mr. Speaker, I hereby give oral notice of the designation of one hour on Tuesday afternoon, November 12, 1984, for government business.

MR. SPEAKER: Is it agreed?

HON. MEMBERS: Agreed.

MR. SPEAKER: It is so ordered.

head: **INTRODUCTION OF BILLS**

Bill 89
Real Property Statutes
Amendment Act, 1984

MR. CRAWFORD: Mr. Speaker, I ask leave to introduce Bill No. 89, the Real Property Statutes Amendment Act, 1984.

This proposed Bill would make changes to a number of provisions, primarily of the Land Titles Act but also of the Law of Property Act, and one suggested change to the Builders' Lien Act. The provisions of the Bill overall are intended to correct certain practical difficulties in the operation of the Land Titles Office and deal with a number of important areas relative to the registration of interests in land and to things such as establishing assignments of rents as interests in land, which would be caveatable, providing for new arrangements for the registration of strata space plans, which are in respect of aerial properties above land or above buildings.

Mr. Speaker, the intention is that this legislation be introduced at this time and that it stand over until spring in order that observations about the suitability of these changes can be made by interested parties.

[Leave granted; Bill 89 read a first time]

Bill 95
Charter Omnibus Act

MR. CRAWFORD: Mr. Speaker, I ask leave to introduce Bill No. 95, the Charter Omnibus Act.

This Bill would amend some 30 provincial statutes in respect of some 46 provisions in those statutes and is the result of a statute audit done because of the provisions of the Charter of Rights and Freedoms, which will come into force next year. At this point I need only say that the provisions which are proposed to be amended in various

provincial statutes have been identified as ones that should be amended in order to accord with the Charter and in particular with the equality section, which is proclaimed in force as of April 17, 1985.

Once again, Mr. Speaker, this Bill is intended to stand over until spring in order that observations might be made on it by interested parties.

[Leave granted; Bill 95 read a first time]

head: **TABLING RETURNS AND REPORTS**

MR. CRAWFORD: Mr. Speaker, I'd like to table the response to Motion for a Return No. 146.

DR. WEBBER: Mr. Speaker, I'd like to table the annual report of the Department of Social Services and Community Health for the year 1983-84.

MR. SHABEN: Mr. Speaker, I wish to table the annual report of the Department of Housing for the year ended March 31, 1984.

MR. RUSSELL: Mr. Speaker, I wish to table the 1983 annual report of the Alberta health care insurance plan. It was previously made public and distributed on June 29 of this year. The documents are somewhere between my office and this Assembly, and they'll be with you in a few seconds.

MR. KING: Mr. Speaker, I would like to table the 79th annual report of Alberta Education, for the year ended March 31, 1984.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. PAHL: Mr. Speaker, it's my pleasure to introduce to you, and through you to members of the Assembly, 23 grade 6 students from Grace Martin school, located in the constituency of Edmonton Mill Woods. They are accompanied by their teacher, Mr. Bill Hanley, and by parent Dina Fisher, who is also known as Grey Owl in the Brownie operations in Mill Woods. This happy group of students and their chaperones are seated in the members' gallery. I ask them to stand and receive the traditional welcome of the Assembly.

MRS. LeMESSURIER: Mr. Speaker, on behalf of my colleague the Hon. Lou Hyndman, I am pleased to introduce to you, and through you to members of this Assembly, 28 students from Glenora school in the constituency of Edmonton Glenora. It is a school that's well known to me, because my children attended that school. They are accompanied by their teacher, Mr. Kirsch, and by parent Mrs. Butler. I ask that they rise, please, and receive the warm welcome of this Assembly.

DR. BUCK: Mr. Speaker, it is a pleasure this morning to introduce to you, and through you to members of the Assembly, 63 grade 6 students from Fort Saskatchewan elementary school. They are accompanied by teachers Mrs. Clark and Mrs. Sprague, by parents Mrs. Richards-Dake, Mrs. Wolyshyn, Mr. Briane Anderson, Mrs. Carol Brewer, Mrs. Prochnau, Mrs. Rolinger, Mrs. Talma, Mr. McLellen, Mrs. Peggy Langston, Mr. Cliff Leonhardt, and Mr. Harlan

Schultz, and by bus driver Mr. Eric Van Camp. They are in the public gallery, and I ask them to rise and receive the welcome of the Legislature.

head: **MINISTERIAL STATEMENTS**

Department of Transportation

MR. M. MOORE: Mr. Speaker, it is my pleasure this morning to announce a new \$475 million urban transportation program for the next three years, commencing April 1, 1985, and extending to March 31, 1988. The objective of this program is to assist Alberta cities in providing an efficient, effective, and balanced transportation network that encourages and supports the economic growth of Alberta while at the same time improving and promoting the quality of community life. All Alberta cities, as well as the community of Sherwood Park in the county of Strathcona, are eligible for funding.

The new urban transportation program has been simplified from the previous program and is now comprised of four grant categories instead of nine. These grant categories are the basic capital grant, the major continuous corridors and primary highway connectors capital grant, the public transit operating grant, and the primary highway maintenance grant.

The previous basic capital grants ranged from 66.66 percent to 100 percent funding by the province, with the balance being provided by the municipal government. There are several advantages in this new program, including the fact that the basic capital grant will be cost shared on a 75 percent provincial/25 percent city basis. In addition, for the first time under the basic capital grant, capital improvements of resurfacing and reconstruction to the collector roadway system will be eligible for provincial funding. The basic capital grant under this portion of the new program will be \$70 per capita, based on the previous year's population. Three hundred and thirty-three million dollars has been allocated to this portion of the program over the three-year period.

Under the major continuous corridors and metropolitan primary highway connectors portion, projects will be considered under a 90 percent provincial/10 percent city formula, the same as in the previous program but with the addition for the first time of the metropolitan primary highway connectors. A total of \$78 million will be allocated to this program over the three-year period.

Provincial funding available under the public transit operating grant will assist in the cost of operating public transit services and special transportation services for our senior citizens and the disabled. Those cities that are operating a public transit system now receive \$8 per capita plus \$2 for special transportation services. Under the new program, the \$2 per capita will be increased to \$3 per capita. Larger towns with a para-transit system will receive \$3 per capita basic plus \$3 for the transportation of senior citizens and the disabled. All other jurisdictions, Mr. Speaker — that is every municipality in Alberta — will now receive \$3 per capita as opposed to \$2 for the transportation of senior citizens and disabled persons.

Mr. Speaker, under the primary highway maintenance grant, funding will assist in the cost of maintaining designated primary highway routes through each city, and that assistance will be increased from \$1,860 to \$2,000 per lane kilometre.

The dollar amounts in this entire program will remain constant over the three-year period, except for population changes or changes in lane miles of primary highway.

Mr. Speaker, the new urban transportation program provides more flexibility than the previous program, allowing a wider range of eligible projects as well as more responsibility for priority setting being given to each individual municipality. In addition to the advantages mentioned, this program is expected to support and encourage a great deal of economic growth in this province by providing jobs in both the engineering community and the construction industry.

The past six-year urban transportation program committed approximately \$930 million over the six-year period. This new three-year program commits approximately \$475 million, with an annual funding average in each fiscal year being greater than under the previous program.

With the announcement of this program, Mr. Speaker, the Alberta government, working together with communities, councils, and their administration in a partnership approach, is ensuring that the unique transportation needs of Alberta residents and the general travelling public are met.

MR. MARTIN: Mr. Speaker, in rising to reply to the ministerial announcement, I first of all say we are encouraged that we finally have an announcement. This is important so that the cities can begin to effectively plan their priorities during the next few years. I am also encouraged that we now recognize that public works are important in terms of both unemployment and getting the job done at the cheapest possible time, the middle of a recession. I know the government says we're in a recovery stage, but I think this points out very clearly that we need these types of public works.

I remind that we in the opposition have been pressing for a somewhat similar program for the last two years. But before we start pounding our desks in great delight, I point out that this money, the \$475 million, is over a two-and-a-half-year period and is to be shared among all the cities in Alberta, including Sherwood Park. When you start to break that down, the moneys don't look quite as awesome as they do in the announcement.

I compliment the minister in that there is more flexibility in some of the programs than there has been in the past, and I think that's a step in the right direction. But if we look at this very clearly and look at the numbers, we are really telling the cities the directions we want to go in transportation in the future. As I understand it, Mr. Speaker, for roads — the capital grants, capital improvement of resurfacing and reconstruction — \$333 million has been allocated out of the \$475 million. I think we're pushing the cities into more roads, more freeways, at the expense of a much smaller budget for public transportation. That's not quite the flexibility the minister is talking about in terms of programs to the cities, because they're going to have to make decisions to go in roads rather than public transportation.

Let me conclude, Mr. Speaker, and say that this announcement is a small step in the right direction. [interjections] Instead of giving the government an F on the report card, I've now moved them up to a D in this department.

MR. R. SPEAKER: Mr. Speaker, on behalf of my colleague Dr. Buck and myself, I would like to respond to the ministerial statement. I'd like to say first of all that in principle — and I think the principle of a proposal such as this is the first item of judgment — it is correct. It's the right time to introduce such a program for the urban centres across this province. It's the right time to introduce

such a program when we have a downturn in the economy and can assist not only the engineering industry but the construction industry as well. So the direction is proper and worthy of support. It is certainly the right time to support this in principle, in that it is the kind of project and investment which is not short term. It's not necessarily just for next week or the next three years; we're talking about improvement of the cities and the way of life not only for the rural people who use the cities but for the urban people, for a number of years. On that basis, Mr. Speaker, we are supportive of the ministerial statement.

There are some items, though, that should be raised with regard to the shortcomings of the announcement. I would think that in this time of necessary priority setting by the urban centres in the province, the question of flexibility — more room for priority setting — should have received more consideration. There are still conditions on the moneys that go to the cities. The cities may have different priorities. When you're an urban councillor dealing with your people from day to day, you know the people's priorities. Sometimes when we come to this Legislature, we get one step removed from those people's priorities. More unconditional grants, unconditional strings in terms of the money being made available to the urban centres, would be of benefit. I think that could have been a change.

In light of that, I urge the minister to be open-minded with the various urban governments of this province and negotiate and discuss the matter with them. If there needs to be a change in terms of the ground rules, then change them so that the money can be used for the priorities of those local governments.

With that, Mr. Speaker, my colleague and I certainly support the initiative. It's difficult to judge the amount of money at this moment; the urban municipalities will judge the amount of money. But certainly the direction is proper and necessary at this time of economic downturn.

MR. SPEAKER: May we revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

head: INTRODUCTION OF SPECIAL GUESTS

(*reversion*)

MR. KING: Thank you very much, Mr. Speaker. I would like to take this opportunity to introduce to you, and through you to Members of the Legislative Assembly, 30 grade 10 students visiting us this morning from Concordia College in the constituency of Edmonton Highlands. Many of the students are resident in other constituencies in and around Edmonton. We welcome them to the Assembly. I ask them and their teacher, Mr. Richard Willie, if they would stand and receive the warm welcome of the Assembly.

head: ORAL QUESTION PERIOD

Health Care Insurance — Improper Billing

MR. MARTIN: Mr. Speaker, I'd like to direct the first set of questions to the Minister of Hospitals and Medical Care. What procedure does the minister's department follow when suspected instances of improper billing of the health

care insurance plan by doctors are brought to the attention of the department?

MR. RUSSELL: Mr. Speaker, there are actually two systems in existence. There is a team in the health care insurance plan, headed by doctors, who regularly review, on a spot-check basis, the roughly half a million claims that come in each day. Those that are at all questionable are held for review by an assessment committee and sent back to the doctor for resubmission or discussed with the doctor or corrected. In addition the College of Physicians and Surgeons has a method by which they watch the billing profile practices of their members. If something looks untoward or out of the ordinary, a more detailed examination is done. In both instances the matter is discussed with the doctor. If there have been improper or incorrect billings and those are pointed out to the doctor by the department, then those corrections are made and any financial adjustments are made accordingly.

In one or two instances, of which members are aware, there have been cases when legal action has been taken to recover overpayments during previous years. In the case of the college, they will reprimand or discipline a member with respect to conduct unbecoming a member if it comes to that. Further, if there are grounds for suspicion of fraud or similar action, the matter is referred to the Attorney General.

MR. MARTIN: A supplementary question, Mr. Speaker. Could the minister indicate to the Assembly when it is determined that cases of possible fraud, if I can put it that way, should go to the Attorney General? How does that situation resolve itself?

MR. RUSSELL: Mr. Speaker, I'm unable to give all the details of how that develops. Perhaps I can explain it this way. There are occasions when it is the judgment of the persons involved that an honest mistake was made; that is, a doctor billed a G-4 code instead of a G-6, or some instance like that. In those cases a correction is usually done automatically, and whatever necessary financial adjustments are made. But in the case where it appears there is a planned pattern to the issue, the college first of all hears the member, disciplines him, and then turns the matter over to the Attorney General.

MR. MARTIN: A supplementary question. Could the minister indicate to the Assembly — and perhaps give members of the Assembly a ballpark figure — how many of these suspected improper billings are turned over to the Attorney General's department and approximately what percentage that might be of the numbers that come into the department?

MR. RUSSELL: Mr. Speaker, I suspect my colleague the Attorney General will want to supplement my answer. I should say that there are over 4,000 doctors now billing the Alberta health care plan. I mentioned that between 400,000 and 500,000 claims are put in on any given day, and doctors sign a statutory declaration that those claims are correct. As far as percentages as to dollars and numbers of fraudulent claims, it would be very, very small on a percentage basis. Perhaps the Attorney General could describe exactly how many there have been.

MR. CRAWFORD: Mr. Speaker, I would have to make some inquiries in the department in order to respond spe-

cifically to questions of percentages and numbers. If there is anything I can respond to this morning in regard to the policy of the department, I would be glad to do that.

MR. MARTIN: One supplementary question to the Minister of Hospitals and Medical Care. Does the minister have attorneys on staff in his department to make an assessment as to when cases should be turned over to the Attorney General?

MR. RUSSELL: We don't actually have them on staff, Mr. Speaker. We use the resources of the Attorney General's department. We have medical doctors who assess the claims on a medical-claim basis. If anything is needed by way of legal assistance, they refer that to the Attorney General's department.

MR. MARTIN: A supplementary question, Mr. Speaker. Has the Attorney General asked his officials for any review of the practice of leaving the disciplining of those who improperly invoice a government agency to an organization that is completely separate from the government or the courts?

MR. CRAWFORD: Mr. Speaker, I don't think there's any lack of clarity about that policy. It's very straightforward, in the sense that the responsibilities of Crown attorneys are to enforce and administer the criminal justice system. I am aware that because of the legislation setting up the College of Physicians and Surgeons, they also have a role to play as a professional body.

It's easily done, and there is a clear distinction made between the question of professional discipline and the question of administration of the criminal justice system. The disciplining of themselves that doctors may do is really irrelevant to the process Crown counsel would be involved in in assessing facts in an individual situation that comes to their attention — no matter in what way it comes to their attention, either through the college or otherwise — and then determining whether or not there is sufficient in that particular case to lay charges under the Criminal Code.

MR. RUSSELL: Mr. Speaker, I'd like to correct a previous answer. When I was giving the number of claims, I believe I may have said "per day". The number should be per week.

MR. MARTIN: A supplementary question, Mr. Speaker, following from the Attorney General's previous answer. Is the Attorney General satisfied that the procedure now in practice in the College of Physicians and Surgeons is adequate in protecting the taxpayers of Alberta?

MR. CRAWFORD: Yes, Mr. Speaker, I am. The concern would be if there were gaps in information or if the information, once received, was not vigorously followed up. I am satisfied that whatever information is properly in the hands of the college now comes to us on the basis that if there is any indication that what is involved is an actual plan or, as lawyers like to say, a scheme, then that surely does come to us, as the Minister of Hospitals and Medical Care mentioned. From that point on it's handled like any other potential criminal case of a similar nature, no matter who the parties might be.

MR. MARTIN: A supplementary question, Mr. Speaker. In view of the fact that the Minister of Hospitals and

Medical Care indicated that there has recently been an increase in improper billings, could the Attorney General indicate whether he's had any recent meetings with the Minister of Hospitals and Medical Care to review this matter?

MR. CRAWFORD: The answer is no, Mr. Speaker. The Minister of Hospitals and Medical Care relates to the college primarily with respect to discipline matters. My working arrangements through the Attorney General's department and through Crown counsel there is quite a different matter. When the information comes through the college or, as I said earlier, in any other way, whether it be a patient complaint to the police where something is suspected or whatever the source of that information or concern might be, then it's investigated in all appropriate cases, and the matter is pursued by senior counsel.

MR. SPEAKER: Might this be the final supplementary by the hon. member on this topic.

MR. MARTIN: A supplementary question to the Minister of Hospitals and Medical Care, Mr. Speaker. In view of the minister's recently expressed concern about an increase in what appears to be improper billing, is he planning any new initiatives in his department, and will he be talking to the Attorney General about some possible changes in the procedure?

MR. RUSSELL: Yes, Mr. Speaker. A couple of years ago we increased the manpower in the review division to which I referred. More recently we changed the responsibility for checking these matters and dealing with them from the Alberta Medical Association to the College of Physicians and Surgeons, because they have the sort of bigger muscle and more disciplinary power, if I can use that. So there has been ongoing attention given to this matter. I rather suspect it is because of the transfer from the AMA to the college that more of these are being identified and dealt with.

Alberta Wildlife Park

MR. MARTIN: Mr. Speaker, I'd like to direct the second question to the Minister of Tourism and Small Business. It has to do with one of his favorite parks and concerns Order in Council 753/84, which authorized an expenditure of \$50,000 for emergency feed for the Alberta Wildlife Park. Can the minister assure the House that this funding for the Alberta Wildlife Park will be the last public funding for this privately owned park?

MR. ADAIR: Mr. Speaker, it bears taking a moment to give some history of the Alberta Wildlife Park. Some time ago, back in the late '70s, there was a request by the owner of the Game Farm to sell it and get out of the wildlife park or game farm business. At that point a fair number of citizens in this province expressed a desire that those facilities and animals should not leave the province of Alberta. There was an indication at that time that they might.

If you recall, there were representations made to the government of Alberta to buy the Game Farm as such. We indicated at that time that we would not be buying the Game Farm but were quite prepared to help someone in the private sector to in fact do just that. That did occur;

someone stepped forward from the private sector. We assisted them at the time, and we have continued to assist them in the difficulties they have had in recent months.

At this particular point I cannot assure the hon. member or any of the other members that that will be the end of any financing of the Alberta Wildlife Park. But can assure all members and the citizens of Alberta that we are working with the Alberta Wildlife Park in the interests of protecting the animals, the facility, and that particular tourist attraction as it is known.

MR. MARTIN: Mr. Speaker, I guess my supplementary question to the minister would be: what is so special about this particular business that it receives funding each time the request is made, while hundreds and hundreds of other businesses in Alberta have gone into bankruptcy in the past three years?

MR. ADAIR: Mr. Speaker, in relation to the number of bankruptcies — and I'm not just exactly sure of that number — or the number of new start-ups that have occurred, the Wildlife Park is unique in its own right in the sense that it deals with what are called exotic animals. Of course, there are a number of others in the area: Storyland Valley Zoo, Polar Park, Calgary Zoo, and a couple of others, I believe.

From day one this particular one was the result of that request back in the late '70s, as I said, for sale and the possible shutting down and removal of all these animals someplace outside the province of Alberta. Someone in the private sector came forward, and at that time we pointed out that we would assist them. We have honoured that commitment to the private sector, and we will continue to do that.

MR. MARTIN: I'm sure all sorts of businesses in Alberta would like those guarantees.

Mr. Speaker, a supplementary question, because we seem to be into this. A fair amount of public funding seems to go on and on, and the minister has said that there could be some more going into it. Has the minister developed a monitoring system with respect to funding the Alberta Wildlife Park, to ensure that our public funds are indeed being used for the purposes stated in the request for the funds? I bring that up, Mr. Minister, because in a previous question to the Minister of Recreation and Parks, there was some confusion about what the money was being used for.

MR. ADAIR: Mr. Speaker, I can assure you that it is being monitored closely, and we have staff members working very closely with them.

I should also point out that in the interests of helping other small businesses and the farm community in the province of Alberta, we put in a program to assist them. Some \$76.3 million has been expended to date.

MR. MARTIN: A supplementary question. The minister has indicated it's possible that more public funds could go to the park. Is there a figure beyond which we will no longer contribute money to the park? Is there an ultimate number of dollars when the government says no?

MR. ADAIR: I'm not prepared at this time to identify any specific sum, Mr. Speaker. But I can assure you that we're working with the Alberta Wildlife Park management and

the Alberta Wildlife Park Foundation to come to a conclusion with the operations of that facility.

MR. MARTIN: A supplementary question, Mr. Speaker. In view of the absence of the Provincial Treasurer and the Minister of Agriculture, I ask the minister if he would be prepared to lobby on behalf of some northern Alberta farmers who are facing the same problem with an emergency need for feed because of most of their crops being under snow. Would he make the representation that the same rules apply to some of the farmers in northern Alberta?

MR. ADAIR: The same rules apply to exotic animals. I would be more than happy to do it. It also gives me an excellent opportunity to let the public at large know that I as an MLA have worked with the Minister of Agriculture on behalf of my citizens in northern Alberta.

MR. MARTIN: A supplementary question. Before this session is over, will the minister be making an announcement about the help that's going to be going to these northern Alberta farmers? Will it be similar to what's gone to the game farm?

MR. ADAIR: Mr. Speaker, that question would more directly go to the Minister of Agriculture. He has my representation.

Heritage Trust Fund Investments

MR. R. SPEAKER: Mr. Speaker, my question was to the Provincial Treasurer, but it is to the Premier. I have in my hand the 1983-84 report of the Alberta Heritage Savings Trust Fund. I'm referring to page 39 of that report, under the capital investment division investments, where there are some 18 loans to other provinces in Canada. I'd like the Premier to confirm part of the report. My question is on a quote from the report. At the bottom of the page it reads:

Debentures bear interest rates from 9.50% to 17.75% with maturity dates from December 19, 1984 to July 15, 2005.

And this is the statement I'd like to comment on:

The debentures are redeemable by a single payment of the full principal sum on maturity.

Would the Premier confirm that that is an accurate statement and that the other provinces in Canada do not pay the principal sum until the date of maturity?

MR. LOUGHEED: Mr. Speaker, since it's not a policy matter, that wouldn't be a question I'd respond to in the absence of the Provincial Treasurer. I'm sure he'd be prepared to respond in due course.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Is the Premier confirming at this time that he is unaware that that statement is accurate?

MR. LOUGHEED: Mr. Speaker, I wouldn't respond one way or another. That's a particular note in a financial report, and it's appropriately answered by the Provincial Treasurer.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Is the Premier saying at this time that he is unaware of the arrangements made in agreements with other provinces in Canada in terms of loans from the Heritage Savings Trust Fund?

MR. LOUGHEED: Mr. Speaker, what I am aware of is that those arrangements were made with proper professional advice in terms of what was available in the marketplace. It appears to me very clearly a response that should come from the Provincial Treasurer.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Is the Premier unwilling to admit at this time in this Assembly ...

SOME HON. MEMBERS: Order.

MR. R. SPEAKER: ... that those payments are to be made in one principal sum on the date of maturity? Is that correct?

MR. LOUGHEED: Mr. Speaker, the hon. member is making his own interpretation of a document. At this time I'm not prepared to make my interpretation of the document or to evaluate whether or not that is a desirable situation for the province. I do know that the policy of the capital projects division — or the Canada investment division; I think the hon. member said "capital projects division". The policy of the Canada investment division is to do it in accordance with the marketplace. All the arrangements that were made with regard to those loans — which, as hon. members are aware, provide a good return to the people of the province of Alberta — were made in accordance with normal and traditional financial arrangements.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier. I've confirmed with the Auditor of the province that it's one payment only, and no prior payments. So the Premier should check the agreements. Is the Premier ...

MR. SPEAKER: Order please. [interjection] Order please. It would seem to me it's somewhat incredible that the hon. member would use the question period to get information which he already has.

MR. R. SPEAKER: Mr. Speaker, the matter of the questions was confirming that the Premier of this province, who is responsible for the Heritage Savings Trust Fund, knows the kinds of loans that went to other provinces that are not available to Albertans right in ... [interjections]

MR. SPEAKER: Order please.

MR. R. SPEAKER: That's the question, Mr. Speaker. It's unbelievable.

AN HON. MEMBER: For you.

MR. R. SPEAKER: Well, it's true. Albertans will think it's unbelievable too.

MR. SPEAKER: Hon. members may wish to make their own choices as to what's believable or not believable. If the hon. leader feels he has a complaint or a grievance or a ground for debate on this topic, then may I suggest that he follow the usual avenues and arrange for debate. The question period is not very well designed as a time for sharp accusations.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Is the Premier prepared to table for the information of this

Assembly all the agreements with the other provinces, so they are available through tabling in this Legislature?

MR. ALEXANDER: A point of order, Mr. Speaker.

MR. R. SPEAKER: Will the Premier table those agreements so that we have that information available?

MR. SPEAKER: We have a point of order by the hon. Member for Edmonton Whitemud.

MR. ALEXANDER: Mr. Speaker, if it falls within the *Standing Orders*, which I believe it does, would the hon. member entertain a question?

MR. SPEAKER: I'm not aware of a Standing Order that provides for a question of that kind on this occasion.

MR. LOUGHEED: Mr. Speaker, I'm quite prepared to table the documents. Frankly I think they have been tabled in the past. If they haven't been tabled, they've been the subject of significant discussion before the select committee.

The hon. Member for Little Bow seems to be raising the point that the terms and conditions with regard to this particular repayment schedule are somewhat different from what would be the normal course. In my understanding, that is not so. What is involved here, and what has always been the case with regard to the Canada investment division, is that when we approached provinces — and we're no longer making loans of that nature — we received professional advice. So did the other provinces we were lending the funds to. We looked at what was going on in the marketplace at that time. That involved not just the yield but general provisions with regard to repayment. In order to place the loan, we were in the position of being required to meet what were then the current conditions in the marketplace.

The questions being directed to me by the Member for Little Bow are referring to a specific comment with regard to those conditions. I would not want to answer, and it would not be appropriate to answer, until I or the Provincial Treasurer are in a position of giving the confirmation I want to give, that those loans were made on what was available in the marketplace at that time. The suggestion being made by the Member for Little Bow that somehow the people of Alberta provided arrangements with other provinces that weren't in accordance with the marketplace is absolute nonsense. What has been involved here is a very careful, professional lending arrangement by the Heritage Savings Trust Fund through the Provincial Treasurer, and I believe it has been well received by the citizens of this province. [some applause]

MR. R. SPEAKER: Go ahead and applaud, because only you and the Premier believe that it's well received by the people of Alberta.

My question to the Premier, Mr. Speaker: is the Premier prepared to give farmers and small-business men in Alberta the same terms as the terms of these loans to other provinces — some 18 loans, 13 of which mature between the years 1997 and 2000?

MR. LOUGHEED: Mr. Speaker, we're back to a debate on the Canada investment division, which was a debate during the course of the election campaign some two years ago. I remember it well. The nature of the debate is this.

The debate was that when we were in a position, with the funds of the Heritage Savings Trust Fund, to balance the diversification of our portfolio and loan to other provinces, quite obviously the terms and conditions of lending to another province are going to be different from the terms and conditions of lending to an individual, whether it be an individual farmer, an individual businessman, or an individual corporation. Everybody understands that; that's self-evident.

Mr. Speaker, the question is: should we or should we not have had a Canada investment division? That's a valid matter for debate. The position of the hon. Member for Little Bow — and to be fair, I think he's been consistent about it — is that we should not have had a Canada investment division, although I would be interested in checking the record of the Heritage Savings Trust Fund original Act as to whether or not he took that position, and I will do so.

In my judgment what we've got here are decisions that were made at the time that provided us an opportunity to diversify in an effective way right across Canada the holdings of the Heritage Savings Trust Fund. They're backed by the provinces involved. If the hon. Member for Little Bow believes there's going to be a default on one of the payments made by one of the provinces, that'll be an interesting national question. And if he's proposing it, I'd like to hear.

What's really involved here is the issue of a Canada investment division. We made a decision, and it was part ...

DR. BUCK: You forgot the question, Peter.

MR. LOUGHEED: I'm enjoying it, Walter. I'm just getting warmed up. [interjections]

I remember very well this debate in the election campaign. I enjoyed it thoroughly. We presented the position, and we presented it well. We said that in the time and the place of the Canada investment division, it was the right thing to do. The revenues are flowing there. I'm delighted with the decisions we made, and that's the appropriate position for the government to take.

MR. R. SPEAKER: A supplementary question to the hon. Premier, Mr. Speaker. The question is fairness with the Heritage Savings Trust Fund, whether Albertans have the same deal as anybody else in Canada.

With regard to the Heritage Savings Trust Fund, my question to the Premier is: how much money are the other provinces making on our Heritage Savings Trust Fund while they keep it in their bank accounts at lower interest rates than we can get in Alberta or invest it, make money, and repay the interest to Alberta? Was that part of the agreement, and can the Premier confirm that that is happening?

MR. LOUGHEED: Mr. Speaker, I think the interesting part of this matter is really that during the course of time we were making these investments, I recall some criticism that we were trying in some way to provide extraordinary conditions to other provinces. We were criticized on that side. We were criticized on the other side, of making too tough arrangements. We made the arrangements that were in the marketplace at that time. This was a debate two years ago. We had that debate, and the people of Alberta responded to it.

MR. R. SPEAKER: Mr. Speaker, the debate is today, when we need the money for a rainy day. That's when the debate is. Albertans need it. [interjections]

My question to the Premier is: can you confirm that at the present time, other provinces can make money on the funds from the Heritage Savings Trust Fund which they have in trusts?

MR. SPEAKER: With great respect to the hon. leader, I know we've been having a fairly interesting debate in the question period, and the Speaker has been calmly sitting here and not intervening. But I think we have to have regard to the circumstances which always affect a thing of this kind.

At the beginning of the question period we had a series of questions by the hon. Leader of the Opposition which, may I say with respect, were all reasonably hard-hitting, proper questions. They elicited answers in kind, and I think it was an example of a very well-operating question period. Although there certainly was partisanship, as there should be in this House, there was no debate on either side. But now, when a series of questions includes substantial accusations, charges, it would be quite unfair if the minister at whom those accusations were directed were not permitted to respond in kind.

But in the interest of recognizing a number of other members who have expressed intentions to ask questions, we might have one brief supplementary question from the hon. leader of the Independents, and perhaps an equally brief answer.

MR. R. SPEAKER: Mr. Speaker, the rules of this House will not solve the problems of the people of Alberta. It's whether or not we get answers from the government, and I think we'd better remember that.

My question to the Premier is again with regard to the 1983-84 Heritage Savings Trust Fund report and with regard to marketable securities. We have nearly \$1 billion in that fund. Could the Premier confirm that in terms of the capability of liquidating the marketable securities, as of today we could have a cash take of \$1 billion that could be available for various investments in Alberta?

MR. LOUGHEED: Mr. Speaker, I was hoping the hon. leader would ask the question in precisely that way, because it proves the point that's been going on in this Legislature for years. He would like to liquidate the Heritage Savings Trust Fund, and the way he proposes things, it would be blown in a few years.

MR. R. SPEAKER: Mr. Speaker ...

MR. SPEAKER: Order please. [interjections]

MR. R. SPEAKER: Where is that fund? [interjections]

MR. SPEAKER: Order please. The hon. member is making a number of representations and has the same right as any other member to put those on the Order Paper in the form of motions and have them debated just ...

MR. R. SPEAKER: They should know where \$1 billion ...

DR. BUCK: Where's the money, Peter?

MR. SPEAKER: Order please. The hon. Member for Edmonton Mill Woods, followed by the hon. Member for Calgary Buffalo.

MR. ALEXANDER: Mr. Speaker, may I ask a supplementary on this point?

MR. SPEAKER: As hon. members know, the House will be spending an interval in regard to remembrance. Perhaps we could wait for the supplementary, or if it can be dealt with briefly, perhaps we could deal with it before we start that interval.

MR. ALEXANDER: I've never been this brief. Through the Premier to the Provincial Treasurer. When he's getting the answer to the other question, for a financial person could he ask the hon. Provincial Treasurer what other redemption system is possible for provincial bonds, since all provincial bonds are redeemable in principal by a single payment unless they're serial bonds? [interjections] I would like the Provincial Treasurer to inform the House what other conceivable method there is for issuing government bonds, if any.

MR. LOUGHEED: Mr. Speaker, I'd be happy to provide the House with the information.

MR. SPEAKER: Perhaps we have a moment for the hon. Member for Edmonton Mill Woods.

MR. PAHL: With respect, Mr. Speaker, I'm in this House to answer, not ...

MR. SPEAKER: My pen didn't follow my mind.

MR. SPEAKER: Would hon. members please stand.

[Mr. Diachuk, accompanied by the Sergeant-at-Arms, proceeded from the Chamber to the rotunda of the Legislature Building, where a commemorative wreath was laid near the Books of Remembrance and the Honour Roll. Words of remembrance were read in the main doorway of the Chamber by Lieutenant Commander Graham Sherwood. The last post and reveille were sounded, and Members of the Legislative Assembly observed a moment of silence in tribute to members and staff of the Assembly and of the government who gave their lives in three wars while in service with the armed forces of Canada]

MR. SPEAKER: Please be seated.

Urban Transportation Program

MR. HIEBERT: Mr. Speaker, my question is to the Minister of Transportation, and it flows from the urban transportation announcement made this morning. I note that the hon. Member for Edmonton Norwood gave a report card with a D — D standing for doom. Mr. Minister, it's more likely that the three-year program replaces the six-year program. Could the minister indicate how the aggregate funding per year of the six-year program would compare to the aggregate funding of the new three-year program?

MR. SPEAKER: I have some difficulty with that question. The funding of the six-year program is well and publicly known, and we've just had an announcement as to the new

program. It seems to me that it would be a mere matter of calculation, which any member of the public would be able to do without special advice or assistance from the minister.

MR. HIEBERT: Mr. Speaker, I was trying to respond to the report card. Possibly I could ask another question. Senior citizens and disabled persons received \$2 per capita in the previous program, and now it will be \$3 per capita. Mr. Minister, what assurances or mechanisms will be in place to ensure that those funds are spent for that sole purpose as opposed to being absorbed into the overall public transit operation budget?

MR. M. MOORE: Mr. Speaker, without responding to the first question, I would like to say that a D is the best mark I've ever got from the NDP. I'm a bit concerned about what I've done wrong.

With regard to grants for senior citizens, we think it's incumbent upon municipalities to ensure that this \$3 per capita is in fact used in every municipality to assist with the transportation of senior citizens and handicapped people. What we will do is simply say to the municipality: "Here is the \$3 for 1985. You have every freedom as to where it's used, as long as it's used for the transportation of senior citizens and the handicapped. Report to us at the end of the year on how you've done that." Whether or not the grant is received in the following year will be conditional on that report and the use of it for the purpose it was designed for.

I should add as an example that there will be municipalities who will say to us: "We wish to purchase a bus for the handicapped. The grant for one year is not enough for that, so we've put it in the bank and we're going to purchase it next year." Those kinds of things will be acceptable to us. There are various things that municipalities do, but we want to ensure that it is in fact used for senior citizens and the handicapped.

MR. HIEBERT: A further supplementary, Mr. Speaker. With changes in the actual cost-sharing formula, particularly with LRT, it's noted that the different cities have accelerated their programs in different ways. Will there be a certain mechanism in place so the two programs can overlap and the funding formula can somehow be rationalized from one program to the other?

MR. M. MOORE: Mr. Speaker, the general situation will be this. In principle, funds that municipalities have in their possession from the previous six-year program which still remain to be expended will follow the guidelines in terms of percentage funding and cost sharing that were outlined in that program. New funds that flow from the program announced today will follow the new funding guidelines. So you may see one single project over a period of several years' duration that will have funding percentages going to it in two different ways, under the old program and the new one.

In addition to that, Mr. Speaker, I should say that this morning in response to that question I advised the mayors of all our cities that we will work with the municipalities individually as well to ensure that the movement from the current philosophy and criteria of the existing program to the new is done as well as it possibly can be. There can be all kinds of unique circumstances, and we're certainly prepared to work with the mayors to ensure that that occurs.

MR. LEE: A supplementary, Mr. Speaker. Could the minister advise if this renewed transportation program will in fact now enable the city of Calgary to complete the much-needed, vital northwest link of LRT?

MR. SPEAKER: The hon. member has made a representation, and no doubt his friends in the city of Calgary will be able to answer whether Calgary will be able to do that.

MR. LEE: A supplementary, Mr. Speaker. Could the minister advise if the intention of the renewed program is to permit the city of Calgary to complete the northwest link?

MR. M. MOORE: That sounds very similar to the last question, Mr. Speaker. The indications from the mayor and council of the city of Calgary are that the priority for urban transportation is the northwest LRT line. I think those representations have been made to some extent in this Assembly over the last couple of years by several members from Calgary. Indeed the funding level is sufficient to ensure that that task can be accomplished before the 1988 Winter Olympics.

However, I have to add that such issues as the route that particular line will take will have to be finalized in the city of Calgary. We don't intend to be part of that discussion, but we're hopeful it can be accommodated in the interest of both the city and the residents who are affected.

MR. LEE: Mr. Speaker, a supplementary. Has the minister assessed the program in terms of the impact the additional financial expenditures will have in terms of job creation, particularly in the area of creating additional attraction for technical experts to remain in this province and use the special expertise they've developed?

MR. M. MOORE: We've assessed the impact. Of course one of the reasons we went to a 75/25 percent funding for all programs was to ensure that the cities would not be led by our funding levels to provide funds for a system that wasn't really their priority. They now have a choice between light rail transit or improving their existing road system, bus system, or whatever, and they will do that. The 25 percent provided by the cities also adds about \$100 million to the total package, so over \$500 million of actual construction will occur over the next three to four years as a result of this program.

Mr. Speaker, hon. members can assess for themselves the value of that amount of construction, particularly in our two metropolitan centres. It's an excellent time to do that construction because there are lots of people out there to do the work, and they are bidding very competitively. In my opinion, it will have a major impact upon the skilled work force that presently exists, including the engineering community.

MR. LEE: A supplementary, Mr. Speaker.

MR. SPEAKER: Might this be the final supplementary by the hon. member.

MR. LEE: I thank the Speaker for the advice.

Mr. Speaker, could the Minister of Transportation confirm that provided the famous northwest passage is in fact found by the city of Calgary, there is sufficient time and financing

now to complete the northwest link in time for the 1988 world Olympics to be held in the city of Calgary?

MR. SPEAKER: The hon. Speaker's advice is that that question is hypothetical. Might we have a final supplementary by the hon. Member for Edmonton Gold Bar.

MR. HIEBERT: In light of the commitment to urban transportation, could the minister ensure that the same commitment would be available for the twinning projects of No. 1 and No. 16, so those projects stay on target?

MR. M. MOORE: I can say this, Mr. Speaker: the very, very adequate provisions that we've announced this morning for Alberta's 13 cities — including, of course, Edmonton and Calgary — were not made by taking funds from some other project. So the commitment we made to continue four-laning both the Trans-Canada Highway between the Saskatchewan border and Calgary, and Highway 16 from border to border, still remains. I said earlier in this Assembly, though, that there may be some stretching out of that commitment if the traffic volumes are such that we don't require the four-lane. But we're proceeding on target thus far, and that will probably remain over the course of the next year or two.

MR. SPEAKER: We have used the allotted time for the question period. After allowing for the time which was spent in remembrance, I have four members who have indicated their intention to ask questions — one member of the opposition and three government members. Is it the wish of the Assembly that we extend the question period for perhaps 10 or 12 minutes, or shall we go to Orders of the Day?

SOME HON. MEMBERS: Orders of the Day.

MR. SPEAKER: It seems to be a consensus that we proceed with Orders of the Day. I express my regret to those hon. members and will try to recognize them at the first opportunity.

ORDERS OF THE DAY

head: GOVERNMENT MOTIONS

17. Moved by Mr. Crawford:

Be it resolved that:

- (1) The Standing Committee on Law and Regulations take under consideration the published reports of the Institute of Law Research and Reform on the following subjects and report its recommendations thereon to the Legislative Assembly:
 1. Debt Collection Practices
 2. Defences to Provincial Charges
 3. Matrimonial Support
 4. Family Relief Act
 5. Unified Family Court
 6. Court Services (Family Law)
 7. Minors' Contracts
 8. Status of Children
 9. Builders' Lien Act
 10. Compensation for Security Interests in Expropriated Land

11. Application for Judicial Review
- (2) The committee shall report no later than May 15, 1985.
- (3) Reasonable disbursements by the committee for staff assistance, equipment and supplies, and other expenditures necessary for the effective conduct of its responsibilities shall be paid, subject to the approval of the chairman.
- (4) In carrying out its responsibilities, the committee may utilize the services of the staff employed by the Assembly or of members of a department of the public service with the concurrence of the head of the department.

MR. CRAWFORD: Mr. Speaker, I think it appropriate to make just a few remarks, although the intent of the motion is self-evident. I would recall to the Assembly that in the last couple of weeks the Committee on Law and Regulations provided to the Assembly a report on certain work they had done in conjunction with the Institute of Law Research and Reform. I thought I would mention how positive a step I think it is that pursuant to this motion the Committee on Law and Regulations will now give some further attention to 11 of the reports of the Institute of Law Research and Reform.

In support of this motion at this time, Mr. Speaker, I think it is appropriate to commend the work of the institute over the years. The institute now has a history of between 15 and 20 years of legal research and production of reports intended to assist provincial legislators in staying updated in developments in the law and in making recommendations as to specific matters that might be addressed within our provincial legislation. I think it proper to say that over those years the institute has acquired a very high reputation in the field of legal research and is led and staffed by very able and competent people.

I suggest that the consideration which will be given by the standing committee between now and next May, according to the motion, will aid legislators very significantly in dealing with the issues which have been the subject of the various reports described.

DR. BUCK: Mr. Speaker, I'd like to make one or two comments, because I notice that the material that will be under review is from Debt Collection Practices right down to 11. I think the move in this direction is probably something that will bring it into the realm of the legislative process rather than just of the ministers who are responsible for each department. I believe that's what the minister is saying will be happening under this committee setup. I feel this is a move in the right direction.

The only problem is that under this system we don't have any members on this side to serve on all these committees. That sort of defeats the committee system, because we don't have enough members on this side of the House to go to all these committees. Of course many times we're scrambling to try to make even a token appearance — and I do say just a token appearance.

Mr. Speaker, I certainly agree with what the Government House Leader is proposing, that the committee review some of the recommendations of the Institute of Law Research and Reform. As the hon. Government House Leader said, so many of these things are recommendations and have been studied by the Institute of Law Research and Reform. I certainly agree with the principle, but the only way this will ever really work is if we get 40 on that side and 35 on this side. As a matter of fact, that's the only way the parliamentary democratic process can be served in this

province, and I think the people of Alberta are starting to wake up to the fact that we need that and also the same ...

DR. CARTER: That applied to your years when you had lopsided ...

DR. BUCK: Never ever this bad, Rev.

DR. CARTER: Okay, my son, carry on.

DR. BUCK: As I said, Mr. Speaker, I certainly agree with the principle involved, and I compliment the Institute of Law Research and Reform on the amount of work they do to bring some of these matters to our concern. I agree with the principle of what we're trying to do. I just hope the people of Alberta will give us enough manpower on this side of the House so the jobs can properly be done when we refer them to committees.

[Motion carried]

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

Bill 90
Miscellaneous Statutes
Amendment Act, 1984

MR. CRAWFORD: Mr. Speaker, I move second reading of Bill No. 90, Miscellaneous Statutes Amendment Act, 1984.

Having given the explanation I did at the time it was introduced and the fact, for the record, that its principle is concurred in by both government and opposition members, I think I need say no more.

[Motion carried; Bill 90 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. Appleby in the Chair]

MR. CHAIRMAN: Would the committee please come to order. We have a number of Bills to be considered this morning in committee.

Bill 6
Pre-judgment Interest Act

MR. CHAIRMAN: Are there any questions or comments regarding the sections of this Act?

MR. CRAWFORD: Mr. Chairman, I regret it if you haven't been provided with the necessary information. That should not be called because it's been pre-empted by Bill 96, and that will be considered in due course. We should begin with Bill No. 55.

**Bill 55
Securities Amendment Act, 1984**

MR. CHAIRMAN: There is an amendment to this Bill. The amendment has been circulated. Are there any questions or comments regarding the amendment?

[Motion on amendment carried]

[Title and preamble agreed to]

MRS. OSTERMAN: Mr. Chairman, I move that Bill 55, the Securities Amendment Act, 1984, be reported as amended.

[Motion carried]

**Bill 59
Department of Culture
Amendment Act, 1984**

MR. CHAIRMAN: Are there any questions or comments regarding the sections of Bill 59?

[Title and preamble agreed to]

MRS. LeMESSURIER: Mr. Chairman, I move that Bill 59, the Department of Culture Amendment Act, 1984, be reported.

[Motion carried]

**Bill 73
Labour Relations Amendment Act, 1983,
Repeal Act**

MR. CHAIRMAN: Are there any questions or comments regarding the sections of this Bill?

[Title and preamble agreed to]

MR. YOUNG: Mr. Chairman, I move that Bill No. 73, the Labour Relations Amendment Act, 1983, Repeal Act be reported.

[Motion carried]

**Bill 74
Municipal District of Clearwater No. 99
Incorporation Act**

MR. CHAIRMAN: Are there any questions or comments regarding the sections of this Act?

DR. BUCK: Mr. Chairman, I see that the minister is not here, but maybe somebody can answer. In setting up some of these different municipalities, what criteria are we using? Is there any rhyme or reason as to why we set some up and the others stay as IDs? Are they just special instances? What is the rationale behind some of these being incorporated as the Rocky Mountain one and then this one? Is it to serve a special need? Is there some kind of government policy or long-term program to make all these improvement districts incorporated municipalities? I'd like to know if it's to meet a certain need or if it's some kind of long-term program.

MR. CAMPBELL: Mr. Chairman, in answer to the Member for Clover Bar, I should make a statement that an improvement district is generally defined as an unincorporated rural municipality which does not have the financial resources, population base, and administrative capabilities to manage its own affairs. ID No. 10 originally started off with improvement districts 58, 65, and 11, and then was put together as improvement district No. 10. This particular improvement district evolved to the point where it could manage its own affairs.

As far as the taxation base, the assessment in improvement district No. 10 would probably be one and a half times the assessment of the county of Red Deer, probably a little better than that in the county of Lacombe, and three times the assessment of the county of Ponoka. It evolved to the point where it could stand on its own and had the ability to pay.

With that in place and the fact that the improvement districts were subsidized as far as transportation was concerned, when the government found that they had the ability to pay, of course they took away these subsidies. Basically what we had was an improvement district that was operating the same as a municipal district. The only bad part about it was that they didn't have their autonomy.

DR. BUCK: Mr. Chairman, to the hon. member or anyone who can answer. Basically the question I'm asking is, will we eventually get to the point where we use the same kind of guidelines as we do for incorporation of a town? When it gets to be 10,000 people, it can ask to be incorporated as a city. Is there any long-term move to say that once the assessment of an ID gets to a certain level, they can apply for incorporation? Or are they just going to apply piecemeal, whenever they think they can go it on their own or that there would be some advantage to going on their own? I'd like to know if there's some kind of long-term direction the IDs can have.

I go to High Level every summer with the university. The community of La Crete feels that they're a forgotten corner of the ID. They also know that there are some advantages to being part of the ID rather than their own incorporated entity. I just want to know if there's some kind of long-range plan or if there are some guidelines as to when you can incorporate or when you remain part of an ID. Are any parameters set out? If anybody can answer that, I'd like to know if there's some long-term direction.

MR. CAMPBELL: Certainly the Minister of Municipal Affairs could add something to the answer I am going to give. Improvement district No. 10 requested that the minister do a study on incorporation. As far as any particular plans or whether there are criteria, I suggest that it was probably based on assessment and the ability to carry on their own affairs.

DR. BUCK: Mr. Chairman, I'll readdress the question to the hon. minister. When we're looking at incorporation, is there some kind of standard base? Maybe the assessment is X number of dollars and then the department would feel that that municipality could be incorporated and operate and function on its own. Is there some kind of long-term plan, or are these just going to come in as piecemeal incorporations? We're discussing Bill 74, the Municipal District of Clearwater No. 99 Incorporation Act. As I said, once a town reaches 10,000 people, that's the guideline we use for incorporation as a city. Are we looking at some type

of program such as that, some kind of guideline, or is there anything the government has in place at this time?

MR. KOZIAK: Mr. Chairman, in terms of the overall policy affecting all improvement districts, rather than just the specific one we're dealing with in this Bill — and my colleague Mr. Campbell has responded to the specific question on the Bill — the way in which I would respond to the question that was raised is that generally speaking we would be looking at two things. The first is our assessment of the ability of the new municipality to provide from its assessment base for the needs of the local residents in accordance with what is expected in the province of Alberta. The second would be the experience of the local level of government in that improvement district.

In terms of the two Bills for the incorporation of improvement districts that have been presented to the Legislature this fall, we've been more than satisfied as to the competency of the advisory councils and their backup staff in the improvement districts and that the transition to full incorporated status would be something they could easily handle on behalf of the local residents. We're satisfied that the ability is there. Secondly, from the point of view of assessment per capita, reserves, and that type of thing, in the case of both improvement district No. 1 and improvement district No. 10, their current assessments are above the provincial average for municipal districts. So there should be no question and no concern that the base isn't there on which to provide the services necessary for that community. That's basically what we're looking at.

The hon. member will of course be aware that these are the first incorporations that have taken place since 1958. In many of these areas, much has changed since 1958. The addition of equipment and machinery assessment and power and pipeline assessment, all as a result of the development of our natural resources, has strengthened the base of these two municipalities.

There is another improvement district which is of a different concern, and that's improvement district No. 7, in the Drumheller valley. In that particular case, we're still in discussion with the council as to whether or not there is a possible viability of that area for municipal district status. I'm not as confident in that case as I am with respect to the two we're dealing with this fall. There are others that have shown an interest in incorporation, and there are others that in some cases could be decades away from incorporation. It depends on the nature of the improvement district, particularly the assessment base, the population, the numbers, and the experience in terms of the local government.

DR. BUCK: Then each case will come up as it comes up; they make application and proceed. To the minister: unless I missed it, when we're going into this type of incorporation, has there been any decision made ... I believe the situation arose when Fort Saskatchewan was looking at incorporating as a city, and there are one or two others. Has the problem been solved of part of a municipality applying for city status and staying as part of a large school jurisdiction, or do they have to go with their own school system? I believe this would also apply to some that were part of an ID and they could have been part of one or two different school systems. I would just like to know from the minister if there has been any resolution of that school question, because it would probably have ramifications when these IDs are looking at incorporation.

MR. KOZIAK: Mr. Chairman, in the case of the two Bills that are before us, we're incorporating municipal districts and not counties, so we're not affecting the school jurisdiction or the boundaries of the school jurisdiction. Whether or not that should change is a matter that is open to discussion for the future.

The other specific question the hon. member put was with respect to Fort Saskatchewan, in his constituency. We provided an amendment — my memory as to dates is not good, but it was within the last year — to the County Act which permitted a city to remain as part of an educational unit in a county system. That would permit Fort Saskatchewan, for example, or any other areas where that interest is there, to incorporate as a city and yet have the school system as part of the county of Strathcona, as it is now.

DR. BUCK: Looking at the IDs that are looking at incorporating as MDs, has there been any fluctuation, municipal districts going to counties and then going back to MDs? Has there been any of this? Are there any requests? Does he see that this could be a problem in the future, or is the county system still working better than the MD system? We're looking at these IDs going to MDs. Will they someday be going to counties?

MR. KOZIAK: Mr. Chairman, we have 30 counties and 18 municipal districts. With the passage of these two Bills, on the effective date of January 1, 1985, we'll have 30 counties and 20 municipal districts. In terms of movement between municipal districts and counties, there hasn't been any in recent times but, historically, I can't speak accurately.

I know there are constant conflicts between municipal and school representation when it comes to the county form of government. That really reflects individual sets of circumstances: how many villages or towns are within the county school jurisdiction and their strength relative to the rural strength in electing representatives to the school committee — that type of thing. What may be a problem in one county is not a problem in the next county. It's difficult to try to legislate a general system that would be perfectly applicable for each individual set of circumstances.

On the whole, I think the system is working. We have a review of that aspect under way. Whether anything can be accomplished that would accommodate everybody and make sure everybody is happy is probably an expectation we can't meet.

DR. BUCK: Mr. Chairman, the reason I'm asking these questions of my hon. colleague the Member for Rocky Mountain House is that these are questions I'm sure the people ask themselves when they are asking for incorporation. These problems do arise. My hon. colleague the Member for Vegreville knows the problem they're having in Willingdon, where they're closing down the high school. Some of the pupils want to go to Two Hills. Some don't want to go to Two Hills, and they're driving their children to Vegreville. When we have these problems, I just want to bring them to the attention of the minister. We give people local autonomy and still, as the hon. minister said, somebody is going to be happy and somebody is going to be unhappy when the situation changes. I think we should discuss these things, because the people who are looking at incorporation should not just be looking at how great it's going to be, a lot of revenue coming in. There are problems down the road: this problem within the country system where you have these warring factions. People have

the right to say: no, we don't want our children to go there; we do want them to another town. Of course people should always have that right.

These are just some of the problems that arise. We can't solve all the problems, but we do know there are some of these jurisdictional conflicts. Of course the people who are asking for incorporation should know that some of these things do happen.

The minister reviewed some of this in his previous answer, but I would like to ask if some of these municipal districts are looking at moving to the county system in the near future, or are they happy using the MD system and a separate school system?

MR. KOZIAK: Mr. Chairman, relative to the hon. member's comments at the outset of his contribution at this particular moment to the committee's study, I suppose that if there were no problems or challenges there would be no need for government. Of course, the new council of the municipal district of Clearwater No. 99 is going to have continual challenges facing it. It's going to respond and solve those challenges on behalf of its residents. The system by which we accomplish this is this Bill, so they solve those problems rather than having them solved 100 miles away in Edmonton. I think that's the superior method, and that's the one we all agreed to.

In terms of what faced the council and the hon. member who moved the Bill — when we talk about the transition from improvement district status to municipal district status, the bigger concern that faced the residents was possible annexation challenges from without. I think those annexation challenges drew the group closer together and, if one might say, made for resolve on the part of the members and residents of the improvement district in terms of incorporation and better prepared them to deal with issues they'll have to face after incorporation.

At my meeting at the Rocky Mountain House school in March, I indicated that I would not accept any requests for annexation of territory from the improvement district prior to January 1, 1985. After incorporation, they could deal with such requests on an equal basis, not in a subordinate position, before the Local Authorities Board.

The matter of movement from municipal district status to county status — there again, we have two separate governments. We have the municipal district and the school division. The amalgamation of those into a county would require the co-operative, joint efforts of two governments, not a decision by just one.

DR. BUCK: Mr. Chairman, to the member sponsoring the Bill. In the incorporation situation we're looking at in the Bill, do we go through the incorporation to MD status and then to county status? In the case of Clearwater, was there any reason why they went to MD status rather than county status?

MR. CAMPBELL: Mr. Chairman, the improvement district has a separate school board, and that certainly was a consideration as far as the council was concerned. They would like to retain that school board and just incorporate as a municipal district.

MR. BATIUK: Mr. Chairman, I'd like to ask a question of the minister. Over the years many counties have been formed when a municipal district and a school division amalgamated and incorporated into a county. I think there

have been one or two occasions when the residents in the county wished to go back to a school division and a municipal district. I am wondering whether there is any provision in case this new municipal district wants to go back to an improvement district years down the road. Is there provision for that?

MR. KOZIAK: Mr. Chairman, if one looks at the history of this area, at one time there were in fact five municipal districts and a number of improvement districts which formed the current area identified as improvement district No. 10, to be incorporated as municipal district No. 99. The circumstances of the day, the levels of assessment, and the inability of the municipal districts to provide for local government within their means all led to the dissolution of these municipal districts and the ultimate handling of government by improvement districts. We did have that movement there.

However, Mr. Chairman, I think that today we see these two municipal districts in particular on a much stronger footing than their predecessors were. In fact, I should share with hon. members that when we looked at improvement district No. 10, there were two options. One was to incorporate just the settled area of improvement district No. 10, the area which was occupied on deeded land, and exclude that portion of the improvement district which was Crown land. We concluded that the improvement district would be on a sounder footing as a municipal district if we incorporated the whole area so that they would have the benefit of the assessment in Crown lands, but the provincial government would retain responsibility for fire control and the management of the Crown lands in the area pretty well west of a particular boundary which will be identified by order in council.

We're looking at the incorporation of these two improvement districts from the point of view that while such reversion may potentially take place in law, having regard to the strength of these two improvement districts — the reserves, the assessment base, and their income flow — in fact both of these new municipal districts will definitely prosper and join the fold of AAMDC.

MR. CAMPBELL: To supplement the minister's answer, Mr. Chairman, previous to 1958 there were numerous small municipal districts which just didn't have the assessment base in order to operate. That was the formation of the improvement districts, which I understand were the first in the province. To bring to the attention of the members of the Legislature that there were some problems, I can remember one counsellor mentioning that the money he could use for roads was, I believe, \$350 for that particular year. In view of that, the government of the day formed improvement districts.

[Title and preamble agreed to]

MR. CAMPBELL: Mr. Chairman, I move that Bill No. 74, the Municipal District of Clearwater No. 99 Incorporation Act, be reported.

[Motion carried]

Bill 78
Electric Energy Marketing
Amendment Act, 1984

MR. CHAIRMAN: We have amendments with this Bill. Are there any questions or comments regarding the amendments?

[Motion on amendments carried]

MR. CHAIRMAN: Are there any questions or comments regarding the amended Bill?

MR. MARTIN: Mr. Chairman, I know the hon. minister would like to continue some dialogue about this important Bill. I have a couple of comments and then some questions flowing from those comments. I won't repeat some of the things, but a couple of things I will.

I recognize that the Bill shields for the approximately two-thirds of the year that's left. As I understand it, there will be full shielding, so it's not going to cost anybody any more money. The discussions we've had with various groups and certainly with the city of Edmonton — because of course they're worried about their budget in the future just as we are worried about ours — is what this will mean to them in the future. The minister is aware that there have been various estimates that people are speculating about in terms of how much this will cost. I wasn't able to be here at the end, but I'm told that this may cost Edmonton \$4 million in the future and all the rest of it.

I guess what we're trying to do, as much as possible, is get a handle on what this means in terms of dollars and cents after the shielding runs out. It's caused some confusion. We've been getting calls in my office since it was introduced, Mr. Chairman. The city is worried about subsidies to the rural areas, the south about subsidies to the north, and farmers about subsidizing industry. So there is a fair amount of confusion. I'd like the minister, if he would, to give us some idea of what this will eventually mean in terms of dollars and cents. I know he can't bring it down to the last penny. I'm sure he has some idea from projections in his department precisely what it means for the province, but I want to know specifically for the city of Edmonton, in which a few of us are taxpayers, including the Minister of Labour.

The other area where I would say there is some concern — it's a general Bill; it lacks some specifics. It's clear that it does increase the regulatory power of the cabinet. Maybe this is not necessarily bad as a principle, but again there is some concern about centralization of power. We hear a lot from the government about decentralization and partnership with the municipal governments. The other area I want the minister to comment on is the matter of consumer groups and their definition. During second reading, Mr. Chairman, the minister was talking as though he had a definition in mind. Maybe that's not the case. That's what I picked up from reading the debate in *Hansard*. Yet this amendment to the Act leaves this definition to the cabinet. My question is to the minister specifically in that area: does the minister intend to change the rules of the game on the citizens of Alberta once this Act has been passed? If not, then why are those definitions not spelled out in the Bill? Again that's part of that trend, if you like, toward centralization. If he has definitions, I would be interested if he could spell out to the House in some detail what he has in mind. Secondly, if that is the case, why were these definitions not provided in the Act?

MR. CHAIRMAN: Are there any other questions or comments?

DR. BUCK: Mr. Chairman, I'd like to remind the Edmonton MLAs that they are elected to this Assembly to look after the interests of their voters. It's really interesting to see in the article in the local newspaper, that little paper we have in town called *The Edmonton Journal*, that city Alderman

Wickman is concerned about what the Edmonton MLAs are saying on the issue. If they're supporting the Bill, I think they should stand up in this Assembly and tell us the merits of it — why it's so great, why they're going to support it — or if they're not going to support the Bill, why they're not going to support it.

When we form the government in two and a half years or in a year and a half, we're going to give our MLAs the freedom of free votes in this Assembly on everything except definite nonconfidence votes. If there's anything we've learned from this mammoth, overwhelming majority, it's that the private member does not get up in this Assembly and express his views. I think that is certainly a... [interjection] We're going to wait for them, Shirl baby; we're going to wait for their input.

This is what we're doing. We're in this Assembly to express our views, not to sit silently. I don't care if the hon. Member for Edmonton Belmont supports it or not. I want to know why he supports or does not support the Bill. [interjection] You've probably told them, Dick. The cabinet told them what they should say and not say. It's pretty simple. [interjections] At least the Premier has taken the leashes off long enough that they don't all wear the same color shirts anymore. That's an improvement. I remember when they all came trooping in with the same color shirts; I just about threw up. Talk about orchestration, Mr. Chairman. That one was really a sweetheart of a deal.

There will be some problems for the large cities, because they are going to be providing a fair amount of subsidization. I just don't think the democratic process will be served if we let this Bill pass without some input from the Edmonton MLAs. And it's going to catch up with the silent 16.

MR. MARTIN: And the Calgary MLAs too.

DR. BUCK: Also the Calgary MLAs. We want to hear what the hon. Minister of Advanced Education from Lethbridge says; why he supports the Bill.

MR. SHRAKE: On a point of order. If he had been in the House last night, he would have heard that debate. I suggest that he read *Hansard* or the Blues, and then he will know what was said. [interjections]

MR. CHAIRMAN: Order please. Any hon. member that wishes to participate in debate on this Bill has the freedom to do so, but I wish we would take it in some sort of sequence.

DR. BUCK: I'll sit down in a minute, Gordon, so you can give 'er, baby.

We want the people of Calgary especially to tell us definitely ...

MRS. CRIPPS: You're costing the Alberta taxpayers \$15,000.

DR. BUCK: The hon. Member for Drayton Valley says I'm costing the taxpayer — how many dollars? At least they're getting their money's worth, Shirley.

Mr. Chairman, I'd like to say that if I missed something last night, I'll read the Blues. I was out planning your demise, hon. Member for Calgary Millican. It's really very interesting, Mr. Chairman — this is an aside, but I think the hon. members should know. When we're out petitioning to get 4,000 names to form a new party, it's just like taking candy from a kid. It's that easy, because they're

ready. They want a free-enterprise alternative in this province. [interjections]

Getting back to the point under discussion, Mr. Chairman, we want to know explicitly where the Edmonton and Calgary members stand on the issue. It's not good enough for the chairman of the Edmonton caucus to be the representative. I want each member to stand in his or her place and tell us how they stand on this issue. Or is it going to be another example of whatever the Government House Leader or the Premier tells you to do, that's what you do?

Mr. Chairman, I'd better not hold my breath, but I'm looking forward to some input from all the members of those large cities. I think we want to know where the MLAs stand on a Bill that's this wide-ranging and affects all the citizens in those communities. I'm sure the first one up is going to be the hon. Minister of Advanced Education. As an accountant by profession, he can tell us what this will do for his jurisdiction in the short run and the long run. I have great confidence that with that accountant's mind, the Minister of Advanced Education can tell us what the long-range benefits or disadvantages will be to the city of Lethbridge. I look forward to that input from the member.

MR. CHAIRMAN: Are there any other questions or comments?

MR. BOGLE: Mr. Chairman, there were several questions asked that I would like to respond to before we call the question.

The Member for Edmonton Norwood made reference to the year. The hon. member will recall that when the Bill received second reading I indicated that the agency year differs from both our government fiscal year and the calendar year. The agency year runs from September 1 through August 31 of the following year. Therefore we have about nine and a half months to go in the current agency year. I gave the commitment, both when the Bill was introduced on October 31 and again during second reading, that as a result of the changes being introduced to the legislation there would be no negative impact on consumers across the province, both for the remaining portion of the government's fiscal year and that portion of the 1985-86 fiscal year that runs through August 31, 1985. Obviously I cannot comment on what may happen beyond September 1, 1985. That's a matter our government will have to deal with in the normal budgetary process. I expect that as has been the case in the past, the Provincial Treasurer will announce in his Budget Address in the spring of 1985 the amount of shielding that will be available from September 1, 1985, through August 31, 1986.

The hon. member went on to ask a question relative to the shielding and what the shielding meant. I believe I gave a response during second reading. I know my colleague the Member for Edmonton Kingsway made reference to the fact that using the 1984 cost estimates and assuming that the current revenue/cost ratios are maintained, in order to maintain the existing level of customer payments we will be required to transfer approximately \$9.8 million in shielding from the agency to Edmonton Power. That would flow to Edmonton Power to shield customers in the city of Edmonton from any adverse effects as a result of the amendments we are making. It's important to note that in the TransAlta Utilities franchise area, which includes the cities of Calgary, Lethbridge, and Red Deer, there would be a shielding benefit of some \$42.6 million. Those are the kinds of dollars we're looking at if we were to provide

the shielding for a full 12-month period based on 1984 cost estimates. Mr. Chairman, the important thing is that we have committed ourselves to the principle of shielding. The figure may be slightly higher or lower than that figure, depending on the decisions of the Public Utilities Board in terms of the various rates.

The hon. member expressed some concern about the regulatory authority of cabinet, specifically as it relates to consumer groups. I would like to assure the hon. member that this matter received a lot of attention while we were working on the concept of the legislation in the government caucus utilities committee, the full caucus, and cabinet. One of the main concerns we have is that while we've been able to identify the three main customer groups for wholesale purposes — residential and farm as the first group, the customer business group as the second category, and industrial as the third — we want to ensure that there is flexibility so that the individual utility companies may be able to take advantage of particular situations. For instance, through arrangements with TransAlta Utilities, irrigation farmers in southern Alberta are able to purchase electricity for irrigation purposes in off-peak periods at a slightly preferred rate. We don't want to interfere with that. It's also true that Alberta Power and TransAlta have a separate rate for street lighting in towns, cities, and villages that are served as direct customers. We don't want to interfere with that process.

I cite another example. The town of Fairview is about to build a new water supply line from the Peace River to the town, and I believe the lift is approximately 1,300 feet. The cost of pumping water from the river to the town's main storage reservoirs is going to be quite enormous. I know the town is working with Alberta Power to see if they can make some special arrangements by pumping in off-peak times. Again, we want to ensure that there is flexibility in what we are proposing that will encourage that kind of initiative between the utility companies and the various municipalities and individual groups, such as the farmers I've mentioned.

I would also like to comment on the process being followed, Mr. Chairman. A meeting has been set for next Wednesday, November 14. It will be the first in a series of meetings between the chairman of the Electric Energy Marketing Agency and representatives from the three electric generating companies, Alberta Power, TransAlta Utilities, and Edmonton Power. As well, the other members of the Electric Utilities Planning Council, primarily the cities of Calgary, Lethbridge, and Red Deer, will attend that meeting. We've taken the unprecedented step — and it's one I feel pretty proud of — of inviting the chairman of the Union of Rural Electrification Associations to be present at that meeting, because the REAs also buy their power at the gate of an REA, if you will, and have their own distribution system. I've indicated that it may be appropriate for one or two representatives to attend on behalf of the other towns and villages that own their own distribution systems.

The purpose of this meeting is to set out the parameters for the review of the draft regulations. We want to ensure that all those bodies that are going to be affected by the regulations will have an opportunity for input. We've made it clear that the regulations must be in place by January 1, 1985, so the Public Utilities Board and the Electric Energy Marketing Agency can get on with their jobs as defined in the legislation. But there is a period of at least some four weeks for the various communities and organizations to have input to the draft regulations.

The hon. Member for Clover Bar raised several questions, particularly relative to how the city of Edmonton fares in this whole process. I would like to remind the hon. member that, as I'm sure he is aware, the city of Edmonton has been a net beneficiary of the Electric Energy Marketing Agency since its inception. It has benefitted significantly. The net benefit of the shielding program to date is some \$23,571,386. That's a lot of shielding provided to the residents of Edmonton through Edmonton Power since the inception of the shielding program on September 1, 1982.

I would also like to indicate to the hon. member that one of the beneficiaries of the changes we're putting in place today will be the industrial users across this province. As I'm sure the hon. member is aware, a large number of the large industrial plants in the province are located in the Clover Bar constituency. The large industrial users in the member's constituency will be a major beneficiary. I would give as an approximate figure some \$5 million of shielding, specifically to ensure that the industrial users in our province remain competitive with the large industrial users in our sister provinces. We want to ensure that that viability is maintained.

Thank you, Mr. Chairman.

MR. MARTIN: Mr. Chairman, to follow up the minister's remarks and make sure I correctly understand some of the points. First of all, the minister indicated that fully shielding the users in Edmonton for the rest of the year would be over \$9 million. Am I correct?

MR. BOGLE: The increase.

MR. MARTIN: That's right. If that's what it's costing this year, I guess the concern I have in representing Edmonton — I expect it's true in Calgary or wherever — is that we want to try to get a handle on what this means the year after. Frankly, this is a decision being made at the provincial level that affects municipal politicians, because they have to struggle with their budgets the same as we do. That's the criticism we often get — that some of this consultation be made before. I know the minister said there will be consultations between the three power companies. But I wonder if the minister could indicate what consultation he has had with local politicians, specifically in Edmonton and Calgary — I represent Edmonton in this particular riding — and what their reaction has been to this. What I am told is that they're not sure what it's going to affect. If it costs them, say, \$4 million next year, that is a lot of money in terms of a city government budget. They're trying not to raise property taxes, because that's very unpopular, as the minister is well aware. They're trying not to cut back services and not to lay off people. They need some lead time in terms of dealing with their budgets.

Mr. Chairman, I guess what I'm saying is that in the city of Edmonton, with unemployment the way it is right now and the misery index that's very high, certainly in my riding, if we keep putting more pressure on ... [interjections] It's in the hon. Minister of Education's riding, because we're getting a lot of people coming to us from there too. But I make the point in a serious way that the local government cannot take much more in terms of cutbacks. If it's not going to be money out of their pockets — that's what they're expecting after the full shielding. I think the minister has said that after this there will not be any more shielding from the provincial government. I expect that what we want to do in the Legislature is get an idea of what

that means. I think the citizens of Alberta want to know what that means, because it comes out of one pocket or the other. They're all represented by either the city governments, the municipal governments in the rural areas, or this provincial government. So I am trying as best I can to get a handle on this.

I asked the other question the other day, and I think the minister alluded to it. I have been doing a fair amount of running around, and I'm sorry that I wasn't able to get the answer. I'm sure the minister is aware that some Edmonton politicians have made comments about opting out of the Electric Energy Marketing Agency. I'm not clear whether or not there is a possibility that they can do this. The minister has indicated that he feels Edmonton has benefitted by over \$23 million. Regardless of whether or not they have benefitted, do they have the right to opt out if they so decide? If they can't do it, I think it should be put on record in the provincial Legislature. I know I asked that and I apologize if the minister answered it, but I think he can appreciate that there's been a fair amount on my schedule in the last little while. I am really trying to get a grip on what this means in terms of the ongoing finances in the city of Edmonton.

MR. PAHL: Mr. Chairman, I want to rise in my place to indicate support for Bill 78 and that the ramifications of the Bill, the amendments proposed to the electrical marketing agency, have been well considered by the government and government members with respect to my own situation, my particular concern for the citizens of Edmonton Mill Woods, and the citizens of Edmonton in general. The concept of an electrical marketing agency has in effect provided Albertans with the best of both worlds. We have a combination where there is private capital — not social capital — being invested, plus the city of Edmonton, which is a unique system as one of the generators, being placed in a pooling or sheltering. In the sense of being the best of both worlds, that allows private capital in the main to be invested, with a regulatory agency that allows the sheltering and pooling of costs across the province, without the inefficiencies of a publicly owned electrical utility system across the board. I hope that advantage is not lost on members in this House or the people of Alberta.

Specifically with respect to the city of Edmonton, as a resident, taxpayer, and ratepayer in the city, I have benefitted pro rata to the tune of \$27 million through the electrical marketing agency's sheltering activities. Certainly the pendulum has swung somewhat, Mr. Chairman. As a sheltering, as you realize that there is a pooling, that advantage for Edmonton certainly was reduced in this past period, and there will be a move the other way to the tune of about \$3 million. So there is an ebb and flow, but there is sheltering and pooling of costs. I remind this House and indeed all Edmontonians that they are Albertans. We need to take both the costs and the benefits of a provincewide marketing and pooling system.

I would also like to respond to the question that the hon. Leader of the Opposition has placed, because it has been an issue in the local context. It's the concept of whether the city of Edmonton would be allowed to move out of the electrical marketing agency. Certainly the minister is on record quite clearly as saying yes. But I remind you that the other side is that if you're all standing under an umbrella and holding it, and you decide you no longer want to hold the umbrella and leave, then there is some question as to whether you should be entitled to come under the

umbrella again when the rain starts. Certainly my understanding is that the minister is on record as saying that the city of Edmonton can leave the marketing agency but that there is a period of time when they would not be permitted back under the umbrella.

As a citizen of Edmonton, I for one would be very, very concerned if city council, on my behalf, were to leave the agency. I am aware of the fact that there's a very substantial investment in Genesee, which will ultimately be coming on stream, and I as a taxpayer of Edmonton will have to bear it. I'd like to see that cost spread across the province in the knowledge of bearing the ebbs and flows of the pluses and minuses over time. I hope the city fathers will think very, very carefully about any decision to remove the sheltering/pooling concept, to leave the umbrella and gamble that there are not going to be any storms or problems with going alone. My understanding is that the option is there. As a citizen of Edmonton, I would be very concerned if the city took it without very careful consideration. In terms of sheltering, right now as a citizen of Edmonton I'm \$23 million or \$24 million to the good when you look at the balance sheet of \$27 million of benefits to Edmonton as opposed to roughly \$23 million in costs.

I hope that helps the record and indicates my support for Bill 78, the amendments to the electrical marketing agency.

DR. BUCK: Mr. Chairman, can I ask the hon. minister one short question? The minister indicated that it would be up to as high as \$27 million for the city of Edmonton. I presume this is coming out of general revenue. If we're trying to shelter the rural area, where the cost is higher, then the money would have to come from general revenue, because it can't come from someone who has the lower rate and who is producing the revenue, as the major cities are.

Mr. Chairman, the second part of the question to the minister is: if Edmonton's share is going to be about \$27 million, what will the entire cost be for the shielding program from day one to the time the province goes out of it?

MR. BOGLE: I may deal with the hon. Member for Clover Bar first, Mr. Chairman, since he asked for some specific clarification. I believe the figure I used was that Edmonton has had a net benefit of some \$23.5 million from the agency since the shielding program began on September 1, 1982. That's been the net gain to Edmonton.

The second question was, where did that money come from? The funding provided was out of general revenue, as approved in this Legislature. The hon. member will recall that when the program commenced on September 1, 1982, the government was providing full, 100 percent shielding. On September 1, 1983, the shielding dropped to 80 percent, which meant that those residents from areas that had the lowest cost power in the province — TransAlta Utilities, the cities of Calgary, Lethbridge, and Red Deer — were now paying 20 percent of the differential. The city of Calgary and the Alberta Power franchise area were net beneficiaries. On September 1, 1984, the level of shielding dropped to 60 percent.

The moves we are making at this time will maintain the 60 percent shielding. There will be no change in what occurs in that aspect. But as a result of these amendments, any additional costs that would otherwise be absorbed by the customers are being absorbed through our program. As I indicated in second reading, we have \$52 million in our

budget this year, and that's more than adequate to cover the costs of shielding for the remaining portion of this fiscal year. I've also given the commitment for the first few months of the next fiscal year, taking us through until August 31.

The hon. Member for Edmonton Norwood asked the question, can Edmonton ...

DR. BUCK: Does the minister have the total shielding cost from day one to when the program expires?

MR. BOGLE: I can only give an approximate figure. It's just over \$100 million from September 1, 1982, to the present date. I think the figure used in the white paper, under government programs, is \$102 million, but that's an approximate figure.

If I might continue in response to the hon. Member for Edmonton Norwood, rather than repeating what I said in second reading I draw the hon. member's attention to page 1378 of *Alberta Hansard* of Monday, November 5. I believe there's a complete answer in terms of the conditions under which an application by the city of Edmonton, through a city council resolution, could be forwarded by me to my colleagues in caucus and cabinet, requesting withdrawal of Edmonton Power from the agency.

I would like to make one other comment if I may, and it has to do with the hon. member's desire to see public power. I point out to the hon. member that if we were to move in that direction and if we were to achieve one Crown corporation for the entire province — so in essence we would be assuming the assets of Edmonton Power, TransAlta Utilities, and Alberta Power — we would go to a common provincewide rate. We would achieve that objective. That's what happened in other provinces that nationalized their power companies. As the hon. Member for Edmonton Mill Woods so rightly pointed out, we are trying to achieve the best of both worlds. We know there are some very fine management skills in those companies, and we want to see them in place. Yet we want to achieve the objective of a common, pooled rate for the portion of the electric bill that is attributed to generation and transmission of the system.

The hon. Member for Mill Woods also alluded to my remarks on the conditions under which the city could opt out. I would like to make it very clear that while I personally may have some feelings as to whether or not it would be appropriate for the city to opt out of the agency, that's secondary. From my point of view, the key is that the decision rests with the elected members in City Hall. If the elected members in City Hall are prepared to follow the conditions that have been given to them — and I think they're fair and just — I'm certainly prepared to take that recommendation forward. That is part of my responsibility as a minister of this government, Mr. Chairman.

MR. MARTIN: There are a couple of other areas. I appreciate where that sits with opting in or out. I have two or three questions, though, flowing from that. The Minister responsible for Native Affairs alluded to the benefits he sees for Edmonton taxpayers staying in. I believe I'm not misquoting him. If, as the minister alluded to, city council in its wisdom decided to go that route and opt out, surely that would have some dire consequences for the rest of the province. It seems to me — and the minister can correct me — that it is much easier to provide lower costs in the major cities, where you have a huge population, and that's also where the main subsidies would come in. So my

question is, what would the minister's assessment be of what would happen to the rest of the province if they go that route?

The minister didn't allude to the second area, though. I point out that there might be different ways of achieving public power. We have an example of public utilities that have two separate ones — AGT and Ed Tel. Maybe the minister doesn't think it's a good example right now. So there might be various ways you could look at public power; it doesn't have to be all or nothing. I think we have that precedent in this province.

I wanted to come back to trying to get a handle on what it might mean specifically to Edmonton taxpayers after the shielding comes out. I realize it depends on a lot of things and a lot of rates, but I think this is the confusion in people. They don't know what it means. After the shielding comes off, is it going to cost Edmonton taxpayers some money — \$4 million, \$8 million, \$10 million? Or are we going to make money? If the minister could give us some rough estimate of how he sees that occurring ...

The other area is an important issue, Mr. Chairman, because again we're making a law in the provincial Legislature that basically will affect the local governments. Remember that I did ask what sort of consultation had gone on between the minister and local elected officials, rather than with the power companies, before coming to this point in the Legislature when we're debating it in Committee of the Whole.

MR. BOGLE: Mr. Chairman, I had an opportunity to share the government's intent in moving in this particular direction with the mayor of the city of Edmonton and Alderman Roper at a meeting prior to September 20. I would also like to advise the Assembly that I met with Alderman Craig Reid, chairman of the gas and power committee for the city of Calgary, as well as Alderman Dale Hodges, on this matter. I believe that meeting occurred on October 26. I met, again on the 26th, with the mayor of the city of Lethbridge to discuss the matter, and arrangements are being made for a meeting with the mayor and one alderman from the city of Red Deer. At the request of the mayor of Red Deer, that meeting will not occur until, I believe, the week of November 19. So there has certainly been consultation both at the policy level — that is, between members of government caucus and me — and with various mayors and councillors from the communities and cities involved.

There has been very extensive discussion as well. Meetings took place on both September 20 and October 22 between the chairman of the agency and the representatives of the various groups I've mentioned. As I've indicated, on the 14th of this month we will begin a process to review draft regulations with the same bodies. So before I take any recommended regulations — which of course must be in place by January 1, 1985 — to my colleagues on the cabinet economic planning committee and to full cabinet, there will certainly be a full opportunity for those various bodies to have representation.

I think the hon. member asked a very astute question, and that had to do with the impact on the agency if the city of Edmonton were to withdraw; I think that was the import of the hon. member's question. We have calculated the cost to every residential user in the shielding program — and recall that that means all Albertans with the exception of Medicine Hat residents. When shielding is applied, the pooled cost associated with generating the electricity and transmitting it is 4.05 cents per kilowatt-hour. If the city

of Edmonton were to request that Edmonton Power be withdrawn from the agency, then the cost to all remaining participants would be 4.12 cents per kilowatt-hour. The reason is that the cost of Edmonton Power is so close to the provincial average that it has very little impact on the agency.

It should also be noted, Mr. Chairman, that Edmonton Power is currently buying approximately 85 percent of the electricity used in the city from Alberta Power and TransAlta Utilities. That power is being bought at a more preferred rate than it was before the agency came into being. That's because arrangements between the companies altered once the agency was in place. They were all sharing together. Those are two important factors which need to be mentioned. Edmonton Power's current costs are very close to the provincial average.

The question of what will happen to Edmonton after the shielding is no longer in place is one of the key questions members of Edmonton city council must ask themselves in assessing this whole issue. What will happen when the \$1.1 billion or \$1.2 billion Genesee power plant goes on stream? Who's going to absorb the capital costs which will, after commissioning, be amortized into the rate base? Is that cost going to be shared by the customers in the city of Edmonton? They represent about 20 percent of the total provincial customer contingent. Or will those costs be shared among the entire province? That's one of the real issues the city of Edmonton must address. It's one of the reasons that, while it may be to the advantage of the city to opt out now, and they may be able to gain a few million dollars a year in the process or it may cost them a million or two, in my opinion the real key is: what happens once Genesee is commissioned?

About 18 months ago, this very question was raised by the then mayor of the city of Edmonton, Cec Purves. The mayor and I agreed there should be a committee struck of officials from both the agency and Edmonton Power to come back to city council and to the Edmonton members of caucus with some estimates as to what Genesee would mean, once commissioned. The study, which was completed and jointly presented by the officials of Edmonton Power and the Electric Energy Marketing Agency to the mayor and me in June 1983, showed that in three scenarios there was a significant benefit to Edmonton Power. The worst-case scenario showed a \$55 million benefit per year, and the best-case scenario was about \$64.5 million benefit per year. That was with the commissioning of Genesee two, which is the first of their two generating units.

MR. MARTIN: Just to follow up on that. The minister brought up the Genesee project. Following his logic, I agree that it's going to be up to city council to make some hard decisions about whether they stay in and to analyze what's best for them. My question has to do with the cost, because it probably has some bearing in that decision. Let's say for argument's sake that they decide to stay in the electrical marketing situation. In that case they obviously can't proceed with Genesee because — well, maybe I'm wrong.

Let me go on with another hypothesis, that they do not proceed with Genesee for the time being, following along with what the minister has recommended. I'm talking about next year. Let's forget about Genesee if it doesn't come on in the next year, and they stay in the electrical marketing agency. When we pass this Bill, what will be the impact of possible costs to the city of Edmonton in the year when the shielding comes off?

MR. BOGLE: Mr. Chairman, the hon. member has raised a very good question, and I'm delighted I have an opportunity to put an answer in *Hansard* and get the issue out before members of this House. Some people have a conception or a feeling that if Edmonton city council were to withdraw from the Electric Energy Marketing Agency, Edmonton Power could not only proceed with construction of Genesee — and you recall that in the decision of government on February 23, I believe, we said that any company building a power plant could proceed at its own discretion and at its own risk. In other words, the customer wouldn't provide a safety net if in fact it was a wrong decision. We also stated at that time that the commissioning of the power plants would be done by the Energy Resources Conservation Board. That means that whether or not Edmonton Power is part of the Electric Energy Marketing Agency will have little, if any, impact on a decision made by the Energy Resources Conservation Board as to when a power plant is commissioned.

The Energy Resources Conservation Board uses provincial load as one of its key criteria. They look at an integrated provincial system. They look at all the electric generating plants in the province, regardless of who owns them. They look at the load requirements in this province, including peaking requirements. Their decision on when plants are commissioned is based on provincial load factors. We have the capacity in the province to meet the needs in Alberta. We have new plants coming on stream: the Sheerness plant, which is jointly owned by the two investor-owned utility companies, and the Genesee plant, which is owned by Edmonton Power.

There should be no confusion; there are very different roles and responsibilities for the Energy Resources Conservation Board, which determines when plants come on stream based on provincial needs, and the Electric Energy Marketing Agency, which blends the price of the electricity produced and sells back at common rates to the various customer groups.

MR. MARTIN: I appreciate the half of the answer I'm asking for. The minister is correct; I realize it's up to the energy conservation board. Whether they're in or out is not the point.

I'll make a couple of comments and then come back to the question I'm trying to get to. There have been some complaints by certain people in the city that even though there are preferred rates from the two major private companies, Edmonton Power sometimes feels like a third cousin that has to take what they get from the private companies. The minister has alluded to the fact that they seem to get preferred rates, but there's some controversy about that statement, if I can put it that way. I expect that that's a matter of opinion.

If the energy conservation board goes along with their original idea that we have enough power — and I believe Sheerness is ahead in the pecking order — and they don't change their mind, and if Edmonton stays in the electrical marketing agency, what impact does the minister see? He must have some projections. What will this mean to the citizens of Edmonton, the power users? Will it mean an increase? The dollars being floated around, like \$4 million — is that a good or bad estimate? I'm trying to get a picture of how much this is going to cost the people of Edmonton after the shielding comes off.

MR. BOGLE: Mr. Chairman, I can only respond to the hon. member's question by identifying what I think may

be a feeling held by some individuals. I too have tried to determine how the figure \$4 million was derived. I mentioned earlier that since the inception of the shielding program on September 1, 1982, Edmonton has been a net beneficiary of in excess of \$23.5 million. While that is true, during the current fiscal year, from January 1 through October 31, Edmonton Power has contributed just under \$3.4 million to the agency. In other words, prior to that time they were a beneficiary of almost \$27 million. It has cost Edmonton about \$3.4 million this year for the first time ever. That's due to two primary factors: one, they're buying their natural gas at a much lower rate; secondly, they're buying 85 percent of their electricity from the other two companies at quite a preferred rate. If you take that \$3.4 million and try to project through to the end of the calendar year, you come up with a figure of about \$4 million. That's the only conclusion I can come to as to where that figure comes from.

When discussing both Sheerness and Genesee, it's important to remember that the Energy Resources Conservation Board approved the application by Alberta Power to build Sheerness approximately a year before it approved the application by Edmonton Power for the building of Genesee. Sheerness was approved first. The construction schedule is considerably further advanced than is Genesee's. The real question the hon. member was asking relates to the cost of Genesee. If I get the import of his question, it is: what cost will there be for Edmontonians once Genesee is commissioned? Possibly the hon. member would like to comment further.

MR. MARTIN: Unless there is a rapid change down the line somewhat, I think Genesee — I'm trying to get a grip on what the Bill means after the shielding comes off next year.

MR. BOGLE: Mr. Chairman, I've indicated that Edmonton has benefitted by a net of \$23.5 million. That's a solid figure. It's not an estimate or some pocketbook guess; it's what Edmonton has received in shielding to date. It's also clear that we've agreed in principle that the government will shield 100 percent of whatever added costs are associated with the changes we are proposing in legislation. We project those costs to be \$9.8 million for Edmonton, based on 1984 cost figures. That would take us to August 31. I don't wish to be flippant, but I can't look beyond that in my crystal ball as to what I'm able to convince my caucus colleagues should be in the announcement by the Provincial Treasurer in his Budget Address next spring.

MR. MARTIN: Let me just follow up. I think that's part of the problem people are trying to grapple with: what it means after August 31. If the minister can't tell us, probably nobody can. That makes it very difficult for local governments to plan their budgets. This is the point they're making to me.

Obviously there was a trend in the last year, as the minister indicated, to where Edmonton Power was starting to contribute more than it was taking in. I gather that even without this Bill, that probably would have continued. With the Bill, if the shielding is over \$9 million, I think they are concerned about how much more it is going to cost the taxpayers of Edmonton. I'm not necessarily judging at this point whether it's fair or unfair or whatever; the point is that people have to know. In terms of what's happening now, in terms of recession, I know my city is hard hit. I

think the same argument can be made by Calgary MLAs; let them make their argument. The crux is what it means right after the 31st.

The other thing I am interested in, though — I think the minister indicated that since it started there had been roughly \$100 million in shielding and that Edmonton had been a beneficiary of \$27 million, down to \$23 million in the last year. I'm wondering who has been the beneficiary of that \$100 million. Since this Bill has been brought up, we've had comments — and maybe the minister has — that with this group shielding that group and that group shielding this group, the north is the south and the south is the north. Who has been the main beneficiary? What has happened since this has been brought in?

MR. BOGLE: Mr. Chairman, there is no secret that when the concept was first developed and presented in this House in the form of legislation by my predecessor, the hon. Member for Lesser Slave Lake, the highest cost power in terms of production and transmission was Alberta Power. That's in part due to the more sparsely populated northern half of the province that's served by Alberta Power and the fact that they don't have any of the hydro plants that are enjoyed by TransAlta Utilities. By far the lowest cost power in the province was TransAlta Utilities. It should be remembered that TransAlta serves about 62 percent of all the customers in the province, Alberta Power about 18 percent, and the city of Edmonton, through Edmonton Power, about 20 percent. When the program was initiated, Edmonton Power's costs were just above the provincial average, and that accounts for the shielding that flowed through to Edmonton. The beneficiaries were Alberta Power and Edmonton Power, and the contributors were the residents of TransAlta Utilities. The shielding program was developed by my predecessor and approved by caucus and cabinet in an attempt to provide a stepdown in shielding over a period of years.

It may be remembered that in answers I gave in this House as recently as this past spring, I indicated we'd be in a five-year shielding program and that there would be no extensions beyond that. As a result of this legislation, my response now is that while I still hope we can achieve that goal, I think we have to monitor it very carefully and make our decisions based on what's happening on a year-to-year basis. That in itself has to be some comfort to the cities and city officials who are trying to plan their costs. The very fact that we can give them an assurance that runs through until August 31 of next year is important as well.

I would like to make one other point in response, Mr. Chairman. It has to do with the concept of economic dispatch. I alluded to it earlier, but it's important to recognize that the three utility companies themselves have come together on economic dispatch. They agreed that you should use the most economic systems flat out and use your highest cost systems for peaking purposes. That is one of the key reasons that Edmonton is purchasing so much of its electricity from the other two companies. The gas-fired plants have historically been more expensive. That decision by the companies to work together is an important factor to remember in terms of the total Alberta interconnected system.

DR. BUCK: Mr. Chairman, on that point, I certainly know the private sector has that very ability. They can do those types of things. What really bothers me is that governments and experts can make what I consider a relatively simple problem into a very, very big problem. Instead of spending

\$100 million to subsidize 80 percent of the population, why in the world didn't we just help the people who were paying the high rates? Would anybody be able to understand any solution as simple as that? Would government be able to understand anything as simple as that? Why did we have to go through this whole exercise of, in essence, socializing the whole free-enterprise power production in this province and making a mountain out of a molehill? Why did we not go the route of looking at the people who were paying the high rates and helping them instead of going through this whole exercise? The minister can say: I wasn't there, and I wasn't responsible for that. But why was that approach not looked at?

MR. BOGLE: It's important to recognize that when the program was developed, Mr. Chairman, there were two companies that had costs above the provincial average, Alberta Power and Edmonton Power. From the information we viewed, once Genesee was to be commissioned by Edmonton Power, the cost of electricity in the city of Edmonton would go up rather dramatically. Is the hon. member really suggesting that the government provide a shielding, through general revenues, in perpetuity to the city of Edmonton and northern Alberta? In other provinces the decision was made to nationalize the power companies and average the costs; those who had the historical benefit pay the same as those in the high-cost areas, and it's done. As my hon. colleague from Edmonton Mill Woods mentioned earlier, we tried to achieve the best of two worlds.

DR. BUCK: Mr. Chairman, so the consumer can understand: what effect did it have on the small farmer or small-business man in the areas where the rates were the highest? What did it do for him in actual dollars and cents?

MR. BOGLE: It's my understanding that in the Alberta Power franchise area, the Public Utilities Board approved a rider that lowered the rates across the board for all customers by about 31 percent.

DR. BUCK: Mr. Chairman, to the minister. How many citizens of Alberta did that affect?

MR. BOGLE: Mr. Chairman, I previously indicated that about 18 percent of the customers in the entire province are served by Alberta Power and about 20 percent by Edmonton Power. Keeping both companies in mind who were above the provincial average, you're looking at an aggregate figure of about 38 percent.

MR. MARTIN: To come back to the important discussion of Sheerness, Genesee, and power plants for the future, I recognize that the energy conservation board made a decision roughly eight or nine months ago. Is the minister aware of any possible changes in terms of the pecking order, as I call it? I know it's not his decision; it's up to the energy conservation board. But I am sure he is in fairly close liaison to know what they're thinking. Does the minister perceive that there might be any changes in the speed, first of all, or which ones come on board? Is it going to be even slower now with the economy, or will it be faster? Can the minister indicate what he sees happening? Or is the decision staying basically as it was made by the energy conservation board a while ago?

MR. BOGLE: Mr. Chairman, I think it's important to recognize that the decision by the Energy Resources Con-

servation Board, which was given to government and made public in mid-December 1983, called for a further review at the end of 1984 to determine whether or not any additional deferrals were necessary. That again is in keeping with the mandate of the ERCB to keep the cost of electricity at the absolute minimum. In other words, don't commission plants before they're needed.

I think it's important to recognize that if the ERCB were to artificially hold back the Sheerness plant and allow Genesee to leapfrog over top — first of all there's no precedent for that in what the ERCB has done in the past. But if they were to do it, they'd be penalizing the customers of Alberta Power, because they in turn would be responsible for paying for the added stored costs of that plant.

I had an opportunity to view the Sheerness plant recently, and the first unit is approximately 85 percent to 90 percent complete. It's important to remember that while the companies are responsible for carrying charges until the plant is commissioned, once the plant is commissioned the Public Utilities Board is asked to put those costs in the rate base, and we as the consumers begin to pay for it. So while the ERCB would be helping one company, they'd be creating a problem for another company in terms of allowing that leapfrogging to occur.

MR. MARTIN: One further follow-up. In terms of the decision-making of the Energy Resources Conservation Board — the decision they made and, as the minister said, they will be reviewing it at the end of 1984 — do they look strictly at the cost of power? Is that their only mandate, or do they also look at the economic impact of when they might build these plants at the cheapest possible time? Is there is a balance? I'm trying to find out what made that decision.

MR. BOGLE: Mr. Chairman, the key factor in the Energy Resources Conservation Board is need: when is the electricity needed on a provincial load basis? A number of factors are taken into account. It's my understanding that at the hearing held approximately a year ago, various electric utility companies and other interested parties made arguments based on economic and social factors as well as the actual need for the electricity. In making their decision, the ERCB looked carefully at both their in-house projections of needs as well as the Electric Utility Planning Council's projections of needs in the coming years.

[Title and preamble agreed to]

MR. BOGLE: Mr. Chairman, I move that Bill No. 78, Electric Energy Marketing Amendment Act, 1984, be reported as amended.

[Motion carried]

MR. CRAWFORD: Mr. Chairman, I move that the committee rise and report.

[Motion carried]

[Mr. Speaker in the Chair]

MR. APPLEBY: Mr. Speaker, the Committee of the Whole Assembly has under consideration and reports Bills 59, 73, and 74, and also reports Bills 55 and 78 with some amendments.

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

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, for the hour designated for government business on Tuesday, the proposal is to continue in Committee of the Whole in order to study Bills on the Order Paper. We propose that the Assembly sit on Tuesday night to continue the process at that time.

Mr. Speaker, my remarks would lead anyone hearing them to the conclusion that it's the government's intention not to sit on Monday, because it is a public holiday, November 11 falling on a Sunday this year. I gave no notice of that motion, but I understand that members generally accord with it and would move that the Assembly now adjourn until Tuesday afternoon at 2:30.

MR. SPEAKER: May the motion be made without notice?

HON. MEMBERS: Agreed.

MR. SPEAKER: Does the Assembly agree with the motion?

HON. MEMBERS: Agreed.

[At 12:57 p.m., the House adjourned to Tuesday at 2:30 p.m.]

