

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Tuesday, April 26, 1988 8:00 p.m.**

Date: 88/04/26

[The Committee of Supply met at 8 p.m.]

head: **COMMITTEE OF SUPPLY**

[Mr. Musgreave in the Chair]

MR. DEPUTY CHAIRMAN: The Committee of Supply will now come to order.

**Department of Municipal Affairs**

MR. DEPUTY CHAIRMAN: Mr. Minister, would you like to make some opening comments?

MR. ANDERSON: Thank you very much, Mr. Chairman. I am pleased to introduce for discussion the estimates of the Department of Municipal Affairs. I give the apologies of the Solicitor General who has been hit with the flu bug, and I might say that he is responsible for those sections of the department which deal with housing and with native affairs. If members have questions in those areas, I'd be glad to take them as notice and give them to the Solicitor General for his individual response to members.

With respect to this particular department and this year's estimates, my first as minister in this department after some seven months, I would like most of all, and before we start with the specifics of the estimates, to put on record my thanks to the leaders of the Urban Municipalities, the Municipal Districts and Counties, and the Improvement Districts, who have worked so well and so closely with me in these few months. We're fortunate in Alberta to have such excellent leadership in those areas, fine people dedicated to their communities. I would particularly say thanks to Mayor Dick Fowler, the president of the Urban Municipalities Association, Joe Smith of the Municipal Districts and Counties, and Bill Mahon from the Improvement Districts.

Mr. Chairman, in addition to that thanks, I would like to express my personal thanks to department officials who have, of course, put together this budget but who have gone through the seven months with a green minister, making me aware of what has happened and what should happen in the future. I might say without bias that I do believe that the officials in the Municipal Affairs department, the key staff, are among the best anywhere, and I am particularly proud to be serving with them. Perhaps, if you'll allow, Mr. Chairman, I'd like to introduce to you two of them who are in the gallery, Mr. Bob Leitch, who is our assistant deputy minister of finance and administration, and Archie Grover, the Deputy Minister of the Department of Municipal Affairs. I might particularly say that Archie has served in excess of 30 years in the service of the people of Alberta in this department, and with all sincerity he's one of the best people I've had to deal with. I think we're extremely fortunate as a government and as a Legislature to have people of his calibre serving in the leadership positions of the department.

Mr. Chairman, if you'll let me just once more deviate slightly from the budget estimates, I'd like to also introduce to you, in the gallery, my executive assistant, Penny Stinson, and administrative assistant, Di Generoux. Those two people are the real sources of power in the office of the Minister of Municipal Affairs. I'm sure all members will envy them; they often, as

I've said before, tell me where to go and how to get there.

Mr. Chairman, this year's estimates, excluding those for the housing corporation, amount to a 1.9 percent increase over the estimates of the previous year. You'll note in going through all the estimates in the estimate book that the Department of Municipal Affairs has maintained its grant programs. There's no decrease in terms of grants to individuals in our community in this year's budget, and in certain portions of the grant program you will note increases, some of them significant, to deal with the draw that should increase for those particular programs within the various budget votes.

Mr. Chairman, there is a significant reduction in some administrative areas, which we have met, trying to be in keeping with the move towards restraint and towards dealing with the deficit situation of the province. We believe those have been done judiciously and will not in any way impact negatively on the people of Alberta.

Mr. Chairman, in dealing with some of the major initiatives that are in this budget estimate, some of the concepts that are there, I'd like to say that one word you'll find used quite often is "partnership." That really does typify the philosophy that this government believes in with respect to the operation of the municipalities in Alberta. We believe there's a partnership between the provincial government and between those leaders in our municipalities whom the people have elected to deal with those local concerns. We have in some very dramatic ways tried to move further towards underlining and strengthening that partnership, and that is identified in this budget.

I give you, by way of example, the Alberta Partnership Transfer Program, announced just a couple of months ago and reflected in these votes. That brings together three grant areas that previously we gave to municipalities, but we did so with strings attached. Now with the municipal assistance grant, which is in this budget, with the policing grant, and with some of the transportation grants we will be uniting those into one cheque. The municipalities will be able to make the decisions related to the expenditure of those funds, using the local priorities that the people of that area have asked them to assess. Mr. Chairman, this is one example of our belief that municipal leaders should make some of those decisions. While we will continue to identify on the cheque and on the cheque stub the various components which will make up that one grant - in doing so, underlining the priorities of this government for the people of Alberta -- we will be accepting major recommendations from Urban Municipalities Association conventions and others that have asked for this more flexibility. I might say that the MLA for Red Deer-South played an important role in a previous life in making those recommendations, and I'm sure that he is pleased to see that direction taken.

Another one of our programs which underlines that spirit of partnership which we're emphasizing with municipalities, again reflected in this year's budget, is the Municipal Statutes Review Committee, chaired by yourself, Mr. Chairman. That committee has on it representatives from each of the associations, leaders of associations or appointed by their associations, and has the task of reviewing all legislation as it relates to municipal government in the province to make sure that that legislation gets us into the 21st century at the same time our municipalities do: an awesome task but one that we're undertaking through partnership and through your leadership, Mr. Chairman. We believe that there will be some results from that for the benefit of all the people of Alberta.

Another item not specifically identified in the budget esti-

mates but certainly part of the program that is identified here towards partnership was the establishment this year of the Provincial-Municipal Premier's Council. That council consists of representatives, again, from each of the municipal associations and ministers of this government together with the Premier. It will meet, as it has already, to bring together the ideas, concepts, and directions that are required for the benefit of the people of the province of Alberta and, again, will underline that spirit of co-operation and of partnership which exemplifies our relationship with municipalities.

In addition to the theme of partnership this year, I'm pleased to indicate to the committee that we're requesting a budget which gives increased resources to municipalities. The municipal assistance grant component of the partnership grant that I have just spoken of is increased by 1 percent to municipalities this year, not an extraordinary amount but certainly a welcome increase in opposition to last year's needed cuts. In addition, however, I would like to underline that we are going to look towards at least a doubling of the Alberta municipal partnership in local employment program grants, or the AMPLE grants, to municipalities. If you'll recall, last year was the first year for this particular grant. It's designed to assist municipalities in increasing employment, in dealing with infrastructure problems or in other priorities that they believe should be there. Last year we gave some \$22 million to municipalities in that regard. This year the budget estimates, once they're approved by this committee, would give municipalities \$57.5 million dollars on a per capita basis in every town, village, hamlet, rural municipality in the province of Alberta.

Mr. Chairman, those are the major elements of the budget. There is one other that I would like to draw your attention to -- again, not specifically mentioned in the estimates themselves, but the resources of the department in the vote that deals with planning and research will be supporting this project. It's one that I'm quite excited about and look forward to telling the Assembly more about in coming months, and that is what we're calling, as a working title, municipal alternatives beyond 2000. What we hope to do is to bring together the municipalities in a project which will help each municipality, each place in Alberta, define what vision they have of the future, define what problems they may face, what difficulties are potentially there, what possibilities and hopes are there on the part of their citizens, and look at the years to come in such a way as to be able to nudge the future in the direction that each town, village, municipal district would like to see their community go.

We haven't developed all of the details of that program yet, but it will be municipally based. It will be up to the municipality to carry out that program with assistance from the province, the resources and the information that we can give them. I will shortly be putting together a ministerial advisory committee which will help guide that project and by the fall of this year look forward to kicking it off at the Urban Municipalities Association convention and the Municipal Districts and Counties convention. I'm excited by the possibility of our not only trying to accept the future and make decisions when it comes as to how we handle it but looking at what might be and how we might dream a little in going in the direction that our people want us to go. The concept has been met with enthusiasm by urban municipalities and rural municipalities thus far, and I look forward to working with them in that respect.

[Mr. Gogo in the Chair]

Mr. Chairman, I could go through each of the votes that are identified in the estimates book. However, I'm sure that members have had an opportunity to do that, and I would welcome their questions in that respect. I would just say once more that this year's budget underlines the two major principles: that of partnership with the municipalities, that of giving them some increased resources to deal with the issues and the services they need to provide. And it does that one more thing: it attempts to look at the future through the Municipal Statutes Review Committee and the municipal alternatives beyond 2000 project, which we hope will assist all Albertans.

After that introduction, Mr. Chairman, I am willing to look at questions that members may raise.

MR. CHAIRMAN: Hon. Member for Edmonton-Beverly.

MR. EWASIUK: Thank you very much, Mr. Chairman. It's a pleasure for me to rise and to speak to the estimates of Municipal Affairs. From the outset, let me make a few comments about the minister and to the minister. Of course, as he alluded to, he is new in the position, a mere seven months. But I want to take this opportunity to tell him and the Assembly that the word I have received from my travels and discussions with the various associations, councils, councillors, and so on: you're doing a good job, sir. You certainly have the ear to the ground, and you're listening and consulting with the municipalities in the various districts, and I think that's being received very well.

You also alluded to your staff. Well, I don't know your staff as well as you do, I'm sure, but I have had the occasion to meet some of them. I certainly will share your comments that they are very competent and a good staff. I can't help but allude to Mr. Archie Grover, who of course seems to have been in the ministry of Municipal Affairs for a long, long time. Of course, I know his contribution to your office and to the municipalities is well received as well.

I'm pleased to see that the government is making efforts to listen and communicate with the various councillors and associations and in the administration as well. I think it's important to hear the administrators. I don't believe that's always been the case. Certainly in my experience as an alderman there was some frustration that there wasn't a good rapport between the province -- in this case, the city of Edmonton -- not intentional but just that there seemed to be a difference of opinions, and the province was in charge, and the municipal Act ruled the municipalities, and that was that. There wasn't too much flexibility, any dialogue developing there. So I'm pleased to see that you are making these inroads; you're looking to the future. I think those are excellent projects, and I'm sure this side of the House shares it with you, and we'll work with you in every way we can. But I believe that the municipalities must be recognized as partners in the growth and development of our province. Municipalities must not be treated as children of the province to whom grants are given, conditionally or otherwise. The removal of the conditional grants -- or at least a good part of the conditions seem to be -- removing I think is long overdue and is well received.

A few years ago, Mr. Minister, the Economic Council of Canada suggested that if western Canada was going to diversify, municipalities must be involved in the process. Again, I think in your opening comments you alluded somewhat to that. Any effective diversification and job creation programs must recognize the importance of municipalities. I am not sure that municipalities are, in fact, consulted about diversification. I

want, Mr. Minister, to allude to an occasion that I had last fall when I was able to travel through a good part of northern Alberta, where we talked with a variety of people. In most part they were councillors of towns and small cities, of counties and municipal districts, and it was in discussing with them -- they felt that there indeed was a lack of communications between themselves and someone here in Edmonton. They felt that there were decisions made and quite frequently imposed on them without consultation and, in some cases, not to their satisfaction or not something that they would like to have done. However, I'm hoping that perhaps you're rectifying that situation.

At this point I'd like to make some reference to the rural assessment policy. I know that's been in the works for a while, and I want, Mr. Minister, to perhaps let you in on some of the concerns that I have received. You may be familiar with them, but I think I would like to put them on record this evening. That is:

1. The proposal will not resolve the age old [problem] of 'who is not or who is a farmer?' as a person operating an 80 acre farm or a 160 acre parcel may well produce more in the agricultural area than a farmer with a half section of land or more.

2. The proposal will catch the small farmer who in many instances will have his taxes doubled or more on a 1/4 or 1/2 section of land.

That is, the small farmer, the young farmers who probably are just starting out may feel the impact of this particular policy more than, for example, a large farmer who will pay considerably less than is shown in some of the calculations I've seen in the policy, primarily because more taxes will be generated by the small farmers. At least that seems to be the opinion of the people that I've talked to.

4. The proposal will catch the professional or person who has moved into the country on an acreage or a small parcel of land who actually does no farming but pays the farm tax base because of a small tree farm

operation or, in some cases, a small honey operator or whatever. Those people will have an assessment increase in their taxes.

5. The proposal will discourage many young farmers from starting out with a small operation.

Many Councillors [have spoken] very strongly against the proposal

for the reasons I have just outlined.

Acreage owners who receive none of the services residents in towns, villages and cities receive, would continue paying just as high taxes as their assessments presently are and would continue to be comparable to their counterparts in homes in . . . other locations.

Those are some of the comments I have received relative to the rural assessment. I know it's a problem area, I have some opinions of my own on what can and should be done. However, these are the kinds of thoughts that I have heard, given to me from people who are directly involved in the situation and who have concerns. They may well have related those to you; however, I thought I'd record them again just for you today.

You talked about the various programs that have been introduced recently by your government. The AMPLE program certainly I think is one that has been, again, well received. I think it's a good program. The program, as I understand it, was to be able to create local employment. I feel, of course, that that's a good initiative. However, it seems that some of the conditions -- I think you alluded to those in your comments -- have been removed: the conditions of job creation, the development of infrastructures, and so on. I think you provided some leeway to municipalities, and my information is that some of these folks have simply deposited the funds into their general revenue and

are not really utilizing them with the intent that was supposed to have been. Politically it's a good move. It keeps taxes down in that particular county or municipality, but I think on a long-term basis they are not meeting the conditions that were initially set out for this particular funding.

Continuing to deal with grants -- of course many of the grants, as I understand, are based quite often on per capita. I guess that's probably a fair way to do it. However, to be able to have per capita accounting requires a census to be taken every so often. One of the larger municipalities that I was in contact with suggested that they would like to find -- and perhaps the chairman of your committee would be talking to the various counties and municipalities and districts -- an alternate method of population count rather than using the census process. Conversely, the cost of census-taking would be absorbed by the province. The need to maintain the census is important; at the same time it is a cost factor for them.

Now, I understand that some of the transportation grants have been lumped and are under the jurisdiction of this department. Again, I think the amount of moneys is being raised again. I'm sure it'll be an ongoing problem, that municipalities do feel that there's more need than they are receiving. However, again I think there's a case in point that can be made where, for example, the city of Edmonton receives \$8 per capita for transit operations. At the same time, there is \$3 per capita for the handicapped transit operations. Now, the transit operations grant totals in the vicinity of \$4 million, while the handicapped grant is \$1.5 million. On the other hand, the city spends \$74 million on their transit operations, and their handicapped operation costs them some \$4.5 million. They feel that there is somewhat of an imbalance, and they feel that it is important that a more viable type of granting should be available in these areas. They are concerned whether this funding will indeed continue. I'm not sure why there is this concern, but they said there is, and indeed their suggestion is that there should be an adjustment upwards in this particular grant.

You've had some good comments about the Alberta Planning Board. I think they would like to know that. In the work that they are doing they seem to have a good rapport with those they have to deal with, and it seems like it is working well. However, I have had some comments regarding the regional planning commissions. The comments aren't necessarily ones of disapproval; but simply they like to perhaps look at the role and effectiveness of regional planning commissions as they exist today and whether there is some room for improvement with that particular body.

The other area relative to planning is that there is some concern -- maybe the large cities feel that while the legislation we have for planning encompasses all and sundry, there is a problem that occurs because their problems relative to planning may be somewhat different than those applicable to other municipalities. In fact, the comparison was used today that the planning needs and requirements of the city of Camrose may be somewhat different from that of the city of Calgary, for example, the suggestion here being that there perhaps should be an attempt made to accommodate the large urban centres with their growth and so on in planning as compared to some of the other areas. I don't have any recommendations as such, but the suggestion was made to me, and I want to pass it on to you.

Another area that concerns, I think, all municipalities but primarily the smaller towns or towns just below the vicinity of 10,000 population. They will have developers come into the community, purchase some property, service it -- and particu-

larly this has happened more recently with the slowdown of the economy -- and then attempt to not pay their taxes. The municipality is left there with this property. It takes them a number of years to go through the process of getting ownership of this particular property. The time frame, as I understand it, is up to 10 years before they can actually assume the ownership. The suggestion made to me was that it would be quite helpful to these if they were able to recoup or reclaim that property from these developers in, say, a period of five years, because what really happens is that when the time comes for the municipality to auction this land or repossess it back to the city, these developers will come in and of course pay their back taxes and recover this land. In the meantime, the community has been sitting there holding this land with no revenue coming into it.

Another concern, I think, that concerns all of us, all municipal taxpayers, is the interest rates that the municipalities are permitted to charge for arrears on taxes. I understand that the municipal Act says up to a maximum of 18 percent can be charged for tax arrears. This compounds after a certain period of time to the extent that sooner or later some people are paying as high as 36 percent for penalties on arrears on property tax. I think this is an unfair tax penalty. I understand that there needs to be some sort of a penalty imposed, and I would suggest that perhaps a penalty in the area of 2 or 3 percent above prime might be more acceptable than the ridiculously high 18 percent which all municipalities do. I don't particularly blame them; I think it's there for them to use and they do it. But I would suggest that that be reconsidered or looked at as being rather excessive.

Another concern that small towns and communities have, while it may not be necessarily in this minister's department, is a say as to where highway construction occurs. The bypassing of a smaller community whose viability is dependent to quite a large extent on the highway traffic -- if this decision is made to bypass this particular community, it quite often leads to the decay and destruction of that particular community. I guess what they're really saying is, "We'd like consultation and input" when there is a decision and discussion being taken relative to road alignments and so on.

You may want to pass this on to your colleague: the policing in smaller communities as well. I believe -- and I stand to be corrected now -- communities under 10,000 don't qualify for their own policing; they get the policing from elsewhere. I'll use the case in point of Bruderheim, which would like to have a police force, would like to have someone working in the community on a full-time basis, but simply the costs are too prohibitive for that particular town to be able to have a police force. So then they have to rely on their policing being supplemented from Fort Saskatchewan. While they say the quality of the policing is good, I think the quantity -- there need to be more police in the area, particularly right in the town.

Getting down to the estimates, I really don't have too many comments to make, but I did want to make one comment. This afternoon during question period the Member for Edmonton-Centre made reference to MLAs' supplementing their income from other sources and raised the ire of some members in the House. I want to again make reference that in the '86-87 estimates, there was a fee of \$5,000 being available for Payments to MLAs. In 1987-88 there was a substantial increase to \$14,000, and in this budget I see there's a 14.4 percent increase to \$16,000 for Payments to MLAs. Perhaps the minister may want to . . . I'm assuming it's part of the committee that's been struck, where the expenses are coming in, and so on, but I thought I'd like to allude to the fact that there are within various

estimates supplementary incomes for MLAs, particularly on the government side.

I almost hate to raise this one, but I see the Deputy Minister's Office has received an increase of some 16.3 percent. Again when you add this onto last year when there was a 27.3 percent increase, obviously there's some rationale for that, I'm assuming. There hasn't really been that much of a decline, or in fact there has been a decrease of some personnel in that particular area. So perhaps the minister may want to address that particular area.

Transitional Financial Assistance. Now, I understand what that is. Part of it was the annexation to the city of Edmonton that occurred. There was some transitional financing, I believe, in the Sturgeon municipality. There are no figures for it. I'm assuming that perhaps that program has been totally discontinued. The minister may want to tell us about that.

I think I will probably take my place now. There are other members who wish to speak, other members on this side of the House who have some specific areas that they want to address. So at this time I want to thank the minister again for the work that he has commenced. He said a "green minister." He may be green, but I think he's falling into place very well, and he's been accepted throughout the communities.

MR. CHAIRMAN: Calgary-McCall.

MR. NELSON: Mr. Chairman, thank you. I certainly want to congratulate the minister. I know it's been a short time that he's been involved with the portfolio, and I also know that he's working diligently with communities in Alberta, the cities, towns, and so on to assist them in making do with some of the resources that are available to him. I know he's got a great deputy minister, and I'm sure that with the two of them we're going to see great things coming out of Municipal Affairs.

I'm not necessarily on my feet to deal with some of the Municipal Affairs issues directly but to discuss Alberta Mortgage and Housing, one of my favourite subjects. I'm just sorry that the minister responsible for this area at the present time is ill tonight and can't be here to address some of the issues that are with us, and this is one evening that I didn't want to be ill for. Anyway, Mr. Chairman, I'm not going to take very long this evening because many of the things that had to be said were said last week with regards to a motion that I had presented to the House and which was reported to be hogwash. I can substantiate basically any item that I've discussed in the House here, and I would challenge anybody that suggested otherwise to meet me, and I would be happy to discuss further.

Mr. Chairman, first of all, we should let the record show that over the last number of years the mortgage corporation has, indeed, assisted many Albertans to purchase homes, it's assisted many people into rental accommodation, it's assisted many of our seniors, and it's assisted a broad spectrum of our society. I want that to be clear because I have probably been as critical about Alberta Mortgage and Housing Corporation as anybody in this Legislature and probably will continue to do so until something is done about this mess.

Mr. Chairman, I have over the years, both as an alderman and as an MLA, probably received more phone calls of concerns, complaints, and otherwise about this corporation than any other single issue that I've had to deal with. Why is that? Except for the fact that I've probably got as many people involved with the mortgage corporation as anybody in the Legislature on a constituencywide basis, why should there be so many people

who have concerns, who are upset about a corporation that is unfeeling? It wields unwieldy power and just is not, in my estimation, a friend to many people out in the community.

Now, Mr. Chairman, specifically to the estimates, I'd like to ask the minister -- and I'm sure that being the minister is not here, I would expect a written answer, or at some other opportunity he might be able to assist me with some of these questions I may have. It's been reported that the mortgage corporation is now, as of April 1, charging a three-month penalty on the payout of mortgages. And we know last year -- I believe it was August -- the corporation had their employees making little notes, either handwritten or typed, on statements of outstanding mortgages going to lawyers indicating the mortgage as of a certain date would now have a three-month penalty placed on it, as do other lending institutions. Subsequent to that, of course, that was defrayed, and then we read in some of our material how the corporation brags about not having to place penalties to those people wishing to pay out their mortgages.

Then we hear that April 1 people were trying to sell their homes and new buyers that were going to put a mortgage on it are told, as the mortgage documents arrive: "Well, tough bananas. You're going to have a three-month payout which infringes upon the homeowner because they're liable to pay it out, considering the deal that's been made on the offer to purchase." I would like to ask the minister: if that in fact is the case, why is it being instituted? Why are we not offering a three-month penalty-free holiday for people who wish to have their mortgages paid out and in fact making contact with all our mortgage holders to ensure that they understand that there will be a payout penalty if they wish to change mortgage holders or sell the property?

I'd like to also ask, Mr. Chairman, why the corporation should continue to be in the development of light industrial and current commercial lots in our communities. It's my understanding also that, for example, in Fort McMurray I guess the housing corporation apparently owns the bulk, if not all, of the housing land that's available, and of course that means there's no competitive nature about the development of housing in Fort McMurray. Lots are owned by the government, and they hold a big stick insofar as dealing with that. I hope I'm correct on that, but that's my understanding in talking to some people at the corporation. I should add that I've had tremendous co-operation from many people in the organization and others that have left it and have other senior positions in other parts of the community.

I would also like to know, Mr. Chairman -- under the Program Support, page 262, it's identified that there are

Administrative and other activities, the costs of which are not identified with individual sub-programs.

I would like the minister to supply me with these individual costs of all the subprograms within his budget. In fact, I would like to have every dollar accounted for.

I'd also like to know what the cost is of providing rental accommodation for civil servants in various areas of the province which are determined as remote areas. Whilst I don't have any problem with assisting civil servants in some of those areas of the province which are not only difficult to get to but maybe difficult to have people work in if they have to pay the full shot, I still would like to have those dollars put on the table. I'd also like to know how many branch offices and where they all are with regards to the corporation and what it costs to keep each of those branch offices in place on an individual basis, if I could, please.

I would also like to determine whether the corporation is still

providing loans to builders to provide finance for construction of homes on speculation and how they are financed, what the interest rate is, and how many outstanding loans there may be in the corporation at the present time relevant to that particular issue. I would also like to know what loans are outstanding to developers and what guarantees are charged against the corporation for developers, both in housing and apartment stock. I guess I'd like the same information that relates to the light industrial and commercial lots that are being developed in the communities.

Mr. Chairman, I also determine here that the corporation has a reduction of manpower authorization in the budget from 123 to 118 permanent, full-time positions. I would like to have an assessment as to why that cannot be reduced further -- considering that I'm assuming under the program support that they were providing support to conduct housing research, counseling and education services, and administration of housing programs -- when in fact much of that activity is already being done by probably better experts in the field than they would have in the corporation, considering that the other outfits are at a higher risk than the corporation is, considering they're not backed by the government.

Mr. Chairman, there appear to be some concerns in parts of Alberta -- and I talked to a native Indian today -- with regard to housing. His daughter tried to buy a house from the Alberta Mortgage and Housing Corporation. I understand that the corporation keeps on file a considerable -- if not all the surveys of lots and properties that are owned. Yet the corporation will not take the time to offer a copy of those surveys to a prospective buyer. It will force them to pay \$330 or thereabouts to go out and have an additional survey done. The concern I have with regard to this sort of action, first of all, is, as has been reported to me on a hearsay basis -- and I must emphasize on a hearsay basis, a secondhand report -- that if the corporation does not necessarily trust the fact that their surveys are correct and then forces a prospective buyer to go out and do another one, then I have a couple of concerns. Number one, if in fact these surveys are incorrect, then we've got another problem in the making with this corporation in that all those properties that have a certain survey certificate may have to be examined and maybe even redone.

In any event, assuming that they are correct, why should a prospective purchaser of a home have to go out and spend \$330 when the corporation, for possibly a minimal fee of \$10 or whatever the price may be, can go and get a copy of that survey and offer it to the prospective purchaser? We're talking about low-income, middle-income Albertans, and asking them to pay \$330 or thereabouts for a survey when we can go into our files for \$10, \$20, or whatever the case may be. I have no problem with asking that purchaser to pay the cost of the service of getting that survey, but it should be done within the corporation if those surveys are in fact correct and on hand. So I have another visible problem with this whole situation.

Mr. Chairman, with all these people working in the corporation, I'm concerned about some of the policies, especially as they relate to the sale of some of the properties, where in fact realtors . . .

MR. CHAIRMAN: Order. Order please. Could we have some order in the committee?

Calgary-McCall.

MR. NELSON: Realtors are making an effort to assist the cor-

poration in selling some of these vacant properties. Some of them have been vacant for in excess of a year and 18 months and not totally kept up the way they probably could be in the community. I know of an investor who wanted to purchase 18 units, and because of the harassment and the walk-around they got at the corporation, they said: "To heck with you guys. We'll go and buy properties elsewhere. We don't want to talk to you." That's at a cost to the taxpayer by really turning off a prospective purchaser to put cash back into the corporation; having these people that have cash in hand to remove this housing stock, take away from the corporation the risk and the responsibility of having it, and they get turned off.

Homes are worked on by realtors. They're given the properties identified as for sale. They work on them for two or three days, take an offer in, "Oh, that was sold a week ago." So I wonder what's happening with the record keeping of this organization.

As I indicated last week in my assessment, I'm not sure that the corporation is not a liability to the government. And I again suggest that in view of some of the financial crises that I think are evident, especially with the moneys that have to flow from the taxpayer, that may not be necessary if we had an efficient machine. Again, we should have this visible examination of this corporation at the earliest possible time. I urge the minister to examine and assess how that best could be done in an urgent period of time.

Now, Mr. Chairman, there are still . . . I want to, again, just conclude in a minute here with some of the remarks I made to start with. There are many people that the corporation has helped. The corporation has done some good deeds in the community, and I don't want to leave this way out in the sky and indicate otherwise. However, the time has come -- in fact, it is past due -- to have a complete and thorough examination of this corporation. It is not totally the fault of our good citizens that they are in some of the positions they are, but I think there's a lack of communication and a lack of intense organizational things happening over at this outfit.

So, Mr. Chairman, I will conclude with those remarks at the present time, and if the opportunity presents itself again prior to a vote on this item, I may have the opportunity to again get in and make a few more remarks about my favourite subject.

Thank you very much.

MR. CHAIRMAN: Before proceeding, hon. members, the Chair has been advised that should the committee get through Municipal Affairs, we will then go to Technology, Research and Telecommunications.

A point of information for those who are interested. Hockey scores: Boston over Montreal 4-1; New Jersey over Washington 3-1. And for those who were not alert last night, Oilers over Calgary.

AN HON. MEMBER: What's the score in Manitoba?

MR. CHAIRMAN: There will be no comment from the Chair on election results.

Hon. Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I also would like to add my words of congratulations to this minister. I know that he's one who works hard at whatever he puts his mind to or has to do, and I know that he also brings an open mind to his portfolio. I'm confident that across the province

there'll be lots of municipalities who will feel that his door is open and that he's very approachable. I know that he is from any occasion that I've ever had to deal with him.

With those opening comments, Mr. Chairman, in that light, I'd like to put forward some views about the budget in hopes that before the evening is done he can respond. There are six or seven different areas that I'd like to touch upon. The first one has to do with grants to municipalities, and I'd like to speak particularly from the experience of my own municipality, that being the city of Calgary. I know that this minister provides money to the city of Calgary, as he does to other cities and communities across the province. But so many of those grants seem to be conditional, and they tend also towards capital grants.

Now, I think maybe we're taking in more than just the Municipal Affairs department when I say that, but to the extent that capital grants are provided to municipalities, what they do is encourage debt for that municipality. That is, they generally don't cover all the capital costs of various programs, projects that the municipality undertakes, and in order to provide their share of that funding the municipality then has to go out and borrow the rest, which simply adds to the debt load of that municipality. If the grants tended to be more towards the unconditional side of the equation and they could be available for operating grants, as an example, it would give the local municipality more flexibility. I would point to the CRC grants, community recreation/cultural grants, and the way that has been structured as an example of how those regulations would allow a municipality to use a certain percentage for operating expenses as opposed to tying all the grants to capital.

While the minister did say grants are going up, I looked at the Alberta Partnership Transfer Program; it's going up 1 percent. I guess that's better than going down 1 percent or 3 percent, but it obviously, patently, doesn't keep up with inflation. I note the AMPLE grants have gone up a considerable amount this year, by 155 percent, to \$57.5 million. That's very interesting, and I know that the municipalities welcome that. I recall that when the AMPLE grants were first announced about two years ago, they were being financed by savings on debenture borrowing costs. I'm not sure how that money was being recirculated back to the municipalities. The minister's aware of the formula much better than I, but it was savings over a five-year period, and they were going to be distributed back to municipalities, as I recall, over an eight-year period. What I'd like to ask the minister is if that time line has been reduced, say, to seven years, and is that the way in which he's been able to finance this additional increase to the municipalities? I'd appreciate a little more comment from the minister on that.

As well, municipalities want to know, I think, where they're headed for next year. What do these grants mean for the coming year after the one we're in? I know for the city of Calgary, as an example, they have a five-year financial plan. I imagine the city of Edmonton has something similar where they're projecting their building and capital costs and their operating costs into the next year and further on over a five-year time horizon. It makes it very difficult to carry on that long-term planning over the longer term without some idea of where the department is headed with its financing grants for beyond this present year's term. I remember again, going back a bit in time, when the transportation capital grants program was renewed. Again, I think that was around 1983 or '84. It was extended for a three-year period, and a commitment was made that for three years that program would be providing moneys to municipalities. So on that basis, then, the city of Calgary made a commitment to

extend the northwest LRT leg up to the University of Calgary, and as all members know, that was very convenient during the Winter Games. That three-year time horizon helped the city of Calgary in making that particular decision. I would ask the minister if something along that line, in a similar vein, could not also be announced or be included in the way his government's department approaches municipalities and provides money under these various grant programs.

Again, just to take the case of LRT -- it's maybe not the most pertinent example, but there are probably others that could be referred to. It costs the city more if you build LRT in little chunks or little sections; you know, for this year we have money for this amount and we'll make a decision to add this small incremental link. If the city were to know that grants were coming over a longer three- or four-year period, then they could say, "Well, with that information we know we could build this longer link and would end up saving considerable amounts of moneys in doing it in one fell swoop, as opposed to doing it in smaller chunks." I'd ask the minister to give that some consideration. If he can make some comments here tonight, that would be very helpful and appreciated.

MR. CHAIRMAN: Excuse me, hon. member. The Chair is somewhat confused. Is LRT not transportation?

MR. HAWKESWORTH: Mr. Chairman, I was only using that as an example. I know that the transportation grants are not under this department, but I was using this, as I said in my comments, as an example that's easy to point at and familiar to everybody in the room.

I'd like to make a few comments as well, Mr. Chairman, about the role of regional planning commissions. They've been referred to now a couple of times this evening. I'd like it if the minister could make some comments about what he sees the role of planning commissions to be over the next several years. There's one scenario in which those planning commissions will be experiencing 2 and 3 percent cuts each year for the next two or three years. This follows along a process that's taken place over the last four years or more in which budgets to planning commissions have been whittled away substantially. Each year it may seem like a very small amount, 3 percent or 4 percent or 5 percent, but it's eroding the ability of planning commissions to provide planning services to their member municipalities.

Again, I'm not familiar with all the planning commissions in the province -- the one I'm most familiar with is the one in Calgary -- but I know that for many municipalities of 1,500 or 2,500 people, they don't have the tax base or the population to support a full-scale planning department, so in a way they can go to this pooled resource which the regional planning commissions represent and can get the full range of experienced, professional assistance that any larger municipality would have in a full-scale planning department. However, as these reductions have been taking place, the kind of service those planning commissions can provide to municipalities is eroding. I'm afraid there will come a point at which the critical mass of planning commissions will deteriorate, then fall away to the point that they will not be able to provide those services to municipalities. You know, there's some long-term costs if that's what happens. First of all, municipalities will perhaps have to depend more and more on consulting groups to come in, which are very expensive generally, and without the continuity that consultants don't represent -- they represent change in more of an ad hoc process -- municipalities, I think, will experience a deteriorating level of

planning services. So I'm quite concerned, Mr. Chairman, and I'd like the minister to make some comments, if he would, about that.

There's also this trend of allowing the planning commissions to deteriorate somewhat. It is being replaced by another trend which I suspect is going on, and that's where more and more resources are being given over to the department's planning services. I see, for example, Planning Research and Development has increased 8.1 percent. The Alberta Planning Board itself has dropped, nevertheless -- well, I see Planning Branch and Planning Support has dropped as well. What I'm worried about is the possibility that we'll see more and more decisions being made by the department itself and the Alberta Planning Board and less and less in the hands of the local regional planning commissions. I think if that trend is occurring or does occur, it's moving contrary to what is desirable. I'm one of those who believes that the more decisions are decentralized to the people who are really affected by them, the better those decisions will tend to be.

The Alberta Planning Board has raised the requisitions to municipalities. Is that in order to make up for this reduced level of grant from the provincial government? I don't know; I don't see anything particularly wrong with that, but I think municipalities may be more and more reluctant to pay more for deteriorating service. So I think if they're being asked to pay more, they should be able to expect more.

I'd like the minister to indicate, if he can, any information tonight about the land-related information system. What I understand is that there is a project being considered that would do small-parcel mapping throughout the entire province that would put land onto a computerized surveying system. A computerized land titles system would make information more accessible and more rapidly accessible. It would contain a considerable amount of information that would be available at the fingertips of municipalities and his department and regional planning commissions. Would the minister give us an update on that? Is this under way? Is it going to be accelerated? Where does that particular program sit at this time?

Comments have already been made this evening about the housing portion of the votes. Housing and Mortgage Assistance for Albertans is vote 8. One in particular, Mr. Chairman, that catches my eye is the community housing program. My understanding is that for this budget year in the nonprofit community housing section there are only 50 units being allocated for the entire province. Well, I'd just like to have it placed on the record that in one of the communities in Calgary-Mountain View, that being Hillhurst Sunnyside, there's a nonprofit housing corporation. I've had a meeting with some of the people involved in that housing corporation, who've asked if the minister would be made more aware of the need for more units into this particular sector of the housing industry. They, for example, have something in the order of a little over 100 units -- 110, 112 units. It makes it very difficult with that small a portfolio to maintain the kind of administration services that portfolio requires.

But a major concern has to do with those people who are on the lower end of the market. As the minister well knows, market rents are charged to people above a certain income, and those market rents are used in a sort of internal cross subsidization to lower the rents for people who are of lower income and can't afford the market rents. Well, what we have then is a situation where those who can pay market rents, who have the income -- lots of housing options are available to them, and we

tend to see those people moving in and out quite a bit. Those who don't have the options, who have the lower income, pay the lower rents, aren't moving.

So what this particular housing corporation in Hillhurst Sunnyside is experiencing is that they're finding lots of people of low income who are coming to them seeking rental units, but the vacancies that are coming open are from people who are paying market rents. So the nonprofit housing corporation has to take market rent tenants and has to deny those who have the fewest options in the housing market. I think at least in Calgary the trend seems to be that vacancy rents are tightening up. As that happens, people at the lowest end of the income range or spectrum, who have the fewest options, are having the most difficulty finding the housing they need. So I'm saying to the minister that 50 units is not in any way enough for the province. It doesn't come near to meeting the need, and I'd like to know what steps might be taken to increasing the allotment for the nonprofit community housing program.

MR. CHAIRMAN: Hon. member, the Chair hesitates to interrupt. As the hon. member is aware, the Hon. Ken Rostad is not with us this evening, and he is the minister responsible for vote 8. So as long as the member recognizes in putting questions, they would perhaps have to come at a later time or in writing from the hon. minister.

MR. HAWKESWORTH: That's right, Mr. Chairman. I'm aware of that, as was mentioned earlier by the Member for Calgary-McCall. That was made quite clear, and I understood that. I didn't think it was necessary to repeat it.

I'd like to draw to the minister's attention some of the frustration and difficulties the city of Calgary has been experiencing with the new tax assessment system. I know it's important to update the assessment of the city of Calgary, but there have been some problems. There's one that's been drawn to my attention by an individual who built his house. They purchased the lot in August of 1986, they started construction in 1987, and then in December of 1987 they got a supplementary notice and their final assessment came in, I guess, in early 1988. What they found in comparing their tax assessment to their neighbours' is that they're paying substantially more for a smaller house. So this individual talked to the tax assessor who inspected their home, and the tax assessor told them that the difference in the tax levy was attributed to the fact that they had this new home construction.

The legislation outlined -- and the ministerial order is quoted in the letter this individual wrote to me. It calls for the use of a cost book used throughout Alberta, developed by the Department of Municipal Affairs, and it was based on 1983 Edmonton building costs factored to 1985. That was to be assessed on all homes completed after November 1985. Now, what they found out was that their neighbours were assessed on the new 1963 costs factored to 1985. The factors were calculated using a sampling of 15,000 houses in Calgary. So based on these calculations, their house was valued at about \$126,000 when they paid only \$110,000. Her concern, in addition to being concerned about the dollars they were being told to pay, was that they really objected to the use of what they consider to be a two-tiered system in calculating assessed values. So I don't intend that the minister should get into all the complexities and difficulties of the assessment system, but if he has some comments he could offer about this two-tiered system and what steps might be taken to resolve that or somehow eliminate that so people are paying

fair property tax in relation to each other and not on the basis of when they most recently completed their home.

I'd also like to briefly ask the minister -- I know there's been major concern in the city of Calgary over some time over the future of Nose Hill park. The minister and all the members of the Assembly are aware that two years ago Bill 52 was introduced. It died on the Order Paper. The government's reason for introducing it was to intend that a resolution be found between the city and the owners of land on Nose Hill, and in introducing that Bill, it appears there has been some action by the city. But again it's slow. Two years have passed. I know that the city is positioning itself to consider expropriation proceedings. I don't know whether they will or not, but I know they're looking carefully at that. The problem is that the forces which have made the city approach this issue cautiously are still in place. Nothing has been done to remove that, and that has to do with the uncertainty of the entire expropriation process. The size of the hill is such and the size of the parcels are such that even if the city were close in the costs of acquiring that land from what they are valuing them leading up to expropriation, a difference of even \$1,000 or \$2,000 or \$3,000 an acre translates into many millions of dollars, given the size of the hill and the size of the land left to acquire.

Now, I have read or have been informed that one of the hon. members of the Assembly has indicated in the *Calgary Herald*, or local press at any rate, that it's under active consideration to reintroduce this particular Bill in order to force the city's hand. Well, Mr. Chairman, I guess there are two ways to go. One would be the carrot and one would be the stick, I would hope that this minister and the caucus would not use the stick approach. That was the one introduced two years ago. But until somebody deals with the problem and the forces that are still in place creating the uncertainty for the city of Calgary, it's hard to find a resolution.

I'd like to take the minister up on his suggestion about a partnership between the city and the province. Perhaps there could be some way in which the province could take a look at using lottery funds to in some way assist the city with the acquisition cost of that land, or perhaps even just the acquisition cost of an expropriation proceeding simply to get the process under way. There, Mr. Chairman, is the carrot. Because if the province were to step forward and offer that as a solution, there's a carrot. The city would have, in my view, very little option but to proceed further, so such action by the provincial minister or the government would certainly put the city on the spot to proceed with the next step in the resolution of this issue. I think it's something we all want. I'd like to see it approached on a bipartisan or nonpartisan basis. I know all people, many people in the city of Calgary, regardless of their political affiliation or background, want to see this matter drawn to a conclusion, and that might be one avenue or approach that might work.

I'd just like to make one final comment. I know the minister responsible for housing is not available, but I'm always concerned when votes are before us here in the Assembly asking for money to be provided, and I see that there are concerns being raised in some areas by the Auditor General. This has to do with the management and control of Alberta Mortgage and Housing land programs. He noted in his latest report there were "four computerized systems to record and report management information on land programs," which creates a lot of confusion, difficulty in accessing and recovering information. It just seems to me that I'd like some assurance these issues are being proceeded with and resolved. The one opportunity I have as a



member of the Legislature to highlight some of these things is in the estimates. I don't have any other opportunity, and it's my way of putting on the record my concerns.

So with those comments, Mr. Chairman, I await the response from the minister. Thank you.

MR. CHAIRMAN: Hon. Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Chairman. I'd just like to ask a few questions and make a few comments, and I'll be very brief tonight. [interjection] Cheers.

Mr. Chairman, may I first of all express, as have others, my congratulations and best wishes to the minister. I look for great things from the department with him at the helm. May I also express my respect and trust in his staff, with whom I've worked and whom I've watched over many years, in particular, Mr. Archie Grover, the deputy. Mr. Grover holds respect of people in this House and people in municipalities across Alberta.

[Mr. Musgreave in the Chair]

Mr. Chairman, there's no question in my mind that municipalities will be the driving force in turning around our economy in Alberta. We constantly call them partners, and I'm pleased to see some of the new initiatives that the minister and his department have taken in this regard. I hope that will truly become a reality as we move forward, that rural municipalities and urban municipalities will truly be partners and will not simply be treated as the children of the government.

Mr. Chairman, I was dismayed, as were many people who had formerly been representatives in municipalities, at last year's experience and the reduction in grants of 3 to 7 percent. I believe that only now are the effects of that reduction becoming visible. I was relieved to see that this year the government and the department came to their senses at least and didn't repeat that, but the increase of 1 percent, I don't believe, will be satisfactory. It certainly is still a reduction in the sense of the costs to municipalities. The increase is not enough. It will force a greater and greater load on the property tax payer. Municipalities are, I think, fearful of what they are going to face in 1989. I believe many of our municipalities will have had to defer essential maintenance services because of this, and over time that, of course, is going to cost us more, and they will have had to reduce day-to-day services to their citizens.

But in spite of that, Mr. Chairman, my perceptions are that municipalities are in fact co-operating, that they have recognized the circumstances we are all in together in this province, and that they are showing leadership and willingness to share the problems of the recession and to work along with the department and the government to try to deal with them as evenly as possible and in as balanced a fashion as possible. However, I submit that the effects of the recession and the reductions are only now becoming visible in our municipal life.

Mr. Chairman, I want to comment on a few of the good moves that I think the government has made. I was pleased to see the new municipal grant program called Partnership Transfer -- APT -- program. The minister indicates in the press release that it's consolidating individual payments made for law enforcement, public transit, and municipal assistance into an unconditional grant. Now, Mr. Chairman, I think we've got to be careful not to think this means more money. But it does mean a real improvement in what the municipalities will be able to do,

because hopefully they will have much greater and improved flexibility as to how they use the funds and will be able to establish in a more correct and accurate way municipal priorities as opposed to provincial priorities. When they dovetail, then fine. When they don't, we've been in trouble in the past. Mr. Minister, I welcome these moves to make more of the grants unconditional. That's long overdue and something I'm pleased to see, and I think we will all reap great benefits from it.

I'm also pleased to see that the AMPLE program has been speeded up. As I understand it, the total moneys are still the same but the program has simply been compressed. Now, this is something that in our Liberal caucus we asked for from the outset, and I'm sure the minister is aware of that. I felt if the program were in any way to attain its stated objectives, it had to include a large infusion of funds at the outset to stimulate the kinds of maintenance developments and infrastructure developments in our municipalities that were spoken about at the time. I would hope that this compression of the years and infusion of money this year, a doubling of the money that was anticipated, will help to avoid the deferral of maintenance in our municipalities that had become a necessity because of the reduction in overall municipal grants. I think that will benefit our municipalities immensely, and I hope the minister will tell us that it's his intention to continue to compress and perhaps even increase the compression as we go along. Mr. Chairman, I have always believed that the AMPLE grants should in fact be tied to job creation. It's called local employment, and yet it has no snow strings attached to it. But I believe it can and should and that it would create much in the way of public and private employment and impetus in our communities.

Another good move, Mr. Chairman: the Provincial-Municipal Premier's Council. I've been pleased to see that operate, and the Municipal Statutes Review Committee. I think these will benefit citizens of Alberta in the short and long term and are simply moves that reflect the reality of what the municipalities have been asking for. I think they'll be a great help.

Mr. Chairman, no question about the changing demographics in our municipalities, particularly in urban centres, and the move from rural to urban. The government, in its document Caring and Responsibility, refers to them in a number of places, and I take it that this document is meant to be the overriding statement of philosophy that will drive all departments of the government, Municipal Affairs included. I quote from this document on page 7:

Changes have occurred in the patterns of where people live and work. Currently, the majority . . . live and work in urban communities. In addition to growth in the two largest cities of Edmonton and Calgary, significant growth also has occurred in many smaller communities, and so on. The government does acknowledge a changing lifestyle and changing demographics in our province, and it refers to them in several places. On page 11 in the Role of Government section the document further states in its last point that government's role will be:

To work cooperatively with the federal government, other provinces and municipal governments in areas of shared responsibility in order to ensure that the needs of Albertans are addressed and that they receive their fair share of benefits and support.

Further, Mr. Chairman, the document refers to how the urban population has increased and how the changes in the demographics of aging have made a difference in our planning, particularly in urban municipalities, and what the forecasts are

relative to the age of the urban populations and how we will begin to deal with those changes. I believe the document correctly predicts that in our planning in urban municipalities we will have to take these factors into consideration. The factors in aging and in family life changes have major implications for municipal planning for housing and for other municipal services.

But I submit that now is the time, when the rate of growth in our province is negative, that we can use the time creatively. The stress is off. The pressure of the development is off, and we can now get on with our plans and our strategies and our legislation to support growth when it returns to the province. I would hope, Mr. Chairman, that part of this strategy will be a greater system of collaboration between the province and its municipalities: greater support for our municipalities, less competition between the two levels of government. And I believe if that occurs, the municipalities can be the major driving force in economic recovery.

Mr. Chairman, unemployment is still way too high, especially in our major centres. I have wondered if the minister has any intention of convening a major conference or seminar with the municipalities to discuss further mechanisms with them to solve unemployment problems. The AUMA has been strategically involved in this in the past, and I believe could well do it.

Mr. Chairman, I want to comment on the AUMA, the growth and development of that association, because in my knowledge and history of it, it has now begun to play a very significant role and significant part in municipal development and in provincial development in our province. It is a thriving and sophisticated organization. It's taking control. It is providing its members and others in the public with very important information sessions, and I believe that their resolutions and the ideas they're putting forward to government are being listened to. I think there's every indication of that. I think their recommendations are thoughtful and rational and realistic, and I would look forward to not just a continuing association between the government, this department, and the AUMA but a deepening one and more thrust being put onto the AUMA to undertake certain tasks.

A few specifics, Mr. Chairman. I wonder if the minister would comment on the federal sales tax potential on municipal goods and services and what provincial interventions can be made on behalf of municipalities, and perhaps tell us what position he has taken with his federal counterparts.

I also would like to ask the minister in regards to Bill 59, the School Act that died on the Order Paper. In this particular Act, or in the document that accompanied it, there was a proposal to pool corporate and municipal education taxes and redistribute them. Mr. Chairman, I view this as an erosion of the municipal tax base and municipal powers, and I would entreat the minister to plead with the cabinet and with the Minister of Education to throw this particular proposal out, probably in favour of more provincial funds being invested in education but in no way usurping municipal rights. I saw this as a real infringement on municipal rights and on our pattern of municipal financing, and I believe that it would, or could, lead to a potential that would not be a positive one for municipal financing in the future. So I hope the minister will comment on that.

Similarly, I hope the minister will use his good offices to persuade his colleagues that programs such as the family community support services be increased. This year they have been reduced, and this again puts an immense burden on property tax payers in our municipalities, because as programs grow and

develop, they cannot be reduced, they cannot be shifted anywhere else, and our municipal tax payers are constantly having extraordinary pressure put on them to continue some of these programs that, I believe, more rightly and statutorily should be supported by the province.

Mr. Chairman, I'd like to ask the minister to comment on the relationship between the department and the housing authorities and whether or not it would be possible to renegotiate the use of provincial housing units to provide adequate housing in municipalities who have increasing social assistance recipients. I have posed this question before. To my knowledge there's been no mobility in that area. The housing allowance in the budget has not increased -- I think it's down 21.6 percent -- and our major urban centres are having increasing problems in providing adequate humane housing for very low-income families and families on social assistance. It's my view that it would be useful if the minister renegotiated some of the discussions on rent to income with the housing authorities in order to make more low-cost housing available to people in desperate need.

Mr. Chairman, I was disappointed that seniors' housing was not included as an indigenous part in the Mirosh report on extended care. Now, I understand why it wasn't, and yet I feel that we need to do more than just acknowledge that seniors' housing must somehow be considered and built into that whole spectrum of support services for seniors. I believe it's important that we develop comprehensive services and that senior citizens' lodges and senior citizen housing can and should perform a very useful function. That function can be extended, as the Mirosh report has indicated, to seniors' day care, to seniors' recreation activities, and can form the hub of many more activities in our communities.

Mr. Chairman, I've had the opportunity in past years and another life to be involved with regional planning commissions. There's very little in the budget that speaks to regional planning commissions. I know their work continues. The whole subdivision business has slowed down with the recession. But I would like to ask the minister if, for instance, it has been his intention to request of regional planning commissions and the Alberta Planning Board their ideas and opinions on increasing the protection in our Planning Act to protect agricultural lands, CLI 1, 2, and 3, to prevent it from being used for industrial development and for municipal developments' annexations as it has been in the past.

The other question I wanted to ask is whether or not it's been considered that regional planning commissions might play a stronger role in regional development of solid waste disposal circumstances in our communities -- a continuing problem.

Mr. Chairman, the leader of the Liberal Party has asked questions in this House on Resolution 18. The Metis housing is included in this -- and I realize the minister is not here, but perhaps it could be answered whether or not the Metis housing circumstances and improvements are waiting on that resolution. Are those two irrevocably tied together? Is there some connection? Are we holding up on one until the other one is completed?

Mr. Chairman, I would also ask that the minister comment on his plans, if any, for the reform of property assessment legislation to provide for more equity and fairness in regard to that.

Another question that I have, Mr. Chairman -- I can't find where it would be in here -- relates to the municipal liability insurance. Now, the minister had commented earlier in the House that he hoped to have some answers for us by, I think it was, September, and I think we need to have some clues about

how he's moving in that direction and some reassurance for our municipalities and relative to the antitrust case that is emerging in the States. It is a developing problem for municipalities. Large ones have been facing it for some years; smaller ones are beginning to feel the pinch. It is going to be a significant cost.

MR. DEPUTY CHAIRMAN: I wonder if the committee -- if we could have a little order, please.

Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Chairman.

And I think we have to move very swiftly now, while we're in this slow growth period, to put the legislation, put the programs in place that will deal with it in collaboration with our municipalities.

Mr. Chairman, lastly I would like to thank the minister and the department for their involvement in the Winter Cities Conference. I found it a very positive one. Of course, we are still pioneering in this regard, but I would hope that our urban municipalities, our winter cities in this province, will capitalize on our expertise in Alberta for our own use and also for export to other parts of the world. I think we do have some real expertise in Alberta that we simply haven't acknowledged as yet.

Mr. Chairman, just finally, the municipalities in our province, in particular our large urban centres -- but not solely; medium and smaller rural centres as well -- need to operate on something far more extensive than a one-year cycle. It's extremely difficult for them to plan their borrowing, their development in their cities, their infrastructure development, and to achieve economies when they don't know from year to year what they can anticipate in the future in government grants. I would hope, just finally, Mr. Chairman, that the government would make every attempt working with the AUMA, the AMD & C, and all of our municipal organizations to attempt to work out a five- to 10-year cycle with our municipalities so that they are able, as a major government partner with the provincial government, to make their plans in advance and therefore achieve some of those economies that we need.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Member for Highwood.

MR. ALGER: Thank you, Mr. Chairman.

Having worked with the minister some years ago on the Senate Reform committee, I realized then, and I appreciate now, the job you're asked to do and I know that you can do, Mr. Minister. I sincerely wish you every success with it. I know you're going at it quite well, and I'm pleased to be on your team.

At the risk of repetition by some of the questioners, I'd like to touch on a few things that have occurred to me tonight as well as prior to this meeting. The one thing that bothers me is the Municipal Statutes Review Committee; it's a joint provincial and municipal committee that's looking at all the laws that affect our municipalities. I realize its chaired by the chairman at the present time, the Member for Calgary-McKnight. This committee will be circulating a number of discussion papers to municipalities, and we'll be looking for feedback on the points of discussion. So, Mr. Minister, I wonder if you could enlighten the Assembly as to some of the topics on these discussion papers.

I'm also curious about the time line that the review committee has been given in its mandate and when the committee will actually make a report. It seems to me that it'll be a lengthy one

and it will take a lot of time to get done, but maybe you'd have some idea when this will take place.

In the throne speech a few weeks ago we talked about the innovative Provincial-Municipal Premier's Council chaired by the Premier, and the details of the council's mandate weren't explained in very great detail. So my question to the minister would be: does the council's mandate overlap with the municipal alternatives beyond the year 2000 program? The program, as I understand it, is a municipal exercise where the municipality looks at its planning options and alternatives into the next century. In particular, I'm interested in what the municipalities are to be planning for. Does this include paving streets and building sewers and additional senior housing and things of that nature? As well, perhaps the minister could tell us about the composition of this council and the frequency of their meetings.

With regard to the AMPLE program, which I know was touched on earlier -- it was introduced in 1986 and has provided unconditional grants to all municipalities that have financed a number of activities that in turn generated employment opportunities within those communities. I'm sure Alberta municipalities are very pleased that AMPLE funding will literally double this year.

I also understand, Mr. Chairman, that there's a potential for a further increase in funding through supplementary payment of a rebate of the municipal debenture rebate interest program. I truthfully don't really understand that and I would like to get in on more of what is happening there. If the minister could indicate when this payment will be made -- and while he's at it perhaps tell me what it's all about.

Within the partnership transfer program, Mr. Chairman, the minister announced a new municipal grant program in January, and I believe it has been an important initiative in terms of giving municipalities more autonomy. The partnership transfer program combines funding for municipal law enforcement, public transportation, and municipal assistance outside of the AMPLE program into a single cheque. While this might well ease administration of these moneys, I wonder if there have been some safeguards put into place to ensure that the dollars in the unconditional cheque go to the specific areas that are to be funded with these moneys. I suppose, Mr. Minister, through the Chair, I'm dealing mostly with the transportation of my favourite subject the senior citizens of Alberta. I wouldn't want them to lose out on anything that should be and will be coming to them.

Finally, Mr. Chairman, to the minister, I might ask if he would, at the next gathering of all his municipal officers, have a good heart-to-heart discussion with regard to municipal roads. I feel there's an extreme waste in the municipal system in that all we ever do is grade and gravel our roads. They're a dusty, nasty thing to drive on for the most part, generally wide enough but always way too dusty. It's not just harmful to the driver himself. Anybody in the rural community will tell you that if they have hayfields alongside our graveled roads, it just literally ruins the blessed stuff. And it's too bad, because we can't depend on rain to clean it up just before we cut it.

These clouds of dust will continue, I guess, throughout eternity unless we devise -- and I'm sure you can -- a system where you would not pave the road necessarily, but I think there's an expression called chip coating. It's a very marvelous product -- fairly expensive, I suspect. But I should think that over a five-year period it would probably pay for itself with regard to all the graveling that is done in our municipalities. And I'm not just

talking about the municipality of Foothills No. 31; I'm sure it happens throughout the whole province that they have the same style of difficulty. If you really think about it and talk to your reeves, you'll discover that they put on yards and yards of gravel. Of course, the maintainers in the wintertime have to keep the snow off the road, so they naturally knock off most of the gravel. Then it's done again in the spring, and that expense is added one more time.

It seems to me, Mr. Minister, you should make a deal with some oil company or other that would provide good style oil that would be fairly reasonably priced, make a cold chip mix that would go onto a lot of municipal roads -- not necessarily all of them. You've got to figure out the traffic areas and stuff where it's worst and get this applied and save the taxpayer an awful lot of money over, say, a five-year period. I'll bet it would prove out that it would be considerably cheaper. I wish you every success in this endeavour, and I'll be watching to see what you do about it. I know that I work desperately hard with my own reeve, I suppose in a greedy style of a manner. I've got two miles of gravel to go home on, and it almost drives me crazy.

You're doing an awful lot, Mr. Minister, in the municipal road construction world. I congratulate you, too, for working with the Minister of Transportation in that in many cases they will provide and build up our roads to a secondary provincial highway system. I suppose in due course of time we'll have lots of miles of that as well. But in the meantime, the municipal roads -- if there's some way that you could work with the reeves and councillors of the country, I think you could come up with a scheme that would probably save us all an awful lot of money and make the country a lot more livable, if you like.

Thank you, Mr. Chairman, for your time.

MR. DEPUTY CHAIRMAN: The Member for Calgary-North West.

DR. CASSIN: Thank you, Mr. Chairman. Again, a number of the points and concerns that I had have already been raised by other members, so I would like to perhaps keep my comments short. I again would like to acknowledge the excellent job that the minister and his department have accomplished in the last year, considering it's been a very short period of time for the minister.

I'm pleased that the grants have been retained or increased. This again provides very necessary incentives and support for the municipalities to finish off projects but also to help stimulate some of the local economy, and this is very important. I really would like to maybe emphasize the other comment the partnership in municipalities. This is something that is a very important initiative, and it's been commented on by a number of previous speakers. I also support the value of the CRC grants, certainly in the constituency of Calgary-North West, with the Ranchlands community centre and the Crowfoot sportsplex. These facilities would not exist if it weren't for the funding and the support of the provincial government in taking the initiatives. Those programs are certainly appreciated by my constituents, as, I'm sure, constituents throughout the province.

I'd like to make one other comment, and it really deals with principle. Again, it was alluded to by the Member for Calgary-Mountain View, and that pertains to the whole question of property rights. I think that in this province, as we look at planning and development, we shouldn't lose sight of something that is very fundamental and should be part of our heritage in this

province. I'd like to perhaps just cover a private member's Bill that was introduced in the federal House, and I would like to think that perhaps the people of Alberta would pick up the torch and carry it forward.

That the Constitution Act, 1982, should be amended in order to include properly rights;

That the Governor General issue a proclamation under the Great Seal of Canada to amend section 7 of the Canadian Charter of Rights and Freedoms so that it reads as follows: "Everyone has the right to life, liberty, security of person, and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice; and

That the House urge that the Legislative Assemblies of all Provinces and the Senate pass similar resolutions.

I think it's important, Mr. Chairman, that we recognize this. This does not deny, nor should it interfere with, the expropriation of land for the greater good of society. But I do feel that the individual is entitled to fair compensation, and the plan should be put in place that that can be accomplished over a five-, 10-, or 15-year period. What we're asking for is logical planning that is fair and just to the people of this province.

I would like to conclude my remarks.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Avonmore.

MS LAING: Thank you, Mr. Chairman. I'd like to address my comments to vote 3, which deals with programs for senior citizens. I have concerns about the discriminatory aspect of those programs. The discrimination is on the basis of marital status, because these programs and benefits are restricted to married couples over the age of 65 or widowers and widows over the age of 55 or to recipients of widows' pensions. These programs include renters' assistance, \$12,000 per year; renters' assistance on mobile homes, \$1,000 per year; property tax reduction up to \$1,000 a year; senior citizens' home heating costs reduction up to \$100 a year. So we see that these programs are available only to senior citizens over the age of 65 if they're in a married relationship, whether they're living apart or not, or if they are widows or widowers over the age of 55.

This discriminates against never-married people as well as divorced people, and divorced women, particularly, are hard hit. They do not have insurance from a spouse who would have died, and when we look at the impact of divorce on women, we see that their financial status suffers or drops dramatically at the time of divorce. In addition, they maintain the major economic responsibility for their children and their children's well-being, and therefore they are unable to save for their later years. Women who are divorced in their 40s and 50s do not have an opportunity to develop careers. They may have spent 15 or 20 years in the home caring for children; therefore, they do not have pensions from the paid labour force. They do not have time to develop a high level of career or an ability to support themselves in their old age, so that they suffer further financial stress because they're not eligible for the widows' pension and all of the programs that follow out of that. So I see that this is extremely discriminatory and works a real hardship on women particularly but men also who are already suffering severe financial stress.

In addition, the criteria for some of the programs is that, in fact, one is receiving the widows' pension and therefore there's an escalation or exacerbation of their low financial status. The widows' pension legislation is now being challenged in the courts under the Charter of Rights, because these programs do,

in fact, discriminate on the basis of marital status, and I would ask the minister to address this issue.

Another issue and concern that has been raised with me is in relation to school boards and their relationship to county councils in rural areas. We have a sense that school board priorities are subordinated to the larger council's priorities. That means in rural areas that money goes to roads rather than to schools. So I would ask the minister to consider establishing separate and independent school boards with their own budgets that would guarantee the quality of education in rural Alberta. We have heard from county councillors talking about school boards, saying their children are fully grown and they don't want to put money into the school system; they would rather put it into building roads or buying graders. So the needs of children and the needs of parents of children come in second place to the councillors whose children are now grown. So I would ask that the minister address these two issues.

Thank you.

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: Mr. Minister?  
The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. This has been a prolonged debate. I would simply like to ask the minister one question concerning the relationship of the village of Faust to its improvement district board. It's been brought to my attention that there are some concerns felt by the residents of Faust, who have established a development corporation to undertake projects to improve the quality of life, the infrastructure in the village of Faust. It is their feeling -- it is their knowledge, in fact -- that they have not been able to receive any of the tenders for projects in their area, and they are questioning why that is the case. I would like to know whether the tenders have been structured as they should be structured, whether the minister could confirm that, and whether in his estimation the village of Faust has received funding that would be a proportionate share of improvement district funding generally.

MR. DEPUTY CHAIRMAN: The Member for Calgary-Forest Lawn.

MR. PASHAK: Thank you, Mr. Chairman. Just two very brief points. The first has to do with public transportation in the city of Calgary. As I understand it, the grants from your department are provided for capital projects only, the [grants] don't go for operating costs at all. I think maybe that policy, if it's correct, should be examined, because what happens in the city of Calgary is that the public transportation system runs at a constant deficit, and then the city tries to make up for that deficit by increasing user fees.

Currently it's \$1.25 to take a ride on the LRT, for example, in the city of Calgary. Well, when that happens, ridership decreases, and then there's even more pressure to abandon routes, some more people are forced into cars to go downtown, and I think a valuable opportunity is lost to reduce pollution, reduce traffic congestion in the centre of the city, and we lose a valuable opportunity to use urban land for purposes other than parking structures.

[Mr. Gogo in the Chair]

The other point that I quickly wanted to make, Mr. Chairman, has to do with the fact that the minister mentioned that we have something like \$57.5 million in the budget for work creation projects in our municipalities. I think that's really a very, very small sum. I think it would be in society's best interests if, in a time of high unemployment, we put massive sums of money available, perhaps in conjunction with federal government programs, to improve the infrastructure of our cities, replace storm sewers, perhaps build new bridges. I can think of, quickly, all kinds of things that we might do. We could beautify riverbanks, we could [build] new catchment basins, and we'd be taking advantage of a situation in which we have a huge unemployed labour force, so that that labour force would be selling its services at a rate that's lower than when we have a low unemployment rate. Secondly, it's not all that costly, because by putting people to work doing that, we're not paying their unemployment insurance costs and the rest of it.

So just two ideas for the minister to consider.

MR. CHAIRMAN: Are you ready for the question?

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Hon. minister.

MR. ANDERSON: Thank you, Mr. Chairman. Perhaps I could try and answer some of the questions rather briefly, despite the opposition from some of my colleagues.

Mr. Chairman, first of all, let me express my thanks to all of those who kindly said nice things about myself. And on behalf of my deputy, Archie Grover, I'm sure he'd want me to thank those who also commented on his very good job. The only other comment I'd make there is on the questions of the Member for Edmonton-Belmont. He asked about the 16.3 percent increase in Archie Grover's budget. I'm worried, after all the comments, that he'll want to use that for salary, but in fact that money is there, in answering the first question, for a grant to the Redwood Meadows organization, which would keep it with other grants of that sort. Within the deputy's budget there is a grant allocation section, and that primarily accounts for that one.

Mr. Chairman, just trying to briefly go through some of the questions -- and I obviously won't be able to deal with all of them in depth this evening. In not doing so, I would encourage any hon. members who feel that their questions have not been answered to ask me, and I'd be glad to personally talk to them about the concerns raised.

The Member for Edmonton-Beverly raised a series of them. Diversification, I recall, was one. I do hope that further moves involving the communities in diversification will take place through the municipal alternatives beyond 2000 project, which will, I hope, look at all dimensions of a community and involve my colleagues in terms of their projects and their projections for that purpose but should involve the communities as well.

The rural assessment policy. I appreciate the concerns raised. I assume the hon. member was referring to the rural assessment policy which the municipal districts and counties have been promoting and, in fact, have passed at conventions with an 80-plus percent rate of support for that particular policy. I know it doesn't answer all of the concerns that are out there, but I personally have endorsed it as being a proposal that would lead to more equity in terms of rural assessment and will equalize more fairly the system that exists there. Assessment is a complicated and difficult area. We won't ever solve all of the problems as-

sociated with it, but through that policy I think we can answer a good number that have been out there for a number of years. I guess that, as well, was a question alluded to by the Member for Edmonton-Gold Bar.

The Member for Edmonton-Beverly alluded to conditions on AMPLE grants. In fact, there aren't any and haven't been any conditions on AMPLE grants. They, too, are an unconditional grant. While we have asked that the municipalities look at their employment needs when they utilize these funds, in fact it is open to the municipality to use that in the best interests of their public, and there are municipalities in the province where employment itself isn't the primary consideration. There aren't many -- most of us have employment concerns -- but there are some of the smaller communities where that is not a direct concern, though ultimately all of the money expended will be likely to improve the employment situation for individuals.

Regarding the Member for Calgary-Forest Lawn on the same question, the AMPLE funding and the significance of it, I guess I would just underline that while \$57.5 million may not seem like a lot, in fact it's an over doubling of what was there last year. And I would emphasize that this is not the department that relates to employment. All departments try and work in concert and, in fact, encourage employment. This is just one of many programs which exist in Career Development and Employment and other departments to assist in that respect, and this is, as far as I know, one of the most generous in the country for that particular purpose. We believe municipalities will benefit greatly from it.

There were other questions regarding AMPLE. If I recall correctly, they related to the time frame that AMPLE is in place. We have committed to giving to the municipalities \$500 million through the AMPLE program. How fast that can be accelerated depends on the amount of money that's to be expended for debenture financing. So it's money realized as a result of lowering of interest rates over the past while. We expect that in fact there is some acceleration taking place. We are unable, and I guess will be until the program is finally paid out, to really assess in an accurate way what year it would end or how long it will take because we can't foresee precisely what the interest rates will be over the next few years. But we still anticipate -- it's a 7-, 8-year program, is our guess.

The payments for MLAs portion was alluded to in the budget. That increase primarily relates to the Municipal Statutes Review Committee and the exhaustive work that's necessary there, the great amount of time that is spent by the MLA who is on that particular committee, and I think money well spent in that respect.

Transition grant was indeed what the Member for Edmonton-Beverly alluded to. It was a grant with respect to the Edmonton annexation situation, which has ended, and consequently that isn't there any longer for that particular purpose. There may be some cases in the future where we'll be considering a similar circumstance, but at this point there is no new transition money out there.

There were comments made throughout the evening in terms of the housing dimension of Municipal Affairs. I'll draw my colleague's attention to those particular comments and questions and ask him to respond as he sees fit.

There were also a number of comments regarding transportation -- and for a while the minister of transportation was here -- with roadways and other aspects of transportation grants. I should clarify, just so that it's crystal clear, that while we're going to administer the transfer program, which has operating

grants in the transit side or the transportation side and in the policing side, those moneys will remain in the budgets of those particular ministers. We will bring them together in the cheque that we give out, but we will have no involvement in transportation programs from this department any more than we always do in terms of a consultation sense. That's true as well with policing it. So transportation remains the responsibility of that particular minister, as does policing. We're just using the votes which they would allocate for that purpose for this transfer grant program, to take the strings off the money given to municipalities.

Mr. Chairman, there's a series of other questions. There's one related to the land-related information system that was asked by the Member for Calgary-Mountain View. That's a more efficient computer system which is attempting to tie in all of the planning boards, and that has been on a pilot project basis. The Department of Forestry, Lands and Wildlife is in fact the pilot department in that respect, and there is an allocation in the estimate book for that particular department, which members may wish to discuss in discussion of those particular estimates. We hope that that will make much more efficient the whole system regarding regional planning commissions.

While we're on the topic of regional planning commissions, the issue was raised about the future of them, the importance of them. I share a belief in the importance of planning commissions and their need in the local communities and the areas that they serve. I believe as well that in Alberta, despite the difficult economic times in the last couple of years, we have funded them well and they have served us well, and we can plan to continue to do that. The amount of money that's reduced for them in this budget we expect will be made up through the equalization portion paid to planning commissions, and the budgets, therefore, will be roughly the same as they were last year. One has to take into context the workload of planning commissions over the period of the last number of years. Obviously, when Alberta was growing rapidly and progressing quickly, there was a great deal of pressure on those planning commissions. That lessened during the period where we did not have as much development, as much planning, and hopefully our resurging economy at the moment will give them more work, but not in the great leaps and bounds that they had some years ago.

Mr. Chairman, the Nose Hill park issue was raised by a couple of the members. I have been in discussions with the city of Calgary with respect to that particular issue. I believe they are proceeding at the moment with discussions and a study on the possible expropriation of parts of those lands. I might say that we would like to interfere as little as possible with local communities. We do hope that Calgary will proceed for the benefit of both the citizens and the landowners in the area as quickly as possible. I'm pleased to talk to them at any time in the future about how we may assist in that respect.

There was a question from the hon. Member for Edmonton-Meadowlark regarding the hamlet of Faust. I think he referred to it as a village but, in fact, a hamlet. To the best of my knowledge it has been getting a fair share of the contract dollars, but I would have to take that as notice in terms of any specifics. I'd be happy to review the situation and ensure that that's in fact the case. If the member would like me to get back to him in that respect I'd be pleased to do that.

Mr. Chairman, the Member for Highwood asked a number of questions, some of which I've dealt with to some degree now. The Municipal Statutes Review Committee and its time frame: we've hoped that it will be completed by about the end of '89.

We realize that it has a massive job, so it may take longer than that. In terms of topics, it will have a large range of topics related to most of the major items in all of our pieces of legislation and those items that are raised by municipalities in the development of their system.

Mr. Chairman, those are some of the questions. My greatest challenge in estimates is not answering the questions; it's reading my writing. But I will review *Hansard*, and as I mentioned once before, if members feel that their questions have not been answered, I'd be more than pleased to discuss them personally with them or to send them the information that they have asked for in this session.

With that, Mr. Chairman . . .

HON. MEMBERS: Question.

MR. CHAIRMAN: Ready for the question?

Agreed to:

1.0.1 -- Minister's Office	\$266,100
1.0.2 -- Deputy Minister's Office	\$471,340
1.0.3 -- Finance and Administrative Services	\$7,558,760
Total Vote 1 -- Departmental Support Services	\$8,296,200

2.1 -- Alberta Partnership Transfer Program	\$99,563,220
2.2 -- Municipal Debenture Interest Rebate Program	\$62,500,000
2.3 -- Alberta Municipal Partnership in Local Employment Program	\$57,500,000
2.4 -- Senior Citizen Accommodation Municipal Tax Grant	\$1,000,000
2.5 -- Transitional Financial Assistance	--
Total Vote 2 -- Financial Support for Municipal Programs	\$220,563,220

3.1 -- Program Support	\$611,285
3.2 -- Senior Citizen Renters Assistance	\$48,572,324
3.3 -- Property Owner Tax Rebate	\$69,587,975
Total Vote 3 -- Alberta Property Tax Reduction Plan - Rebates to Individuals	\$118,771,584

4.1 -- Grant to Alberta Planning Fund	\$5,813,789
4.2 -- Co-ordination and Administration of Community Planning	\$3,299,082
Total Vote 4 -- Support to Community Planning Services	\$9,112,871

5.1 -- Program Support	\$360,631
5.2 -- Administrative Assistance to Organized Municipalities	\$2,602,286
5.3 -- Improvement Districts and Native Services	\$11,813,950
5.4 -- Administration of Special Areas	\$486,545
5.5 -- Assessment Services	\$11,157,687
Total Vote 5 -- Administrative and Technical Support to Municipalities	\$26,421,099

Total Vote 6 -- Regulatory Boards	\$1,727,740
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7.1 -- Program Support	\$12,161,914
7.2 -- Financial Assistance for Housing	\$29,311,372
7.3 -- Alberta Heritage Fund Mortgage	

Interest Reduction Program	--
Total Vote 7 -- Research and Financial Assistance for Housing	\$41,473,286
8.1 -- Program Support	\$16,181,000
8.2 -- Subsidized Housing for Low-Income Albertans	\$83,900,000
8.3 -- Land Assembly and Development	\$3,400,000
8.4 -- Mortgage Lending and Subsidies	\$54,600,000
8.5 -- Market Rental Program	\$30,700,000
Total Vote 8 -- Housing and Mortgage Assistance for Albertans	\$188,781,000
Department total	\$615,147,000

MR. ANDERSON: Mr. Chairman, I move that the votes be reported.

[Motion carried]

#### Department of Technology, Research and Telecommunications

MR. CHAIRMAN: Hon. Government House Leader.

MR. YOUNG: Mr. Chairman, thank you for this opportunity to commence the estimates for Technology, Research and Telecommunications. In making some introductory comments this evening, I will be brief in the interests of the committee's time. I would like to begin, though, by indicating the tremendous commitment which the government has placed upon technology in terms of the assistance, the absolute requirement for the application of technology to some of our existing industries - notably the energy industry, forestry, and agriculture - to maintain those in a competitive position worldwide. To do that, Mr. Chairman and members, we are focusing in the areas of biotechnology, electronics and microelectronics, computing and software, new materials. Those are the primary areas. We do try to respond to requests, suggestions, and ingenuity that comes to us from other directions.

Mr. Chairman, in providing assistance to entrepreneurs, we make available some grants. We try to do so on the basis that the grants usually are matched in some measure, if not at least fifty-fifty, by the proponent, by the interest group in supporting some companies, as we have done through loan guarantees, guarantees to the financial institutions from which companies have been able to generate borrowing. We tend only to look at situations where the private sector has a substantial commitment of its own money, and hopefully a second private-sector group may also be involved in the event that there are management problems or other difficulties which are unforeseen.

Mr. Chairman, I could get into extensive discussion of the various institutes and centres which we have developed and are continuing to promote for the purpose of transferring technology, transferring between the university, researchers, and the private sector. I would name one: the Laser Institute. A second one is the Alberta Telecommunications Research Centre, which is the most successful, I think. In a short space of time it has managed to acquire a number of very substantial companies as sponsors and very quickly has involved graduate students in its work. Now, I am singling those two out; I don't want to overlook others. In the electronics area the Electronics Test Centre has performed a very valuable role in all of these. There is ex-

tensive literature available should members wish it.

Mr. Chairman, the estimates for the department also include provision for the Alberta Research Council, and you will notice, hon. members, that there is a significant increase, compared to the norm for our budgets this year, for the Alberta Research Council. The council has had some redirection in the last several years to focus on the development of the technologies, not abandoning coal research or oil and energy but rather expanding in other directions. The estimates also provide funding to the ACCESS Corporation, and I think you're all familiar with that corporation. I might mention to hon. members that I believe the downloading program, the program of supplying videotape programs to school staff who can record them at scheduled times off air for use in the classroom, has been a very efficient and very effective way of proceeding.

The area that has been of considerable interest to many members and is a responsibility of the department is the individual line service program. That program is substantially increased this year in terms of the budget allocation. I may also say that some of the funds, or a good portion of the funds, that we see this year will be to rebate the rental charges for those private lines which individuals put in and paid for over a period of time. Of course, the rental amounts are being rebated back to the announcement of the program, and a large chunk of that rebate occurs in this calendar year. The balance will be rebated at the point in time when the exchanges are converted to individual line service. The conversion program itself will proceed at a very high rate this year, and that, I'm sure, will please members, because at this point it has been slower getting started than was hoped. But at the same time, our switches that are necessary in many of the exchanges had to be ordered and brought in, and that is just in process at the present time.

Mr. Chairman, I've opened up a number of areas and would be happy to spend more time responding to comments from members for perhaps, at most, another 10 or 15 minutes this evening. If more time is required, we may find another occasion on a different day.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: That will be up, presumably, to the House leader. Are there any comments, questions, or amendments proposed to these votes? [interjections] Order please. The Chair will have to check.

Edmonton-Meadowlark, Ponoka-Rimbey. [interjection] There is a courtesy involved here, hon. member. Just a moment.

AN HON. MEMBER: He's absent.

MR. CHAIRMAN: Is he absent? Edmonton-Meadowlark, Ponoka-Rimbey, Vegreville, Calgary-Mountain View, Edmonton-Avonmore.

Hon. Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. I realize that it's late, but I feel that we must debate this department properly. This is an important area of government economic initiative, and it requires, I think, fair consideration, which it can in fact be given at 10:30 at night. Despite the late hour I will give this department the consideration that I feel it deserves, and I must admit that I am in no hurry to retire this evening, whereas we a r e . . .

MR. CHAIRMAN: Hon. member, perhaps you could come to the vote before the committee.

MR. MITCHELL: . . . aware, as we are, that the Liberals won in Manitoba.

AN HON. MEMBER: No, they did not.

MR. MITCHELL: No? Interesting night.

A number of points I would like to make. [interjections]

MR. CHAIRMAN: Order please.

MR. MITCHELL: They're a little edgy tonight; I know that.

Generally, I have a sense that there is direction lacking with respect to science and technology policy in this government. While I applaud the sentiment surrounding the establishment of the Technology, Research and Telecommunications department, I have been disappointed, particularly by this budget, in the fact that it articulates no clear direction for the area of science and technology policy for the government and for the people of Alberta. In fact, there seems to be in some senses not only lack of direction but conflicting direction.

I would like to refer the minister to the last year's initiatives in other departments to provide loan guarantees for major large corporations. If one analyzes those loan guarantees, we will see that a great deal of the support has gone to very low-technology industry. That is not necessarily in and of itself wrong or inappropriate or not something that will contribute to economic development, but it does emphasize the potential for this government losing sight of the importance of putting significant resources behind the development of technology and related industries in this province.

In addition, there appears to be confusion over the direction of the Alberta Research Council. Recently the government cut 70 positions from the Alberta Research Council in an effort to cut costs, and now we notice that the Alberta Research Council costs have increased. I believe that an increase may well be warranted under the Alberta Research Council. I would like to be convinced by the minister that some clear direction has been established for the Research Council, which would dispel the apparent confusion over cutting recently and then increasing now. I would be interested as well in knowing because I am concerned that there seems to be little apparent reflection in education policy in this province for initiatives that are related to science and technology.

Finally, I am not convinced that there are strong new initiatives for the department this year in this budget. I sense that this may be occurring because there seems to be as yet not a clearly articulated science policy for the government, a policy upon which the department could base initiatives for seeking out possible initiatives to develop technology, research, and products that would emanate from that technology and the research associated.

I am encouraged, I think, that the Planning and Co-ordination vote is up. Under normal circumstances one has to look at Planning and Co-ordination as a red light, particularly in times of restraint, when planning and co-ordination can be seen to be possibly not particularly focused on objectives and results. In light of the fact that there seems to be a vacuum in science policy, it may well be that this increase in Planning and Co-ordination will be directed at focusing on the development of a policy. And I would be interested in knowing whether that in



fact is the case and whether the minister is considering a policy paper that would be consistent with the social policy paper that was developed by the Department of Social Services. It seems to me that now is a time for a comprehensive science and technology policy for the province, a policy that would consider education policy, that would consider the relationship between the Economic Development and Trade department and the minister's department.

In the area of costs, administration services are down. That seems to be good. Corporate and Public Relations spending is down. It is, nevertheless, still significant, and I wonder whether the minister could itemize specifically what the money in this vote will be utilized for. Could the minister please indicate how many professional research staff have been replaced in the Alberta Research Council since the 70-person cut some years ago?

With respect to vote 2, I wonder whether the minister could provide an itemization of what each of the gross sums noted under all the vote 2 subvotes will be utilized for. For example, Telecommunications/Information Services, budgetary amount, \$902,150: could the minister please indicate how that money will be allocated and, more specifically, to what companies or to what research initiatives? Could he do that for each of the votes in which an expenditure is being budgeted?

Finally, could the minister please provide us with the results of previous investments to this point, results that will be accounted for in terms of products developed, the value of such products sold, and the proportion of those products sold that represent exports from the province to other places in Canada and exports outside of Canada?

Finally, could the minister please give us some indication of what the status is of the government's investment in General Systems Research?

Thanks, Mr. Chairman.

MR. CHAIRMAN: Hon. Member for Ponoka-Rimbey.

MR. JONSON: Yes, Mr. Chairman. I'd just like to pose four questions concerning the minister's estimates in this new and, I think, potentially very worthwhile and exciting department to be involved in.

The Department of Technology, Research and Telecommunications is responsible for the overall encouragement of economic growth regarding the development of technology in the province, and I would like to pose a question with respect to the relationship of this department to the work of the universities. We have a considerable amount of activity, a considerable amount of commitment, at the universities to research. I would like to ask the minister if there is a liaison system in place whereby the research work, the developments that are occurring at our universities are in fact being supported and transferred into actual application to the business and industry of this province. Certainly that is something that, in my view, has been lacking somewhat in the past, and I hope progress is being made in that respect. I wonder if the minister would in his remarks comment on that.

I also note, Mr. Chairman, that there was a technology transfer agreement arrived at some time ago with a large company called LSI Logic. We've been fortunate to have that company locate its headquarters here in the province of Alberta, and I wonder if the minister would inform the House as to what progress has been made with respect to the establishment of headquarters here and to what degree that corporation locating here is resulting in other related companies and activities being lo-

cated in Alberta. Also, I would like the minister to inform the House as to what the budget implications might be of our relationship with LSI Logic.

Thirdly, Mr. Chairman, we have the whole topic of telephones, which is very near and dear to the hearts of rural members, and I would like to commend the minister for the progress that is being made in terms of the extension of private line service across the province. I wonder if he could update the House as to where that program is at whether there are sufficient moneys in the current budget to bring that program on schedule. I'd like to comment that although this is an excellent program, it seems when you do something well to sometimes result in other demands and requests, some of which are very well founded.

One of the things I have found in my constituency is that there is still an unsatisfied demand for the opportunity for what might be referred to as toll free or flat rate calling in terms of long distance telephone calls. I appreciate that during the past year or so great progress is being made across the province in extending this service to many rural communities, but it seems that in the great scheme of things a number of communities have missed out on receiving the service they should have. I know there are dozens of such situations across the province. In my own constituency I have a large part of the Bashaw exchange, and they had the privilege of calling Mirror long distance. Mirror is not exactly their first preference, although they have nothing against the residents of Mirror. Consequently, I wonder if the minister could comment on any further work that might be possible in terms of extending better long distance service to some of these types of communities that are in this situation.

Finally, Mr. Chairman, a long-standing concern in the province has certainly been the disproportionate amount of federal research and development money that seems to flow to this province compared to other provinces. I would like to ask if the minister has anything to report in terms of the status of the overall amount of federal research and development money which is being attracted to the province and whether or not we are making progress in terms of restoring the imbalance which has, in my view, existed for some time in terms of the amount of money coming to this province to support this type of activity relative to other parts of Canada.

Mr. Chairman, in view of the hour, I would request leave to adjourn debate.

MR. CHAIRMAN: The minister has estimates before the House. Although any member may move adjournment generally it's the minister who has estimates before the committee. It's in the hands of the committee. Hon. Government House Leader?

MR. YOUNG: Well, Mr. Chairman, my preference would be to spend another approximately 10 minutes, in which time I could do a few responses, and there may be a couple of other members who would like to get into the debate. If that would be agreeable to the committee, that would be my preference right now.

MR. CHAIRMAN: The hon. Member for Ponoka-Rimbey put a motion. Perhaps the hon. member would care to rescind it.

MR. JONSON: Mr. Chairman, I will rescind my motion.

MR. CHAIRMAN: Hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I would like to make a few comments to the minister in regards to his budget estimates tonight, specifically regarding many aspects of telephone service in rural Alberta. As the minister knows, we've been very supportive of the individual line service program, and I'm encouraged to see that it's going ahead with a little more vigour this year. With the digital switches being put in place in a number of communities, the ILS program plowing schedule is moving ahead. We expect to see a number of communities in the Vegreville constituency hooked into the program at least by early next year, and that's encouraging.

I'm not sure whether the minister has told us whether or not the PLC-1 aspect of the program is going ahead as anticipated. It's my understanding that there has been some complication with the application of that particular device. I'd be interested in knowing what the current status of that proposal is, whether or not they will be provided to phone subscribers who wouldn't be hooked into the ILS program until, say, the years 1990, 1991, and whether or not the device would be provided at no cost to the subscriber or whether the cost would be paid by the subscriber and then deducted from the ILS program charge when it comes in.

I, too, have some concerns about the extended flat rate calling program. It's an excellent program that's given a number of smaller communities access to larger centres, but as the Member for Ponoka-Rimbey just pointed out, there are some communities that have for a variety of reasons been sort of left out of the program. I think the number of concerns that are brought to me as a rural MLA, and indeed all rural MLAs, about telephone exchange boundaries where people are really not on the right boundary in terms of their trading centre or their geographic location -- the problem is, as identified before by the minister and me in this House, that the boundaries are drawn in a way that doesn't make much sense. They're based on the old mutual exchange boundaries, and we're sort of stuck with them.

But an area that I think of in particular, the Andrew exchange: they don't have toll free access to any other exchange, and it's frustrating for people there because they would like to have some of the same opportunities that other people do. I know surveys have been done in the past, and it's been difficult to determine just where the people in the Andrew exchange would like to have toll free calling to if it was available. Some would like Vegreville; some would like Smoky Lake; some would like Chipman or St Michael. But it's made especially aggravating this year because the Chipman and St Michael exchanges will have toll free calling to Edmonton. So here are some people a mile into the Andrew exchange who have toll free access to nowhere, and their neighbours a mile away have access all the way into the city.

It's been a very good program. I'm anxious to see how we can extend that benefit to more people in more exchanges. As we've discussed in the past, it's my hope that the installation of the digital switches will give us the opportunity to rationalize the telephone exchange boundaries in the province, perhaps by giving people who live near the boundaries of these exchanges a one-time-only opportunity to have their telephone moved from one to the other to perhaps accommodate the problems experienced by those people who are affected.

But in particular I would like to ask the minister: after this current round of EFRC hookups is completed in 1988, when can we expect another initiative in this regard? For example, when could the people who live on the Andrew exchange have an opportunity to decide what exchanges they would like to be

hooked up onto? Because I think the pressure is growing from within that area, and certainly a lot of the people on that exchange in the Vegreville constituency would like to see that issue addressed.

The whole matter of an increasing inclination toward privatization of our telephone service is one that concerns me in the long term not only because ACT is a major and very important part of the Vegreville community, but because as an Albertan I'm very proud of our telephone service. I think we've got a service that is in many ways the envy -- we could maybe claim number one status somewhere with our telephone service. It's good service. We're at the leading edge of technology, and I think ACT has over the years provided good service at the same time as fulfilling a public mandate to provide service to all Albertans.

I would hate to see a partisan and very narrow political approach -- that is, the desire to put everything public into private hands -- just because it's a particular philosophy. I would hate to see that approach jeopardize the very good service that ACT provides. Because it's apparent to me that public enterprise in some degree has an important role to play, and that is not just in making bucks. The bottom line isn't always dollars. There are communities that need service, and ACT has been able to provide that to them. So I hope the government overcomes this confusing time that they seem to be in, where they're inclined to privatize for its own sake. That's a threat that people who work for AGT and other public corporations have to labour under. It doesn't give them much in the way of job security or a feeling of long-term commitment to making that company run as well as it possibly can, and I think that's probably a broader debate that the minister and I might be able to get into some other day.

But I do thank him and his department for the efforts he's made on behalf of individual constituents whose concerns I've brought to his attention and look forward at some time to answers to these and other questions.

MR. YOUNG: Mr. Chairman, perhaps I could respond to some of the issues that have been raised. Since the latter comments dealt with telephones, I'll deal with telephones. They were raised by both the hon. members for Ponoka-Rimbey and for Vegreville.

First of all, on the question of the individual line service program. Where is it at? It's at not quite 10,000 party line subscribers converted to this point. It is intended to be completed on schedule in 1991. That goal holds, and we believe that the experience with the start-up of the program and the budget allocation this year, if it can be maintained, should enable the goal to be reached.

There were several questions about the . . . Well, I should respond on the question dealing with the PLC-1 converter. It will be supplied to those areas that will be scheduled to receive conversion to individual line service last on the scale. There were some problems encountered in certain exchanges. It turned out when we got into a few exchanges that -- and it was a surprise to AGT as well as to the people who developed the converter -- there were permutations and combinations that no one knew about and that slowed the program down. Those technical problems, I'm advised, have been overcome, however, at this stage, so the program is on the road again. About 1,000 party line subscribers have been provided with the converter. To this point there is no cost to the subscriber for the converter. The home will be provided with jacks and the ordinary telephone service. The first cost to the subscriber will be at the

point where their exchange is converted to individual line service in the full sense of the word.

I might indicate that one component of the individual line service and PLC conversion this year will involve summer students. It is the intention of ACT to put some students into a brief training program; they believe that will be adequate. So it becomes a summer employment program for students.

With respect to the boundaries question, I could not hold out much hope of significant changes before the digital switches are in place generally in an area and probably right across the province before we'll be able to entertain very many boundary considerations. I am trying to develop a system that would look at the odd individual situation, but not on the massive scale that some hon. members have brought to my attention.

With respect to the extended flat rate question, the extended flat rate is, first of all, a program with cost: with cost to those people who ask for it and with cost to those people who are subscribers in the rest of the total system. It is a program as well that requires everybody in an exchange to be paying for the program even though they may not use the flat rate opportunity. In short, it is not subscriber sensitive. We are exploring with Alberta Government Telephones some variations to see if we can develop a proposal to go before the Public Utilities Board that would be more subscriber sensitive and might then remove some of the pressures to keep on extending from exchange to exchange.

The hon. Member for Ponoka-Rimbey raised a question about the disproportionate funding of federal government research to provinces other than Alberta. In short, Alberta was getting less federal government funding than its share would indicate. I would say to the hon. member that his observations are very astute. If it's any comfort, the federal minister in each of the last two federal/provincial meetings, when he has been challenged by the province of Ontario, to be specific, has pointed out to that province that the province that ought to be complaining is Alberta. He's been very forthright, acknowledged the difficulty, and I believe that because it has been acknowledged, the message is getting through to some of the staff.

The other side of that question is that we have been unable to complete a subagreement for technology; however, we have been able to complete, for instance, the arrangements to deal with the Centre for Frontier Engineering Research, the capital construction of that facility, and we are now working on a couple of other programs with them. So the problem is acknowledged.

With respect to liaison with the universities -- how do we arrange for a transfer of technology and inventions at the universities? The Department of Technology, Research and Telecommunications has assigned one person to work with the universities and with the colleges and some of the research institutes in government. The effect of that has been that there are now established at both of the major universities offices of technology transfer. In the last year an inventory of research ongoing and also completed that could be transferred has been completed. So we know what is there; we know what projects are ongoing; we have been able to create more interest among some of the staff in the work that they have done and in trying to get some of it transferred. So we're working on it from two ends, at both the universities, from their perspective. The University of Calgary is creating a company, as a matter of fact, to do just that: hopefully to make it a paying proposition for the university.

Questions were asked about LSI Logic, and I would confirm

that the Canadian headquarters for LSI Logic Canada is in Calgary, that within the last number of months LSI Logic has purchased Best computer systems and has brought a substantial part of that operation to Edmonton. It should commence assembling computers in Edmonton -- within the next month, I would think, they would be in a position to start doing that, if not already.

With respect to the other benefits of LSI Logic, they are, for instance, a major sponsor of the Alberta Telecommunications Research Centre; they were a sponsor of the Premier's forum on electronics back in October. So they have been carrying their weight and also being a lightning rod, if you will, to attract the attention of others to Alberta.

With respect to some questions asked by Edmonton-Meadowlark, I will deal very briefly with the debate concerning conflicting directions and his suggestion that the guarantees are made to low-tech as well as to high-tech companies. Well, in fact we're interested in broadening the economy. We're also interested in job creation, and with the difficulty we've had securing funding, we have obviously tried to keep a balance and support both kinds of initiatives.

The hon. member asked about General Systems Research. I can confirm for him this evening that General Systems Research has been effective and successful in being approved in the aeronautics industry by a number of large companies and, in fact, has now secured so much work that it has had to obtain some additional equipment and had to turn down some contracts in the last short time simply because it was unable to take on the work that was available to it. It also has been successful in the sense of producing the largest commercial laser in Canada, a very flexible laser, at a substantially reduced cost from the prevailing cost and has secured its first sales of that laser in the United States within the last six weeks.

With respect to corporate and public relations, I will subsequently have to provide some details on that.

Questions were asked about a breakdown in vote 2. I won't go into that in total this evening, but I could do so. The Alberta Microelectronic Centre, for instance, under vote 2 will be getting \$2.269 million in grants to operate that centre. The payments to LSI Logic for the transfer of technology will be \$3.990 million. The support to the Alberta Telecommunications Research Centre will be \$902,150. Those, Mr. Chairman, are an indication of the kind of grants available and the kind of use being made of those funds.

In view of the hour, Mr. Chairman, I would move that the committee rise and report progress.

MR. CHAIRMAN: Moved by the hon. Government House Leader that the committee rise and report progress and beg leave to sit again.

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. R. MOORE: Mr. Speaker, the Committee of Supply has had under consideration the following resolution and reports as follows.

Resolved that sums not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1989, for the department and purposes indicated.

Municipal Affairs: \$8,296,200 for Departmental Support Services, \$220,563,220 for Financial Support for Municipal

Programs, \$118,771,584 for Alberta Property Tax Reduction Plan -- Rebates to Individuals, \$9,112,871 for Support to Community Planning Services, \$26,421,099 for Administrative and Technical Support to Municipalities, \$1,727,740 for Regulatory Boards, \$41,473,286 for Research and Financial Assistance for Housing, \$188,781,000 for Housing and Mortgage Assistance for Albertans.

The Committee of Supply has had under consideration certain resolutions, reports progress thereon, and requests leave to sit again.

MR. DEPUTY SPEAKER: Having heard the report and the request for leave to sit again, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no. Carried.

[At 11:05 p.m. the House adjourned to Wednesday at 2:30 p.m.]