

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, June 15, 1987 8:00 p.m.**

Date: 87/06/15

[The House resumed at 8 p.m.]

[Mr. Speaker in the Chair]

MR. YOUNG: Mr. Speaker, I would seek unanimous consent for the second reading of Bill 42 and Bill 57.

MR. SPEAKER: Unanimous consent has been requested. Do you all agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

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

Bill 42
Miscellaneous Statutes Amendment Act, 1987

MR. HORSMAN: Mr. Speaker, I move second reading of Bill 42, the Miscellaneous Statutes Amendment Act, 1987.

MR. SPEAKER: Question?

SOME HON. MEMBERS: Question.

[Motion carried; Bill 42 read a second time]

Bill 57
Municipal District of Big Horn No. 8
Incorporation Act

MR. BRADLEY: Mr. Speaker, on behalf of my colleague the Member for Banff-Cochrane, I move second reading of Bill 57, the Municipal District of Big Horn No. 8 Incorporation Act.

There's been extensive discussion and consultation within the improvement district of Big Horn No. 8 with regards to this legislation. The advisory council of that improvement district has passed unanimously that this legislation proceed, and I urge hon. members to support it.

MR. SPEAKER: Call for the question?

HON. MEMBERS: Question.

[Motion carried; Bill 57 read a second time]

head: **PRIVATE BILLS**
(Second Reading)

Bill Pr. 2
The Alpine Club of Canada
Amendment Act, 1987

MR. PAYNE: Mr. Speaker, I move second reading of Bill Pr. 2.

MR. SPEAKER: Call for the question?

HON. MEMBERS: Question.

[Motion carried; Bill Pr. 2 read a second time]

Bill Pr. 5
United Farmers of Alberta
Co-operative Limited Amendment Act, 1987

MR. BRASSARD: Mr. Speaker, I move second reading of Bill Pr. 5.

[Motion carried; Bill Pr. 5 read a second time]

Bill Pr. 10
The Calgary Hebrew School Amendment Act, 1987

MRS. MIROSH: Mr. Speaker, I move that Bill Pr. 10 be moved for second reading.

MR. SPEAKER: Call for the question?

SOME HON. MEMBERS: Question.

[Motion carried; Bill Pr. 10 read a second time]

Bill Pr. 1
First Canadian Insurance Corporation Act

MR. TAYLOR: On behalf of my colleague from Edmonton Meadowlark, I'd like to move second reading of Bill Pr. 1.

[Motion carried; Bill Pr. 1 read a second time]

Bill Pr. 3
An Act to Incorporate the Sisters Servants
of Mary Immaculate (Polish) of Alberta

MR. TAYLOR: On behalf of my colleague from Edmonton Meadowlark, I'd like to move second reading of Bill Pr. 3.

MR. SPEAKER: Question?

SOME HON. MEMBERS: Question.

[Motion carried; Bill Pr. 3 read a second time]

Bill Pr. 4
The King's College Amendment Act, 1987

MR. WRIGHT: On behalf of my hon. friend the Member for Edmonton Highlands, I move Bill Pr. 4.

[Motion carried; Bill Pr. 4 read a second time]

Bill Pr. 6
Alberta Wheat Pool Amendment Act, 1987

DR. ELLIOTT: Mr. Speaker, I move second reading of Bill Pr. 6, Alberta Wheat Pool Amendment Act, 1987.

[Motion carried; Bill Pr. 6 read a second time]

Bill Pr. 7
Calgary Beautification Foundation
Amendment Act, 1987

MR. STEWART: Mr. Speaker, I move second reading of Bill Pr. 7, Calgary Beautification Foundation Amendment Act, 1987.

MR. SPEAKER: Question?

SOME HON. MEMBERS: Question.

[Motion carried; Bill Pr. 7 read a second time]

Bill Pr. 11
Scott J. Hammel Legal Articles Act

MR. WRIGHT: Mr. Speaker, I move Bill Pr. 11, the Scott J. Hammel Legal Articles Act, for second reading.

MR. SPEAKER: Question?

SOME HON. MEMBERS: Question.

[Motion carried; Bill Pr. 11 read a second time]

Bill Pr. 13
Central Western Railway Corporation
Amendment Act, 1987

MR. DOWNEY: Mr. Speaker, I move for second reading Bill Pr. 13, Central Western Railway Corporation Amendment Act, 1987.

[Motion carried; Bill Pr. 13 read a second time]

Bill Pr. 14
Acts Leadership Training Centre Act

DR. CASSIN: Mr. Speaker, I move Bill Pr. 14, Acts Leadership Training Centre Act.

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

Bill Pr. 8
Edmonton Economic Development Authority
Amendment Act, 1987

MR. NELSON: Mr. Speaker, on behalf of my colleague from Stony Plain, I'd like to move Bill Pr. 8 for second reading, Edmonton Economic Development Authority Amendment Act, 1987.

[Motion carried; Bill Pr. 8 read a second time]

Bill Pr. 15
Lake Bonavista Homeowners Association Ltd.
Tax Exemption Act

MR. PAYNE: Mr. Speaker, I'd like to move second reading of Bill Pr. 15, Lake Bonavista Homeowners Association Ltd. Tax Exemption Act.

MR. SPEAKER: Edmonton Glengarry, followed by Calgary

Buffalo, followed by Edmonton Strathcona.

MR. YOUNIE: Thank you, Mr. Speaker. I have some serious reservations about this and the three following Bills, all of which are related and virtually identical in that they are a request to enshrine in legislation a tax exemption for private property in the city of Calgary, property that belongs to people who, judging from the value of property in those areas, are certainly capable of paying the property tax. The land is essentially private recreation area or I suppose you could call it a private playground, private tennis courts, and so on and so forth, something very nice to have. I don't begrudge the people the right to have it, but I have serious reservations about the Legislature enshrining in legislation the ability of those people not to pay taxes on that private property.

Certainly I would not quibble with the city of Calgary's right to grant them, as they have for some years, tax exemptions on the land, if they so choose. I am concerned that there could be a number of people in much more modest dwellings in Calgary who would be very upset that people who can afford private tennis courts and recreation areas should not pay taxes on them. I think it will be very nice for the city of Calgary to be able to say: "Well, we didn't do it; the Legislature did. Blame them." I really have reservations about going about it the way we are.

I also say that in fact the city of Calgary does have a number of methods of doing this every year if they so choose. The reason it is being done now is that the present city council says it's okay. The homeowners are worried that a future city council might change their minds and assess them for the land and charge them taxes. So they want to remove the right of future city councils to change the tax status of these lands and start taxing them on it appropriately.

I would also point out that one of the arguments in favour of this is that it is commonly held land for members of the association, and they use it only for recreational purposes. There's a very large class of homeowners in Alberta, that being condominium owners, who also hold land in common as an association. I've been on one of their boards. They have recreational land as part of their development, and they pay taxes on it. Nobody anywhere, according to the president of their national association, gives them a tax exemption or has even suggested that. Certainly with these four Bills as a precedent, I could see the cities of Edmonton and Calgary coming next year to intervene against a private Bill that would call for exactly the same status for every condominium association in the province. I would argue that certainly what's fair for people in \$250,000 homes is fair for people in \$45,000 to \$50,000 condominiums and would have to, if we pass these, support such a private Bill. I'd go so far as to sponsor it on their behalf.

I have great reservations about people who own such land asking for tax exemption when it is only for their private use. If they could come to me and argue: "This is open to the public; we welcome anyone in the city of Calgary using it. We do not ask for membership cards, and we do not say you must be a member of the association," then I would see it as in the best interests of all Calgarians to say, "Here's a tax exemption; you will keep up this land and yet allow everyone to use it, a generous gesture, so we'll give you tax-exempt status."

What we have here in fact is a request for people to not pay taxes on a private club. Now, certainly if I were going to join a private tennis club, I would expect to pay an annual or a monthly due, and I would be a little sheepish coming to the Legislature and supporting that private tennis club not being

charged property taxes in the city so that they can keep my membership dues down. That in fact is one of the arguments we heard in the Private Bills Committee, that if these associations have to pay their full and rightful taxes to the city of Calgary, they will have to then raise the dues people pay, and it's really not going to be horribly fair to them.

We also heard that if they're charged taxes, they'll just let the property go, and it will revert to the city, and the city will have to pay upkeep on it, a rather gentle sort of blackmail that really doesn't hold water, because the city could in fact say: "Well okay, you don't want that. We'll drain the artificial lake, we'll subdivide it into lots, and we'll sell them at \$70,000 or \$80,000 apiece," whatever lots in those kinds of exclusive subdivisions go for. And the city could make quite a tidy profit on it. One of the concerns is that these associations could do the same thing, although the Bill has been modified to make sure that won't happen, and I was glad to see that.

But I've very serious concerns about the Legislature stepping into what should be solely the job of the city of Calgary, and that is to decide whether or not any particular property should be tax exempt and to use what means are open to them -- and there's more than one -- to grant that tax exemption. And as these stand, I can't see any justification, either ethically in the nature of the Bills or legally in the purpose of them to support them, and I would speak very strongly to urge their defeat.

MR. SPEAKER: Calgary Buffalo, followed by Edmonton Strathcona.

MR. CHUMIR: Yes, I too share some concerns about legislating tax exemption of this nature. I would be interested in hearing from the introducer of the Bill what the principle is behind the particular proposal. I'd like to hear how, for example, the principle would apply in future to other comparable situations and whether the decision that this House would make in legislating this form of exemption would in principle provide a sound policy guideline for ranges of property that may be similarly situate in the future.

I don't have the answers to these questions, Mr. Speaker, but I do have a duty to ask what are very obvious questions. There's obviously something special about this situation. The city has seen fit to make an exemption. There may be in fact some feature that escapes me that would merit legislating the exemption in this case, and I would be pleased to hear the introducer advise as to the soundness of this policy. Failing that, perhaps it is a decision that should be made locally, based on what must be special circumstances which have led council to make the exemption that currently prevails, and I would appreciate clarification from the introducer with respect to these broader, long-range policy questions that transcend the particular legislation before us at this moment.

MR. SPEAKER: Edmonton Strathcona.

MR. WRIGHT: Thank you, Mr. Speaker. This is really a matter of considerable principle and a thoroughly bad Bill, and the three that follow it. A thoroughly bad Bill. It's bad for a number of reasons. The first and foremost is that it's a scam. The scam is this: the land is sold for development and, doubtless, houses built on speculation, very properly, part of the attraction of which is the existence of a private park in the middle. And this is fine. It's not urban reserve. It's land that's been paid for by the developer to be developed as a private park for the resi-

dents. Fair enough. If they can afford it, they should be entitled to it. A year or two later -- I don't know how many years later; maybe six or seven years -- they come along to the city and say, "Look, we can't afford this." I don't know what the presentation was. But in the event they say that the taxes are burdensome. It's a park, yet they're keeping it up themselves. "We won't throw it on your doorstep; if you exempt us from taxes, we'll keep it up." And the city says, "Well, we can't afford to keep that up as park; we'll give you exemption."

Mr. Speaker, this is all wrong, because the proposal in the first place on which the subdivision was based was that this be privately paid for parkland, and now it's being thrown on the public. Two things give me pause. The first is that I'm an Edmonton member, and this is a Calgary subdivision, as the other three are, and the city of Calgary doesn't object. But I think in the first place, I'm entitled to say that's wrong anyway, but in the second place and much more importantly, it's a precedent for the whole province.

Now, a few years ago the Private Bills Committee agreed to and this Legislature passed a Bill -- I don't know the exact name of it -- incorporating the Jewish community league in Edmonton, which gave tax-exempt status to the premises of the former Hillcrest club, which is used by the Jewish community for their functions and other people's functions, too, for that matter. They run a very good community centre there I'm sure; been there many times myself. But it is tax exempt. Ever since then, I'm sure, judging from the experience of the last year, people have come with private Bills before the Private Bills Committee seeking tax exemption for their own community efforts which don't fit in any of the existing tax provisions giving relief to taxpayers. They've cited the precedent of the Jewish community league. This is going to be an even wider one.

Mr. Speaker, the province does have generous, in my view, provisions regarding tax relief both in the Municipal Taxation Act itself and in the Municipal Tax Exemption Act. If you read through the various provisions of those Acts, you would think that fairly speaking the territory is being covered of the cases in which it is fair to give tax exemption. On top of that there is considerable latitude given to cities to give ad hoc tax exemption from year to year or refunds of taxes in deserving cases, which is quite different from the scheme of this Bill, which is once and for all and forever tax exemption. In the words of the Bill:

... exempt from all municipal taxes and school taxes of every nature whatsoever, for so long as they remain the property of Lake Bonavista Homeowners Association Ltd., and are used exclusively for the recreational and social enjoyment of the members of the Association.

Quite frankly, Mr. Speaker, I think the members of the Private Bills Committee -- I mean I can't really speak for them; I can just speak for our group -- perhaps have been lulled into a failure to examine what's really going on here, because the city of Calgary has consented. But it's wrong in principle. The principle is that for relief like this you should fit into the general scheme of the existing legislation, unless there is a very good reason to the contrary.

Now, there's another Bill, the Scott J. Hammel articles exemption. That's a particular exemption from the provisions of the Legal Profession Act because of the hardship to the particular applicant. But there's no case made out of that nature here, Mr. Speaker, and it's a thoroughly bad precedent. I say that the city of Calgary should be left to work it out with these homeowners and to either bring the four subdivisions within the

exemption provisions of existing Acts or have it tested in court, whatever the case is, or else year by year examine the credentials and virtues of the particular taxation regime so that they can consider whether and to the extent that's reasonable they should give a refund of taxes or remission of taxes, as happens in many municipalities year by year. But this blanket provision is just wrong in principle.

Consider, Mr. Speaker, that we are creating a privileged exemption from taxation here. The words are:

exclusively for the recreational and social enjoyment of the members of the Association.

They're getting a break on the taxes, but no Calgarian or other citizen may enter this preserve without the permission of the association. It's tax free, but it's for their enjoyment alone. It is completely wrong, with the greatest respect, Mr. Speaker. I am very glad that a member from Calgary is speaking in the same vein as I am to make it clear that we are speaking from a point of principle, and there is no nonsense of city rivalry or whatever it is. I'm sure that this wouldn't really be thought to be the case itself, but perhaps reports outside this Chamber might have another gloss. It's purely a wrong Act.

MR. SPEAKER: Member for Calgary McCall.

MR. NELSON: Thank you, Mr. Speaker. I think, in the first place, there seems to be some misunderstanding of this whole issue by some members.

Just to give a little history here, as a former member of the city council when a lot of this development was taking place. First of all, it is not a scam, and it is not speculation. When the lands in question on Bill Pr. 15, and for that matter all these Bills, were brought forward to city council, the planning commission and the city planners and what have you, there was an overall base plan for the organized development of these subdivisions in the city of Calgary, as there is in all the subdivisions. The city requires, by the Planning Act, 10 percent of the lands to be taken for the purpose of parks, recreation, community reserve for schools, other facilities within the community. They also require another approximately 30 percent of lands for roads and lanes and things of this nature. So right away the developer gives up 40 percent of his lands to the city. The remaining 60 percent can be developed in an organized fashion, albeit for single-family housing, multiple housing, or whatever the case may be, shopping centres and so on.

At the time that these subdivisions were developed, city council approved the development as it presently exists by allowing for a number of acres to be set aside with a lake, with a recreational area, with grass, et cetera, so that people could enjoy themselves for fishing, for skating, for other events, tennis, whatever you want. Those people that purchased those lots paid for that land within the purchase price of the lots that they purchased with their house. And I can assure you, Mr. Speaker, that at the time the majority of this land was under development, those houses weren't built on speculation because they were sold and selling faster than they could be built.

They are presently tax exempt, and they want to protect that exempt status. It's not as if there are some wealthy people around in Lake Bonavista, for example, that have got some big advantage because somebody else doesn't have a private park in their community. They paid for this as an ongoing development. In addition, these people pay a considerable amount of money in taxes on the property that they own and the houses that they live in. And those people that live right on the lake

itself or right next to the facility pay considerable taxes: \$6,000 to \$8,000 a year. So they are paying taxes for this quiet enjoyment of an additional amenity, which they paid for and continue to upkeep. The city does not upkeep this property; the city does not have to dig into the tax base to keep this property up. The people pay for it one way or another.

So assuming that there are 4,000 or 5,000 homes in the particular area and they pay X dollars a year, it probably works out in a similar fashion as if the city was given the land to look after, the only difference being that it is for the quiet enjoyment of those people who are members of the association, who must live in the community.

There are people in that community that are not wealthy. There are people in that community that are average income earners, single-family parents, who bring up their children to enjoy this facility that they bought and paid for. And all we're doing is protecting them to ensure and enshrine that this land that has been developed -- you can call it a private park, whatever you want to call it. But every other community, as they are being developed, has the same opportunity if the developer wishes to encompass that into their development and the city approves it. If I listen to my friends over here, they would suggest that now everything is in place, we should change the rules and not allow them so they can be changed by some future council if such was the case. I think that is totally unfair to those people who have in essence bought and paid for the circumstance they find themselves in. I don't concur with the arguments that have been offered here tonight. I think it's a matter of misunderstanding and not understanding the concept of the development that was given in these communities.

Thank you, Mr. Speaker. I'm sure the Member for Calgary Fish Creek has additional information.

MR. SPEAKER: May the Member for Calgary Fish Creek sum up?

HON. MEMBERS: Agreed.

MR. PAYNE: Well, speaking to the amendment, Mr. Speaker, I'd like initially to thank the Member for Calgary McCall for his very useful and most accurate historical information.

MR. SPEAKER: There's no amendment.

MR. PAYNE: Sorry about that. Speaking to the Bill itself, Mr. Speaker; thank you for that correction. I feel some obligation, however, to respond, albeit briefly, to some of the comments by the members of the opposition who are opposing these private Bills in principle.

First of all, I would like to refer the members of the Assembly to the Hansard record of the Private Bills Committee meeting of June 3, specifically pages 139 through 144. I'm not a member of the committee myself, but I did take time to read the Hansard record. I would like to suggest to those members of the House who are disturbed by what they see as an incorrect principle or a faulty legislative process, that the exchange that took place between the members of the Private Bills Committee and the representatives of the community might go some considerable distance in allaying their concerns. During the course of that particular meeting of the Private Bills Committee, I felt that the community representatives answered very well, I believe, the questions raised by the members of the Private Bills Committee and the implied or explicit concerns raised by the mem-

bers this evening.

I would like to suggest to the Member for Edmonton Glengarry in response to his remark that these residents are, quote, "capable of paying the property tax," that I can assure you they are most capable of so doing and pay a very significant level of property tax. In addition to the property taxes that they pay annually, they pay fees to operate and maintain these parks and lakes to the extent of up to \$650 per year.

The Member for Edmonton Glengarry expressed some concern about the risk, as he saw it, of the city of Calgary attaching some blame to the province, as if they were anxious to somehow escape some liability for this action, and that clearly is not the case. Mr. Clegg quite properly, during the course of the June 3 meeting of the Private Bills Committee, brought to the committee the certified resolutions of the city council in which they indicated a very clear and very strong support for these private Bills.

It's true, I should agree with the Member for Edmonton Glengarry, that there are homes whose value exceeds \$250,000, but if no other reference were made to the values of the homes in the district, that would be a very misleading reference for the House. So to balance the record, I could indicate that there are homes whose value is less than \$90,000. They're attractive, valuable properties, but certainly there are a good number of homes that are nowhere near the quarter of a million dollar value referred to by the Member for Edmonton Glengarry. As to the reference by that same member to possibly draining and subdividing that lake at some future point, of course I suspect that is more facetious than reasoned and, in any case, was addressed by the community representatives when they met the Private Bills Committee.

The Member for Calgary Buffalo is concerned about future comparable situations. Well, let me assure him that these Bills derive in large measure from what is in effect an anomaly of Public Utilities Board order 25860. If I could share a personal illustration, I happen to live on a lake further south, Lake Sundance. The residents of that community will never be here in this Assembly by way of a private Bill. They simply don't have to, because the Public Utilities Board order that gave rise to those communities and those around simply don't have this anomalous feature that we're trying to address with these private Bills.

We have a lot of legislation to work our way through tonight, Mr. Speaker, so perhaps I could just simply now conclude by moving second reading of Bill Pr. 15.

[Motion carried; Bill Pr. 15 read a second time]

Bill Pr. 16
Parkland Community Centre Calgary Ltd.
Tax Exemption Act

MR. PAYNE: Mr. Speaker, I move second reading of Bill Pr. 16.

MR. SPEAKER: Edmonton Glengarry.

MR. YOUNIE: Thank you. I still have some comments on these Bills and partly in response to the debate on the last one. As I say, they are virtually identical in form and purpose. I would point out that all the arguments made for the last one would apply to this one as well.

We had a comment that people paid for it when they bought

their properties, so why should they pay taxes on it? Well, I could argue that the only purpose I use my backyard for is the exclusive recreational enjoyment of my family and invited guests, and by that argument I could say, "Well, I paid for it, or at least am in the process of doing so, and therefore I shouldn't have to pay property tax on that portion that we only use for playing on." Of course, anyone would see that that's a silly and facetious argument, but unfortunately it's the exact argument that's being used to support these four Bills: the people paid for this, they own it in common, they use it to play on, and therefore they shouldn't have to pay property tax on it. It's a purely silly argument.

I think it could be extended as well to a golf course that is only owned by shareowners and therefore held in common. They pay for their share of it and then they pay their annual fee, so maybe the golf course should then be tax exempt because it's used for the exclusive recreational enjoyment of the shareowners who own it in common, and the city doesn't pay for its upkeep. Well, I would think that if we saw the owners of any of the golf courses in Edmonton and Calgary coming with a private Bill next year for tax-exempt status because it's used only for the exclusive recreational enjoyment of the shareowners, we would laugh at them.

But I'm saying that precisely the same reasoning being used to support these four Bills could be used for that. I'm saying right now that if the city of Calgary wishes to exempt them, they have the authority to do so and in fact have been doing so for almost all of the taxes for some years, and I'm saying that within their authority, they're welcome to do so. But in principle it is wrong for us to do so in the long term, thereby taking away from future city councils that may look at things a little differently the right to change that status, because what we're going to be doing is making sure that some future city council that may need tax dollars a little more than the present one apparently must will come forward and say, "We'd like you to rescind this private Bill", and it's going to cause all kinds of problems. I certainly don't see how we can with any amount of common sense take away from future councils of the city of Calgary the power to assess privately held land used for private purposes only by the private owners, take away from them the right to assess it and tax it as they see fit, and that is precisely what we are doing by passing this.

MR. MUSGREAVE: Mr. Speaker, as a member of city council when this idea was first brought to the city council -- at the time, the municipal cultural/recreation grant, which has been in effect now for approximately 10 years, was not in existence. The city of Calgary, and I would imagine maybe the city of Edmonton, certainly was far behind in its park development -- like, years behind -- because of lack of desire or money or whatever reason. If you do a history of the parks in the city of Calgary, you'll find out that the largest parks were donated either by families or by senior governments or done by anybody but the citizens of Calgary.

The developer came forward with a concept that helped us at that time to provide a park for citizens who were prepared to pay for the park and more important -- and these hon. members keep sliding over this; we keep reminding them of it, but they keep ignoring it -- these citizens agreed to pay the operating costs. I would suggest that when city councils make contracts with citizens, they feel obliged to keep them and not to weasel out of them down the road. If future councils are so upset with this Bill, as the hon. member has just suggested, it's quite easy

for them to petition the government here and have it removed.

I can assure the hon. member that the citizens of Calgary, through their elected representatives, are quite capable of running their own affairs. However, why should a council year after year after year have to make an exemption on an agreement they have made with citizens if this Legislature by a simple Bill can eliminate that problem for them? I think we're providing them a disservice when we stand up here and raise issues like we do and criticize them in the manner in which we are doing.

MR. WRIGHT: Mr. Speaker, we are fortunate that we have in the Assembly two members who were members of the city council at the time, and they do in fact confirm our point. In the first place, the property was built with the private park as part of the retained 60 percent; that is to say that 40 percent was given over for roadways and urban reserves and so on for public purposes, and then 60 percent was retained for the development. At that point the undertaking to the city of Calgary, implied or explicit, was that taxes would be paid at the appropriate rate on all that private property.

The principle involved here is not that public parks ought not to be maintained by private money, but the opposite: that private parks should be maintained by private money. By maintaining one includes the taxes that are appropriate to an assessment for that purpose. If there is really a case for this Bill, then there is a case for amendment of the Act. Rather than asking the Legislature to make an exemption for all time, subject of course to changing the Act again, surely the way to go would be to make some amendment to the Municipal Tax Exemption Act that would apply to these and other cases. If it would be unfair to make such an amendment, then it would be unfair to pass these Acts.

Myself I'm not convinced that it doesn't already fit within one of the exempting clauses of the Municipal Taxation Act, but the opinion of the representative of the subdivision, the community concerned was that his legal advice was that it wasn't clearly within the existing exemption. The rule, I think, was because you had to construe the words "or other public purpose" in the same vein as other words that accompanied it. Myself I doubt whether that was really the intention of the Legislature in passing that clause, so perhaps the thing to do would be to fix up the Act so that there is room for this kind of arrangement. In fact, there is room for this kind of arrangement by arrangement with the cities concerned.

[Mr. Deputy Speaker in the Chair]

The hon. Member for Calgary McCall tried to correct the impression that I had left, he claimed, that these were "speculative" buildings because I had used that word. I was just guessing that some of the houses had been built before there was a buyer for them; that's all I meant. If they're all purpose built, well fine; I accept that. It doesn't alter the point at all that the whole development was built as a private property, which it remains and should not now receive tax-exempt status.

MR. CHUMIR: Mr. Speaker, I asked a number of questions with respect to the principle involved here in respect of the previous Bill. I've heard the comments of members of the Legislature who were on city council at the time, and I've heard the hon. Member for Calgary Fish Creek, who has also referred me to segments from Hansard relating to the committee hearing. I'm persuaded and understand that this particular legislation is

anomalous, based on its unique background and in particular based on a deal, an agreement that was made or understood to be binding between the communities and the city of Calgary at that particular time, at least binding in spirit if not binding in law. Presumably it's that failure to be of a legally binding nature over a period of time and presumably the incapacity of the city of Calgary to grant such a prospective exemption that has led to the Bill coming before us.

I am comforted to a great extent by the fact that this legislation is supported by the city of Calgary. The city is not normally known for supporting the reduction in its tax base. Based on that, I will support these Bills.

However, I must state that I am, as is the previous speaker, extremely uncomfortable with the methodology. I would have preferred another method. An agreement between the city of Calgary and the community, whether by way of allowing the exemptions to run with the land or otherwise, perhaps requiring some amendment to the Municipal Taxation Act, I think would have been far preferable. We've seen this difficulty with Bill 33. I had the same problems with respect to methodology, but I was persuaded that the right thing was being done generally with respect to the principle of the thing. So with great reservation, I do support it.

MR. PAYNE: Just to conclude debate at second reading of Bill Pr. 16, Mr. Speaker, could I just indicate to the members for Edmonton Glengarry and Edmonton Strathcona that a majority of the members of the Private Bills Committee do not agree with their arguments, nor does Calgary city council, nor do the nearly 10,000 families that reside in those districts affected, and most certainly, I don't agree.

I now move second reading of Bill Pr. 16.

[Motion carried; Bill Pr. 16 read a second time]

Bill Pr. 17

Lake Bonaventure Residents Association Ltd. Tax Exemption Act

MR. PAYNE: Mr. Speaker, I move second reading of Bill Pr. 17.

[Motion carried; Bill Pr. 17 read a second time]

Bill Pr. 18

Midnapore Lake Residents Association Ltd. Tax Exemption Act

MR. PAYNE: Mr. Speaker, I move second reading of Bill Pr. 18.

[Motion carried; Bill Pr. 18 read a second time]

Bill Pr. 20

Institute of Canadian Indian Arts Act

MR. JONSON: Mr. Speaker, I move second reading of Bill Pr. 20, the Institute of Canadian Indian Arts Act.

[Motion carried; Bill Pr. 20 read a second time]

[Mr. Speaker in the Chair]

Bill Pr. 21
The William Roper Hull Home
Amendment Act, 1987

MR. PAYNE: Mr. Speaker, I move second reading of Bill Pr. 21, The William Roper Hull Home Amendment Act, 1987.

[Motion carried; Bill Pr. 21 read a second time]

Bill Pr. 22
Rhea-Lee Williamson Adoption Act

MR. HYLAND: Mr. Speaker, I move second reading of Bill Pr. 22, Rhea-Lee Williamson Adoption Act.

[Motion carried; Bill Pr. 22 read a second time]

Bill Pr. 23
Federal Canadian Trust & Bond Corporation Act

MR. ALGER: Mr. Speaker, I move second reading of Bill Pr. 23, the Federal Canadian Trust & Bond Corporation Act.

[Motion carried; Bill Pr. 23 read a second time]

MR. YOUNG: Mr. Speaker, to keep the record straight, perhaps I should seek unanimous consent of the Legislature to have second reading of Bill Pr. 24, which was reported out of the committee today.

MR. SPEAKER: The problem, hon. Deputy Government House Leader, is that the Bill has not yet been printed. I'm sure unanimous consent could be . . .

MR. WRIGHT: I'm familiar with this Bill, Mr. Speaker, and I will briefly describe it, then move that we accept it without the printed Bill being before us. Is that acceptable? As a motion, I mean?

MR. SPEAKER: So long as unanimous consent would be given, yes.

MR. WRIGHT: Hon. members, this is a Bill by Mr. Jimmy W. Chow.

MR. SPEAKER: Hon. member, perhaps we could first have the motion for unanimous consent to deal with this. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The process is now in condition to travel. Thank you.

Bill Pr. 24
Jimmy W. Chow Bar Admission Act

MR. WRIGHT: Mr. Jimmy W. Chow is a stateless person, born in Germany, lived in Hong Kong. I surmise he was of Hong Kong parents. At any rate, he ended up without a passport, came to Canada some 10 years ago, and graduated from law last year. He has been admitted to articles in a prestigious Calgary firm, I should say, and will complete his articles this year. Yet

he is not a Canadian citizen, although after some difficulty he was admitted as a landed immigrant last year. He has two years to go before he can become a Canadian citizen. The Legal Professions Act requires citizenship for membership. The Law Society has agreed, Mr. Speaker, in the very special circumstances of this gentleman, whose credentials are impeccable, apart from the fact he isn't a Canadian citizen, who has been here 10 years, is a landed immigrant, is doing all he can to become a Canadian citizen, that he should have admission to the Bar, notwithstanding his lack of citizenship.

That's what the Bill would say, in short, and I would ask for unanimous consent of the Assembly to consider that Bill in the absence of its being in written form.

MR. SPEAKER: Sponsor of the Bill, any comments?

MR. NELSON: Mr. Speaker, I would like to move Bill Pr. 24, the Jimmy W. Chow Bar Admission Act.

I would like to thank the member for giving my speech for me. I thought I was capable enough to give the information, but it seems that. . . I'm glad that the members opposite and others will support this by unanimous consent.

Thank you.

[Motion carried; Bill 24 read a second time]

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

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

[Mr. Gogo in the Chair]

MR. CHAIRMAN: Will the Committee of the Whole come to order, please, to consider various Bills.

Bill 41
Small Producers Assistance Commission Act

MR. CHAIRMAN: Bill 41, the Small Producers Assistance Commission Act is a money Bill. There is an amendment dated June 9 by the hon. Member for Calgary Forest Lawn. Are there any comments, questions, or further amendments to this Bill?

Let's deal first of all with the amendment as proposed by Calgary Forest Lawn. The Chair recognizes Calgary Forest Lawn.

MR. PASHAK: Mr. Chairman, as a result of going back to legal counsel, we've had to make a few further additions to that so that there are some minor changes to the June 9 proposed amendment, and I have a new amendment to be circulated, dated June 15, if I may?

MR. CHAIRMAN: Hon. member, does that make the previous amendment, June 9, dormant, or are we considering both amendments?

MR. PASHAK: Just the June 15. It's substantially the same amendment with just a few grammatical changes.

MR. CHAIRMAN: Hon. Member for Calgary Forest Lawn.

MR. PASHAK: With respect to the amendment then, Mr. Chairman, this essentially is an amendment that's intended to strengthen the Bill. We're not opposed to the Bill, although we recognize that it comes a little late in the day. With your concurrence, Mr. Chairman, I would propose to amend the Bill in its entirety, although I'll go through each section in terms of explaining the particular amendments that are involved.

With that then, I would amend section 2. The key to amending section 2 is to add a new section (d) under article 2, that would add:

to investigate other means by which the long-term competitiveness of small producers can be enhanced.

This would essentially expand the mandate of the small producers commission, as I would see it. It would not just look at their immediate problem, but it would force the commission that's reviewing the problems of the small producers to look at the longer term consequences of the operation of these companies.

Section B in the proposed amendment would add essentially a new clause to section 4(2). It would be clause (c), which would

include a description of the assistance to be extended to the producer named in the economic plan by the creditors of that producer.

Essentially, we think that is something that should very definitely and very obviously be included in any kind of economic plan, the actual assistance that the commission would be recommending.

Then in section C of our proposed amendment, we propose that section 6 of Bill 41 be amended so that the nature of the commission be changed. The present Bill provides for a commission of not fewer than four and not more than 10 members. We'd change that to no fewer than four and not more than eight members. Obviously, we think a smaller committee could operate more efficiently and more effectively.

Then we would add a requirement that whoever sits on this commission would have to be nominated by the Canadian component of the industry. One person would have to be nominated by the Independent Petroleum Association of Canada and another person by the Small Explorers and Producers Association of Canada. Then finally section 15(d) we would amend by adding a whole new clause (h) after (g) that would establish specific projects under which the Commission is to investigate matters of long-term importance to small producers in Alberta.

So we'd be extending their mandate.

With that explanation, I'd move these amendments to Bill 41.

MR. CHAIRMAN: Speaking to the amendment, the Minister of Energy.

DR. WEBBER: Well, Mr. Chairman, looking over the amendments, really none of them would seriously impede the ability of the commission to operate effectively. However, in reviewing those amendments, I really don't think they're necessary for the committee to carry out its operation. I would like to recommend that we not accept those recommendations.

Addressing them one at a time quickly, the first amendment is technically already covered in section 2(a) of the Bill, since in section 2(a) there is no limitation placed on the duration of the competitiveness as referred to in that subsection. The second amendment adds mandatory information to the economic plan, the "description of the assistance to be extended." Currently

section 4(2) specifies information that must be contained in the economic plan but does not otherwise limit the information that may be included. So it already may be included, Mr. Chairman, and likely would be. So I don't think it's really a necessary aspect of including that in the legislation.

Section (c), an amendment with respect to the number of members on the commission and the makeup. Again, whether it's two or 10, four or eight, I don't think it matters that much. We selected two with a maximum of 10. In fact, in the operation of it, I don't think there's going to be any more than four. Four people are appointed now, and it's not likely, unless there's a significant number of increased submissions, that it will be any more than that. Finally, on that point, we already have appointed a member who was recommended by the Small Explorers and Producers. That is already being done with the operation of it, so that's not necessary. The IPAC group: I don't recall them suggesting a nomination.

The final point, Mr. Chairman. I'm told by the Legislative Counsel that the wording is fairly broad. It's not tied to the objectives of the Act. Therefore, Mr. Chairman, I would recommend that we not accept the recommendations.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Are you ready for the question on the amendment?

MR. McEACHERN: Mr. Chairman, I don't quite understand why these amendments are being rejected. They obviously tidy things up a little bit, and the hon. minister himself said it's within the realm of the possible now. But as usual, they don't like to be specific. They like to leave blank cheques; they like to leave things sloppy and loose. I just don't see any reason in the world why we shouldn't tidy this thing up a little bit, as the Member for Calgary Forest Lawn has suggested. I suppose it's too much effort to change it once you've built it or something, or the opposition suggested it so it isn't worth considering. I find his arguments facetious and quite ridiculous actually.

MR. PASHAK: I have just a couple of questions. No, I'll wait until after we vote on the amendment.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Are you ready for the question on the amendment dated June 15?

[Motion on amendment lost]

MR. CHAIRMAN: With regard to Bill 41, are there any comments, questions, or amendments to any section thereof?

Hon. Member for Calgary Forest Lawn.

MR. PASHAK: First of all, I would like the minister to perhaps provide a little more elaborate explanation or description of just what he means by a "small producer" in this Bill.

Secondly, I wonder if he would care to comment on the number of producers that may have approached the commission already. The commission in effect was established last January-February. When it was originally proposed, it came at a time when the industry was in serious difficulties. A year ago the price of oil, as we all recall, was down to about \$10 a barrel, and now there has been some upward firming. The other day

the minister expressed a great deal of confidence about the future, which might mean we really no longer have any need for such a commission, although there are still some problems on the gas sites. So perhaps the minister could give us some idea of whether the commission has actually been approached by producers and what he sees as the long-term need for such a commission.

MR. CHAIRMAN: Any further questions? Hon. Minister of Energy?

Hon. Member for Calgary Buffalo.

MR. CHUMIR: Yes, I have just a few words about this, Mr. Chairman. I am basically very supportive of the purpose of the legislation. There is a need to buttress up a currently very shaky small and medium Canadian sector of the oil and gas industry. I have great concerns about this sector being reduced in size and Alberta finding itself back in a situation that pertained, particularly during the 1950s, when a few large companies controlled virtually the whole of the industry. I don't believe that's healthy. I believe the small- and medium-sized sector has been a very vibrant part of the industry in this province, and its difficulties are ones which have been caused by a dramatic instability in the price of oil.

I have said before in this House that I believe the fault for that instability can be laid at the door of the provincial government for its bad judgment in entering the Western Accord at the very worst time without providing for some parachute, some safety net, in the case of what was then a foreseeable collapse in the price of oil. The problems that are being suffered by the industry are problems of policy and judgment on the basis of the provincial government. Yes, it's quite clear that the provincial government could not have stopped oil prices from falling, but what they could have done is entered into an agreement which provided that element of reciprocity, the result of which would have been a support for the industry and the price of oil during times of low prices in the same way that consumers were sheltered during the late 1970s and 1980s when prices were high. Be that as it may, that's history. The government failed the industry in the one very significant way that it could have and should have done . . .

MR. CHAIRMAN: Hon. member, the Chair hesitates to interrupt, but what section is the hon. member speaking about?

MR. CHUMIR: Don't hesitate a great deal, Mr. Chairman, I'm sure.

Let me get back onto the track. I'm afraid I got carried away with the constant denials of reality by the minister, which will unfortunately go unrecorded in *Hansard*.

At any rate, I am supportive of help for the small oil and gas sector. It's rather unfortunate that the scope of help under this legislation is very limited, but it's help nevertheless and it's needed. The success of the legislation -- and it has very limited aspirations -- will depend less on its legislative provisions than on the quality of the people who are involved and their good business judgment. The current chairman -- how can I put it? -- is not too bad. Actually he's a very competent individual, and I think if anybody can do anything to help those companies that do need help within the bounds of this legislation, he will be able to do it, although he may think my endorsement would be the kiss of death.

In any event, those are my comments, Mr. Chairman, al-

though I would prefer to kind of carry on talking about the Western Accord but . . .

MR. CHAIRMAN: The Chair understands, hon. member. Hon. Minister of Energy.

DR. WEBBER: Quickly, Mr. Chairman. First of all, in response to the Member for Calgary Forest Lawn, I think I did cover the point in second reading on the fact that "small" was not defined in the legislation simply because of the difficulty of defining a small producer. We didn't want to have a cutoff line where someone maybe just on the one side would be unable to seek advice and assistance from the commission if they so needed, but would leave it to the commission in its judgment to determine what a small producer would be. The number of requests to date have not been great, the last I heard some 40 to 50 inquiries, and those 40 or 50 inquiries really haven't developed into too many cases being brought before the commission. I would be happy if in fact we ended up not having a need for the commission in the months ahead, with world oil prices stabilizing in around \$20 and hopefully higher next year.

I can understand the Member for Calgary Buffalo in reaching and struggling to find fault with the support we've had to the industry in the past year. After all, it was their party that introduced the national energy program that Albertans will remember forever . . .

MR. CHAIRMAN: In fairness, hon. minister, the Chair choked off the hon. Member for Calgary Buffalo on the same point.

Hon. Member for Calgary Mountain View.

MR. HAWKESWORTH: Well, Mr. Chairman, in response to the minister, I just want to state that I know it may be difficult to put a definition within the Act to deal with the matter of what a small producer is, but that is not going to avoid the issue. Somewhere along the line, this commission is going to have to start establishing some criteria about what kind of producer can be assisted under this Act and which ones can't. It would be far better to set that out early in the legislation rather than to leave it to some administrative fiat by way of practice of administering this Act. We can't leave it up to some totally arbitrary or whimsical decision-making on the part of bureaucrats to determine whether a particular producer can be assisted under this Act or not. The way it's written it seems that any producer that is not the largest producer in Alberta could qualify under the meaning of this Act.

It states under section 3(1):

the operations of the producer are, having regard to any Ministerial guidelines, small in relation to other persons producing oil or gas in Alberta.

So as long as you're not the biggest one, it would seem that this particular subsection would allow you to qualify for assistance under this Act. Now, if that means that Dome Petroleum, for example, could come in and seek assistance under this particular Act, maybe that's the intention of the minister. If that's the case, it would be good to hear that from him.

It also makes reference to ministerial guidelines. Is the minister contemplating setting out under guidelines the kind of definition we're requesting him to give the Assembly this evening? It's an important issue, and simply saying that it's too difficult to lay out or define within the meaning of the Act is simply avoiding the issue. The issue will still be there in a practical sense when various people enter through the door of this com-

mission and ask for assistance. Somebody's going to have to decide whether they qualify under the Act or not, and it would be better to have it defined in legislation rather than to leave it up to the whim or the arbitrary decision-making of bureaucrats. Somewhere along the line the definition has to be made, and we'd like to have some indication from the minister as to how he proposes that would be carried out.

DR. WEBBER: I'll just quickly say, Mr. Chairman, that if that is all the hon. Member for Calgary Mountain View can come up with in terms of criticism, he hasn't got much of a case. In fact, if it's such a big point to him, then he maybe should have consulted with his colleague from Calgary Forest Lawn to have it included as part of their amendments. But I've outlined the reasons why we did not include the definition.

[The sections of Bill 41 agreed to]

[Title and preamble agreed to]

DR. WEBBER: Mr. Chairman, I move that Bill 41, the Small Producers Assistance Commission Act, be reported.

[Motion carried]

Bill 44
Advanced Education Statutes
Amendment Act, 1987

MR. CHAIRMAN: Are there any comments, questions, or amendments proposed to any section of this Bill? Are you ready for the question?

[The sections of Bill 44 agreed to]

[Title and preamble agreed to]

MR. DOWNEY: Mr. Chairman, I move that Bill 44, the Advanced Education Statutes Amendment Act, 1987, be reported.

[Motion carried]

Bill 45
Gas Resources Preservation
Amendment Act, 1987

MR. CHAIRMAN: There is an amendment. Are you ready for the question on the amendment?

MR. PASHAK: The amendment, as I understand it, provides for a certain retroactivity in Bill 45, and I think a measure such as that goes against principles of justice and fairness. I would like to hear the minister address this particular amendment and provide us with reasons why he's introduced it at this time. In particular, I'd like to know if it's aimed at other Canadian provinces that may have introduced policies or got involved in contracts with Alberta producers. This measure is introduced in such a way that it could make those contracts null and void.

DR. WEBBER: Mr. Chairman, in second reading I believe I responded to the question the hon. member raises. The fact is that there are a number of gas-removal permits that come to the minister or to cabinet. We attach certain conditions to those

removal permits. Concerns have been raised by the producers in the industry that there are a number of existing removal permits out there that we are not able to put similar conditions on unless we have this legislation, so the purpose of this legislation is to provide a level playing field for all those with removal permits out there. It would allow us to attach conditions to new permits as well as existing ones.

MR. PASHAK: Mr. Chairman, I don't believe the hon. minister has really answered the question. I understand what he's saying, and he did provide that answer during second reading, but that I think deals with the Bill itself. My question to the minister really was on the amendment. Why is it that he's found it necessary to introduce this amendment at this time?

DR. WEBBER: Mr. Chairman, the amendment simply is a change in wording which indicates that a regulation made under this section may be applicable to permits granted before or after the regulation comes into force. The Bill as presented to the Legislature before the amendment indicated similar wording, except that the regulation "applies to permits made before or after the coming into force of this subsection." So simply a technical change requires the amendment.

MR. CHAIRMAN: Do all members have the government amendment dated June 10? A member has indicated he hasn't received it.

The hon. Member for Calgary Buffalo on the amendment.

MR. CHUMIR: Yes, the amendment. Or is it the substance of the legislation which is an amendment to the Gas Resources Preservation Act? Because I wish to speak to the legislation itself.

MR. CHAIRMAN: Hon. member, we're dealing with the amendment before the committee dated June 10. Does the hon. member have a copy of the amendment?

[Motion on amendment carried]

MR. CHAIRMAN: Bill 45 as amended. Hon. Member for Calgary Buffalo.

MR. CHUMIR: Thank you, Mr. Chairman. We are dealing here with a piece of legislation that has become part of a national battle over the price of natural gas. Let me say clearly and unequivocally that I am very supportive of government initiatives to keep the price of natural gas up in the core markets. I have been critical of the government, critical of past policy decisions that they have made that have led us to a very disastrous situation with respect to natural gas prices and provincial revenues, but I am not critical of the fact that they have now recognized the error of their ways and are trying to take steps to prop up prices and protect provincial revenues.

I spoke on this issue during the last session, and those who care to look at the record in *Hansard* will see very clearly that there was a rather prescient prediction of the problems with deregulation, which have in fact materialized. It merely took an act of common sense and knowledge of the business world to realize what would happen and that the government had baffled themselves with the triumph of free-market ideology over reality. The position I proposed to the government at that point of time is that they should use every effort and choreograph

their legislation to the end of keeping up prices in the core market in respect of the consumption of natural gas. By the core market I referred to the market for residential consumption and light commercial use which had to compete with electricity. The border price at that point of time very clearly beat out the price of electricity.

The philosophy that I suggested pertained, and which I still believe pertains, is that of equity. If we're going to be shielding consumers from high prices, then it is an elementary principle of equity that when prices collapse the consumer should be paying a premium price in order to support the industry. That is the element of reciprocity that was missing in the deregulation process. I hope that is the principle the minister will keep hammering home, because that's a principle I have seen missing. That is the winning card. They cannot answer that honestly and truthfully, and that is the element that I consistently see missing in that. You have to base your arguments on strong, fundamental principle and all else will follow. Well, instead of fundamental principle, what we find is the government still refusing to face reality in terms of what is actually happening. We still see the government pretending they are deregulating when they aren't deregulating. They're only partially deregulating, but they have retrenched. And you get yourself into trouble when you try and ride two horses at the same time. You lose your base. For example, we here in Alberta have a Public Utilities Board which has mandated a 15-year supply for the core market. The province supports a 15-year supply test by the National Energy Board. That's not deregulation. It may be sensible, it may be supportable, but you can't say you're deregulating and support that at the same time.

Now, what we find is that the province of Manitoba is acting exactly as one would expect under a deregulated market, and they really can't be blamed for it. I don't like what they're doing. I would like to see them stop. But if you tell them we're deregulating and you don't bind them to a principle that will support higher prices on the basis of equity, of what happened 10 years ago, how can the government be quibbling over their desire to get the lowest price possible under what is supposed to be deregulation? So what we see are the natural consequences of bad policy initially and confusion in principle in terms of the way the government is approaching this issue.

So with that summary, I urge the minister to get back onto the rails. Let's tell it as it is, because if you don't, you get lost. I fear that is really the status of government policy in this particular area at this point of time, a lost policy. But this legislation is directed to the reality of life in 1987. It's directed to protecting revenues and keeping gas prices up, not unreasonably but in recompense and by way of equity for what has happened over the last 10 or 15 years when prices were high. That should have been the basis on which the Western Accord was formulated to begin with . . .

MR. CHAIRMAN: Hon. member, again, we're back on second reading, and that's been approved by this House. We're dealing now with the matter of permits.

MR. CHUMIR: Right. And this is the direction. Keep it up, Mr. Minister.

MR. PASHAK: Mr. Chairman, I too find myself in a difficult position with respect to Bill 45. As I indicated in second reading, we will support it, but it's really unfortunate that this Bill had to be introduced the way it's being introduced. In my view

it does represent a complete retrenchment from deregulation, and it's brought on because the deregulation we entered into was ill-conceived and hastily thought out. The real problem in part is because we never really brought into that agreement consuming provinces, and that's why we need to change in this particular Bill sections that have to do with removal permits.

A year ago when we dealt with changes to the gas preservation Act, I pointed out that one of the really significant changes in that Act that would come back to haunt us was the change to the cost/benefit test for Albertans. Without such a test, it means that Albertans, Alberta producers and the Alberta Treasury, have no way of ensuring that they get a fair return for their economic resource.

The whole business of gas deregulation and the Western Accord, of course, was based on the fact that we'd be able to sell gas that was thought to be surplus -- whatever that means -- into the U.S. market. What of course happened was that that market wasn't as big as we thought. In fact, we've had a net reduction in sales into the U.S. market. The gas bubble still persists, and the American regulatory agencies, pipeline companies, have all put restrictions in the path of the sale of gas into that market. Our producers consequently have -- with the kind of partial deregulation we've entered into, it means that surplus tests have been removed, and that means there's a lot more gas available for export so that you're getting a tremendous gas competition. And those producers that have to deal in the spot market or the distress market are forced to sell their gas often at prices below that for which they can replace that gas, so they're going increasingly into a hole. They're becoming increasingly desperate and it's had some terrible consequences, not just for the producers; it's also had, as we've seen and talked about on many occasions this year, tremendous problems for the Alberta Treasury. And more than that -- and this is why this particular amendment is being proposed to the gas preservation Act, the amendment that has to do with permits -- it sets provinces against provinces, and that's going to be very fatal to the Canadian Constitution unless we find some other way of dealing with that.

The real reason why this problem exists, or one of the major reasons why it exists, is that we've all of a sudden got on the market a lot of deliverable gas that wasn't there. And that's where the competition takes place. Now, the minister thought, and he said this during second reading, that a number of large industrial users were the only ones that were expected to switch from system gas to direct sales. But in the core market, in the residential, commercial, and small industrial areas, they're expected to buy gas from traditional suppliers maintaining the shipper-distributor linkage. But what kind of expectation is that? Who expected that? Sure, maybe the producers, when they sat down and entered into the Western Accord, expected that consumers wouldn't key into the fact that they're paying a lot more for their gas than were industrial users and this sort of thing.

When governments in provinces like Manitoba and Ontario become aware of those problems, pressure builds up within those provinces on the part of residential consumers to get the same advantages out of deregulation that industrial users are getting. Pressure comes on those governments. They go to their public utility boards and ask their public utility boards to conduct hearings so the residential users can get fair breaks. And of course they come down with regulations that are completely in keeping with the law that would, in some cases, even set aside existing contracts or recommend that existing contracts be

abrogated.

Now, whether that's reasonable or not really involves a legal test. The governments of the consuming provinces argue that the regulation in effect meant that any contract that had reference to price in it was null and void, and there was a clear call for users of all kinds -- whether they were industrial users or residential users -- to enter into new agreements with gas producers here in the province of Alberta, so that what we're going to see are a number of legal tests to determine whether or not those original contracts were valid. But what Alberta is now doing in order to protect those contracts is introducing an amendment to the gas preservation Act that would give them the authority to hold up the export of gas from this province. And immediately they're inviting a Supreme Court challenge. Even the former Premier of this province indicated that that . . .

MR. DOWNEY: You don't have to shout. We hear you.

MR. PASHAK: . . . was a very risky business -- thank you, Brian -- for the province of Alberta to enter into, because there's no guarantee, there's absolutely no guarantee, that Alberta will obviously get a Supreme Court decision that will favour Alberta interests. And the risk -- control and ownership of our resource through bold acts of using permits to restrict the export of gas from this province -- could have some fairly serious and dire negative consequences for the province of Alberta.

Mr. Chairman, I don't think it would be fair to be just critical of this particular Bill without suggesting some alternatives. In order to do that, I think we have to look at what the real problem is here and then develop a solution that's based on our analysis of what the real situation is. From my point of view again, the problem that we have with our gas situation here in the province of Alberta is that there's a vast supply of readily deliverable gas. Each gas producer is in competition with each other, so they're hammering away at each other in desperation to maintain their cash flow positions. They'll sell gas at whatever price they can sell it at to get rid of it in the U.S. market. So we're seeing a tremendous flood of gas leave this province -- low cost, easily found, readily discoverable gas. And as I pointed out, that has some really negative consequences not just for the gas companies and producers but also for the Treasury.

Well, if that's really the situation, what's the matter then? What's another way that we might be able to address that problem? Well, we could continue as we're doing, which would mean that we just continue to get hammered; we could wait for the day when the gas bubble in the United States disappears; we could wait for prices to rise dramatically. But in the meantime, what happens to smaller Canadian producers? What happens to the Treasury? And not only that, what's going to prevent some future federal government from stepping into the whole market situation and putting a ceiling on the price for which gas is allowed to be sold to other Canadians? Those are all within the realm of possibility.

The other alternative we could embrace would be to go back to the system we had before, a system of regulation. In fact, that's what some of the producers in Canada are calling for. They want us to go back to an Alberta border price, which makes an awful lot of sense, but it's probably a nonstarter because there'd be too much opposition from other governments and especially from the major players in this game to go back to what we had before. So what I would propose, Mr. Chairman, is that we begin to reduce the amount of deliverable gas that's available. We tie it up, as the minister has hoped would happen,

through long-term contracts.

But this means getting governments actively involved, just as the government of Manitoba is actively involved. They're beginning to buy up gas for their residential and small industrial users. They're locking gas companies in Alberta into 15-year contracts. Why can't we do that as a province, utilizing the Alberta Petroleum Marketing Commission to buy up gas for our hospitals, our universities, our public institutions, our small gas co-ops, for the city of Calgary, and maybe even beyond that into industrial users in the province? That would reduce the amount of deliverable gas that's available -- if there's anything to the market economies that these people over here talk about -- because you'd be reducing the supply. There would be upward pressure on the price, and instead of subjecting consumers in this country to really dramatic swings in price, we'd have a situation in which price could be controlled in contracts. There'd be some stability. You could have clauses in those contracts that would lead to periodic evaluations of price. Alberta producers would be protected. Consumers across this country would be protected -- it's true they'd have to pay a little more now for their gas to have that long-term assurance of supply -- and the Alberta Treasury would have its coffers restored.

So, Mr. Chairman, I think there are other alternatives to what the province is proposing here. I think this particular amendment to the gas preservation Act is fraught with all kinds of peril, not just for Albertans but for Canadians generally. I think there are better approaches. But even having said that, I recognize that this government has got us into such a terrible mess and into such a terrible hole that this is better than nothing and we have to support the Bill.

MR. CHAIRMAN: Hon. Member for Edmonton Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. I would like to simply reiterate the sentiments of my colleague from Calgary Buffalo and our associate in the ND, who say that it is really better than nothing, but that's not saying a great deal for it. It is, unfortunately, I guess, sufficient reason to support it.

Our concern stems back to the premises upon which the Western Accord were based: one, that it was a free market for oil and that it was essential that Alberta be allowed to participate in that free market. It always baffled us as to how anybody could assess it as a free energy market. It is not a free energy market. Clearly, energy prices -- at least oil prices -- were established by OPEC, countries halfway around the world, who make decisions which affect our daily lives in Alberta. We exclude our government from regulation in that market, and we simply allow ourselves to be regulated by governments halfway around the world. The Conservative argument that the free market is what we must pursue is therefore undermined in the context of that analysis, because clearly it is not a free market and all we do is replace governments that we don't vote for with governments that we did vote for or we do vote for.

The fallback position, having analyzed that and set it aside, would be that this government was pursuing some form of cute negotiating strategy: that if we allowed our producers in our oil and energy industry to suffer the reduction in energy prices, then somehow the rest of this country would feel some moral obligation to ensure that we did not suffer the setback of a ceiling price in any way. Clearly, to force that argument effectively, the government would have to stay its course and ensure that they weren't going to be stepping in and regulating.

Of course, that is exactly what this legislation amounts to;

that bit by bit they are going to erode even that position, as naive as that position was. I asked last session: did the minister in constructing this cute negotiating strategy have anything in writing from the rest of this country that a ceiling price would not be placed on our energy prices or that, conversely, other consuming provinces wouldn't force prices down? Clearly they wouldn't have anything in writing, so clearly it was a leap of faith. They would negotiate and stay the course on this moral suasion that if we suffered the reduction in price, somehow the rest of the country would allow us not to have a ceiling price. Every time they bring in a piece of legislation like this which tampers with the case they are trying to make, they reduce the power of that moral suasion as naively weak, as that power has been in any event.

What this brings me to conclude is that this government has left its original position, is now patching up the mistakes based upon a fundamental faulty analysis, and that ultimately they will get us into far greater problems than we are even in now. Despite the fact that we have to accept this legislation because it is at least a patch of some kind, some form of assistance, what we would argue is that this government should step back now and reconsider all the premises of its energy program, consider negotiating effectively with the rest of this country, with consuming provinces, and not begin this step-by-step erosion of whatever kind of program or plan they had to begin with, as faulty as it was.

It's time to step back, reassess the entire energy program for this province and for this country and not to launch ourselves on a piecemeal, legislation by legislation, patch-this-hole, patch-that-hole endeavour which will only create greater problems than it's trying to solve.

MR. CHAIRMAN: Are you ready for the question on Bill 45 as amended?

[The sections of Bill 45 agreed to]

[Title and preamble agreed to]

DR. WEBBER: Mr. Chairman, I move that Bill 45, the Gas Resources Preservation Amendment Act, 1987, as amended be reported.

[Motion carried]

Bill 43
Alberta Civil Service
Welfare Fund Dissolution Act

MR. CHAIRMAN: Are there any comments, questions, or amendments proposed to any section of this Bill?

[The sections of Bill 43 agreed to]

[Title and preamble agreed to]

DR. REID: Mr. Chairman, I move that Bill 43, the Alberta Civil Service Welfare Fund Dissolution Act, be reported.

[Motion carried]

Bill 50
Chartered Accountants Act

MR. CHAIRMAN: Are there any comments, questions, or amendments suggested to any section of this Act? Hon. Member for St. Albert.

MR. STRONG: Thank you, Mr. Chairman. In making my comments, I'm going to make the comments again to all three Bills because of the similarity between all three of the Bills, if that's all right with the Chair and the minister.

MR. CHAIRMAN: Well, the Chair will have deal with one Bill at a time. The hon. member could make comments, I assume, that are acceptable to the House. We should really be dealing with one Bill at a time, and if the hon. member wants to rise for 51 and 52 and say, "My comments stand," the Chair would accept them.

MR. STRONG: So I don't waste the time of the committee, Mr. Chairman, I would like to address my comments to the minister in regards to and relation to all three Bills. Thank you.

During second reading on these Bills, the minister did not address the comments I had made regarding the constitutionality of section 18(2) of the Bill. It's my belief that the minister requires an additional explanation in regards to the plight of certain individuals. An individual engaged in exclusive accounting practice who declined or decided to upgrade himself or herself and thereby registered as a student member of CMA or CGA is not entitled to apply for membership because of the restrictions in this section. His or her counterpart who did not care to upgrade himself is eligible to join any of the three groups. The question specifically in section 18(2) of the Act is regarding the constitutionality of restricting an individual from application while giving another the freedom of choice.

[Mr. Musgreave in the Chair]

The minister should address this matter now, prior to having the institute, the society, or an association defend the matter in the Supreme Court. I would suggest to the minister that he look at deleting section 18(2) from the Act -- all the Acts.

Further, the minister has not addressed the matter of confidentiality. There must be some protection afforded to the client, and such protection cannot be guaranteed by the institute, the society, or the association. Again, the regulations cannot be depended upon to provide that protection. The protection here could simply be extended by changing the word "Part" in section 31(1) to "Act." Although the matter of privilege or confidentiality is not guaranteed, the client/accountant relationship will gain a greater degree of privacy by this change.

At second reading, with respect to section 100 of the Bill, even the minister stated that this section appeared to be draconian. The concern here is an ex parte application to the courts for the custody of the practice. The provisions of this section may protect the general public, as stated by the minister. However, there is far too much discretion allowed the institute, the society, or the association.

Finally, it would appear to some in the accounting industry that the minister has moved too quickly to bring this legislation to the Assembly. There have been numerous concerns expressed to me that the ability to get the three groups together after enactment of this legislation is somewhat doubtful. There

is a distinct possibility that the regulations that affect all three groups will be quite different after a number of years reflecting the perceived needs of each of the groups. In the move to bring this legislation to the Assembly, the minister appears to be moving to the same position that the governments of Ontario and Quebec placed themselves in some 40 years ago.

My colleague for Edmonton Kingsway again brought up the question of persons engaged in unregulated areas. Persons engaged in those areas of practice will eventually challenge the government to move into these regulated areas of practice. Although the governments of these provinces thought they had the matter resolved, as the minister feels today, some 35 years later a number of members practising in unregulated areas in Ontario and Quebec are pressing for rights to practise in the exclusive accounting areas as designated in 1946 in Quebec and 1950 in Ontario. On this matter the minister would be well advised to refer to a publication, that publication being *The Regulation of the Practice of Accounting in Ontario*, dated April 1977. This book is available in the Legislature Library and is referenced as CA20 NAJ 71377 R26.

Thank you.

MR. FOX: I just want to ask the minister a couple of questions about something that relates to the sections of the Act alluded to by my colleague for St. Albert, on behalf of a constituent of mine who is -- I guess you could call him a registered public accountant. I was in contact with the minister's office today, wondering how the provisions of section 18 might apply to this person, who doesn't do very many true financial audits in a year. It makes up only a small portion of his practice, and according to the way we read the Act, he would be disqualified from doing audits in the true sense of the word.

Now, I understood from my discussion with an official in the hon. minister's office that it was his intention to find Acts to amend in an appropriate way so as to not require an annual audit from various nonprofit societies, et cetera. The minister may already have commented on that, but if he could clarify that for me I would sure appreciate it.

MR. DEPUTY CHAIRMAN: The Member for Edmonton Kingsway.

MR. McEACHERN: Thank you, Mr. Chairman. Some of the points that I wanted to raise have been covered by my colleagues, but I just want to reiterate a point or two and add one or two others on this legislation.

I think basically the minister has tried hard to come up with some good legislation in an area that's very difficult. The fights and jealousies among the various chartered accountant groups is very high. The difficulty of getting a start on it means that this legislation, of course, is not going to be universally loved and accepted by everybody in all the different groups. But there are some specific things that concern me, and I would like to outline them.

First, on page 10, I too rather object to section 18(2) where it says that somebody can't change from one group to the other of these three groups making up the joint standards directorate. I don't see why something should be written in stone. Because you belong to the certified general accountants, does that somehow mean you can never decide to become a chartered accountant? It doesn't really make a lot of sense, and I think that section should probably be dropped from the Bill.

I'm not sure that what I suppose you'd call the grandfather-

ing clause, section 18(3) on page 11, really adequately deals with foreign qualifications. Somebody who has moved to this country from somewhere else -- it does sort of say that somehow somebody will decide the equivalence, but it doesn't lay it out very carefully as to just who. I suppose the joint standards directorate will maybe make some regulations in regard to that, and hopefully the minister of course would check those regulations and see that they're fair.

Still on page 11, section 18(3)(b) bothers me a little bit more. I did raise this the other day, and I don't think the minister quite gave me a full answer on it. It says that the decision as to whether or not a person working in the field will be accepted to register under one of these three Acts will be made on a basis of the amount of annual fees over the last couple of years of that person's activities in the field of accounting. And while that does have some logic, it doesn't really seem to me to be quite reasonable that it should be decided whether or not you're competent by whether or not you've made some money in the field.

AN HON. MEMBER: What better measure, Alec?

MR. McEACHERN: Well, there have got to be some other things like: how competent were the activities you were carrying on; how good was your auditing or your bookkeeping? Or something. There must be some more objective measure than the amount of money you've made as to whether or not you qualify.

The other aspect of it that it seems to imply that bothers me some is that if it's just the amount of money the person makes, and it's described by the expression "annual fees," it seems to me to say that if you have two people of the same background -- say two people that started on a chartered accountant program and didn't finish it but found themselves out in the work force deciding to go ahead and do a certain amount of accounting anyway, and maybe one of them sets up a business and hires the other -- according to the way I read this when you refer to annual fees, although they might both have the same qualifications and although they both might have the same amount of experience and maybe even earn the same amount of money, depending on how they divided up the pie, the money they had brought in from their work, nonetheless the one who was organizing the company and was employing the other would be allowed in because his income would be considered to be annual fees. The other one who was an employee and was being paid a wage would not be getting annual fees and therefore would not qualify, even though he maybe made just as much money, even though he maybe had the same qualifications and had done work just as good or maybe even better. So it does seem to me to be a problem in that section.

The confidentiality provision has been mentioned by my colleague from St. Albert. That, too, doesn't seem to be too clearly laid out.

The other thing is that a number of the people in the registered public accountants group -- which is a registered group that is carrying on accounting practices in this province with some 600-odd people involved, I gather, overall -- will be sort of eliminated by this and will have to apply under one of the other Acts. I'm wondering, just because their president seems to be satisfied by some verbal commitments or a letter that the minister intends to write, doesn't seem to me that that's really given them a full, fair hearing and review of their concerns and problems, and perhaps he should take a second look at that. I guess what it really makes me wonder is if the minister

shouldn't consider -- and I know he's done a good job to get the legislation this far; I'm not complaining about what he's done so far -- that maybe it would be better if we didn't finish this or pass these through the three readings but left them on the books until fall to see if you couldn't bring in some amendments or bring some of the concerns that we've raised and that accountants have raised throughout the province.

Section 41(2)(a), (b), and (c), lay out the membership of the joint standards directorate. I can't help thinking that although it's fairly carefully worded -- so that technically they say the chartered accountants might have trouble getting a clear majority on the committee -- nonetheless the way the numbers read there, they would certainly have pretty close to a majority on the committee if you follow the points as laid out in (a), (b), and (c) on page 18, section 41(2). So I'm just wondering if that has been carefully enough thought out, because it would, it seems to me, allow the chartered accountants to dominate quite strongly the whole future development, if you like, of this accounting business.

On page 22 a fairly small, perhaps -- but still a question I'd like to raise or ask. Section 56(1) says:

The Professional Conduct Chairman shall, within 60 days after receiving a complaint, commence a preliminary investigation of the complaint or appoint a person to conduct the preliminary investigation.

Surely 60 days is a long time to get around to doing something. I mean, if somebody's been accused of a wrongdoing by someone else and there is sort of 60 days before anybody needs to do anything about looking into it, surely the person accused of the wrongdoing has this thing hanging over his head for an awfully long time. It's not saying there'll be any action even then, or action could be pretty slow after that. So why shouldn't that 60 days be reduced to something like two or three weeks and get some action on it once the complaint is in? It does seem to me that that's an inordinately long time for a chairman to get around to making a move on a complaint.

Finally, I guess the last question, page 34, section 100: I just have to agree with the minister himself who said that this was rather a draconian measure. I wonder if it really has to be quite so heavy-handed. I don't have sort of a specific suggestion for backing it off, but if the minister thinks it's draconian, I've got to say that it sure sounds draconian to me also. Perhaps another look at that would be in order.

Those are my questions and comments. Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Mr. Minister.

SOME HON. MEMBERS: Question.

DR. REID: I suppose, Mr. Chairman, I should answer the questions. Some of them I answered before, of course.

There seems to be some considerable confusion about section 18. Section 18 is only for those who have not gone through the student process under the current system. Most of the people who are doing public accounting, whether they belong to one of the three groups or whether they belong to another group or are practising without belonging to any -- most of those who are doing audits and reviews are indeed very well trained and also have got considerable experience.

Section 18(2) does not prohibit somebody who takes the training for being a certified management accountant, a certified general accountant, or indeed a chartered accountant from

belonging to one of the others if they qualify under the provisions of section 14. Section 18 is related to those who may not have taken every item that is in the training requirements nowadays but who may indeed have taken them in the past, and is a grandfathering provision. In actual fact, it's not against the Charter or anything else. What it does is prevent anybody who does not belong to any of the groups from trying to join all three by this mechanism, in that they only need to join one. I think that applies to questions that were raised by the members for St. Albert and Edmonton Kingsway.

In relation to the same item, the Member for Vegreville brought up a concern. It is I think reasonable, the provisions that are there, that a certain minimum amount must be earned from doing audits and reviews in combination; in other words, from the restricted area of practice, or if the earnings are very modest, as they might be in the case of somebody who is approaching retirement, that half of the annual fees should be from those areas. I think those two things taken in concert would allow that anyone who is doing a reasonable amount of audits and reviews, enough to be keeping their expertise up, will be able to qualify to join one of the three groups.

The matter of confidentiality -- and here I'd like to speak as a professional -- it is only lawyers who have got the privilege of having communications with their clients kept as a very quiet matter between the lawyer and client. Indeed, this is a problem that has been raised by psychologists, by physicians, and by other professionals, and on that basis, within the profession there is always the utmost care taken for confidentiality, and that applies to accountants as much as it applies to the other groups I've mentioned. On the other hand, unless you are a lawyer and it comes within that restricted area where lawyers deal with their clients, one cannot claim privilege from taking evidence and giving evidence in court. It's only the legal profession that have that exception, and they may have arranged it for themselves and they're unwilling to arrange it and write legislation for the other professions.

With regard to the comments that were made by the Member for St. Albert, this is not equivalent to the Ontario and Quebec legislation by any means. None of those other statutes includes anything approaching the joint standards directorate. Its makeup is very carefully balanced. One has to always remember that the primary interest in any professional legislation is the public interest, not that of a profession. I can assure the Member for St. Albert that the three public members will not be associated with any of the professional groups, and the provisions are such that undoubtedly those who are performing audits and reviews will be represented on the joint standards directorate. But it will function in a fair way, and I am quite sure of that, having spoken to all three groups.

The grandfathering provisions I would emphasize once more. Once a person has been grandfathered into any of the three groups, they will then be under the control, they will have practice review performed by the joint standards directorate, and they will have to live up to all of the requirements for any member of whichever group they may have joined. In other words, their practice review requirements and standards will be the same as for those who currently belong to the institute, the association, or the society. They will, of course, thereby be committed to performing those functions up to the standards that are set by that joint standards directorate.

The only point I think I've left out is that in section 56(1), 60 is a maximum, not a minimum. I would anticipate that in the vast majority of cases the inquiry will be started in much less

than 60 days, but of course one has to allow for the fact that perhaps the chairman of that committee might be on vacation; we don't want to delegate it throughout the whole of the group, and of course the person that they think might be most suitable might also be on vacation. It's for that reason that we have left the 60 days there as a reasonable maximum. I anticipate that in the vast majority of cases it will be within the two to three weeks mentioned by the Member for Edmonton Kingsway.

I think that has covered all the questions that were asked, Mr. Chairman, and I would thereby commend Bill 50.

MR. DEPUTY CHAIRMAN: Hon. Member for St. Albert.

MR. STRONG: Thank you, Mr. Chairman. I reference back to section 18(2), and I quote from the Bill. It says:

A person is not eligible to apply for registration as a chartered accountant under this section if

- (a) he is
 - (i) a certified general accountant as defined in the *Certified General Accountants Act*, or
 - (ii) a certified management accountant as defined in the *Certified Management Accountants Act*,

or

- (b) at any time prior to his application under this section he was a member of the Society of Management Accountants of Alberta or the Certified General Accountants' Association of Alberta.

Now, I guess I'll reference this to the minister: what if we have a certified management accountant who goes back to university to become a chartered accountant but was in the interim a member of the certified management accountants group? How does that individual, under section 14, apply to become a member under the Chartered Accountants Act? He's excluded in section 18(2) from doing that because he'd been a member prior. There's nothing I can read in section 14 that allows for that individual who was a certified management accountant to then become a chartered accountant. To the minister how do you do that under section 14?

DR. REID: Mr. Chairman, the member is misreading the statute as it's presented here. That person would qualify under section 14. They would not be able to qualify under section 18(2). The prohibition is against someone attaining additional registration by using section 18. It does not prohibit them from doing it under section 14 and the other provisions by going to university, articling, and otherwise.

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: The question is being called on Bill 50, the Chartered Accountants Act. Sorry; Member for St. Albert.

MR. STRONG: Thank you, Mr. Chairman. What the minister is then saying is that if we have an individual who upgrades himself or herself to a higher level, they can drop membership in the one group and then take out membership in the other group. Is that correct?

DR. REID: Mr. Chairman, they may be able to retain membership in both groups if they wish.

MR. STRONG: How can you belong to both groups? I thought this was regulated or restricted to only one group that you could belong to at a time, only one of the three groups.

DR. REID: I'm sorry, Mr. Chairman, it doesn't say that. What it says under section 18(2) is that the provisions of section 18 may not be used to increase your registration certificates by that mechanism. If you wish to increase your registration certificates, you do it via the provisions for those who have articulated and trained, and that can be done. It is only to prevent section 18 being used by those who already belong to one of the other two groups in each case under the three statutes.

MR. McEACHERN: I think the minister just missed one of my questions, and I've thought of a second and related one. On page 11, I asked -- I'm talking now 18(3)(b) -- does the annual fee requirement mean that an employer could be considered for membership but not an employee, even though they might both have the same standards? You didn't answer that question. And also, I forgot to ask you -- and I did ask you last day, but I read your answer fairly carefully, and I couldn't find that you'd really addressed it. What about the sort of new student who does not have the full two years to be considered then for the amount of money he might have earned in the two years, somebody who took some training and sort of dropped out and has only been working for maybe a year or six months or something like that? Where does he fit into this in terms of grandfathering clauses?

DR. REID: The situation is that if the member reads section 18(3)(b) carefully, he will see that under (ii), the recent person, it is half of their total practice fees. That half does not have to reach the minimum amount that is set in (i). And I think that covers both the questions that the member is asking.

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: The question is being called on Bill 50, the Chartered Accountants Act.

[The sections of Bill 50 agreed to]

[Title and preamble agreed to]

DR. REID: I move that Bill 50, the Chartered Accountants Act, be reported.

[Motion carried]

Bill 51

Certified Management Accountants Act

MR. DEPUTY CHAIRMAN: Bill 51, the Certified Management Accountants Act. Mr. Minister?

SOME HON. MEMBERS: Question.

[The sections of Bill 51 agreed to]

[Title and preamble agreed to]

DR. REID: Mr. Chairman, I move that Bill 51, the Certified Management Accountants Act, be reported.

[Motion carried]

Bill 52
Certified General Accountants Act

MR. DEPUTY CHAIRMAN: Bill 52, the Certified General Accountants Act. Mr. Minister?

SOME HON. MEMBERS: Question.

[The sections of Bill 52 agreed to]

[Title and preamble agreed to]

DR. REID: Mr. Chairman, I move that Bill 52, the Certified General Accountants Act, be reported.

[Motion carried]

Bill 53
Construction Industry Collective Bargaining Act

MR. DEPUTY CHAIRMAN: There's a government amendment with this Bill. Hon. Member for Lethbridge West.

MR. GOGO: Thank you, Mr. Chairman. I had some questions to the hon. minister with regard to Bill 53. I'm well aware that difficulties within the construction industry have been unique, and unique only, really, to that construction industry. However, the day Bill 53 was introduced, I mailed it to several constituents who are in the construction business, and one or two of them took strong exception to parts of this Bill, even though it's been passed in second reading; for example, the Glen Little Construction company of Lethbridge -- which is not a particularly big company, but it's been through the problem several years ago of the non-union companies coming into Alberta and building construction projects, particularly those related to the government of Alberta, which as a matter of course had to be on the low tender system.

Mr. Chairman, the questions put to me were that (a), the way it stands, it would revert to what it was three years ago. For example, only those companies that had formed non-union arms pre-1972 could carry on on the non-union basis. For example, PCL Construction has Maxam construction, which is a non-union arm. They then could bid as a non-union firm on non-union projects.

I wonder, Mr. Chairman, in view of those comments I had from the Glen Little Construction company, which I had raised earlier with the minister, if he's in a position with regard to the amendments before the Assembly under 14(1) -- it may be section 11(4); I'm not certain -- but perhaps when he responds, he could make reference to those comments I've made.

MR. STRONG: Mr. Chairman, if I can get back in, I wouldn't mind allowing the minister to answer the questions and then turn around and ask my questions.

SOME HON. MEMBERS: Agreed.

MR. DEPUTY CHAIRMAN: Would the member like to proceed with his questions first?

MR. STRONG: If the minister doesn't want to answer, sure.

AN HON. MEMBER: You've got our fullest attention, Bryan. Go for it, Bryan

MR. STRONG: Gee, thanks, Ron. I appreciate this. He finally said something intelligent.

Mr. Chairman, I asked the minister in second reading on June 10, on page 1805 of *Hansard*, top right-hand corner -- I questioned routine maintenance work. Now, I see that we have an amendment:

A Section 1(1)(c)(ii) is amended by striking out "routine".

And I'll come back to my initial question. Where we are talking maintenance, are we talking only plant maintenance, plant maintenance that's being performed at a plant or a refinery like, say, Strathcona refinery or Syncrude or Suncor? Is that the type of maintenance that we're talking about here in this Bill?

[Mr. Gogo in the Chair]

The question that I had was in reading 1(1)(c), where we have the definition:

"construction" includes construction, alteration, decoration, repair or demolition of buildings, structures, roads
et cetera.

Repair of buildings is what I always have understood to be maintenance on buildings but small maintenance, ongoing service, renovation type work. The example that I used at second reading was the plumbing truck, the service truck in the plumbing industry. Is that service or maintenance sector going to be included in Bill 53?

Referencing the amendment, in B, section 2(3)(a), where we strike out "an existing obligation" and substitute "or become subject to an obligation", it's my understanding that this would just broaden the scope of this legislation and take into account -- any company that was certified from now on is covered once an agreement is finalized and reached under this Act. Is that understanding correct?

The amendment in C, again strikes out "and region" and substitutes "region or sector" in section 3(5). Again, it's my understanding that all this would do is just broaden the scope of the legislation to include regions or sectors in the construction industry. And when we talk about sections in the construction industry, are we referring to, say, sector-type bargaining in the mechanical industry, sectors in a specific certain area of the construction industry, or are we talking a definition of a jurisdictional area?

Amendment D, on section 9(4), says:

is amended by adding "or employer's organization, as the case may be", after "employer".

Again, it's my understanding in reading the legislation that this again would just broaden the scope to include an individual employer and, as well, an employer's organization.

Amendment E:

Section 11(4) is amended by striking out "any employer in the construction industry who" and substituting "any corporation, partnership, person or association of persons in the construction industry that".

It's my understanding here that this again would just broaden the scope of the existing legislation that Bill 53 contains.

Amendment F, section 14(1)(e): was this a typographical area or mistake? I suggest that all of section 7 will apply to and broaden the scope of Bill 53.

Amendment G. Under the amendment, the amendment is 14.1 and applies to section 11(4). Now, this again gets back to some of the questions that I raised at second reading. What the minister is talking about here, Mr. Chairman, I would suppose is exactly what the amendment quotes, and that is that if any application has been taken in front of the Labour Relations Board on a spin-off application under section 133 of the Act, that application would not be quashed as an effect under this legislation, that anything that was not initiated by that June 5 date contained in the legislation, anything from that date onward would not be subject to any appeal under section 133 of the labour Act. My question to the minister is this: if an entity, if one of the building trades unions or other bodies in the construction industry had taken an application under section 133 prior to this legislation being given Royal Assent, would that also fall under the legislation as an exclusion? Or will that June 5 date be the cutoff date for all applications in the construction industry under section 133 of the labour Act?

Amendment H, by adding in a number of organizations, does not give me any difficulty. All it is is just getting in all of the players.

With that, I'll await the comments of the minister, Mr. Chairman.

MR. CHAIRMAN: Speaking to the government amendment on Bill 53, are there any more comments? Hon. minister.

DR. REID: Speaking to the amendment, Mr. Chairman, the Member for St. Albert, who is experienced in this matter, is, I think, probably correct with every interpretation that he has picked out. I'd like to concentrate on A, where he is asking about repair and routine maintenance work. After further consultation with the people involved and the manner in which they use these words, the word "routine" was struck out because it might have caused some confusion. What is meant under maintenance work, which one must remember is an exclusion, is the ongoing maintenance that occurs in some industrial plants and, of course, the maintenance work such as the hon. member was mentioning.

The reason for leaving in the word "repair" in section 1(1)(c) is that repair can indeed involve considerable construction, and that's why repair in 1(1)(c) has been left in. But on the other hand, the maintenance work is the conventional understanding of the word "maintenance" in the industry that the member belongs to, and he knows what it means as well.

Amendment B: he is correct that that is to cover any entity that might be certified during the term of the legislation. The other amendment, C, is to give flexibility through the regulations to cover certain sectors. It is anticipated that some whole sectors, such as pipeline and road construction, where there appear to be satisfactory agreements in place ...

MR. CHAIRMAN: Order in the committee please.

DR. REID: ... will be exempted from the Bill 53 provisions. Amendment D is, of course, a clarification. I think that's obvious.

The other significant amendment is E, where indeed we have made the wording equivalent to that found in section 133 of the Labour Relations Act so that there is no doubt in anybody's mind as to the application of it.

The other amendments are of a relatively minor nature, Mr. Chairman, and the Member for St. Albert has addressed them

accurately. He will of course note, as I think I made mention before, that other unions can be added to the schedule or can be deleted from the schedule by regulation under ministerial prerogative, so that we assure, if there are any other changes required, that we can make them.

The question by the Member for Lethbridge West regarding Glen Little Construction. We have been in touch through my office with one of the partners in Glen Little Construction, and I understand that their concern was satisfied during those discussions with that partner. If there are any other difficulties, perhaps the member can get in touch with me subsequently.

Thank you.

MR. CHAIRMAN: Any other questions on the amendment?

MR. STRONG: Again, Mr. Chairman, I'll come back to the definition of maintenance because I'm not clear in my own mind just exactly what the minister said. I'll cite a specific example that went to the Labour Relations Board, was completed, where Industrial Power was signed to a collective agreement with the united association local union 488. In the registration agreement, the expired registration agreement from 1982-84, all service and repair trucks were included in the registration agreement that was signed with Construction Labour Relations -- An Alberta Association.

At a subsequent Labour Relations Board hearing those service and repair personnel that were included in that '82-84 expired collective agreement were ruled out of that construction registration agreement by the Labour Relations Board, as they indicated and they felt that service could not be included in that registration construction agreement. Now, my question specifically to the minister is this: is this legislation going to include those service personnel that traditionally and historically were included in those registration construction agreements prior to 1984?

MR. CHAIRMAN: Ready for the question on the amendment?
Hon. Minister of Labour.

DR. REID: Mr. Chairman, I should perhaps clarify that there is of course the difficulty, and members of the Assembly may not be aware of it, that there are construction union members who may indeed work on construction for an employer and part of the time be working on what may be termed maintenance. In other words, they may be working several days a week on construction and some of the time on maintenance. It's a very difficult area to address in statute. And the member will note that in section 11(1) we have, in actual fact, left it again to the board to determine whether an employer is engaged in the construction industry as defined, because there are specific instances that can occur and one cannot write all of this into legislation. The Bill would be the size of the *Encyclopedia Britannica* if you were to attempt that. It's for that reason that in section 11(1) we have left it to the board to determine whether indeed an employer is engaged in the construction industry. That will allow the flexibility that is required in these peculiar circumstances that occur in this sector of economic activity in the province.

SOME HON. MEMBERS: Question

MR. CHAIRMAN: Are you ready for the question on the amendment?

[Motion on amendment carried]

[The sections of Bill 53 agreed to]

[Title and preamble agreed to]

DR. REID: Mr. Chairman, I move that Bill 53, the Construction Industry Collective Bargaining Act, as amended be reported.

[Motion carried]

Bill 58
Dairy Industry Amendment Act, 1987

MR. CHAIRMAN: Are there any comments, questions or amendments proposed to any section of this Bill?

SOME HON. MEMBERS: Question.

[The sections of Bill 58 agreed to]

[Title and preamble agreed to]

MR. JONSON: Mr. Chairman, I move that Bill 58, the Dairy Industry Amendment Act, 1987, be reported.

MR. McEACHERN: Mr. Chairman, I have a problem.

MR. CHAIRMAN: Hon. Member for Edmonton Kingsway.

MR. McEACHERN: It's a procedural problem. I don't believe you can do second reading and third reading on the same day without unanimous consent or something. [interjections] I'm sorry, but my Orders of the Day says that it's at second reading, right here.

MR. CHAIRMAN: Hon. member, we're doing committee study. There are three readings to the Bill -- one, two, and three -- and this is not a reading.

MR. CHAIRMAN: Hon. Member for Ponoka-Rimbey, would you mind reporting again?

MR. JONSON: Mr. Chairman, I move that Bill 58, the Dairy Industry Amendment Act, 1987, be reported.

[Motion carried]

Bill 57
Municipal District of Big Horn No. 8
Incorporation Act

MR. CHAIRMAN: Are there any comments, questions, or amendments pertaining to any section of this Act?

SOME HON. MEMBERS: Question.

[The sections of Bill 57 agreed to]

[Title and preamble agreed to]

MR. BRADLEY: Mr. Chairman, on behalf of my colleague the Member for Banff-Cochrane, I move that Bill 57, the Municipal

District of Big Horn No. 8 Incorporation Act, be reported.

[Motion carried]

Bill 42
Miscellaneous Statutes Amendment Act, 1987

MR. CHAIRMAN: Are there any comments, questions, or amendments to any section of this Act? Are you ready for the question?

[The sections of Bill 42 agreed to]

[Title and preamble agreed to]

MR. HORSMAN: Mr. Chairman, I move that Bill 42, the Miscellaneous Statutes Amendment Act, be reported.

[Motion carried]

head: **PRIVATE BILLS**
(Committee of the Whole)

Bill Pr. 1
First Canadian Insurance Corporation Act

MR. CHAIRMAN: There is an amendment to this Act. Sponsor, hon. Member for Edmonton Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. [interjection] I'm moving the amendment. Would you like me to move the amendment first or . . .

MR. CHAIRMAN: No, just if speaking only to the amendment. If you're happy with the amendment, undoubtedly the House will carry it.

MR. MITCHELL: I'm happy with the amendment. This amendment is a matter of course and has been reviewed by the Private Bills Committee.

MR. CHAIRMAN: Dealing with the amendment to Bill Pr. 1, are you ready for the question?

[Motion on amendment carried]

[The sections of Bill Pr. 1 agreed to]

[Title and preamble agreed to]

MR. MITCHELL: Mr. Chairman, I move that Bill Pr. 1 be reported.

[Motion carried]

Bill Pr. 2
The Alpine Club of Canada
Amendment Act, 1987

MR. CHAIRMAN: Are there any comments, questions, or amendments to any section of this Act? Are you ready for the question?

[The sections of Bill Pr. 2 agreed to]

[Title and preamble agreed to]

MR. PAYNE: Mr. Chairman, I move that Bill Pr. 2, The Alpine Club of Canada Amendment Act, 1987, be reported.

[Motion carried]

Bill Pr.3
An Act to Incorporate the Sisters Servants
of Mary Immaculate (Polish) of Alberta

MR. CHAIRMAN: There is an amendment to the Bill proposed by the hon. Member for Edmonton Strathcona. Speaking to the amendment . . . [interjection] Bill Pr. 3. There's an amendment, Mr. Wright, in your name before the Chair, May 7.

MR. WRIGHT: Yes, Mr. Chairman. This is a routine amendment, or becoming to be, to save possible complications in the future, and is, I believe, noncontroversial and is housekeeping in the way we are approaching Acts of this sort now that come up as private Bills.

MR. CHAIRMAN: Are hon. members in receipt of the amendment dated May 7? Are you ready for the question on the amendment?

MR. YOUNG: Is this amendment cleared through the Private Bills Committee?

SOME HON. MEMBERS: Yes.

[Motion on amendment carried]

[The sections of Bill Pr. 3 agreed to]

[Title and preamble agreed to]

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

[Motion carried]

Bill Pr. 4
The King's College Amendment Act, 1987

MR. CHAIRMAN: Are there any comments, questions, or amendments to any section of this Act? Are you ready for the question?

[The sections of Bill Pr. 4 agreed to]

[Title and preamble agreed to]

MR. CHAIRMAN: Hon. Member for Calgary Mountain View? The Bill is sponsored by the hon. Member for Edmonton Highlands.

MR. HAWKESWORTH: I'd like to move that that be reported, Mr. Chairman.

[Motion carried]

Bill Pr. 5
United Farmers of Alberta
Co-operative Limited Amendment Act, 1987

MR. CHAIRMAN: Are there any comments, questions, or amendments to any section of this Bill? Are you ready for the question?

[The sections of Bill Pr. 5 agreed to]

[Title and preamble agreed to]

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

[Motion carried]

Bill Pr. 6
Alberta Wheat Pool Amendment Act, 1987

MR. CHAIRMAN: Are there any comments, questions, or amendments proposed to any section of this Bill? Are you ready for the question?

[The sections of Bill Pr. 6 agreed to]

[Title and preamble agreed to]

DR. ELLIOTT: Mr. Chairman, I move that Bill Pr. 6 be reported.

[Motion carried]

Bill Pr. 7
Calgary Beautification Foundation
Amendment Act, 1987

MR. CHAIRMAN: There are two amendments to this Bill. We'll deal with the two amendments. The one dated June 3 by the hon. Member for Edmonton Gold Bar: are you ready for the question on the first amendment?

[Motion on amendment carried]

MR. CHAIRMAN: Amendment 2, dated May 13, 1987, to Bill Pr. 7. Are you ready for the question on the amendment?

[Motion on amendment carried]

[The sections of Bill Pr. 7 agreed to]

[Title and preamble agreed to]

MR. STEWART: Mr. Chairman, I move that Bill Pr. 7 as amended be reported.

[Motion carried]

Bill Pr. 8
Edmonton Economic Development Authority
Amendment Act, 1987

MR. CHAIRMAN: Are there any comments, questions, or amendments to any section of this Bill? Are you ready for the

question?

[The sections of Bill Pr. 8 agreed to]

[Title and preamble agreed to]

MR. CHAIRMAN: Hon. Member for Stony Plain.

MR. HERON: Yes. Mr. Chairman. I move that Bill Pr. 8 be reported.

[Motion carried]

Bill Pr. 10
The Calgary Hebrew School Amendment Act, 1987

MR. CHAIRMAN: Are there any comments, questions, or amendments proposed to this Act? Are you ready for the question?

[The sections of Bill Pr. 10 agreed to]

[Title and preamble agreed to]

MRS. MIROSH: Mr. Chairman, I move that Bill Pr. 10 be reported.

[Motion carried]

Bill Pr. 11
Scott J. Hammel Legal Articles Act

MR. CHAIRMAN: Are there any comments, questions, or amendments proposed to this Act? Are you ready for the question on Pr. 11?

[The sections of Bill Pr. 11 agreed to]

[Title and preamble agreed to]

MR. WRIGHT: I move that Bill Pr. 11 be reported, Mr. Chairman.

[Motion carried]

Bill Pr. 13
Central Western Railway Corporation
Amendment Act, 1987

MR. CHAIRMAN: Any comments, questions or amendments proposed in this section of this Bill? Are you ready for the question?

[The sections of Bill Pr. 13 agreed to]

[Title and preamble agreed to]

MR. DOWNEY: Mr. Chairman. I move that Bill Pr. 13 be reported.

[Motion carried]

Bill Pr. 14
Acts Leadership Training Centre Act

MR. CHAIRMAN: There is an amendment. Are you ready for the question on the amendment to Bill Pr. 14?

[Motion on amendment carried]

[The sections of Bill Pr. 14 agreed to]

[Title and preamble agreed to]

DR. CASSIN: Mr. Chairman, I move that Bill Pr. 14 as amended be reported.

[Motion carried]

Bill Pr. 15
Lake Bonavista Homeowners Association Ltd.
Tax Exemption Act

MR. CHAIRMAN: There are two amendments to this Act, dated June 10 and June 15. The first amendment, Calgary McKnight. Hon. members should have the amendments in front of them. Are you ready for the question? We'll call it on amendment 1.

[Motion on amendment carried]

MR. CHAIRMAN: There's a second amendment, by the hon. Member for Edmonton Glengarry, dated June 15. Are you ready for the question on the second amendment?

HON. MEMBERS: Question.

MR. CHAIRMAN: Hon. Member for Edmonton Glengarry.

MR. YOUNIE: Thank you. Members will note that there are identical amendments for Bills Pr. 15, 16, 17, and 18. Insofar as they are almost identical Bills, certainly identical in purpose, the purpose of the amendments is identical. Out of kindness to all members, including myself, I'll say what I have to say for the first one and assume that all members understand that that applies to the next three as well and restrict remarks on future ones to those elicited by comments of other members on this particular one.

The purpose of the Bill is to justify to some extent giving tax-exempt status to what is in essence at this point a private club. And that is to remove that exclusivity to it by in fact striking out the word "exclusively," and having these parks -- as somebody suggested, it is so wonderful that these parks are provided by these people that I thought it would be appropriate that they be provided for all the citizens of Calgary and not just for the exclusive holders of membership cards. The general public, who would be supporting them by not having taxes collected on them, would not have to show a membership card to go on them. It certainly seemed perfectly fair to me, seeing that the only justice I can see in asking for tax exemption is that the citizens of Calgary at large gain some benefit from these, and the citizens of Calgary at large do not gain benefits by having one group's private tennis courts or private lakes supported by the taxpayers through the tax dollars.

I would point out as well that in the submission brought to

the Private Bills Committee by the proponents, these four Bills are all very closely tied to Bill Pr. 19, which was passed to protect the city of Calgary so that they could in fact create a just tax system, and that because Pr. 19 would have adversely affected the tax rate paid on these four, we see why these four are brought in. Certainly we would have seen more people opposing Pr. 19 at our meetings of the committee had these four not been on the Order Paper, I'm sure, because in fact they will get the favourable tax status -- in fact, even more favourable tax status than some were getting -- and will therefore escape the whole purpose of Bill Pr. 19: that it was brought in to redress an inequity.

One person argued in fact that once an agreement is made, it should be kept. And others said, agreed. Well, I would point out that the whole purpose of Pr. 19 was to make it possible for the city to escape keeping an agreement that had previously been made according to the letter of the law, because in our wisdom we saw that was unfair. Some future council may well want to do that with any agreement that was made in relation to a favourable tax status for these pieces of private recreational land that are designed for the private use of a particular group rather than the entire city.

So it seemed to me that all the reasons we had for passing Pr. 19 applied to rejecting Bills Pr. 15 to 18 in that rather than creating a fair and equitable tax system, they create an unfair and inequitable tax system to the benefit of a few, and the benefit of a few, judging from property values in the area, that could afford better than some others in Calgary to pay those taxes.

[interjections] I could go on for another 26 minutes if members want to continue interrupting.

MR. CHAIRMAN: Order in the committee, please. Edmonton Glengarry.

MR. YOUNIE: Thank you. So I would certainly appeal to the same sense of fair play and justice that convinced us to support Pr. 19 and ask people to reject these four and leave it to the city of Calgary, now that they have Pr. 19, to use it to make the taxes in the city fair, which would include fair and equitable taxes for the members of these four communities.

MR. CHAIRMAN: Order please. For clarification: the amendment dated June 10 has been adopted. The Chair called that amendment 1. We're now dealing with amendment 2, dated June 15. Hon. Member for Calgary Millican.

MR. SHRAKE: Yes, Mr. Chairman. I think somebody should say a little bit on this, because we've heard this debate a little prior here. In the city of Calgary, the city of Calgary and their administration, which is a good administration, and the citizens at large often get together, and they work together on a lot of these things. Yet within that city you have community associations which are actually on city land. They do not pay taxes on these. Every community association -- in order to take part of that community hall, you have to be a member.

They've even gone a step further in that fair city of Calgary. They have within the city such things as arenas. And believe it or not, some community associations or maybe a band of community associations band together -- I've got one in my area; seven communities together own that arena. That arena is worth millions of dollars, sitting on millions of dollars' worth of land. In order to participate you must have a membership. It's exclusively for those seven communities representing about 60,000

people. But you have to have some control of this structure, on these buildings, on these facilities. Also, if you're putting the bucks up for the maintenance, then it's a fair game.

As far as these lakes, if you drained those lakes, dedicated them as parks, it would fall back on the city of Calgary to go in, and you'd have to cut the grass, plant the trees, and look after it. There is an expense back there. And there would be no muss, no fuss -- nobody would say a word. It's just another community park. As this happens to have water on it -- it basically is in an area of quite a few thousand people. They use it, and they do pay for the maintenance of the dam thing. It's a heavy expense; they pay that every year. I don't think there's some great moral injustice taking place here. It's just good common sense.

And the last but not the least: the city of Calgary is not totally deaf, dumb, and stupid. There are people who go out and do the assessments there. There is a transfer of the value from the few acres of this lake onto every home around there. They nail them good when they go do the assessment, as they just found out in the recent assessment because they bumped them up pretty good there. So all the value of those few acres of land, the city gets it all back by just transferring a little bit of this value onto the 2,000 homes within the area. In fact, the city of Calgary makes money off this.

MR. CHAIRMAN: Speaking to amendment 2, Edmonton Strathcona.

MR. WRIGHT: The hon. Member for Calgary Millican spoke of common sense, Mr. Chairman. The common sense of the matter, I suggest, is that if the citizens who own this land are getting a free ride on taxes, the least they can do is admit other members of the public who are in effect sustaining that cost to their preserve, and that should be the condition on which it's granted.

MR. CHAIRMAN: Hon. Member for Calgary McCall, on the amendment.

MR. NELSON: Mr. Chairman, I took the liberty to get some information relevant to the original annexation Order 25860 that was passed in 1961, subsequent to then, and last December Board Order 18119 relevant to these properties. Just very briefly, first of all, the residents in this particular area are not having a free ride; you can be assured of that. I'm sure the hon. Member for Calgary Mountain View identifies with these particular areas, having been a member of council. However, city council authorized their administration to proceed with an amendment to Board Order 25860 -- on which there were public hearings in Calgary last fall -- and just very briefly states:

That while the Board prefers that all those portions of the said territory that are still subject to the conditions of Order 25860 should be assessed and taxed in like manner as other like properties in the city, the City of Calgary's request that those parcels of land which retained a land use designation of Urban Reserve, Agriculture or Direct Control with guidelines or guidelines which allow recreational or lake use, continue to receive the benefits in respect to assessment and taxation of Order 25860, is reasonable. That such parcels may lose such assessment and taxation benefits when a land use designation is changed, pursuant to the Planning Act, is also reasonable.

And those changes to the land-use designation under the

Planning Act within the city can be done by application of the society or the residents or whomever, but it must go through public hearings, and then you may have your taxation changes. But the city of Calgary is supportive of this change to protect the integrity of those citizens who have what some deem as an advantage. It is not necessarily an advantage, but it certainly enhances them, and they pay for it in taxes; you can believe it.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Are you ready for the question on amendment 2? All those in favour of amendment 2, dated June 15, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: The amendment is defeated. Bill Pr. 15, as amended. Are you ready for the question?

Hon. Member for Calgary Mountain View.

MR. HAWKESWORTH: Well, Mr. Chairman, I just wanted to add a couple of comments on debate affecting this Bill, and it will also be relevant to the other Bills that we're coming to in the next few minutes. As I understand the situation, parts of this land have already been exempt from taxation under section 25(1)(b) of the Municipal Taxation Act, which states in essence that "land not exceeding 5 acres" that is held by a nonprofit organization and that forms "the site of any improvements used chiefly for community purposes," is "used solely for community games, sports, athletics, or recreation," or is used solely for senior citizen recreational purposes, "together with the improvements on it that are used for . . . [those] purposes" has been exempt by the city of Calgary.

Now, as I understand the situation, in terms of grappling with the lack of clarity under the Public Utilities Board orders which have just been referred to by the Member for Calgary McCall, one of these properties was taken out from underneath that board order, and taxes were substantially higher for that given year for this particular organization, and it was eventually put back in under that Public Utilities Board order but in the process generated considerable discussion about the taxation of those particular properties. It's led to a petition by these various community associations for relief or exemption under these private Bills. But because the first five acres, including the improvements, have been already exempted by the city of Calgary, my understanding is that taking all of the tax bills of these four associations, somewhere in the order of \$450 in total of municipal property tax is being paid by these organizations. So as I understand the situation, the amount of money affected is actually minimal. The concern here has to do with perhaps precedent that might be set as a result of these private Bills going through.

The only point I would like to make is that if this particular section of the Municipal Taxation Act is not working and we're using private Bills to set precedents and exemptions, perhaps what really needs to be done is take a look at the section of the Municipal Taxation Act and ensure that that is the more proper vehicle in which to either provide a general benefit to groups falling under this category throughout the province or else not allow these exemptions and thereby set what could potentially

be double standards.

A further subsection, 25(1)(e), refers to giving authority to the council to authorize by bylaw "a greater area" than 20 acres. So perhaps a similar drafting or redrafting of section 25(1)(b) could be contemplated by the Minister of Municipal Affairs in order to provide some flexibility to local councils in dealing with these particular kinds of anomalies that have arisen.

So I simply say that we're creating precedents with these Bills. As I understand it, the amount of taxes that are actually involved are not that large, but there's a principle here or a precedent that's being brought forward through private Bills which concerns me because of the numbers of them, and it may be indicating that some of our municipal legislation is not working and that a more general amendment to the legislation would be called for.

MR. CHAIRMAN: Are you ready for the question on Bill Pr. 15 as amended?

[The sections of Bill 15 agreed to]

[Title and preamble agreed to]

MR. PAYNE: Mr. Chairman, I move that Bill Pr. 15, Lake Bonavista Homeowners Association Ltd. Tax Exemption Act, as amended be reported.

[Motion carried]

MR. CHAIRMAN: Before proceeding, would the committee agree to revert to the introduction of very special guests?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF SPECIAL GUESTS** (*reversion*)

MR. HYLAND: Mr. Speaker, I'd like to introduce to the Assembly at this late hour one of the former Members of the Legislative Assembly from Edmonton in the gallery. Mrs. Cathy Chichak, if she would rise and receive the welcome of the Assembly.

head: **PRIVATE BILLS** (**Committee of the Whole**) (*continued*)

Bill Pr. 16 **Parkland Community Centre Calgary Ltd.** **Tax Exemption Act**

MR. CHAIRMAN: There are two amendments, one dated June 10. Please annotate your amendment as amendment 1. Please mark a further one, June 15, by the hon. Member for Edmonton Glengarry, as amendment 2. Are there any comments, questions, or further amendments to any section of this Bill? Are you ready for the question on amendment 1?
[Motion on amendment carried]

MR. CHAIRMAN: Dealing with amendment 2, dated June 15. Are there any comments or questions to this amendment? Are you ready for the question?

[Motion on amendment lost]

MR. CHAIRMAN: Bill Pr. 16 as amended. Are you ready for the question?

[The sections of Bill Pr. 16 agreed to]

[Title and preamble agreed to]

MR. PAYNE: Mr. Chairman. I move that Bill Pr. 16. Parkland Community Centre Calgary Ltd. Tax Exemption Act, as amended be reported.

[Motion carried]

Bill Pr. 17
Lake Bonaventure Residents Association Ltd.
Tax Exemption Act

MR. CHAIRMAN: There are two amendments, amendment 1 dated June 10 -- please mark your amendment -- and a second amendment dated June 15. One is a government amendment. The second amendment, dated June 15, is by the hon. Member for Edmonton Glengarry. Are you ready for the question on the first amendment to Bill Pr. 17?

[Motion on amendment carried]

MR. CHAIRMAN: Are you ready for the question on amendment 2?

[Motion on amendment lost]

MR. CHAIRMAN: Any further comments, questions, or amendments to any section of the Bill? Are you ready for the question on Bill Pr. 17 as amended?

[The sections of Bill Pr. 17 agreed to]

[Title and preamble agreed to]

MR. PAYNE: Mr. Chairman, I move that Bill Pr. 17, Lake Bonaventure Residents Association Ltd. Tax Exemption Act, as amended be reported.

[Motion carried]

Bill Pr. 18
Midnapore Lake Residents Association Ltd.
Tax Exemption Act

MR. CHAIRMAN: There are two amendments to this Act, one dated June 10 by the Member for Calgary McKnight, known as number 1, and a second one dated June 15, Edmonton Glengarry, known as amendment 2. Are you ready for the vote on amendment 1?

[Motion on amendment carried]

MR. CHAIRMAN: Are you ready for the question on amendment 2?

[Motion on amendment lost]

MR. CHAIRMAN: Are you ready for the question on Bill Pr. 18 as amended?

[The sections of Bill Pr. 18 agreed to]

[Title and preamble agreed to]

MR. PAYNE: Mr. Chairman. I move that Bill Pr. 18. Midnapore Lake Residents Association Ltd. Exemption Act, as amended be reported.

[Motion carried]

Bill Pr. 20
Institute of Canadian Indian Arts Act

MR. CHAIRMAN: There is an amendment to this Bill moved by the hon. Member for Edmonton Strathcona, known as amendment ... There's only one amendment. Are there any comments or questions on the amendment? Are you ready for the question on the amendment?

[Motion on amendment carried]

MR. CHAIRMAN: Hon. Member for Edmonton Strathcona.

MR. WRIGHT: Thank you. I just want to remind members that this is approved by the committee as a whole. [interjections]

MR. CHAIRMAN: Order please. Are you ready for the question on Bill Pr. 20 as amended?

[The sections of Bill Pr. 20 agreed to]

[Title and preamble agreed to]

MR. JONSON: Mr. Chairman, I move that Bill Pr. 20. the Institute of Canadian Indian Arts Act, be reported.

MR. CHAIRMAN: Hon. member, could you clarify for the Chair is that with the amendment?

MR. JONSON: Pardon me, Mr. Chairman. I move thxat Bill Pr. 20 as amended be reported.

[Motion carried]

Bill Pr. 21
The William Roper Hull Home
Amendment Act, 1987

MR. CHAIRMAN: There is an amendment dated June 3 by the Member for Stettler. Are you ready for the question on the amendment?

[Motion on amendment carried]

[The sections of Bill Pr. 21 agreed to]

[Title and preamble agreed to]

MR. PAYNE: Mr. Chairman. I move that Bill Pr. 21, The William Roper Hull Home Amendment Act, 1987, be reported as amended.

[Motion carried]

Bill Pr. 22
Rhea-Lee Williamson Adoption Act

MR. CHAIRMAN: There is an amendment. Are you ready for the question on the amendment to Bill Pr. 22?

[Motion on amendment carried]

[The sections of Bill Pr. 22 agreed to]

[Title and preamble agreed to]

MR. HYLAND: Mr. Chairman, I move that Bill Pr. 22, Rhea-Lee Williamson Adoption Act, be reported as amended.

[Motion carried]

Bill Pr. 23
Federal Canadian Trust & Bond Corporation Act

MR. CHAIRMAN: There is an amendment to this Act. Are you ready for the question on the amendment?

[Motion on amendment carried]

[The sections of Bill Pr. 23 agreed to]

[Title and preamble agreed to]

MR. ALGER: Mr. Chairman, I move that Bill Pr. 23 as amended be reported.

[Motion carried]

Bill Pr. 24
Jimmy W. Chow Bar Admission Act

MR. CHAIRMAN: There is an editorial correction with regard to -- and I draw to members' attention it was mentioned earlier -- page 1(e): has passed any special examinations that the "Coordinating Council of Alberta" to read the "Universities Coordinating Council." I believe that was explained earlier. It's an editorial correction.

Are you ready for the question on Bill Pr. 24?

[The sections of Bill Pr. 24 agreed to]

[Title and preamble agreed to]

MR. NELSON: Mr. Chairman, I move that Bill Pr. 24, Jimmy W. Chow Bar Admission Act, be reported.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. GOGO: Mr. Speaker, the Committee of the Whole has had

under consideration the following Bills and reports the following: Bills 41, 44, 43, 50, 51, 52, 57, 58, 42, Bills Pr. 2, Pr. 4, Pr. 5, Pr. 6, Pr. 8, Pr. 10, Pr. 11, and Pr. 13. It also reports the following with some amendments: Bills 45, 53, Bills Pr. 1, Pr. 3, Pr. 7, Pr. 14, Pr. 15, Pr. 16, Pr. 17, Pr. 18, Pr. 20, Pr. 21, Pr. 22, Pr. 23, and Pr. 24.

MR. SPEAKER: All those in favour of the report, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Carried.

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

[It was moved by the members indicated that the following Bills be read a third time, and the motions were carried]

No.	Title	Allowances	Moved by
4	Supplementary Repeal Act		Drobot
5	University of Alberta Foundation Repeal Act		Horsman (for Russell)

Bill 6
Insurance Amendment Act, 1987

MR. YOUNG: Mr. Speaker, on behalf my colleague the hon. Miss McCoy, I move third reading of Bill 6, the Insurance Amendment Act, 1987.

MR. SPEAKER: Member for Edmonton Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. At second reading and Committee of the Whole we asked all our questions on this Bill, and we will support the Act.

[Motion carried; Bill 6 read a third time]

Bill 8
Real Estate Agents' Licensing
Amendment Act, 1987

MR. YOUNG: Mr. Speaker, on behalf of the hon. Miss McCoy, I move Bill 8, the Real Estate Agents' Licensing Amendment Act, 1987.

MR. SPEAKER: The hon. Minister of Technology, Research and Telecommunications has moved for third reading Bill 8. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

AN HON. MEMBER: No.

MR. McEACHERN: Mr. Speaker, we wanted to speak to that Bill.

MR. SPEAKER: Sorry, hon. member. The vote has been taken and the Bill has been passed.

MR. McEACHERN: I did stand up when it was called. You stood up, so I sat down.

MR. SPEAKER: It's been carried, hon. member.

MR. McEACHERN: I wasn't intending to bring up the points we made before, but I would just like to say, because this is a fairly major Act, that we asked for a number of amendments and made a number of suggestions and asked a number of questions that were not very well answered. In view of that, although we agreed with this Bill at second reading, we do not feel we can support it at this stage, because a number of our concerns were not addressed.

MR. SPEAKER: The comment has just been allowed, but the Bill has still been passed.

[Bill 8 read a third time]

[It was moved by the members indicated that the following Bills be read a third time, and the motions were carried]

No.	Title	Moved by
10	Court of Queen's Bench Amendment Act, 1987	Horsman
12	Emblems of Alberta Amendment Act, 1987	Shrake
13	Alberta School Trustees' Association Amendment Act, 1987	Cherry
15	Assessment Appeal Board Amendment Act, 1987	Clegg
17	Surveys Act	Sparrow
18	Land Surveyors Amendment Act, 1987	Heron
19	Boundary Surveys Amendment Act, 1987	Heron
20	Marketing of Agricultural Products Act	Cripps (for Elzinga)

Bill 21
Consumer and Corporate Affairs Statutes
Amendment Act, 1987

MR. YOUNG: Mr. Speaker, on behalf of my colleague the hon. Miss McCoy, I move third reading of the Consumer and Corporate Affairs Statutes Amendment Act, 1987.

MR. SPEAKER: Third reading, Edmonton Kingsway speaking.
MR. McEACHERN: Thank you, Mr. Speaker. A couple of points that I would like to make about this Bill. In one of the sections the Professional and Occupational Associations Registration Act is amended, which allows the minister to set annual fees and fees for services like searching, examining, and copying documents. I just wanted to record that previous conversations in this House, both on the previous debate on the Bill and in question period, have indicated that the government has said they would not have fees that were for the purpose of raising

revenue but rather fees that were to cover costs. I cannot help but remark that in the case of the mutual fund salesmen, for instance, where the fees were increased from \$50 per year to \$300 per year, either the government has been negligent in collecting a high enough fee throughout the years to cover costs or else they have moved them up high enough to generate revenue, one or the other. So either way the government has obviously not been quite on the job in that regard or else is in fact charging fees to raise revenue.

Another very important part of the Bill is related to charitable promotion businesses, and the Bill goes into some detail to outline the arrangements between them and any charitable organization that might hire their services. The disclosure provisions in the Bill are quite good. But I pointed out to the minister that unless the charitable organizations themselves were required to make yearly financial statements to the Consumer and Corporate Affairs department that would be public, those provisions would not be adequate. She did assure me that there would be legislation coming later, which I believe has been tabled today, Bill 54, the Volunteer Incorporations Act. I will certainly be looking at that Bill very closely to see in fact if she has come through with the kind of regulations that will make this Bill acceptable.

SOME HON. MEMBERS: Question.

MR. SPEAKER: I lost my train of thought. Did we move the Bill?

The Minister of Technology, Research and Telecommunications has moved for third reading Bill 21, Consumer and Corporate Affairs Statutes Amendment Act, 1987.

[Motion carried; Bill 21 read a third time]

[It was moved by the members indicated that the following Bills be read a third time, and the motions were carried]

No.	Title	Moved by
22	Rural Electrification Revolving Fund Amendment Act, 1987	Young (for Adair)
23	Glenbow-Alberta Institute Amendment Act, 1987	Koper
27	Agriculture Statutes Amendment Act, 1987	Cripps (for Elzinga)
28	Social Care Facilities Licensing Amendment Act, 1987	M. Moore (for Osterman)
29	Young Offenders Amendment Act, 1987	Day
30	Agricultural Operation Practices Act	Hyland
31	Alberta Hospital Association Amendment Act, 1987	M. Moore
32	Water Resources Commission Amendment Act, 1987	Clegg
34	Occupational Therapy Profession Act	Jonson
35	Business Corporations Amendment Act, 1987	Heron (for Stewart)
36	Podiatry Amendment Act, 1987	Mirosh
37	Wild Rose Foundation Amendment Act, 1987	Oldring
39	Appropriation (Alberta Capital Fund) Act, 1987	Horsman (for Johnston)

40	Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1987-88	Horsman (for Johnston)	47	Fuel Tax Act	Horsman (for Johnston)
41	Small Producers Assistance Commission Act	Webber	48	Tobacco Tax Amendment Act, 1987	Horsman (for Johnston)
43	Alberta Civil Service Welfare Fund Dissolution Act	Reid	50	Chartered Accountants Act	Reid
44	Advanced Education Statutes Amendment Act, 1987	Downey	51	Certified Management Accountants Act	Reid
45	Gas Resources Preservation Amendment Act, 1987	Webber	52	Certified General Accountants Act	Reid
46	Hotel Room Tax Act	Horsman (for Johnston)	53	Construction Industry Collective Bargaining Act	Reid
[At 11:38 p.m. the House adjourned to Tuesday at 2:30 p.m.]					

