

## LEGISLATIVE ASSEMBLY OF ALBERTA

head: MINISTERIAL STATEMENTS

## Department of Labour

Title: Friday, August 1, 1986 10:00 a.m.

[The House met at 10 a.m.]

## PRAYERS

[Mr. Speaker in the Chair]

## head: INTRODUCTION OF BILLS

## Bill 19

Alberta Advisory Council  
on Women's Issues Act

MR. ANDERSON: Mr. Speaker, I request leave to introduce Bill 19, the Alberta Advisory Council on Women's Issues Act.

Mr. Speaker, the presentation of this Bill follows considerable consultation with women's groups and individual women throughout the province. It establishes an advisory council with a mandate to advise on matters relating to the opportunity for full and equal participation of women in the life of our province.

[Leave granted; Bill 19 read a first time]

## Bill 20

## Women's Secretariat Act

MR. ANDERSON: Mr. Speaker, I request further leave to introduce Bill 20, the Women's Secretariat Act.

This Act will consolidate the legislated authority of the Women's Secretariat under one statute and repeal the Women's Bureau Act.

[Leave granted; Bill 20 read a first time]

## Bill Pr. 13

## Certified Management Consultants Act

MR. PAYNE: Mr. Speaker, I request leave to introduce Bill Pr. 13, the Certified Management Consultants Act.

Mr. Speaker, the purpose of this Bill is to incorporate and provide for the constitution of the Institute of Certified Management Consultants of Alberta.

[Leave granted; Bill Pr. 13 read a first time]

## Bill 266

## Department of Multiculturalism Act

MS BARRETT: Mr. Speaker, I beg leave to introduce Bill 266, the Department of Multiculturalism Act.

This Bill would establish a separate ministry of multiculturalism to promote full participation for all ethnocultural communities in the life of the province of Alberta and to further establish a watchdog committee called the intercultural council.

[Leave granted; Bill 266 read a first time]

DR. REID: Mr. Speaker, in the throne speech the government gave its commitment to a full review of labour legislation, reinforcing statements made by the Premier since last fall and by myself since my appointment to the portfolio.

I am pleased to announce today the formation of a broad-based committee to review labour legislation. The committee will thoroughly consider the principles and functions of the existing legislation and will review its operation over the past 12 years. Comparable legislation in other industrialized jurisdictions will be studied to determine if there are concepts which could usefully be incorporated into the Alberta system. The committee will travel to meet with and learn firsthand from those who have different labour legislation. At the conclusion of this part of the process, a preliminary report will be issued.

I actively encourage individuals and groups or organizations to start developing their presentations forthwith, and I urge them to consider the preliminary report and the drafting of their submissions to the committee. These submissions and any verbal statements will be presented to the committee at public meetings to be held across the province later this year. The committee will include three individuals from organized labour, three from management, and three from the general public.

Mr. Speaker, the committee members are: the chairman, myself; Budd Coutts of Edmonton, international vice-president, Union of Operating Engineers; Wallace Daley of Granum, a rancher; Michael Day from Red Deer, the commissioner for the city of Red Deer; Sheila Embury from Calgary, a retired professor of nursing and past M.L.A.; Rick Forest of Edmonton, president of Forest Construction; Norm LeClaire of Lethbridge, business representative, United Food and Commercial Workers; Bernice Luce of Ponoka, a farmer; Jack Murray of Calgary, Alberta regional director of the Canadian Union of Public Employees; and Murray Ross from Edmonton, manager of human resources and plant services, Celanese Canada Inc.

Mr. Speaker, the committee is taking on a significant responsibility. I am convinced that with the co-operation of the groups and individuals who will submit presentations, we can proceed with thoroughness and reasonable speed. I anticipate that the results will indeed be responsive to the needs and aspirations of employers and employees alike and will represent fairly the attitudes of all Albertans.

MR. MARTIN: Mr. Speaker, in replying to the ministerial statement, first of all, one might say that one's hope always springs eternal that this committee will do something. I, for one, am not very impressed, if I may say so. First of all, as we mentioned yesterday, it is totally outrageous that the two major labour groups have not been consulted about this process. How you expect you will have a process that will come to bear fruit in that sort of situation — I think you're dreaming in technicolour.

Mr. Speaker, the people I have talked to since this announcement came out — and the fact that people in the two major labour groups are not even consulted. I've had overwhelming response that they think the thing is a farce. If people think the thing is a farce to begin with, then this committee is in a great deal of difficulty. However, as I say, hope springs eternal, but I'm not going to hold my breath for anything constructive to come out this.

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

MR. SPEAKER: At the end of question period.

MR. TAYLOR: I just wanted to raise the point now though. Yesterday in the House the Premier made a personal attack on a duly elected representative of a bona fide labour organization. I think that in making public policy, all members of this Legislature, and in particular the Premier, must rise above their personal feelings. I think the Premier ...

MR. SPEAKER: Order, please. The member is raising what probably is a point of privilege, and points of privilege should have two hours' notice with the Speaker before they're raised in the Assembly. That's my ruling. Thank you.

#### head: ORAL QUESTION PERIOD

##### Heritage Savings Trust Fund

MR. MARTIN: I'll direct my first question to the Provincial Treasurer. Mr. Speaker, we've noticed that by a stroke of the pen in Bill 18 we have reduced our deficit by almost \$100 million. No wonder we call him "Tricky Dicky." My question to the minister: is it the policy of this government that the amount of resource revenue going into the trust fund should be reduced so that in fact the trust fund is now going to pay for energy incentive programs?

MR. JOHNSTON: Mr. Speaker, I would have to have that question again, because there are two allusions there which have caused me some concern with respect to the point of view the leader is expressing.

MR. MARTIN: Flowing from what seems to be government policy in Bill 18, my question is very simply: is it now the policy of the government that the trust fund is going to pay for energy incentive programs?

MR. JOHNSTON: Mr. Speaker, the energy incentive programs are revenue offsets, and those offsets are of course deducted from the gross royalties collected by the province. Obviously, if there's a revenue offset flowing to the private sector, some influence or impact will of course be seen in the heritage fund. The revenue offsets are mostly reflected in the estimates of revenue, and that's why the one-third approach was so appropriate.

MR. MARTIN: I think the minister had better look at Bill 18, because in fact it's a difference of \$100 million going into general revenue that would ordinarily go into the trust fund. Energy incentives are a big ticket item for this government, which may become more expensive in the future.

My question is: has the government made a policy decision that the amount of revenue going into the trust fund should be significantly reduced so that the Treasurer can appear to meet his rather questionable target of a budgetary deficit of only \$2.5 billion this year?

MR. JOHNSTON: No, Mr. Speaker, there's no change in policy.

MR. MARTIN: There's a change in the legislation that was in fact causing this.

My question to the Treasurer or perhaps the Premier: in view of the fact that this is happening, what consideration has either hon. gentleman made in permitting the standing committee on the trust fund to review the energy incentives of this government, since incentive decisions will now have much to do with the growth of this fund?

MR. JOHNSTON: Again, Mr. Speaker, it should be clear that the offsets are affecting the General Revenue Fund in particular. Our assumptions are that any kinds of incentives — the two recent ones in '86 and the two in 1985 — will be revenue offsets. On that basis the impact is directly on the General Revenue Fund and in a very nominal way on the heritage fund. Therefore, it would seem to me that it would be essentially outside the heritage fund responsibility because it's a general revenue item, and it's debated here in terms of the estimates which are now flowing through the Committee of Supply.

MR. MARTIN: There's a difference of \$100 million. That may not seem like a lot of money to the Treasurer, but that is the difference.

A supplementary question: what other measures is the Treasurer planning which will drain the trust fund in order to reduce the budgetary deficit?

MR. JOHNSTON: To the contrary, Mr. Speaker. It is clear the trust fund is being increased by internal earnings which I referred to yesterday. A fairly significant amount of income-earning assets are implicit in that fund. Some \$12 billion worth of income-earning assets are now increasing and collecting revenue for the heritage fund. Therefore, that money is accumulating in the heritage fund, but the royalty revenues are staying in that fund as well. Of course, by appropriation some of the money does flow to the General Revenue Fund, to the extent of about \$1.5 billion — just from memory — and that of course is used to supplement other income flows to the province. Therefore, Mr. Speaker, there is no change in policy.

MR. TAYLOR: Mr. Speaker, a supplementary to the Treasurer or, in the absence of the Minister of Energy, possibly the Premier. Is the government considering making changes in the drilling incentive program now that the program is obviously not being taken up or in very small amounts, as the Minister of Energy said the other day?

MR. JOHNSTON: Mr. Speaker, I think it's fair to say that we're assessing all the incentive programs, and there has obviously been a review of the two most recent programs to see if in fact they're directly impacting industry. An energy committee, which is chaired by the Premier and the Minister of Energy, is at all times considering feedback on this information.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Provincial Treasurer in terms of the capability of the Heritage Savings Trust Fund to fund ongoing projects. Because of the relative effect of reduced royalties, we certainly have an effect on the revenue for the Heritage Savings Trust Fund. Could the Provincial Treasurer indicate whether there will be a reduction in the projects being funded in the current fiscal year? Secondly, are we facing

any kind of deficit in funding ongoing projects that are now in place?

MR. JOHNSTON: Obviously, Mr. Speaker, as the income flows into the Heritage Savings Trust Fund are reduced, the availability of money for those very important investments which the heritage fund is conducting, including medical research, the Heritage Savings Trust Fund scholarship, and irrigation investments in particular, may have to be reconsidered on a time frame.

One of the major problems is that in the Alberta section, which is of course limited by legislation to 20 percent of the fund, we may have to be careful that we don't bump up against some maximum based on our expectation of cash flow or revenue flows in the future. But that's a valid concern, and I think all members on the heritage committee will have an opportunity to discuss that once the heritage fund is referred to them for consideration.

#### **Western Aerospace Loan**

MR. MARTIN: Mr. Speaker, I would like to direct this question to the Minister of Technology, Research and Telecommunications. Yesterday, in answer to my colleague from Calgary Mountain View, the government seemed to confirm that the amount of the government loan to Western Aerospace Technology Ltd. will be \$1 million, yet the budget books propose a \$0.5 million dollar loan. My question to the minister is: does this mean that half of the loan will be doled out immediately and the other half will await performance?

MR. YOUNG: No, Mr. Speaker, to the hon. Leader of the Opposition. It means that if the criteria on which the loan is contingent are met by the company, then half of the loan would be paid out in this fiscal year and half would be paid out in the next fiscal year.

MR. MARTIN: Very interesting, Mr. Speaker. This appears and is an interest-free loan, which is a very special sort of business deal. Can the minister assure this Assembly that the provision of this loan had nothing at all to do with the personal involvement of Mr. Chapman, who was the recent Chair of AOC, that in fact it's not a special favour to an old friend?

MR. YOUNG: Mr. Speaker, the hon. Leader of the Opposition has raised a very unfortunate implication in his preamble. To rise above the kind of imputation that was contained in the preamble to the question, I would remind the hon. leader that we need jobs in this province. We had a proposition brought to us by a number of airline-related companies and individuals with experience who have the potential in the proposal advanced to us to create an opportunity for quite a number of jobs in Alberta of a very high quality. Mr. Speaker, that is the reason for the government proposal to support this business proposition.

MR. MARTIN: We're certainly creating jobs all right: for high-placed Tories.

My question to the minister is: how was this particular company chosen? In other words, were other companies even considered?

MR. YOUNG: Mr. Speaker, the business of overhauling aircraft is not something that everybody is able to do or

that all kinds of companies are able to do. This group of individuals and companies put together a consortium and came to us with a proposal to bring a potentially major aircraft refurbishing company into Alberta. Surely that is something we'd like to have, and surely it is not something in which there is a tremendous amount of competition. We have one other company capable of refurbishing aircraft in this province. We would be very much strengthened if we had more than one.

MR. MARTIN: That's a very interesting answer. The answer is no. They just happened to have the technology and just walked in.

My question to the minister then is: will other members of the business community, say, from my constituency of Edmonton Norwood, be able to waltz in and ask for interest-free million dollar loans from this government, or is this a privilege provided former directors of Crown corporations and good Tories?

MR. YOUNG: Mr. Speaker, in the business of job creation and the attempt to expand technology, I don't look at the gait or the manner of walk of any of the proponents of any projects, nor do I look at the constituency from which they come. The hon. leader has asked whether we would consider any reasonable proposition. If it is well considered, if it shows some potential, and if there is a very major element of private-sector financial involvement, which in this case takes almost a total risk, we would certainly be pleased to examine those kinds of business proposals. They are very important to the expansion and broadening of our economy and to the creation of jobs. Surely that's what all of us in this Assembly want to achieve.

MR. TAYLOR: A supplementary, Mr. Speaker, to the Premier. In view of the questions asked by the hon. Leader of the Opposition, that's twice now you've failed to answer, Mr. Premier. When are we going to get a cooling-off law of at least one year for a retired cabinet minister or retired officer of the Crown before they can participate in business with the Crown?

MR. GETTY: Mr. Speaker, there are a great number of Albertans who participate from every walk of life in helping to run the various volunteer organizations and boards supported by the government in this province. These people make a tremendous contribution to this province. Just because of the fact they've contributed to the province and helped on the boards on a volunteer basis they would somehow no longer be able to participate in the business life of the province, I think is a foolish request.

MR. TAYLOR: Even the federal Tories have a one-year cooling-off period.

#### **Energy Industry**

MR. TAYLOR: Mr. Premier, next week thousands of Alberta oilmen will be here seeking answers from this Legislature which we've failed to get from the Premier and his government to date. The government has created widespread uncertainty with maybes, "I'll study," and "yes" or "no" answers to our questions.

AN HON. MEMBER: Question.

MR. TAYLOR: I'm in a prologue here. Twenty-four thousand to 40,000 jobs depend on the competent management of Alberta's energy policy. Has the Premier formulated a progressive policy for the use of funds to be left in Alberta after the PGRT is discontinued?

MR. GETTY: Mr. Speaker, it sounds very hypothetical to me.

MR. TAYLOR: I did not say "if." I said "when." I have more faith in this government than he obviously has in Ottawa. As a matter of fact, some MPs are saying it will be over. But anyhow, let's go on. How will the minister encourage or coax the 52 larger companies which pay the PGRT to spend their money on jobs in Alberta?

MR. GETTY: Mr. Speaker, we discussed this in the House before. Should the federal government remove the PGRT, the companies who have been paying it would presumably do several things with those funds. They would perhaps do some additional drilling or exploration or seismic, they may pay off their bank loans, they may use the funds to increase their salaries, or they may use the funds to purchase smaller companies. In removing the PGRT, whether the federal government tries to build into that removal some incentive to have the funds invested is something for the federal government to decide. We do not believe, for our part, that you should have government civil servants trying to force companies to do certain things.

MR. TAYLOR: A supplementary, Mr. Speaker, to the Premier. I'd remind him the federal government will not be giving us any money; they will just be leaving money here that they're taking out now. Will the Premier consider reducing royalties on new development drilling to the 1972 level or lower?

MR. GETTY: Mr. Speaker, the hon. Member for Westlock-Sturgeon surely isn't listening when he asks questions. He's asked this question before, and I told him there are no royalties when there is development drilling.

MR. TAYLOR: A supplementary, Mr. Speaker, to the Premier. I've been missing a lot of what he's saying. There are the royalties on development drilling. It's wildcat drilling that does it right now, but will the . . .

MR. SPEAKER: Hon. member, the Chair apologizes. It's a question of supplementaries. It's a question. The preamble deals with the main part to your first question.

MR. TAYLOR: Thank you, Mr. Speaker. I stand corrected. Will the Premier extend the royalty-free period on discovery wells from the present one year to three years?

MR. GETTY: Mr. Speaker, on discovery wells there is a time period of up to five years, and contrary to what the hon. member suggested, there is not just a royalty-free period on exploratory wells but for development wells as well.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Premier in line with my concern for the 400 or 500 small companies outside of these 52 that will receive benefits by the removal of the PGRT. Could the Premier indicate what alternate or complementary steps may be put in place

or are being considered at this time to assist those small companies to stay in place in at least a holding position in this province during this difficult time?

MR. GETTY: Mr. Speaker, those are exactly the people who I think require the assistance as much as possible, and the government is working on several options that will help those small companies. We want to provide some type of income stabilization to assist them over the period of time in which they are faced with the instability in international energy prices. We are working on those various options right now. We think the ones we are developing will be the kind that small companies would be very pleased with.

MR. PASHAK: My question is to the Premier. The Minister of Energy has announced a reduction in royalty rates. Can the Premier give us any assurance that this will result in new exploration or drilling activity in the province of Alberta?

MR. GETTY: Mr. Speaker, that's something we'll have to see. It's clear that when industry has had additional funds in the past, with fair pricing for their product they have stepped up their exploration and development drilling. I think if we could have a stable energy price at a sufficient level, we would see them step up their exploration development once again.

#### **Capital Punishment**

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier as well. Last Thursday night Constable Marcel Simard of the Saint-Hubert police force became the third police officer slain on duty in Canada in 1986. Repeated calls have been made by police organizations and various private interest groups for a return of capital punishment in Canada, and that matter goes unaddressed. My question to the Premier is: would the Premier consider having a free vote in the Legislature of Alberta indicating the direction of this province relative to capital punishment which will give some incentive to our Alberta MPs and the government in Ottawa to take a stand on this matter?

MR. GETTY: Mr. Speaker, there is a motion on the Order Paper now dealing with this matter, and it's been discussed once in the House. I have my personal views regarding capital punishment. I believe we should have it, but I would have to give consideration as to whether the House would deal with it on a completely free vote.

#### **Farm Credit Stability Program**

MR. HYLAND: Mr. Speaker, my question is to the Minister of Agriculture relating to the Farm Credit Stability Fund Act. I believe it was Wednesday, July 30, that we did third reading, and I think the House leader said we are going to do Royal Assent today on that Bill. Now that third reading is done, calls from constituents are coming. We kept on saying, "It's going to be next week." My question to the minister is: when is it going to be, and when will he announce this program?

MR. ELZINGA: Mr. Speaker, in response to the hon. member's question, I can indicate to him our thanks to the Legislative Assembly for proceeding so quickly with this very important legislation. As the hon. member indicated,

it will receive Royal Assent today. It was only appropriate that we have the legislation in place prior to proceeding with such a significant outlay of funds.

We are going to conduct a press conference on Wednesday at 11 o'clock in which we're going to release all the fine details as they relate to this program. The program is effective today once we receive Royal Assent. We're hopeful the banking institutions will have an opportunity over the long weekend to review the program manual in a very detailed way. I hope to conduct a press conference at 11 o'clock on Wednesday with all the details relating to the program.

MR. HYLAND: Mr. Speaker, a supplementary question. If the press conference is Wednesday, when is the money available to the farmers?

MR. ELZINGA: The farmers can start to approach the banks next week. We just want to make sure the banks have an opportunity to review our program manual and that they follow the guidelines within the manual. I can indicate to the hon. member that it's our hope — and that is why the government has been so involved — the banks will follow through with our suggestions and regulations. There's no doubt that they will, because the lending criteria are much more lenient than what they are under the traditional sense.

MR. HYLAND: A second supplementary, Mr. Speaker, to the minister. Is there going to be any sort of mechanism whereby if the banks and the clients don't agree, they can approach somebody else to decide if they will be able to receive the loan?

MR. ELZINGA: There is a mechanism outlined in our program manual, which we have indicated to the banks. We expect them to follow it very closely. As I mentioned to the hon. member earlier, there are requirements whereby they have to expand their lending criteria so this money is available to a broader spectrum of farmers than what is traditionally the case. Other than that, I'm not sure what more I can add to the hon. member except to compliment on him on his excellent questions rather than wallowing in the gutter like the other parties do.

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Agriculture. It's relative to the Wednesday press conference. Would it be the intention of the minister at that press conference, along with making statements on the farm credit stability program, to indicate the government's position relative to the deficiency payment for farmers of Canada and specifically Alberta?

MR. ELZINGA: Mr. Speaker, in responding to the hon. Member for Little Bow, I can share with him that I had the opportunity to discuss this with our federal Minister of Agriculture. It falls directly under Charlie Mayer, the minister responsible for the Wheat Board. They felt it only appropriate that they wait to see what the crop conditions were for this upcoming crop year before making any final announcement as to what type of deficiency payment they would be making. As the hon. member is aware, this government has been very persistent and has pursued on a very vigorous basis our proposal to them whereby a deficiency payment should be made to our grain sector.

MR. FOX: A supplementary to the minister on this set of questions, Mr. Speaker. I realize that deep down he does appreciate my advice on these matters. Has the minister instructed lending institutions to concentrate their efforts on the refinanced debt consolidation type loans first — in other words, the schedule A and B loans in your manual — rather than on new moneys for land and machinery?

MR. ELZINGA: Mr. Speaker, it is our hope. May I say I do appreciate the hon. member's advice. It's encouraging to see that he rarely wallows in the gutter like his leader does.

MR. SPEAKER: Thank you, hon. minister. We'll proceed, please.

MR. ELZINGA: I would like to indicate to him that it is our hope the majority of this funding, as the Provincial Treasurer indicated, will be used for refinancing purposes. Our projections show that approximately three-quarters of this fund will be used for refinancing purposes.

MR. TAYLOR: A supplementary, Mr. Speaker, to the minister. While he's wallowing in the tub with the federal Agriculture minister, has he had a chance to ...

MR. SPEAKER: Order.

MR. TAYLOR: Was the order from you, or ... ? Sorry, Mr. Speaker.

Has he had a chance to once again press the federal Agriculture minister to reduce the loan rates on those farm credit loans above 9 percent so that we can avoid the rollovers here with our own money and to let the money go as far as possible?

MR. ELZINGA: Mr. Speaker, I'm pleased to have the opportunity for the third time to respond to the hon. Member for Westlock-Sturgeon. It's because of the attitude of this government and the working relationship that we wish to develop with other sectors, whether they be the federal government, municipal government, labour, or management, that we accomplished items such as the hon. minister of hospitals announced yesterday. We're going to continue with that approach so that we can accomplish something for the Alberta people, rather than the antagonistic approach of the hon. member.

MR. HYLAND: Mr. Speaker, my question is again to the Minister of Agriculture relating to the stability fund. [interjections] My concern is — it may be a little late, Mr. Member, but I still have one supplementary left. My question is that I would hope ...

MR. SPEAKER: Hon. member, the Chair apologizes. The Member for Cypress-Redcliff was not given notice with respect to his third supplementary at the time he was asking his main question. Indeed, it is a departure from the form of the House to now come back to it. The Chair apologizes.

#### **Energy Industry** (continued)

MR. PASHAK: In the absence of the Minister of Energy, Mr. Speaker, my question is to the Premier. As the Premier is aware, Suncor has a \$105 million project at Burnt Lake that has the potential to produce about 25,000 barrels of

oil a day. It's about 60 percent completed. Can the Premier confirm that this project is about to be abandoned?

MR. GETTY: No, Mr. Speaker.

MR. PASHAK: A supplementary then. What information does the Premier have about reports that half of the 70-odd heavy oil projects in Alberta are in danger of closing or shutting down?

MR. GETTY: Mr. Speaker, most people in Alberta know, and I'm sure members of the Legislature know, that the problems with instability in energy prices have caused a great deal of trouble to our energy industry. In some cases it would lead to high-cost plants closing down, but in other cases the companies are able to develop efficiencies and allow themselves to continue in operation. We hope that with changes in international pricing and with other assistance from both the federal government and the provincial government, we will be able to have as many of these projects as possible continue to operate.

MR. PASHAK: A supplementary to the Premier. Given the minister of technology's concern for job creation, does the government have any proposals, such as equity participation, to offer these large projects in the heavy oil section of the industry?

MR. GETTY: Mr. Speaker, that's one of the options that is considered.

MR. PASHAK: My final supplementary, Mr. Speaker, to the Premier: when is the government going to admit that the Western Accord is a failure and that it's devastating the economy of Alberta, and when is it going to propose an alternative?

MR. GETTY: Mr. Speaker, I don't believe the details of the Western Accord are causing the problems. Certainly international energy prices are a big problem for the people of Alberta. We are doing everything possible to help the industry to work their way through these problems with positive assistance for industry, rather than merely complaining as they do opposite.

MR. CHUMIR: Mr. Premier, has the government taken a position on the complaints of the oil industry that is receiving a very unfair price from the very few refiners who are purchasing oil in the province, or is it still studying the matter after eight months?

MR. GETTY: No, Mr. Speaker. The hon. member is right. It's an important matter that the few purchasers of oil in this province appear to have tended to beat the price down on the downside and lag the price up on the upside. We've asked the Alberta Petroleum Marketing Commission and the Minister of Energy to meet with these purchasers to work out a method that will eliminate that problem.

#### After School Care

MRS. HEWES: Mr. Speaker, my question is to the Minister of Community and Occupational Health. In light of the increasing demand for after school care, particularly in Alberta's urban centres and also in light of the minister's comments during debate last evening, is the government

presently considering making after school care a universal program with minimum standards across the province?

MR. DINNING: Mr. Speaker, as I said in the review of our estimates last night in the Assembly, I've received, as the government has received, the report of the intermunicipal task force on out-of-school care. It's something I discussed with members of that task force in early July. The meeting was on July 2 if I'm not mistaken. It's my hope that following consultation and discussion with a number of my colleagues in cabinet and caucus, I will be able to get back to the task force and respond to their proposal.

MRS. HEWES: Mr. Speaker, a supplementary. Has the government done any studies to determine cost and cost-effectiveness of a universal program of out-of-school care?

MR. DINNING: Mr. Speaker, that would certainly be part of our review of that proposal and would be considered when we're coming back to that group.

MRS. HEWES: Mr. Speaker, another supplementary. Is the government considering setting up such a program, independent but within the shared formula of FCSS, so municipalities will continue to undertake part of the costs?

MR. DINNING: Mr. Speaker, I think I've now answered that question twice. If I may, I'd just like to restate some of the comments I made last night before you cut me off on debatable points. It's clearly something we're looking at. It becomes a philosophical discussion, at least in the initial context, and it was a philosophical discussion that I had with members of that task force when we met in early July. It is a matter of determining what kind of care, support, and the degree and nature of that support government provides vis-à-vis what the community provides for that kind of service.

MRS. HEWES: It's hardly philosophical at this point.

A final supplementary, Mr. Speaker. Will the minister undertake to respond to that task force recommendation within the next two weeks, since there are many waiting? The demand is there, and not all families have access to the neighbours, families, aunties, and grannies, as suggested last night.

MR. DINNING: Mr. Speaker, I recognize that. To be fair, the hon. member heard me say that in the review of my estimates last night in the Committee of Supply. Let's not let the hon. member across the way forget that there has been a 30 percent increase in the amount that's provided under the family and community support services to the cities of Edmonton and Calgary and to all the cities in this province. If I'm not mistaken, some \$7.5 million is going to the city of Edmonton this year. Those kinds of services are dictated by the priorities set down by local municipalities. They then have an opportunity to decide where they're going to spend those dollars. In this case I believe the city of Edmonton is very committed to out-of-school care, and we support them and we will continue to support them through the family and community support services grant of the department of community health.

MS MJOLSNESS: A supplementary to the minister. Will he guarantee to this Assembly today that no child will go without after school care if they are in need of that service?

MR. DINNING: At this point, Mr. Speaker, it is a program that is funded and is a priority of certain municipalities in this province, Edmonton being one of them. With a 30 percent increase in the grant from family and community support services, Edmonton certainly has the wherewithal to provide that service as they so wish in this province and in this city today.

#### Employment Initiatives

MR. NELSON: Mr. Speaker, I have a question to the Minister of Manpower. Last week the minister announced an enhancement of and extensions for the wage subsidy program and the summer temporary employment program. Considering the comments from some that it was too late, can the Minister of Manpower advise the House as to the current status and the number of new applications presently being processed?

MR. ORMAN: Mr. Speaker, I appreciate the Member for Calgary McCall's ongoing interest in the summer temporary employment program. I'd like to advise the members of the House that we are extremely pleased with the interest shown in our enhancement of these two programs, the Alberta wage subsidy program and the summer temporary employment program. I can advise that as of today, we have had 2,100 new applications for the extension under this program. I think that's a testimonial that the largest per capita summer job-creation program in this country is working well.

MR. NELSON: Mr. Speaker, can the minister give some indication of the interest and support from the business community for this new program?

MR. ORMAN: Yes, Mr. Speaker. Of the 2,100 new applications I just referred to, 1,100 of those programs come under the Alberta wage subsidy program. I think it also clear that the timing of this program was coincident with the seasonal needs of farmers, tourist operators, and other small businesses in this province.

MR. NELSON: Mr. Speaker, considering the difficulty in Edmonton, can the minister indicate to what extent the city of Edmonton has picked up this program for the flood-damaged area of the city as to the number of people they're employing?

MR. ORMAN: Mr. Speaker, I was pleased when I had the discussion with Mayor Decore and Alderman White. At the suggestion of the Minister of the Environment, the city did make application to the province so they could put students to work in assisting in the cleanup in the province, particularly in the Edmonton area.

I might say that both the mayor and alderman were extremely pleased with our offer of the extension of that program. My most recent numbers to date indicate there are close to 100 applications coming in from the city of Edmonton under the enhancements of those programs to help the people and the lands and property that was damaged by the flood.

MR. MITCHELL: Mr. Speaker, a supplementary to the minister. This short-term extension of student employment programs doesn't address the problem of chronic youth unemployment. Given that the other day the minister empha-

sized how excited he was about his new youth entrepreneur program with the YMCA, can he please indicate how many long-term business opportunities and therefore how many long-term jobs he expects will be created by as small a commitment as \$125,000?

MR. ORMAN: If the hon. member's memory serves him correctly, Mr. Speaker, he would recall that our commitment is a tripartite commitment with the private sector and the government of Canada. The number of incubator jobs that will be created under that program for youth will be somewhere between 60 and 80. Our initial indications under this program indicate that there could be as many as 150 jobs created as a result of this initiative between our department, the federal government, and the private sector.

#### 1988 Winter Olympics

MS BARRETT: In the absence of the Minister of Recreation and Parks, I'd like to ask the Minister for Economic Development and Trade if he can confirm that as things stand now, the video film recording, I suppose the official record, of the '88 Olympics will go to the American TV network ABC?

MR. SHABEN: Mr. Speaker, I'd have to take that question as notice and respond later to the hon. member and advise the Minister of Recreation and Parks.

MS BARRETT: On a point of information, I'll just say that there is a decision pending by September. With that knowledge then, I wonder if the minister has any plans to make representation to his federal counterparts that it's important to have this film being made in Alberta by Albertans in the name of economic diversification.

MR. SHABEN: Mr. Speaker, one of the reasons the government established the Alberta film development corporation was precisely for that reason. The Alberta film development corporation has had considerable success in providing seed capital to film producers, and it has resulted in considerable expenditure of funds in the production of movies in Alberta.

We'll continue those initiatives through the film development corporation and others because it's the kind of industry that is footloose and can provide jobs. For example, a recent film that was filmed in the Lac La Biche area resulted in millions of dollars being left in that region in terms of services and salaries. So the film industry is important to Alberta, and we'll continue the initiatives we have already started over the past number of years.

MS BARRETT: Precisely what I'm on about. Mr. Speaker, I wonder if I could direct my second supplementary to the Minister of Manpower and ask if he has any figures or has undertaken any studies to determine how many Alberta jobs might be lost in the arts and technical communities if the film contract is not awarded to people in Alberta?

MR. SPEAKER: The phrasing of the question makes the whole question into a hypothetical. Perhaps a further supplementary.

MS BARRETT: I beg your pardon, Mr. Speaker. I'm prepared to rephrase that. Has the minister undertaken any studies to determine how many jobs could be created if

the ... Oh, Mr. Speaker, rather than fiddle with this I'm going to change the question and go to a final supplementary.

I'd like to direct this question to the Minister of Culture. Will he communicate to his federal counterparts that the job potential in Alberta with respect to this film is extremely important and that this item must be kept in mind when we get to the negotiating table in September?

MR. ANDERSON: I'd be very pleased to investigate the situation with my colleague the Minister of Recreation and Parks when he returns next week and consider the representation made.

MR. TAYLOR: A supplementary, Mr. Speaker, to the Minister of Manpower. Would he make representations or check with his federal counterpart to see that the temporary permits that are granted to the company to bring in employees to do the filming would be restricted to the lowest possible minimum in order that as many people be employed in Alberta as possible?

MR. ORMAN: I'll have to either have the member say that again in shorter sentences or I'll look at the Blues and respond to him later on next week, Mr. Speaker.

MR. TAYLOR: Mr. Speaker, there has been no collusion with my friend to make sure I get up often.

This is to the minister again. Will he check with his federal counterpart, the minister of manpower, to see that the temporary permits that are granted to American organizations coming in to do the filming are kept to a minimum in order to force the organizations to hire as many people as possible in Alberta to do the filming?

MR. ORMAN: Mr. Speaker, I certainly am more than willing to look at anything that this government can do to assist in creating jobs in this province. I should remind the hon. member that the jurisdiction he talks about and refers to is the jurisdiction of the federal government. In any case, I would be more than pleased to discuss the matter with my federal counterpart.

#### **Farm Credit Stability Program** (continued)

MR. FOX: Mr. Speaker, my question is to the Minister of Agriculture regarding the farm loan program. Yesterday the minister refused to release details of this program to the elected members in the Assembly, preferring instead to wait until a press conference to tell us about it. I'll give him a second chance. Will the minister confirm that land to be taken as security under the provisions of this program will have to be reassessed as to its value?

MR. SPEAKER: The time for question period has expired. Would the Assembly agree to this original questioner finishing his own set of supplementaries only on this issue?

HON. MEMBERS: Agreed.

AN HON. MEMBER: What about the other side?

MR. SPEAKER: Hon. members should listen carefully: the member who moves it and his set of supplementaries only. That is what has been agreed to by the Assembly.

MR. ELZINGA: Mr. Speaker, it's obvious the hon. member didn't listen too well yesterday. I indicated to him that when the Provincial Treasurer tabled this legislation on June 27 in this House, he issued a news release with it that went into a number of details as it related to the program. Had the hon. member had the foresight and read his mail, as the hon. Member for Dunvegan did, he would have known most of this.

MR. FOX: Nice try, Mr. Minister. I read it, and it doesn't specify that provision in there. I'll try the Provincial Treasurer.

A supplementary to the Provincial Treasurer. Foreclosures at Treasury Branches and the ADC continue. Will there be any moratorium on these actions until farmers can make application and qualify under this program?

MR. JOHNSTON: Mr. Speaker, I think in the case of the Treasury Branches they have been instructed to do everything possible to ensure the loans which were in trouble are maintained until the program is now in place. As the minister has indicated, as of July 31, 1986, the program will be up and operating. Next week, as we've promised, the program will be in full fling. Therefore, those that have some concern in the farm sector can obviously now appeal to the bank, because the program is in place.

MR. FOX: A supplementary again to the hon. Provincial Treasurer. Has he given any consideration to the effects of the reassessment provision on individual producers' ability to qualify and on the status of the liquidity of other loans that might be affected by farmland in general being reassessed as to its value?

MR. JOHNSTON: Yes, I have, Mr. Speaker.

#### **ORDERS OF THE DAY**

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

[Mr. Speaker left the Chair]

head: **ROYAL ASSENT**

SERGEANT-AT-ARMS: Order! Her Honour the Lieutenant Governor.

[The Honourable W. Helen Hunley, Lieutenant Governor of Alberta, took her place upon the Throne]

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

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

No.	Title
12	Farm Credit Stability Fund Act
14	Small Business Term Assistance Fund Act

[The Lieutenant Governor indicated her assent]



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

SERGEANT-AT-ARMS: Order!

[The Lieutenant Governor left the House]

[Mr. Speaker in the Chair]

#### head: **GOVERNMENT MOTIONS**

11. Moved by Mr. Crawford:  
Be it resolved that when the House rises at 1:00 p.m. on Friday, August 1, 1986, it shall stand adjourned until 2:30 p.m. on Thursday, August 7, 1986.

[Motion carried]

#### head: **COMMITTEE OF SUPPLY**

[Mr. Musgreave in the Chair]

MR. DEPUTY CHAIRMAN: The committee will now come to order.

#### **Department of Municipal Affairs**

MR. DEPUTY CHAIRMAN: The hon. minister would like to make some opening remarks.

MR. CRAWFORD: Mr. Chairman, I would like to make some brief overview remarks on the department. Of course, I will always say that brevity is a matter of opinion.

I think one of the important things about the reorganization of the government after the election earlier this year, Mr. Chairman, was the merger of the Department of Housing with the Department of Municipal Affairs and, at the same time, having the department assume the responsibilities for native affairs in the sense of programming of native programs. One of the assurances I would like to give is that the bringing in of the important areas of housing and native affairs to the larger Department of Municipal Affairs will not detract from the necessary focus that programs in these areas will still require. As a result of the merger, there will be certain efficiencies. These will not bring about a loss of emphasis on the programs of any of the three important policy directions involved in what were formerly three departments.

A first look at the result of the merger is that a saving of some budgeted funds will occur. By next year we'll be able to take a further look organizationally at the progress in respect to the merger and will have greater efficiencies. But I say again that this will not detract from the focus on the important programs of any of the three departments.

I would like to talk a little about the estimates of the Department of Municipal Affairs in this sense, Mr. Chairman. Of course, vote 2 brings with it the unconditional assistance grants to municipalities. Under that vote, 16 cities receive a total of just under \$45 million in unconditional grants. Towns, villages, counties, and municipal districts also receive substantial funding: towns about \$14.5 million, villages about \$3 million, counties about \$21.8 million, and municipal districts about half of that, at \$10.3 million. Improvement districts, special areas, and summer villages

are also covered by unconditional assistance grants under that appropriation.

In vote 3, one of the most important votes in the department, Mr. Chairman, the Alberta property tax reduction plan and the seniors' renters assistance provides some \$110 million. This involves some 43,000 applications under the seniors' renters assistance program. About 170,000 Albertans, of whom about 95,000 are seniors, are involved in the homeowner refund under the property owner tax rebate.

Under vote 5, of course, some \$1.3 million in grants goes to the eight Metis settlements. Those are grants in aid of the administration of the settlements.

Vote 8 brings us to housing. The largest item is the seniors' home improvement program, recently extended and enhanced. This fiscal year some \$27 million is proposed to be voted in support of that program.

Mr. Chairman, perhaps members would want to hear something about the housing situation in the province at the present time. In 1986 it looks as if we will have about 8,000 housing starts and vacancy rates in the 3 to 4 percent range. Of course, this is down very much from seven, eight, or nine years ago when housing starts were four or five times that, but it's an important adjustment, given the condition that the boom times created the demand for housing. At the present time a lot of that inventory is still being absorbed. I think the proposals for different types of housing that are still needed in spite of the take-up of previously built housing in the province are important to the committee as well.

Under the community housing program, about 125 units are proposed; under the seniors' lodge program, about 95 units; and under the seniors' self-contained program, still a very popular and very useful program for our seniors, about 400 units. In addition, there would be about 50 units of transitional housing, 220 units of rural and native housing, and about 150 units under the rural emergency home program. So that is targeting the areas of the province that need special types of housing and delivering those units in the important areas where they are needed, despite a still rather large inventory of homes in other centres.

Maybe under Municipal Affairs members would want to know something about the AMPLE program. This was announced earlier this year. It's to be in next year's budget, and of course we've declared to the municipalities that these funds are coming to them as unconditional funds. We hope they use them for important infrastructure programs in their cities, towns, and other municipalities. The granting of the funds next year would enable municipalities to begin programs this year and debenture their infrastructure developments in such a way that the grant money will be available to them when they have to make first payments on debentures next year.

Just two examples, one of a metropolitan centre and one of a smaller city. In Edmonton, for example, the funds next year under this program will approach \$9 million. That will increase year by year until they start to reduce near the end of the program, possibly up to the fiscal year 1995-96. The forecast is that Edmonton will have received some \$121 million under this program by that time. An example of a smaller centre is Fort McMurray, with about 37,000 people. Their acquisition over the term of this program would approach \$8 million, and the amount that would be granted to them for next year is estimated to be approaching \$600,000. I suggest that this will be a very valuable program, Mr. Chairman, to all municipalities.

On native matters, I hope, along with all other members, to see a meaningful follow-up to Resolution 18 of last year, a follow-up which would meet the intent of the resolution designed to create a land base for Alberta's Metis population and to contribute to the advance of local self-government on Metis settlements. I really have the highest hopes for the policy declared last year. The process now is that the Metis settlements association has concluded its work on its first response to the resolution. That will be the basis, and the details of the response will be known at the schedule that the Metis settlements association chooses.

So far I have been able to review some of the principles in the response. I'm much encouraged, and I believe that further discussion will of course take place in respect to the response. It is definite progress and a major step ahead in implementing the proposals in Resolution 18, which would once again put our province in the forefront of developments aimed at the proper, due, and fair recognition of our Metis people in this province, the advancement of their interests in respect to the settlements, and in all other ways.

There are many other ways in which funding by both federal and provincial governments flows to the native communities, but vote 7 has about \$2.5 million worth of direct grants which seek to help about 15 native friendship centres, the Aboriginal Multi-media Society of Alberta, the Indian news media, and of course the major associations — the Indian Association and the Metis Association of Alberta — along with the Federation of Metis Settlement Associations and the Alberta Native Womens Association and its various chapters.

There are many other miscellaneous grants; those are some of the key ones. I think there will always be discussion about the approach and the adequacy of granting funds to municipalities, native groups, and others. That is the sort of discussion we can have at estimates time. Mr. Chairman, when these discussions take place today in the consideration of these estimates, I would be hopeful that members will reflect upon the policies in the most progressive way that is required in all of these areas. I think all members will want to do that. Their reason for taking part in the discussion of the estimates is really to propose ideas which will perhaps point to new policies.

In discussions so far with municipal associations in particular and with native groups and their representatives, my own approach has been that we want change. We've often talked about the need for greater local government responsibility in municipal matters. I feel the same way about the Metis settlements: a greater local government responsibility. I suppose the only thing that we have to philosophize about in that type of discussion is what the best direction is and how we can move along that path without unnecessary delays.

I refer again to the situation of the potential for greater municipal responsibility on a local government basis. I've assured the representatives of the associations I've met with so far that my approach in municipal matters will be not to revere and defend existing structures unless there is concurrence and a consensus among provincial legislators and municipal people who have the responsibilities for local government. In other words, there are certain structures in place; I would like to work along with the municipalities in the sense of looking at healthy change.

By the time my responsibilities in this portfolio end — in four years, eight years, 12 years; who knows? — I would hope to leave behind a better municipal approach to structures. When I continuously talk about structures, we

have structured grants in certain ways. We have structured the municipal legislation relative to local government in certain ways. We have structured the taxation legislation in certain ways insofar as it deals with municipalities. These are the structures that we have to look at. That's the assurance I've given the municipal representatives, and that is the course I would like to follow.

In respect to the other areas, I don't know if housing calls for new structures so much as it calls for a willingness to consider new approaches and initiatives. I've already referred to native matters in the sense of wanting to see real progress there.

I conclude my brief remarks on that note, Mr. Chairman, and very much look forward to the ideas that I know will come from other members.

Thank you.

MR. EWASIUK: Mr. Chairman, it's a pleasure for me this morning to address the estimates of Municipal Affairs and, as the minister has indicated, an expanded Municipal Affairs Department in that you also include housing and native affairs. First of all, I would like to congratulate the minister on his re-election and also the appointment to this rather onerous position, having three departments. You say that there are economic efficiencies, and I'm sure that's the case. However, I do have concern that some department may in fact suffer as a result of the merger. You seem to suggest, Mr. Minister, that that's not the case, and we'll accept that as in fact being the point.

Mr. Chairman, I want to begin this morning by first of all expressing my astonishment that the Conservative white paper developed some time ago made no mention of the municipal level of government. This failure to recognize municipalities as a partner in the growth and development of this province only serves to highlight the attitude of this government toward municipalities.

I think it's not enough to simply dole out some grants from time to time and to in fact treat a rural community or a municipality as a chattel of the province. For too long this government has regarded the municipal level of government as one you simply give grants to frequently on a conditional basis and thereby control the operation of the municipalities. There simply is not enough consultation with municipalities, and when there is dialogue, too often their suggestions and recommendations are only received in a cursory manner.

[Mr. Hyland in the Chair]

Delegates to the Alberta Urban Municipalities Association, particularly those from the larger urban centres, complain that the resolutions adopted at conventions by the AUMA are dealt with in a negative way by the government. Not too often do we feel that the resolutions adopted at the AUMA conferences refer to the government, and the end result is that they're not very positively received. Unfortunately, too frequently we assume that they are received in a negative way.

Mr. Chairman, a recent study by the Economic Council of Canada stressed the importance of both the service sector and the municipalities for diversification of the west, and of course that would include the province of Alberta. The council recommended that the municipal level of government be actively involved in the identification of development opportunities in the service sector and the design of local strategies for facilities for the establishment of growth of

the public sector. If the service sector is important to meaningful diversification, then surely the government's policy of ignoring municipalities must be reversed. I would urge the minister to look at this and not continue to ignore the municipalities, or at least allow them to participate in the full economic development of this province.

If municipalities are important for more than service industry growth, effective public job creation programs ought to recognize the importance of municipalities, yet we see flat rejection by this government of public job creation proposals advanced by both the large urban centres in this province. This is unfortunate when it is done at a time of high unemployment.

The New Democratic Party has prepared an economic strategy which we know would effectively deal with the economic slump that is being experienced in this province. Let me share with the minister and the Assembly some of our recommendations as they relate to municipalities.

We would immediately call for a municipal/provincial economic conference to review means and ways in which municipalities may become involved in economic recovery of the province, with special emphasis on how the service sector and small business might be encouraged. The provincial Department of Manpower should meet with the AUMA to determine how provincial job-creation schemes might be better co-ordinated with municipal efforts and how the province might cost-share municipal ideas for unemployment relief. Thirdly, provincial policies that reduce the autonomies of municipalities should be reduced. Four, to assist our small towns, the government should adopt a program that would provide funds for the maintenance and renovation of main streets and commercial districts. Such a program would do a great deal to help small business in rural parts of the province. Probably the most important sector that needs to be addressed is the program of provincial/municipal revenue sharing, which should be implemented immediately. This would guarantee to municipalities a consistent share of revenues that would permit for more effective planning by municipalities.

Mr. Chairman, I would like to deal with some particular issues that I think are also of significance that have relevance to the estimates. I want to talk about the municipal partnership in local government. Most municipalities were delighted to hear the former minister's announcement of the program, but we of the Official Opposition are concerned that this is not sufficient, Mr. Minister. The program attempts to deal with municipalities' appeals for a greater amount of unconditional funding and the recommendation of the provincial Grants Review Committee. We feel that not enough is being supplied and that eight years is too long a period to deal with the immediate problems of unemployment and a delaying of infrastructures in our municipalities.

Of the expected grants of \$500 million, the cities of Edmonton and Calgary will together receive over half that amount. That leaves \$240 million to be divided amongst 362 cities, towns, and villages. Over an eight-year period this would only amount to an average of some \$86,000 per year per municipality. This is enough to create about four person-years of employment per year for each municipality. How much needed construction can be done this way?

Infrastructure repair and replacement is a vital issue. The city of Edmonton alone estimates that its sewer system, which is some 40 years old, requires \$500 million in repairs. Many other jurisdictions face similar problems. This program goes in the right direction but not far or fast enough.

[Mr. Musgreave in the Chair]

In response to the provincial Grants Review Committee, the government agreed that unconditional grants to municipalities should reflect an annual increase in the consumer price index. Although the overall grant budget is above the national rate of inflation, there is a serious problem with the fairness of this distribution. One hundred and two municipalities will receive no increase this year. Another 48 will receive increases below the rise of the CPI. Another 20 will receive reduced grants. So even with the grants budget increase of 4 percent, 45 percent of all municipalities will not receive unconditional grants to reflect the rise in the cost of living.

I'd also like to deal with liability insurance. Municipalities throughout Alberta and across Canada are facing a serious crisis in liability insurance. This year the AUMA will pay some 43 percent more in premiums on its master insurance plan to cover some 255 municipalities. The city of Red Deer is facing a quadruple increase in its premiums. The government formed a committee in January to study this situation. We hope it comes to the decision that a provincial insurance pool should be formed to protect municipalities. I've talked with some of my former colleagues at the city of Edmonton, and that is certainly the position of that particular municipality. This is preferable to the former minister's suggestion that a ceiling should be put on liabilities. It would also ensure that insurance premiums reflect only the amount of real risk in Alberta, not the whole North American market.

Mr. Chairman, there is another very serious tax loophole that municipalities face, particularly the larger municipalities. It's the loophole dealing with people converting commercial urban development land into agricultural land and thereby escaping the tax that should properly be paid. At a time when municipalities require all the funds they can get, we are surprised at the government's decision not to close this loophole that allows such urban property owners to farm their land and avoid paying taxes commensurate with the true level of the value of the property. The city of Edmonton alone will lose some \$10 million in tax revenue this year because the provincial government permits a downtown lot sown with alfalfa to be exempt from the normal tax structure. The promise to amend this loophole was made to the AUMA by the previous minister, and those of us who were there will very clearly recall the commitment that minister made at that time. We hope the government will reconsider its position and bring forward legislation to end this travesty during this session.

A major problem the city of Edmonton is certainly facing but I'm sure is a concern to most is the use of landfill sites and garbage dumps. We feel it's time for Alberta to move away from the small-town dump mentality and look at alternatives to landfill sites. There is no area in Edmonton or Calgary that wants a landfill site. I can certainly vouch for that. They are unsightly and potentially dangerous.

We urge the government to consider the action of the province of Ontario, which this year raised its funding to municipal recycling support programs by some 400 percent. We understand that large-scale recycling and clean incineration projects are beyond the physical means of municipalities. The government should co-ordinate the study and implementation of regional recycling centres that would handle the disposal needs of a number of adjacent communities. I understand there is a committee that's in fact looking at developing some regional methods of garbage

disposal. We would certainly urge the government to expedite that process so we can remove the need for municipalities to continue to use landfills as the method of waste disposal. We know the costs to the municipalities are high, but as we have seen through discussion on the environment during this session, the cost of relying on outdated landfill methods is too high. The government should take a long look at alternatives before putting more garbage into the ground.

I also want to quickly make a few comments relative to our ambulance services in the province. Though the government is in some respects justifiably proud of its record in hospital construction, the entire health care system can only be as good as its emergency response component. The province should assume responsibility for the provision of excellent ambulance service to all of Alberta. The current system provides only a patchwork of service levels across the province. My colleague the hon. Member for Edmonton Centre has introduced a Bill to this Assembly that would establish provincewide standards for ambulances, equipment, and training of personnel. We think this is a move in a direction the government should be going. The next step would be for provincial funding and administration of a provincial ambulance authority. This weak link in the medical care chain must be strengthened.

I have mentioned the AUMA a number of times. I'd like to stress some of the resolutions the AUMA has made and the government has promised to consider but has not yet acted on. One is to move the due date for payment of the Alberta Planning Fund requisition to July 1. This would recognize the fact that municipalities collect a major portion of their revenues on or about July 1. The current deadline is June 1. Some have had to borrow money to meet the deadline. I think the move to July 1 would be well received by many municipalities.

Municipalities face considerable financial pressure in providing police services. The city of Edmonton has requested that fines levied in provincial courts under the Criminal Code from charges initiated by a municipal force should be returned to the municipalities. We think this is a serious consideration and the government should see it in that light. The province also promised that legislation allowing for the collection of unpaid fines during motor vehicle licence renewals would be introduced this session. Approximately 10 percent of all traffic warrants go uncollected, and it is in fact a significant loss to municipalities. This would entail only a small administrative cost to the province and means the collection of hundreds of thousands of dollars in revenues lost to municipalities. We urge the government to introduce this legislation. We would give it our full support.

The government has said it is currently reviewing the cost-sharing and special project subsidies involved in the community housing program. We hope that the housing planning secretariat and Alberta Mortgage and Housing Corporation will bring their recommendations forward soon, Mr. Minister.

Mr. Chairman, an issue that also needs to be addressed is a current topic that has raised concern particularly in the city of Edmonton but also in other parts of the province; that is, the issue of Sunday shopping. It is the opinion of the Official Opposition and many Albertans that the province has abdicated its responsibility by failing to deal with the issue of store closures. By leaving this matter in the hands of municipal authorities, the government has left the door open for a patchwork of legislation across the province. We think there should be one law applicable to all of Alberta. The negative effect of widespread seven-day-a-week

shopping is well known. Sunday shopping makes it virtually impossible for families with members in the retail sector to have a common day of rest. It increases the use of part-time workers. It makes small family operations unable to compete with the large retail stores. We therefore urge the government to give serious consideration to the retail holiday Act for the good of all Albertans.

One other comment I'd like to make regarding Alberta Mortgage and Housing is that the AMHC could be doing more with the foreclosure properties it holds. In its annual report the corporation suggested it holds title to some 2,583 properties at a cost to the corporation of some \$170 million. The corporation is prepared for the possibility of losing some \$360 million on these properties at a time when thousands of Albertans cannot find affordable quality housing. The corporation reports that it is currently renting about 300, or around 12 percent, of these properties. We encourage them to increase their efforts to expand these numbers in the rental area. The corporation's faith that the housing market will strengthen in the near future is ill founded, given that a number of Albertans are losing their jobs in the energy sector.

I might add, Mr. Chairman, that in my recent journey to Fort McMurray, where they are in fact experiencing problems not only as a result of the decline in the energy industry but also because of a labour dispute, the vacancy rates in that particular community are astronomical. People are leaving on a daily basis and simply walking away from the homes they have purchased. My own constituency — I alluded to a situation that I experienced during the campaign, where many people are being forced to leave homes. Many are simply walking away. I would suggest that there is a glut in the province of properties under the responsibility of the Alberta Mortgage and Housing Corporation, and every effort should be made to put these properties on the market so they can be utilized by those who need housing.

Mr. Chairman, that pretty well concludes my remarks at this time. There are other members of our caucus who are going to speak on other issues, such as native affairs, the regional planning commissions, and so on. The minister may want to respond now or perhaps at the conclusion of those remarks.

MR. HAWKESWORTH: Mr. Chairman, I too would like to offer my congratulations to the minister on his re-election and his appointment to this important portfolio. I know he brings to that portfolio some experience gained some time ago but nonetheless experience in the municipal arena as a former alderman with the city of Edmonton. I appreciate his also outlining some of his goals in his next few years in that portfolio. I wish him well in that and would say that I'm sure he will succeed in his goals. If he listens and consults with those at the municipal level and conducts the affairs of the department in a co-operative atmosphere with those at the local level, I have no doubt that he will succeed.

Mr. Chairman, I'd like to spend a few moments this morning in putting in a good word for regional planning commissions and the regional planning system in this province. I think this is one of those areas that is often overlooked and taken for granted. A good regional planning system is a particular asset of living in Alberta that we have in place and have had in place for many, many years. It's worked well in this province for the orderly physical development in Alberta. I don't want to sound parochial in saying that,

but I think we've done a particularly good job in the Calgary region.

If you look at the kinds of issues the province has had to deal with in recent years with annexation and intermunicipal conflict, I think the hon. minister will recognize that there's been a different kind of relationship between Calgary and its municipal authorities than those in Edmonton. We've not had a major annexation battle between urban and rural municipalities such as has occurred in Edmonton, and I think that stems largely from the fact that in Calgary we've had a different form of physical urban development take place than in Edmonton. We've had a uni-city system in Calgary that has worked well. Calgary has also had a strong regional planning commission that has provided a forum where a lot of these issues have been resolved and dealt with at that level. There has not been a need for the city of Calgary, as it was felt there was for the city of Edmonton, to bring forward major, massive annexation proposals for the purposes of urban control, planning control, and the long-term interest of that urban municipality. So things have evolved differently in Calgary than they have in Edmonton. I think that's because of the regional planning commission in that part of our province. I think it's one of the real assets that we've had.

Mr. Chairman, I'd like to get into the area of funding for regional planning commissions. For the last three years there has been a downsizing in regional planning commissions. There have been reductions in funding, and there have been some statements recently that that has come to an end. Nevertheless, I think a clear statement would be appreciated from the minister that this is the end of it, that downsizing has stopped as it affects regional planning commissions and that they can get on with the business they do so well.

I'd also like to ask if there is going to be legislation pending regarding the roles of regional planning commissions as they affect subdivision disputes. There have been quite a number of concerns expressed as to whether the policy direction given to regional planning commissions by the provincial government is really going to hold water as far as the preservation of good agricultural land in this province. There have been directives from previous ministers that regional plans would have within them provisions that would support the preservation of good agricultural land in this province. That's an admirable and worthy objective which we support on this side of the House and would commend the government for initiating. However, as they exist in regional planning commissions, the provisions are falling more and more into dispute between commissions and sometimes some of their rural members. As a result, certain matters under dispute have been referred to the Alberta Planning Board.

In fact, the Calgary Regional Planning Commission has taken a test case to court to find out to what extent regional planning commissions can enforce these provisions contained within their regional plans. I don't know yet what the decision on that case has been. I'm not sure whether the minister is going to be bringing legislation in to clarify that, and it would be appreciated if he could give us some indication.

There are two ways in which he could proceed. One would be to clarify section 54 of the Planning Act, which has to do with disputes under regional plans and the matter of regional plan conformity. Section 109, which deals with the matter of referring disputes to the Alberta Planning Board, is another route that he could go. The problem with

clarifying section 109 is that that particular section does not bind the Alberta Planning Board to the regional plan; it only has to give regard to the regional plan. If we're going to make the provisions of our regional plans the mechanism by which we'll preserve agricultural land in this province, then it seems to me the Alberta Planning Board has to be as bound to those plans as local municipal authorities.

Along with that, Mr. Chairman, is the whole question of the role of the Alberta Planning Board. There are a number of roles which that board has played in the past and plays at present. One is in the form of a quasi-judicial role, hearing appeals from various parties bringing disputes forward and appeals to decisions made by regional planning commissions. With those roles they carry out hearings and perform a quasi-judicial function. As well, the board plays a funding role, determining funding to regional planning commissions. They play an administrative role; they ratify plans, or at least recommend their ratification to the minister. They play what I consider a very important role in the whole area of public education and professional development in that they hold regular seminars and conferences with regional planning people throughout the entire province.

But at times their roles conflict or are perceived to conflict; that is, there's concern that they might withhold funding in order to try and get regional planning commissions to ratify various provisions in their plans or change the provisions in their plans in order to meet ratification by the minister. There's a potential perceived conflict that is sometimes set up, and I would think that a redefinition of the role of the Alberta Planning Board is long overdue. I think it would be important to have a look at how that board functions and the roles that it should play in planning in this province.

Along with the legislation I've referred to, I'm wondering if the minister is contemplating any other legislation to the Municipal Government Act being introduced in this legislative session. One that I know has created a considerable controversy in the cities of Calgary and Edmonton in recent months has to do with section 443 of the Municipal Government Act. That has to do with the granting of bonuses to businesses or persons. It occurred in Calgary recently, but I also understand that a businessman or an individual in the city of Edmonton is taking the city of Edmonton to court under this particular section to test whether the concessions granted to the Eatons project in downtown Edmonton fall under this particular section of the MGA. There's a lot of doubt about what in fact was intended by section 443 and what is meant by its provisions, and I'm wondering if that could be clarified or is being contemplated for clarification.

I'd like to compliment the minister and the government on the program that was announced just prior to the election — I think it's called the AMPLE program — which will be taking funds realized by renegotiating loans under the Alberta Municipal Financing Corporation. I'm not confident enough of all the details to speak of them here this morning, but what the government is doing is taking a program and passing on the benefits of these renegotiated loans to the municipal councils in Alberta. This is an example of how a good program arises from listening to proposals put forward by local administrators and elected officials. It comes out of a consultative approach between the provincial and the municipal levels of government. I would commend the government and the minister and say to him that if that is going to mark the kinds of relationships between the pro-

vincial and the municipal governments in the next years under his tenure, if that is the style he is going to adopt, I will repeat my opening comments: he will succeed in meeting his goals and assisting municipalities in this province. I would like to ask one question on that program. The benefit is going to accumulate to the provincial government over five years. Why then is it taking eight years to distribute that benefit to local municipal councils? There is a bit of a dichotomy there which I'd like to have him clarify.

Finally in the area of housing, Mr. Chairman, some days ago in question period I suggested to the minister that he could convene a meeting of municipal elected officials or municipal administrators as well as those involved in municipal housing corporations to discuss the whole community housing program and the problem of vacant units being held by AHMC throughout the province. I know what objective the minister has stated for not putting those units on the market. Nevertheless, having vacant units sitting all over subdivisions in urban Alberta also creates problems in those areas where those vacant units are located. I think this is one area where he should find out from local officials what problems are being created by this and what solutions they might suggest to him that would help meet various good objectives that he has, that AHMC has, and that local councils also have. I would like him to state whether he's given any further consideration to that proposal. If so, has he taken some steps to ensure that this consultative process occurs?

Mr. Chairman, with those comments I think I've put on the record most of my major concerns as they affect regional planning commissions and municipal councils, in addition to those put forward by my hon. colleague from Edmonton Beverly.

Thank you.

MR. CRAWFORD: Mr. Chairman, perhaps it would be appropriate right now to respond at least in part to the hon. members who've spoken so far. I've just noted a number of issues raised by the Member for Edmonton Beverly, some of which I'm not prepared at the present time to deal with in detail.

I've noted the concern about liability insurance. To me that is a much larger problem than legislating limits — the hon. member indicated that he didn't approve of that approach either — or bringing in some other programs of support to enable municipalities to acquire liability insurance. The understanding I have of the issue is that there are many factors involved. It would certainly be very good to be able to assure the municipalities and, I suppose, other local authorities that also require liability insurance that they would be able to get coverage. I've talked to some people in the insurance industry. They believe there are ways the industry can still respond and react to the situation so as to come to a situation where the more normal processes would still apply. Everybody says that the system is working through a cycle and that competition brought the rates low too for a period of time. This could happen in any area of insurance, not just in liability insurance. Although the answer is rarely "wait and see" in situations where the problem is already established, in part the answer is going to lie in the insurance industry itself.

I would appreciate more specific ideas about what sort of interim type of assistance the province might consider for the specific concerns of municipalities and other local authorities. The issue is current. It is not resolved. It is

causing difficulty. But I say to hon. members that I'm not sure the answer is yet clear. We could contemplate short-term programs if they would help, if they would not create in the long term a system by legislation or otherwise — government programming perhaps — that would so intrude into the market that we would be sorry a few years down the road that we had done so.

The hon. Member for Edmonton Beverly also mentioned, of course, financial support for municipalities. I'll just pass quickly over that because that's always a subject for debate. I won't talk about the estimates in other ministers' departments which flow to the cities and to all municipalities under many programs represented in a variety of ways, departments which are not before us this morning. Even the estimates of the Municipal Affairs department show that under the votes and the property tax reduction program, which has to be a benefit to the municipalities in the sense of setting their mill rates over a period of time — I know it must be a frustration each year, but in the long term the property tax reduction program obviously helps municipalities with their mill rates. The financial support, not even talking at this time about the support to the regional planning commissions, which is one of the smaller items — I'll talk about that as to policy and not so much as to financial support. Over \$300 million flows to the municipalities under this department alone, not talking about Transportation or any other department, if you include the \$66 million which is the property tax reduction program, and I've referred to that.

The Member for Edmonton Beverly also referred to the AUMA resolutions. I have this view: they have to be assessed. Of course they do. Some municipalities have other ideas though. You have the situation sometimes where because of circumstances a particular resolution is approved, and you will find that for various reasons major municipalities will be shaking their heads at what the association did. We can't fail to listen to them too. A resolution, however conceived and processed through the convention of delegates, is certainly an expression of opinion and a policy that we would have regard to. But to say that there is no other view is something I would have difficulty with. I think they have to be carefully looked at and carefully considered. I assure the hon. Member for Edmonton Beverly that under consideration at the present time are many of the resolutions passed by the Urban Municipalities Association. I do hope that he and I and the other ex-aldermen can keep this session going long enough so that we get these proposals before the Assembly, and maybe we can.

The hon. member also mentioned landfills. I don't want to talk about that in particular this morning other than to say that I should have answered his question on that in question period back in June, but we were at that stage evolving a little bit of a puzzle over ministers' rights to respond to questions that they had taken as notice.

On the specific Edmonton situation, the mayor himself has declared for his own reasons that he doesn't believe the issue should be resolved until after the city elections. I don't know why that would be, but our position will be that we will always deal with the city administration according to their best judgment. Should they be of the mind that certain lands that we were able to control or make available through the corporation or the housing department or public works or whatever — we would always talk to them about that. That is not a declaration that we would approve of a decision to locate a landfill site in any particular place. I respect the view of the council that there are alternatives

that they have to look at. If their judgment is that the new council will perhaps be in a better position to consider that, we will wait along with them.

The hon. Member for Calgary Mountain View raised some issues in respect to regional planning commissions. The increase for the regional planning commissions this year isn't large, but it's not a downsizing. I have to take further advice on the issue of how much planning we should support in the sense of the regional commissions as compared with the private sector, who are also there in planning and consulting in respect to planning. That is not to disagree in any way with the hon. member's sense of achievement in what regional planning commissions have been able to do, because that is evident in so many parts of the province. But if there is a shrinking of structure in the various separate regional planning commissions — I believe there are nine or 10 — and if the shrinking is just an adjustment of a bureaucracy as compared with the private sector, that is the point on which I said I would have to take further advice. All legislators worry about creating larger and larger bureaucracies, whatever their form and purpose. I don't think there's a large concern there, but it is something that has to be considered in respect to how much of the actual technical and staff and line work can be done by contracting out. That would not change the role of the regional planning commissions, but it might change the size of them. If it changed the size of them, it could of course adjust the budgets provided.

The funding of the regional planning commissions is a fine example of the co-operation between the province and the municipalities forming the various regions, and I support the system. I don't think that we contemplate downgrading it in any way.

The hon. member raised a couple of questions about disputes. I know the case in question. I'm not sure if all appeals have been heard yet; I think they have not. A court had to decide whether or not the subdivision approving authority had made a decision which was not a dispute in contemplation of the statute and therefore could not — the argument was whether it could or could not be referred to the Provincial Planning Board for a decision. I think the member is correct in saying that that has to be resolved in the legislation, and I would think that we can come up with a proposal under the legislation that would resolve that — hopefully it will be introduced in this session — so that one way or another we would not have the difficulty presented by that particular situation in that case.

Three more things. I don't know why it's a five-year — if the hon. member is correct in that — rollover of the debenture funding for the Municipal Financing Corporation and a longer term for the payout under the AMPLE program. I want to take that as notice and examine that. I think his suggestion that we could do more in consulting with local housing authorities and municipalities in respect to the future of the community housing programs is very useful, and we will undertake that. We have of course examined the issue, but I think the form of consultation is important, and we should have that type of consultation on that issue.

The last point, section 443, is so interesting, because if I'm going to succeed in this anticipation of bringing more local government to city councils and other municipal councils, surely that is a case in which the council should make the decision. To me, any clarification that would be needed would simply be for the purpose of saying that when a council makes such a decision, it is within their ambit to make it.

Chairman, others would like to speak. I wanted to respond to the points made and conclude for the time being.

MR. NELSON: First of all, Mr. Chairman, as other members have, I would like to congratulate the minister, probably one of the most capable people in this province and this land as far as experience and the capacity to handle work. With this large portfolio, I know he's got his hands full.

I'd like to address a couple of areas in the estimates and use the summary to start with. As I have indicated on other estimates, the area of concern I have is the extremely large increase in the purchase of fixed assets, although I'm not sure exactly what they might be as they're not listed here. Obviously, if it's related to the purchase of furnishings and what have you for offices and so on, it would certainly be of some major concern, especially considering that on occasion I can't equip my constituency office overly well, in the manner that would be desirable. Yet the bureaucrats seem to do well. Not that that's all bad. However, I'm sure there is lots of furniture around that they could probably use without buying new stuff.

The other area, of course, is under vote 5, an 18.9 percent increase for the administration of improvement districts. Certainly that is of some concern. Below that there is a 24.8 percent increase in supplies and services. Under vote 7, supplies and services, there is another large increase also.

Some of the other areas — I guess in the order that concern me — relate to municipal affairs. Of course, the one in Calgary that I'm involved in relates to our board orders. I know the minister is familiar with the particular one that I have concern with. I guess in the overall picture these board orders are put in for a purpose, but certainly as times change, they need to be examined. However, if they have negative impacts on people because of the aggressive nature of a municipality for some reason or other, we have to examine those in the overall context of protecting those people who, along with the municipality, agreed to annexation orders under certain circumstances. I would certainly be concerned if those things were changed without the complete input of those residents. Basically, my concern is that once they start to get watered down a little bit, where does it stop?

The other area is housing. I'm not sure whether the minister has seen my most recent correspondence. However, I have a considerable amount of concern regarding housing and Alberta Mortgage and Housing. The difficulty is that we certainly have a lot of vacant housing units in communities. It's not the fault of Alberta Housing or for that matter the government. Generally speaking, I think that over the years the government has been very supportive of ensuring housing for low- and middle-income people and possibly allowing housing for people who really couldn't afford it in any event. Subsequently we've created a tremendous amount of housing stock in the community.

There are two concerns there. Number one is the fact that it is vacant and may impact on the community as far as the upkeep of those properties. Last year in the Legislature we did have a motion through the Heritage Savings Trust Fund committee. It was agreed to in the Legislature — at least, the report was agreed to — that we would examine these properties and share their upkeep as reasonable, considering the concern of many of the communities not to inadvertently devalue properties of people owning their own homes, not necessarily through Alberta housing.

The other concern is that many of these units are developed in our newer communities. It's all right for members or people living in older communities where a lot of this housing hasn't been placed to stand and suggest that we should unload them onto municipal housing authorities or some organization, co-operative housing or whatever, when in fact it doesn't impact on them directly in any event. But it does impact some of us who have to answer to our constituents when they have concerns about the types of activities that go on.

I would like to say to the minister that especially for those like myself, the Member for Calgary Montrose, the Member for Edmonton Mill Woods, and others in similar circumstances where they may have large numbers of these housing units, it might be useful to have the MLA discuss issues related to these housing units prior to the mortgage company or Alberta Housing going out and making deals with the municipalities. Of course, some of the flak may hit us. So when it's suggested that we should go and discuss some of the problems we have with this housing with the municipal authorities, that's well and good. However, I think the MLAs are representing areas similar to what the municipal aldermen or council people are representing and rather than all of a sudden dumping on the municipality and suggesting that they should do certain things, maybe the discussion should be with the MLAs, as they are also the representatives of those areas and well equipped to deal with those issues, especially within the boundaries of their own constituencies. I feel very strongly that we should be utilizing that source rather than suggesting that the municipalities should deal with the thing and come up with their particular programs.

I would like to ask the minister if we could possibly get a little more input from members to ensure that the decisions being made, in particular when housing units are being unloaded onto another body — that may not be the most satisfactory body to look after those units, on behalf of both the investment the government has already placed in those units and the members of those communities, who may feel that they have a detrimental effect not only on the community at large but as a neighbour to one of those homes that may not be well looked after in the future. Certainly I'm not objecting to the fact that we need to ensure that the housing stock is looked after, that people are able to participate in a life-style that they can afford. But at the same time, housing was put there for a specific purpose and we wouldn't like to see that degenerate because it does impact the community and those people living in it.

The other matters, Mr. Chairman: basically, I find that the estimates are reasonable, with the exception of those particular areas that I did identify and others that may be of a similar nature. I know the minister has his hands full, and I wish him well in dealing with the three ministry duties that he has. It is no small task, and I wish him well.

Thank you.

MR. WRIGHT: Mr. Chairman, I have some points relating to that part of the minister's portfolio that deals with native affairs. I understand that a promise was made to assist the Metis Association of Alberta to regionalize; that is to say, to decentralize their organization into six regions from one and to assist them with the funding for this. The decision has been made; it has been implemented; there are six regions. However, the funding remains as before, with the

money being sent to the Metis Association itself. As I understand it, the Metis Association has told the government that they have in fact regionalized and need the money parceled into six parcels and sent individually to each region and has put in a proposed budget that does increase the allocation previously made but, so far as I'm in a position to judge — which admittedly isn't much of a statement — does not seem excessive having regard to their reorganization. Would the minister be good enough to respond to that request for a clarification of the situation and why there seems to be a standstill or deadlock on this particular funding issue?

The second point relates to funds for research. There is going to be a conference next year that will make important decisions for native and aboriginal people, including, of course, the Metis in Alberta as elsewhere in Canada. A distinct allotment of research funds for this particular purpose — as distinct from the research funds which over the last four years have come to some \$470,000, I understand, for general purposes — was promised to enable the Metis to come to this conference properly informed and with a properly reasoned case. I understand that some conversation has taken place with the minister. Yet again, Mr. Chairman, no decision.

The third area should be one which the minister is now in a much easier position to solve than before, since he is responsible for both the Housing Corporation and native affairs. As I understand it, it concerns something of a squabble between the Canadian Mortgage and Housing Corporation and Alberta Housing Corporation as to funding of certain native housing projects in the Athabasca-Lac La Biche area. Perhaps the minister is not aware of the details of this, and I'm afraid I can't supply much verbally in the way of detail at the present time. But that's the third area. The result is that the housing, which is much needed in that area — including, I think, Slave Lake as well — is at a standstill, and I ask the minister to unravel the logjam there.

MR. CRAWFORD: Those questions are quite specific, and maybe I should respond now. The regionalization issue is one that is still under consideration. The background of that issue is that the merit of the proposal is certainly acknowledged in the sense that it is a debatable issue. There are two sides to it. The regionalization carries with it the danger that it will duplicate some services that are already in various communities, and that is one of the reasons why the proposal is still under examination. Later this month I hope to have an answer on the issue for Mr. Sinclair. The funding proposed for the six regions was not budgeted for. The entire budget for that type of purpose was budgeted for the Metis Association as a central body. They can of course spend any portion of the funding that they receive in the regions. I'm not sure whether or not that is being done. I believe the overall grant to the provincial body is about \$225,000. When the proposal was made for regional funding, it of course was much larger.

My background in this issue is that I did agree with the proponents of that regional approach that I would advocate the position to the minister who was then responsible, my predecessor in native affairs. The result was that after consultation and consideration he did not recommend a budget item. But the answer is still not final in my view. What I would like to do as to process is — I will meet with Mr. Sinclair, as I did mention, later this month, and hopefully the necessary consideration in committee of caucus



or cabinet can be done by that time. So that's the situation on regionalization.

On the research for the conference, \$50,000 is available this year, adding to funds that have been spent in each fiscal year for research as to the constitutional conference. Actually, almost half a million dollars has been made available for that purpose because the process has lasted since one of the earlier First Ministers' Conferences and we've supported the process in the meantime. As I just said, the amount for this fiscal year is \$50,000. Hopefully that will be a useful addition to their research budget.

MRS. HEWES: Mr. Chairman, I too would like to congratulate the minister on his new responsibilities. People in Alberta and many departments of this government have benefitted from his wise counsel for some years, and I'm sure this department will be no exception. He also brings to the department a depth of municipal experience that I know will serve the municipalities of the province well. I'm grateful, Mr. Minister, for your comments about grants and structures and the notion of rethinking how we relate to one another.

Mr. Chairman, this province and others have to bear a responsibility for the fact that municipal governments don't exist in the Canadian Constitution. I happen to believe that was an oversight, because in spite of how we have organized ourselves, we have to acknowledge that urban development is a major driving force, that most of us now live in an urban setting, and that in Alberta over two-thirds of us live in cities. We have to acknowledge that fact of life.

First of all, Mr. Chairman, I want to ask the minister if he does support and will support the idea of a return to including municipalities in federal/provincial/municipal conferences. I believe that particularly in the kind of economic times we're experiencing, this is a very important factor. It's been missing for some years now. The present system of federal/provincial and then extending the word from on high to our municipalities certainly doesn't take any advantage of the synergy available to us if we go back to sharing our discussions and our dialogue with urban governments.

Mr. Chairman, I've also suggested in this House that we should consider an urban secretariat within the minister's department that would address itself specifically to issues of this kind. I'm hopeful that during his term the minister will want to look at the Municipal Government Act as well as the Municipal Taxation Act to plug any loopholes that presently exist that are causing problems in municipalities and are unclear or open-ended relative to municipal jurisdiction in giving concession and bonuses. There is a tremendous incentive now, I suppose, in municipalities who are looking for new developments to use that capacity. I think it needs to be clear for all what the limits of that decision-making are.

Mr. Chairman, I applaud the move of the minister to go toward more unconditional grants for municipalities. I think this will aid them. But it still leaves begging the question of revenue sharing. This province, in my view, is behind the development in other provinces that have moved more securely into more progressive proposals and legislation relative to revenue sharing between provinces and municipalities, not necessarily leading to larger dollar change but certainly allowing for a very different style of planning and of the setting of priorities between provincial governments and municipal governments. The municipalities of Alberta have submitted plan after plan, proposal after proposal for a review of that. I think now is the time, when we're in

a less volatile stage of our development in Alberta, when there aren't the enormous growth pressures in the province that we have experienced in the previous decade, to review the situation and perhaps move more securely into a phased change of how we share our revenue with municipalities. It would certainly give them a lot more freedom and predictability in their planning. I think that would benefit all Albertans and the economy of the province.

In short, Mr. Chairman, it's time for an end to the paternalistic attitude and approach that we perhaps have held in the past. It may have been for good reason, but I submit that at this stage the municipalities in this province are very sophisticated. Most of them have professional staffs and are well able to take advantage of the consultative processes through the Department of Municipal Affairs and really are not to be treated as children. It's been said before that the municipalities are anticipated to be a major driving force in economic development and in redevelopment. We must take advantage of that in our present time of recessions.

Mr. Chairman, I'd like to comment on a couple of things in the budget that puzzled me. Perhaps the minister can respond. In vote 1 we see the merger of housing and native affairs with Municipal Affairs. I anticipated from that merger that there would be considerable savings in departmental support services, believing that the purpose of the merger is to increase efficiency by reducing duplication of work. The transfer of almost \$4 million from the former Department of Housing shows a savings of some \$169,000 only. It seems to me that at least most of the funds that were devoted to the minister's and deputy minister's offices should have been saved. I'm surprised that the resulting savings appear to be in that amount only. Perhaps the minister could explain why there hasn't been a greater compression there.

Mr. Chairman, vote 9: this program in fact was one of the planks of the government in the 1982 election. It appears from the present estimates that over 45 percent of this budget is devoted to administration in the program. I really question that. I'd also appreciate the minister's comments or an evaluation of the consequences of the program. A lot of people have lost their houses despite the reduction of interest to 12.5 percent, because they've lost their jobs and they've lost equity in the house as a result of the fall in house prices. I'm not sure who really benefitted from the program. Perhaps the minister could address himself to that question as well.

Mr. Chairman, we had some comments earlier this morning about regional planning commissions and the Alberta Planning Board and their role in the province. As a former chairman of the Edmonton Metropolitan Regional Planning Commission, I have tremendous respect for those commissions and for the work they do. I have expressed concern before about the change in balance, not of jurisdiction but of decision-making between the Alberta Planning Board and regional planning commissions. My own concern is that the commissions, made up of elected representatives from our municipalities, accountable to their constituencies for land use planning, should remain in that primary role and that the Alberta Planning Board hopefully does not overtake that role and function of accountability from the regional planning commissions.

Mr. Chairman, I'd like to turn for just a minute to municipalities as the driving force and quote from the Budget Address Update of June 16 of this year. On page 3 the hon. Treasurer indicates:

The average unemployment rate for 1986 should be down somewhat from last year's level of 10.1 percent.

We now know that that is highly unlikely to materialize this year; in fact, it's going in quite the other direction. On page 5 the hon. Treasurer comments on spending of \$149.5 million and increases in heritage fund capital projects of \$31.2 million. [A further] funding of over \$180 million will meet the needs of Albertans.

On page 6 he tells us:

Jobs are essential to how people feel about themselves, their families, and their communities. There is no replacement for long-term, productive employment.

I certainly couldn't agree more with that statement.

On page 7 the hon. Treasurer describes the new \$500 million Alberta municipal partnership in local employment program, and that is where I'd like to ask the minister some questions. I've expressed my dismay before in the House with how that program is structured and how it is anticipated to work. Mr. Chairman, the program is called AMPLE — that's its acronym — and I suggest to you that it's anything but ample. The minister has indicated to us that municipalities can in fact gear up this year, and to be sure, I suppose that's true. But it seems to me that with the unemployment situation as it is in our province, in a critical situation, the program should at the very least have been able to in actual fact get under way this year in performance, not simply in its planning and design stage, and that the funds should be made available so that municipalities can take advantage of them immediately and not over seven to nine years, as is projected. I simply do not feel that the program as it is structured will fulfill its objectives. It is described somewhat euphemistically as a partnership in local employment, and yet we all acknowledge that it is not tied in any way to the creation of employment, that it is a hope that the government has — that certainly I share — that it will be used for that.

I'd also like to know how closely the minister is working with the municipalities on the design of this program, if there is any consideration being given to changing the financial structure to make moneys available on a up-front basis to municipalities, and also whether or not only public works are to be included in it or if in fact municipalities can use the funds to retain private firms and do private contracting as well.

Mr. Chairman, I want to comment on another similar kind of program that doesn't appear to have caught on in this province. This is one called Work Work Work. The title is: If Municipal Services Work the Economy Will Work Putting Canadians to Work. This is a program developed by the Federation of Canadian Municipalities some 18 months to 2 years ago. I'm sorry I don't have an exact date on it, but it's a \$12 billion, jointly-shared federal/provincial/municipal program over 10 years. It's a program that is scheduled to restore the municipal infrastructure across Canada, sadly in need of a tremendous amount of rehabilitative and restorative process or else we are into a dis-economic phase of municipal infrastructure. It's anticipated that it will at the same time create thousands of jobs. There are expected to be 250,000 person-years of employment in

the program, amounting to \$45,000 to \$60,000 per year. A shared program, but one of the remarkable parts of the proposal is that it is understood in this program that the net effect will be a reduction, not an increase, in the deficit. So we have here a proposal that is anticipated to be jointly funded, that would create jobs, and that would do a very necessary piece of work that would prove economic in the future by rehabilitating essential municipal infrastructures, thereby creating a situation that would deter further increases in costs to our municipalities.

Mr. Chairman, part of the point in raising this is that I don't think we in the provincial government have a corner on ideas or technique when it comes to job creation. I really hope we're making use of the thoughts that are coming from other parts of Canada, other parts of the world, in changing and turning around what we're doing in our economy in Alberta, whether it's diversification or making up new jobs, using new ideas. I believe that municipalities are a major, if not the major, driving force in job creation, and I'm not convinced that we are using them sufficiently or taking advantage of programs such as this. To my knowledge it hasn't been undertaken by this province, and I don't for the life of me understand why.

Finally, Mr. Chairman, I would like to ask the minister to meet with and respond to the municipal leaders in the province regarding their ideas on job creation, because I think those ideas are there and are waiting to be acted on. We could have a far more immediate program, and just to reiterate some of the earlier comments, I think it would fill the need that I have seen for some years now for a more co-operative, consultative, collaborative approach between this province and its municipalities.

MR. CRAWFORD: Mr. Chairman, I will be pleased in due course to respond to those questions. I now move that the committee rise, report progress, and ask leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

MR. MUSGREAVE: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports progress thereon, and requests leave to sit again.

MR. SPEAKER: Having heard the report and the request for leave to sit again, does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed, if any? Carried.

MR. CRAWFORD: Mr. Speaker, I move that the Assembly now adjourn until next Thursday, August 7, at 2:30 in accordance with Resolution 11.

[At 12:59 p.m., the House adjourned to Thursday, August 7, at 2:30 p.m.]