

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Thursday, May 26, 1988 2:30 p.m.**

Date: 88/05/26

(The House met at 2:30 p.m.)

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

We give thanks to God for the rich heritage of this province as found in our people.

We pray that native-born Albertans and those who have come from other places may continue to work together to preserve and enlarge the precious heritage called Alberta.

Amen.

head: PRESENTING PETITIONS

MR. SCHUMACHER: Mr. Speaker, I request leave to present the following petitions that have been received for private Bills: the petition of Donald Roy Deen for the Donald Roy Deen Compensation Act; the petition of Leo Cattleman, Simon Threefingers, Eddie Littlechild, Jim Omeasoo, and Maurice Wolfe for the Maskwachees Cultural College Act.

head: NOTICES OF MOTIONS

MR. SPEAKER: Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. Under the provisions of Standing Order 40 I rise to give notice that I intend to seek unanimous consent to deal with an emergency motion at the end of question period today, dealing with another fatality on 112th Avenue and the need to expand the Capilano freeway.

head: INTRODUCTION OF SPECIAL GUESTS

MR. ADAIR: Mr. Speaker, it's a distinct pleasure and an honour for me to introduce to you and through you to the members of this Legislature, 39 grade 6 students from the Glenmary school in Peace River, accompanied by two teachers and four parents. The teachers are Mrs. Hélène Bérubé, Mrs. Marie Woolsey; the parents are Mrs. Marianne Schell, Mr. Don Kennedy, Mr. Laurent Boucher, and Mr. Albert Roy. I would ask them to stand and receive the warm welcome of this Assembly.

MRS. OSTERMAN: Mr. Speaker, it is indeed a privilege for me today to introduce a group of constituents from the heart of the Three Hills constituency. They are from the Kneehill Christian school, which is just outside of Linden. They are a group of grades 8 and 9 students accompanied by their teacher Miss Terri Miller, parents Mr. and Mrs. Ray Klassen and Mr. and Mrs. Bob Loewen. It is the first visit to this Legislature by this group. I'm very pleased to have them here today. I'd like them to rise and receive the warm welcome of the Assembly.

MR. ISLEY: Mr. Speaker, it's my pleasure today for the second

day in a row to introduce to you and through you to the members of the Assembly, a group of grade 6 students from Alberta's number one constituency. There are 61 grade 6 students from the Grand Centre junior high school. They are accompanied today by teachers Sheila Jerram, Chris Holoboff, teachers' aid Tom Tucker, parents Mr. Kozlow and Mrs. Lefebvre. They are seated in the public gallery, and I'd ask them to stand and receive the welcome of the Assembly.

MR. CAMPBELL: Mr. Speaker, today I am pleased to have the opportunity to introduce to you and through you, a former Member of the Legislative Assembly Dr. Winston Backus, who is seated in your gallery. Dr. Backus was first elected as the Member for Grande Prairie in the general election in 1971 and again in 1975. Upon his election in 1971 he was appointed Minister of Public Works and held that portfolio until 1975. Dr. Backus is joined today by his wife, Myrtle, and his guests Dr. and Mrs. Brodie, who are visiting from England. I now ask that they rise and receive the warm welcome of the House.

head: ORAL QUESTION PERIOD**Free Trade**

MR. MARTIN: Mr. Speaker, to the Premier. Finally, yesterday the Premier appeared for the first time to take seriously the concerns that the Mulroney trade deal may involve serious federal incursion into Alberta's resource jurisdiction. He certainly took great pains to make a distinction between the trade deal, which he has supported, and the enabling legislation, which he didn't seem to be sure about. I say to the Premier this is a distinction without a difference. The Mulroney government always said it would guarantee provincial compliance, and the Americans have demanded it. However, for the record, to the Premier. Will the Premier advise what mechanism the Alberta government has proposed to the feds to guarantee Alberta compliance with this deal?

MR. GETTY: Mr. Speaker, there has never been any guarantees in the way the hon. member has placed his question.

MR. MARTIN: Well, Mr. Speaker, to the Premier. The point I'm trying to make is that the final text of the Mulroney trade agreement has been available since last December, and article 103 of that agreement stated clearly that "state, provincial and local governments" must comply with the agreement. We've raised this in the Legislature several times. My question to the Premier. In view of the fact that the Premier now seems unsure of his position, will he explain to this Assembly what in heck they've been consulting about for the last two and a half years if it wasn't consulting about how this will affect provincial powers?

MR. GETTY: Mr. Speaker, there's been no confusion in the government's point of view, and that is that we have raised the need for a free trade agreement with the largest market in the world; that's the United States. Then we have worked with the other Premiers and the Prime Minister to see that that becomes a reality. The free trade agreement itself does not in any way intrude on provincial jurisdiction. As I said yesterday, and I would say it again to the hon. members, the implementing legislation may well have some implications that way, and we are having it assessed.

MR. MARTIN: Mr. Speaker, this is unbelievable: blind faith for the Mulroney government. Surely everybody was aware that this would affect provincial powers, I guess with the exception of this Premier. But it's clear from the federal government that they believe they have the right to pass this agreement under federal treaty-making powers, and they make it clear that this extends into provincial jurisdiction. My question to the Premier. How is it that this Premier is only waking up to the reality of this position two and a half years into the process? Are there none so blind as those who will not see?

MR. GETTY: I'm not so sure whether there are two or three questions there, Mr. Speaker. But let me say this. Again, I repeat: the trade agreement does not impinge on provincial jurisdiction, and the opportunity that it presents to the people of Alberta is so significant that we are looking at the federal implementing legislation to see whether we can live with it in any event, because the trade agreement is so positive for our province.

MR. MARTIN: Mr. Speaker, it seems it's so significant that we're willing to give up provincial powers. That's what it comes down to. The federal government can get out of this with six months' notice. My question to the Premier. Has the Premier determined from his national party leader in Ottawa what option is available to a gullible provincial Premier who finds this agreement is not working to the advantage of a particular province? Now, of course, I'm not mentioning any names here.

MR. GETTY: Mr. Speaker, most Albertans know how significant and beneficial this trade agreement is to our province, and they also know that the Liberals and the NDP do not support it. That's clear in Alberta. That is why when we made this an issue in a by-election, there was overwhelming support for it. That is why, Mr. Speaker, when you travel throughout this province and you speak to Albertans -- small businesses, farmers, ranchers -- they're all looking forward to the opportunity for the ability to expand their markets, to get assured markets in the United States. We are going to continue to support the free trade agreement. It provides an incredible opportunity for the businesses and farmers and ranchers of Alberta. It provides a whole new economic base on which to expand in the future.

MR. SPEAKER: Thank you.
Supplementary, Edmonton-Meadowlark.

MR. MITCHELL: Mr. Speaker, to the Premier. The Premier made much of the commitment of the federal government to consulting with provincial governments during the negotiation of the free trade agreement. Could the Premier please inform the Legislature whether his government was consulted by the federal government during the period of time over which they drafted this federal free trade enabling legislation? If so, what was the province's input? If not, why not?

MR. SPEAKER: Thank you. Just the first question, instead of two.

MR. GETTY: Mr. Speaker, I thought the Member for Edmonton-Meadowlark would know that the minister responsible for trade, Mr. Crosbie, was in the province recently, and that was one of his responsibilities.

MR. SPEAKER: Thank you.

Second main question, Leader of the Opposition.

MR. MARTIN: Yes, Mr. Speaker, the Premier sold out Alberta.

But I'll designate my second question to the Member for Edmonton-Highlands.

Bill 10 Closure Motion

MS BARRETT: Mr. Speaker, in previous weeks but especially yesterday the Conservative government in the Assembly proved its callous disregard for the parliamentary process first by creating Bill 10, a slush fund Act, and now by telling the Assembly that it's going to limit debate on that Bill tonight by imposing closure.

AN HON. MEMBER: Question.

MS BARRETT: That was only one sentence.

My question to the Premier is this: if the Premier condones it -- and I'm not sure he does -- will he explain why he's condoning this heavy-handed government action to deny full opportunity for all three readings of this contentious Bill?

MR. GETTY: Mr. Speaker, we're getting very close to debate on this matter. I'd only say that it's in the rules of the Legislature. They've been placed there by the Legislature. The members of the Legislature put this in the rules, and to say that using it is some strange or terrible thing -- it just isn't so. I mean, that's why it's there. Frankly, having heard and read and studied the input on the third reading, not one new idea coming up at all and obviously an attempt to just delay things, I think the hon. House leader was actually making a good recommendation to the House.

MS BARRETT: Mr. Speaker, I remind the Premier that I myself made a very good recommendation which his government defeated.

My second question to the Premier, then, is: does he acknowledge that there's obviously something fundamentally wrong with this slush fund Bill if the only way they can get it through -- the only way you can get it through -- is by imposing closure?

MR. GETTY: Well, Mr. Speaker, again that leads me to debate. No, I don't believe there's anything wrong with the Bill. I think the weakness is in the head of the hon. member.

MR. SPEAKER: Order for half a moment hon. members. The Chair is very concerned about this under *Beauchesne* 359(12). This is debate for later in the day, and it's scheduled for this evening with respect to the Standing Order 21 as well with regard to third reading. So great care in crafting the next question.

MS BARRETT: Mr. Speaker, I'd just point out t h a t . . .

MR. SPEAKER: It's not necessarily a matter for question period.

MS BARRETT: Yeah.

. . . the motion for closure is not debatable. I'd have been pleased to take it up tonight.

MR. SPEAKER: That's Standing Orders.

MS BARRETT: My next supplementary to the Premier, then, is: seeing as how he's referred to the Standing Orders over which this current Assembly has had no authority to change, will he now commit his government to bringing back those Standing Orders first -- that is, tonight -- for revision, to take the closure clause right out of them? Why doesn't he do that?

MR. GETTY: The answer to that is no, Mr. Speaker.

MR. MARTIN: They don't believe in democracy.

MS BARRETT: That's right.

Final supplementary to the Premier, who clearly likes to erode democracy at every chance he can get. In invoking closure, I ask the Premier to answer one question then, just one, Mr. Premier. What is this government afraid of? Why are you doing this?

MR. GETTY: As I've already said, Mr. Speaker, the government isn't afraid of anything with regard to this legislation. This legislation follows a recommendation from the Auditor General. This legislation has been before the House. It's gone through two readings; it's gone through committee study. It has now taken a considerable amount of time to go through the process of third reading, and I believe all members have had an opportunity to express their point of view. Now we have other important matters to deal with.

MR. SPEAKER: Thank you.

Westlock-Sturgeon, main question or supplementary?

MR. TAYLOR: Supplementary, Mr. Speaker. In view of the closure motion on this particular evening, could the Premier share with the House if he is working to any particular deadline in the next while, and therefore does he expect to use closure to get other Bills through to meet this particular deadline he has in his own mind?

MR. GETTY: If the hon. member means the length of the Legislature's sitting, I have no particular deadline; I'm here anyway. So, Mr. Speaker, I think it will be up to the members of the House. We'll be here as long as it takes.

MR. SPEAKER: Westlock-Sturgeon, main question.

Weather Modification Program

MR. TAYLOR: Thank you, Mr. Speaker. This is further to my questions yesterday. I've been able to determine that the letter we were talking about is in fact two letters from the Alberta Weather Modification Co-op to the Premier there, and copies to the ministers of Agriculture, both dated May 16. One was signed by Harold Howe, the chairman of the co-op, and the other by Jim Bishop, the research director of the co-op. My question to the Premier is: in view that he has one of the largest staffs known to any Premier in Canada, has he now been able to locate and read the letter?

MR. GETTY: Mr. Speaker, the hon. member has just again described the letter, and he's talking about it going to two ministers of Agriculture. Now, that's a change from what he told us

yesterday. Frankly, no; my staff has been looking for the letter and has not been able to find it.

MR. TAYLOR: Thank you, Mr. Speaker. Maybe he should use closure on his staff.

MR. SPEAKER: Supplementary question, hon. member.

MR. TAYLOR: Then, Mr. Speaker, is the Premier aware that the counties of Wheatland, Mountain View, Rocky View, and Kneehill have also thrown their weight behind the Weather Modification Co-op's request to reactivate the program?

MRS. CRIPPS: Mr. Speaker, m a y b e . . .

MR. MARTIN: You upstaged the Premier.

MRS. CRIPPS: Well, I happen to know that they have not contacted the Premier because I was just talking to one of the representatives of one of those counties before I came into the Legislature. So that's why I interjected.

Mr. Speaker, I do not have a copy. In fact, my staff searched for the letter that the member referred to. The last letter we have from anyone in that weather modification group is dated April 16, and they talk about \$400,000, and that certainly is not the 40 million acres that the member was talking about yesterday. But don't let's mix up the problem with facts. I did indeed talk to the people from the counties of Rocky View, Kneehill, Starland, Mountain View, and one more just before I came into the Legislature. They had a meeting yesterday, and they would like to meet with me, and I've agreed to do that.

MR. SPEAKER: Supplementary.

MR. TAYLOR: Thank you, Mr. Speaker. Mixing up dollars and acres here, I guess, is the associate minister.

Then, Mr. Speaker, since apparently the hon. Member for Olds-Didsbury has assured the people in this co-op of his support, would the Premier allow himself to be briefed by that hon. member on the validity and the value of the weather modification program in this area?

MR. GETTY: Mr. Speaker, I'm always willing to listen to MLAs anywhere in the House.

MR. TAYLOR: I hope the hon. member will exploit that opportunity.

MR. SPEAKER: Final supplementary.

MR. TAYLOR: Final supplementary, Mr. Speaker. Would the Premier also, then, meet with the director in the Alberta Research Council that's in charge of weather modification to see whether now, even at this late date, they will be able to reactivate and put on the the weather modification program, that was so lamentably canceled by the exuberant associate minister last year?

MR. GETTY: Well, Mr. Speaker, it would certainly take more investigation to decide whether that's necessary. Frankly, the hon. member in mixing up his questions today and going over the *Hansard* yesterday has made it almost impossible to respond on the issue because it's such a confused line of questioning that

he's followed. I would think that if he wanted to really get to the right kind of question, he should in fact ask a direct question so that we can give him a direct answer.

MR. SPEAKER: Thank you.
Vermilion-Viking.

DR. WEST: Yes. To the Associate Minister of Agriculture. If the weather modification system is such a guaranteed, absolute, proven fact, as insinuated by the Member for Westlock-Sturgeon, could the minister indicate if she is standing in the way of any private-sector firm going forward to those 20 million acres of cropland and asking them for a fee to put on such a magnificent program? A dollar an acre would put \$20 million up front, which would more than adequately allow . . .

MR. SPEAKER: Thank you, hon. member. We're not into the debate, please.

MRS. CRIPPS: Mr. Speaker, in response to the first part of the member's question, rain augmentation isn't proven. We've done some research on it, definitely, and there are arguments on both sides of the issue whether or not it is effective. There's absolutely nothing standing in the way of private citizens' joining together. In fact, years ago there was a co-op in southern Alberta just north of Calgary which did do some ground generation to augment rain. I've had ongoing discussions with one of the representatives of that group, and I've said on a number of occasions that if the farmers in the area and the municipalities in the area get together and come forward in a unified voice with a unified proposal, I'll certainly take a look at it and ask the government to take a look at it.

Regional Economic Development

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier. Recent statistics of the federal government show that central Canada is still receiving a disproportionate share of federal spending. In 1986, for example, 76 percent of the \$8.7 billion spent by the federal Department of Supply and Services went to companies located in central Canada, while 11.8 percent went to western firms, even though we've got 30 percent of the population. In the aerospace industry Quebec firms were awarded 40 percent; Ontario, 31 percent; and in Alberta, we're getting less than 2 percent. Even in light of that the leader of the Parti Quebecois considers the treatment of their province shabby. My question to the Premier is: if this is shabby, what is the treatment that Alberta is getting called?

MR. GETTY: Mr. Speaker, this is something the hon. member and I have discussed before and also in preparation for the Western Premiers' Conference. I'd draw his attention to the fact that it was the subject of a communiqué from that conference.

MR. R. SPEAKER: Mr. Speaker, supplementary to the Premier. Other than the figures that I've quoted here to the Premier, could the Premier indicate whether the trend that has been there for some time in Canada -- our share versus the share of central Canada -- is reversing itself or is improving so that we are getting a better share here in Alberta?

MR. GETTY: Obviously, Mr. Speaker, it takes a variety of statistics to come to a conclusion, depending on whether you con-

sider Crown corporations, federal government, just the public service, not Crown corporations, whether you include Air Canada, for instance. There are a variety of ways in which those figures can be distorted. But basically I think the key thing is that we are not getting the amount of federal procurement on an actual basis to equate with the percent of population in western Canada.

MR. R. SPEAKER: Final supplementary, Mr. Speaker, to the Premier. The federal government is considering Alberta versus Quebec or Quebec versus Alberta as the site for a new \$50 million hydrogen energy research authority. Could the Premier indicate the chances of Alberta getting that and what steps are being taken possibly to assure Alberta being the recipient of that authority?

MR. GETTY: Mr. Speaker, the government has been looking at the potential for that being located within our province. The chances? I wouldn't want to speculate.

MR. TAYLOR: Mr. Speaker, a short one to the Premier. In view of this equalization of opportunity in the west and the east and in view of the federal government's declaration that they're going to try to privatize Air Canada and Petro-Canada, has this government taken any precautions to inform the federal government that we want to make sure that any privatization, the opportunity to participate, will be shared equally in the west and the east and that it will not all end up with the eastern brokers?

MR. GETTY: I think, Mr. Speaker, that the hon. member is referring to the potential for Canadians to purchase interests, presumably common share ownership. It's my understanding that that would be spread in a manner that all Canadians have equal opportunity.

MR. SPEAKER: Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. Has the Premier considered that the rather ridiculous claim that we've got a \$15 billion heritage trust fund has stood in the way of the federal government seriously recognizing the need that Alberta has now that our economy has gone down the drain?

MR. SPEAKER: That question really has precious little to do with the main question.

The Chair recognizes Cardston, followed by Calgary-Forest Lawn.

Rural Telephone Service

MR. ADY: Thank you, Mr. Speaker. My question is to the Minister of Technology, Research and Telecommunications, and it has to do with the rural individual line service. Could the minister tell us if the individual line service is on schedule and what percent of the program will be completed this year?

MR. YOUNG: Mr. Speaker, I can advise the Legislature that slightly over 4,000 customers on party lines were converted to individual lines during the month of April. That means that so far this year in excess of 10,000 conversions have been completed. With respect to being on schedule, my information is that the program is now into a good flow -- a high gear, if you will -- and that we should be able to maintain the schedule.

MR. ADY: Thank you. Supplementary, Could the minister tell us if the new digital switching equipment being installed in the exchanges will allow subscribers to transfer to adjacent exchanges, which many of them would like to do, upon the completion of that?

MR. YOUNG: Mr. Speaker, the provision of digital switching equipment in the various exchanges, once all of the exchanges in a given region have that kind of equipment, would make it technically possible for customers to shift from one exchange to another. However, I think that before one engages in that process, there will need to be some kind of examination given to make sure that there is fairness with respect to any shift in cost that might occur. But I would say to all hon. members that I believe it will be possible to do it once the digital equipment is installed. That won't occur across the province, I would think, before 1991.

MR. ADY: Thank you. Could the minister tell us if any of the so-called Trison instruments, which is an instrument to allow privacy in the interim period, have been installed and if they're working well and to the satisfaction of the users?

MR. YOUNG: Mr. Speaker, about a thousand of those Trison instruments have been installed. Some difficulties were encountered in some exchanges. It turned out that some of the switching equipment had been around so long that the permutations and combinations hadn't been fully appreciated even by the experts in the area. However, those problems have been overcome, and I'm pleased to say that beginning next week -- summer students have been trained to do the wiring that's necessary for houses, because they have to be rewired for the standard telephones -- there will be a major program commence using summer students. I would expect that within six weeks there will be at least 10,000 of those instruments in operation in the province.

MR. SPEAKER: Final, Cardston, followed by Athabasca-Lac La Biche.

MR. ADY: Thank you, Mr. Speaker. Could the minister please advise if there are plans to extend the distance for extended flat rate calling from the present 40-mile limit?

MR. YOUNG: No, Mr. Speaker, currently there are no plans to extend the distance for the extended flat rate calling program. There are, in fact, many routes that are currently possible under the existing distances. There are, however, considerations under way which may become part of the rate application currently before the Public Utilities Board. At least, phase 2 will shortly commence. Through that application there may be some adjustments provided that are sensitive to the individual subscribers' needs rather than a whole exchange's requirements.

MR. PIQUETTE: I'm sorry to hear that the toll-free area of 40 miles is not going to be changed. But has the minister reconsidered the possibility of allowing individuals in rural Alberta who wish to retain their party line to have that option, as opposed to making it mandatory to have everybody on the private line?

MR. YOUNG: Mr. Speaker, the ability to retain the multiparty service has been considered and reconsidered. There are, as it

turns out, significant economies in the total program. Over 75 percent of the cost of individual line service is being paid not by the subscribers through the telephone system or individually but through the Heritage Savings Trust Fund and the general revenues. In the light of that major contribution from public taxpayers it is considered that we must take advantage of the savings that are possible. Therefore, as is often the case with any provision of utility, we are providing a basic utility service which would be a standard of individual line service as it is developed throughout the various exchanges.

MR. MITCHELL: In reconsidering the extended flat rate calling program under this new technology, will the minister be giving some thought to meeting Mirror, Alberta's request that they receive extended flat rate calling privileges to Red Deer?

MR. YOUNG: Mr. Speaker, the extended flat rate calling is construed by some to be a free service. It is not a free service, not to the exchanges which receive it and not to the recipient exchange; that is, in Mirror's case not to Red Deer residents either. So what our objective is is to try to identify a way of reducing the costs for subscribers who are making what I will refer to as local long distance calls, not major distances but the kind of distance of Mirror to Red Deer, to find a way of reducing the long distance toll by a particular plan that the individual subscriber may adopt for a small fee. That would mean that those people who want to phone from Mirror to Red Deer, for instance, in that Mirror exchange could subscribe to such a program, and those who did not want to have that connection wouldn't have to be involved in paying for it. I think our goal of being a subscriber-sensitive system may be possible to be achieved. We're trying.

MR. SPEAKER: Calgary-Forest Lawn, followed by Edmonton-Meadowlark.

Nurses' Refresher Training

MR. PASHAK: Mr. Speaker, in April of this year the Department of Advanced Education canceled its special subsidy for nurses requiring refresher training to re-enter the work force. This has resulted in an escalation of costs. For example, at the Calgary Foothills hospital costs per student have gone up from \$463 to \$1,103, more than double. To the Minister of Advanced Education. Why has his department decided to discriminate against individuals attempting to further their education and who are so urgently needed by our health care system?

MR. RUSSELL: Well, Mr. Speaker, there is no discrimination there. For the last two years the four schools of nursing have received exactly the same decrease or, in this year, increase in their operating budgets as have all the other institutions: minus 3 percent last year and plus 1.5 percent this year. In addition to that, I should say that the tuition for the schools of nursing is the lowest of all the postsecondary institutions.

MR. PASHAK: Mr. Speaker, I'm talking about a special group of students: nurses seeking refresher training. And how can he justify his claim that there's no discrimination when these people, who are basically women, are required to pay the full costs of their tuition and other Albertans are not so required?

MR. RUSSELL: Well, Mr. Speaker, the refresher course to

which the hon. member refers is that. It was initiated a few years ago in association and agreement with the profession to bring back into the profession those people who had left it but might be attracted back because of the higher wages and the shortage of nurses at that time in Alberta. These nurses had previously received their basic education at public expense primarily, the way other students in the postsecondary system do. So there's no discrimination at all.

MR. PASHAK: Well, Mr. Speaker, to the Minister of Hospitals and Medical Care. Has this minister approved the action of his colleague, which will double the cost of re-entering the profession, especially at a time when staff morale in hospitals is low as a result of a series of misunderstandings?

MR. M. MOORE: Sony, Mr. Speaker. Could the member repeat the question please?

MR. PASHAK: Well, I was just wondering if the minister was informed of his colleague's action and whether he approved of the fact that he's now requiring these nurses who are seeking retraining to pay double what it formerly cost them to get that retraining.

MR. M. MOORE: Mr. Speaker, I'm not aware that it was. I'll take the question as notice, however, and discuss it with him.

MR. PASHAK: Well, perhaps to the Premier, then, Mr. Speaker. He's set up a hearing to look at morale problems in the health profession. How can he justify this tuition fee increase, then, which can't help but lower morale in the profession?

MR. GETTY: Mr. Speaker, there certainly wasn't a commission set up to look at morale. I guess the hon. member is referring to the Hyndman commission on future health care for Albertans, and this may well be something they will want to comment on. Other than that I think the hon. Minister of Advanced Education answered the member's questions very clearly.

I would say this about the hon. Minister of Advanced Education, Mr. Speaker. If he continues to argue that Calgary has the best hockey team in Alberta, we'll hit him in the other eye.

MR. SPEAKER: Calgary-Buffalo, to the defence of the Flames.

MR. CHUMIR: To my MLA Mr. Stevie Wonder there, the Minister of Advanced Education. I wonder if the minister could advise why he would impose a 3 percent limit on tuition fee increases for other students and allow what's in the range of 200 to 300 percent for nurses returning to further their education. Why this discrimination between students?

MR. RUSSELL: Bop, bop, bop, boom.[laughter]

Mr. Speaker, there is no discrimination, but I believe there is some misunderstanding. Nurses or engineers or whatever have all received their basic education, which allows them to go out into the work force, primarily at public expense, whether it's in Alberta or in some other province. Now, in the case of nursing, the nurses who had been in the profession for a few years had left it and allowed their registration and their qualifications to lapse. There were courses made available so that those women -- primarily women -- could come back into the work force if they so chose after taking those refresher courses. So it was a

great opportunity for those people to upgrade skills and qualifications which they had allowed to lapse, and I'm puzzled by the use of the word "discrimination" when those refresher courses are compared to people getting their basic postsecondary training for the first time.

MR. SPEAKER: Edmonton-Meadowlark, followed by Edmonton-Belmont, followed by Olds-Didsbury.

Free Trade (continued)

MR. MITCHELL: Thank you, Mr. Speaker. The federal free trade implementation legislation makes no bones about it; it will usurp provincial powers in areas of provincial jurisdiction. You don't have to be a lawyer to figure that out, and you don't have to wait for the Attorney General to rule on it for you. Here's the trade-off: U. S. support for free trade or provincial rights. To the Premier. Is it not the case that the federal government needs to usurp provincial powers for one reason alone: the U.S. will not endorse this free trade agreement unless there is unanimous provincial support or, better yet, unless the federal government has sufficient powers so that provincial disagreement at any time, in any way, does not matter at all?

MR. GETTY: No, Mr. Speaker.

MR. MITCHELL: Since the Premier has indicated earlier today that he met with Mr. Crosbie to discuss the federal free trade implementation legislation and since that legislation has still come out usurping provincial powers, is the Premier willing to confirm to this Legislature that his government has already agreed to the direction of that legislation, which clearly usurps provincial powers?

MR. GETTY: No, Mr. Speaker.

MR. MITCHELL: To the Premier, one question which we need one very clear answer on. In light of the fact that the U.S. government needs to know that there will be no provincial disagreement on this legislation, one question: when push comes to shove, which will be the Premier's priority, which will be the more important, free trade or provincial rights?

MR. GETTY: Mr. Speaker, there isn't that kind of a trade-off involved.

MR. MITCHELL: There certainly is.

Given that the Premier is awaiting the Attorney General's ruling or analysis of this legislation, will the Premier please make a commitment at this time, a promise to this Legislature that that analysis will be tabled in this Legislature and that this Legislature will have the opportunity to discuss its implications for the future of provincial rights in this province and in this country?

MR. GETTY: First of all, Mr. Speaker, I've not asked for the Attorney General to rule; we are obtaining legal opinions from the law officers of the Crown. They're very important legal opinions. The hon. member seems to have come to his conclusion; however, we're waiting to do it on a more reasoned basis. I have not asked for a fast decision; I've asked for a good one. We are waiting now to have the results of that provided.

As far as talking about provincial rights, Mr. Speaker, it's really ironic to have a member of the Liberal Party, who along with the NDP completely agreed to and supported the national energy program, that ran roughshod over provincial rights, and to now have them . . . [interjections]

MR. SPEAKER: Thank you.

The Chair recognizes the Member for Edmonton-Norwood.

MR. MARTIN: Mr. Speaker, I'm glad the Premier is being so thorough. Everybody else has read it and is commenting on it. A number of Premiers have said that this is intruding into provincial rights. My question to the Premier: when is he going to get around to making a statement on this fundamental issue to Alberta?

MR. GETTY: Mr. Speaker, the hon. member hasn't been listening. I just dealt with that matter with the Member for Edmonton-Meadowlark; that is, that we are getting the information from the law officers of the Crown, and when we have that, we will make a statement on it.

I must say that the legislation is not proceeding. It is now sitting on the House of Commons Order Paper, and we will be able to have input to it. The key consideration here is whether or not the very, very valuable free trade agreement can be put in place in a way that helps our province so dramatically and at the same time so that we do not have a problem with an override of any provincial rights. There's nothing terribly complicated about that. That's what we're working at.

MR. FOX: What's your horoscope say?

MR. SPEAKER: Thank you. Member for Edmonton-Belmont speaking of stars.

Community Schools

MR. SIGURDSON: No, I'll keep it on this plateau, Mr. Speaker, thank you.

Last Friday the Minister of Education, in response to a question by the Leader of the Opposition, said a number of nice things about schools that are quite correct: that not all community schools are in the inner city, that some schools do not receive community funding and they still do some neat things too, that the government may look at corporate donations for school funding. But not once was the question that the Leader of the Opposition posed answered, Mr. Speaker. So directly to the Minister of Education. Has the Department of Education commissioned any study that would examine the effects on inner-city neighbourhoods of the 50 percent cut to community schools?

MRS. BETKOWSKI: Not specifically that I'm aware of, Mr. Speaker.

MR. SIGURDSON: Well, Mr. Speaker, will the minister commission such a study?

MRS. BETKOWSKI: Mr. Speaker, we are looking at community schools and the program they fulfill. If there is a more precise mandate which those schools should fulfill: that is exactly the question that I have put before the Community Education Association of Alberta. Certainly if members of the opposition

would like to make suggestions as to how they feel the dollars for community schools might better be spent in this province, I would welcome those suggestions.

MR. SPEAKER: Supplementary.

MR. SIGURDSON: Thank you, Mr. Speaker. Given that some inner-city schools face closure, which directly affects the lives of inner-city residents, has the department considered a pilot project to assess the potential for a multi-use facility, thus allowing the facility to stay open?

MRS. BETKOWSKI: Mr. Speaker, I apologize to the Assembly; I do not fully understand the question. Certainly there are problems -- and I said this last Friday -- that inner-city schools face which some other schools don't face. There are also problems that schools in rural Alberta face which some inner-city schools don't face. The opposition is very keen on a pat answer for a problem, but I believe the problem is more complex, and I would welcome their input.

MR. SIGURDSON: Well, I don't believe that there is a pat answer, Mr. Speaker, but I am curious to know as to whether or not the minister is truly unable to pry away from cabinet colleagues a measly .00035 percent of the total budget so that we can adequately fund community schools and restore them to their previous level of funding.

MRS. BETKOWSKI: Mr. Speaker, my first priority, as I have said in this Legislature and throughout the province on many occasions, is the students in our school system. And that is our government's first priority as part of our overall first priority being education.

Community school funding is extraordinary funding which is given to about 66 schools in this province out of a total of 1,600. Those community schools get an additional approximately \$37,000 to supplement the program that they are able to give by traditional sources of funding. The decision which we had to make last year with respect to funding was one to benefit all of the students in Alberta as best as possible. The increase in the community school budget this year of 2 percent brings the total to close to \$3 million. I believe there may well be better ways to spend the money, as some of the ways that were outlined in the Anne Harvey report. And I believe that with important input from many groups across the province we may well find better ways of spending those dollars in order that a lot of other people in this province can have the benefit of some of those dollars.

MR. SPEAKER: Calgary-Buffalo, supplementary.

MR. CHUMIR: Thank you, Mr. Speaker. Last Friday the minister could give no examples whatsoever of current programs to help inner-city or lower income schools. I am wondering whether she could tell us whether the government is going to do anything at all to help these inner-city and lower income schools, since you cut the only program they did have, the educational opportunity program, totally last year.

MRS. BETKOWSKI: No. Mr. Speaker, the Member for Calgary-Buffalo is wrong when he says that the educational opportunity fund was only going to inner-city schools. In fact, it was going other places, as I've indicated. In fact examples I have given for some of the very difficult problems being faced

by some inner-city as well as other people in this province -- such as the native education project dealing with a specific learning need that is often encountered in the inner-city area by native kids. We are always looking at ways to enhance learning opportunities for young students. Again, yes, I am looking at them, and I would welcome any input from the hon. Member for Calgary-Buffalo.

MR. JONSON: Mr. Speaker, a supplementary question. Would the minister indicate if she is aware of any other jurisdiction, any other province in Canada, which has a program of financial support similar to the community schools program, even at its current level of dollars?

MRS. BETKOWSKI: To the best of my knowledge, Mr. Speaker, Alberta is again a leader, as we are in so many other areas with respect to education and education opportunities. I'm aware of no other province that has a community school funding program.

MR. SPEAKER: The time for question period has expired. A Standing Order 40 request, Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. I did send around copies of the motion that I wish to ask members to endorse un-
animously for consideration. I'd like to read it into the record. It says:

Be it resolved that the Legislative Assembly urge the government, in consultation with the city of Edmonton, to take whatever steps are necessary to complete the northern extension of the Capilano freeway in Edmonton as quickly as can possibly be achieved and thus reduce traffic volumes on 112th Avenue, thereby greatly reducing the chances of any more tragic accidents occurring there.

I can speak briefly to the urgency of the issue, Mr. Speaker. It is as follows. Last year the people in the Highlands district of Edmonton became acutely aware that the traffic in fact was increasing in that district, not decreasing as had been anticipated with the construction of the Yellowhead freeway that also goes through the city from east to west or west to east. It became apparent to them that getting the Capilano Drive extension of the Capilano freeway back on track was the only solution to getting the heavy traffic -- and it is heavy -- off of 112th Avenue, which is mainly at that point a very residential district never designed to accommodate the sort of traffic it is currently attempting to accommodate. Now . . .

MR. SHABEN: Mr. Speaker, I believe the hon. member is debating the motion rather than allowing the question to be put as to whether or not the motion should be debated.

MR. SPEAKER: The comments are indeed to be to urgency, yes.

MS BARRETT: Yes, I was just telling the history to point out why it's urgent that we deal with it now, Mr. Speaker.

The project itself had been put on hold for some time, Mr. Speaker. I was at a community meeting last night -- a lot of people were there -- of the Highlands Community League. It appears to people that if someone doesn't take the nudge, mainly someone with the money -- that is, the Alberta govern-

ment -- they're not going to be able to get that project on track for another 10 years. For the last year and a half, as I say, there have been many accidents on 112th Avenue, in the area, but especially between 60th and 67th streets. The people in that community, I believe, have a right to get a commitment from the Assembly soon. They're to the point where they're keeping their kids in the backyard. They feel like they can't move at all. The traffic is really burdensome. The one partner in this endeavour that really does have the clout and the money would be the Alberta government.

That is the nature of the urgent request to consider this motion, Mr. Speaker.

MR. SPEAKER: The request has been made with respect to Standing Order 40, comments with regard to urgency. All those in favour of granting unanimous consent, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed?

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion fails under Standing Order 40.

ORDERS OF THE DAY

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?

Transportation and Utilities, please.

head: INTRODUCTION OF SPECIAL GUESTS (reversion)

MR. ADAIR: Thanks very much, Mr. Speaker. It's again my pleasure to introduce to you and through you to the members of this Assembly, 62 students from the McGrath school grade 6 class in Peace River, accompanied by three teachers and 10 parents. The teachers are Mr. Packer, Mr. Johnson, and Mrs. Watson. The parents are Dr. Root, Mr. Russell, Mrs. McIlroy, Mrs. Fortier, Mr. Darr, Mrs. Ball, Mrs. Dupuy, Mrs. Hartwick, Mrs. Randall, and Mr. Shudra. I would ask them to stand and receive the warm welcome of this Assembly.

MR. SPEAKER: Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. I'm honoured this afternoon to introduce to you and through you to the members of the Assembly, 10 students from a grade 8 class of St. Brendan school in the Edmonton-Gold Bar constituency. They're accompanied by their teacher Gino Marrell. They're in the public gallery, and I'd ask them to stand and receive the welcome of the Legislative Assembly.

head: WRITTEN QUESTIONS

MR. YOUNG: Mr. Speaker, I would move that written questions 193 and 195 stand and retain their position on the Order Paper.

[Motion carried]

185. Mr. Mitchell asked the government the following question:

What studies has the government undertaken regarding the socioeconomic characteristics of those Albertans working for the minimum wage, and could the government please profile those Albertans according to:

- (1) age,
- (2) marital status,
- (3) family size,
- (4) average length of time employed at minimum wage, and
- (5) percentage who are sole or principal earner in their family?

DR. REID: Mr. Speaker, I'd like to file the answer to question 185.

189. Mr. R. Speaker asked the government the following question:

- (1) What were the total costs incurred by the Alberta Health Facilities Review Committee in 1987, including all amounts paid to members of the committee, all expenses incurred by the committee, and any salaries and expenses of individuals hired by the committee;
- (2) what were the costs of preparation of the 1987 annual report of the committee and the breakdown of the total costs by payee?

MR. M. MOORE: Mr. Speaker, I'd like to file the answer to question 189.

head: **MOTIONS FOR RETURNS**

MR. YOUNG: Mr. Speaker, I would move that Motion for a Return 190 stand and retain its place on the Order Paper.

[Motion carried]

184. Mr. R. Speaker moved that an order of the Assembly do issue for a return showing all documents used to support the statement in the government's report Caring & Responsibility: A Statement of Social Policy for Alberta, on page 17, paragraph 4, to the effect that the overall trend indicates a decline in rural population, but some areas have stable populations while others are experiencing growth.

[Motion carried]

192. Mr. Chumir moved that an order of the Assembly do issue for a return showing copies of all documents pertaining to the loan guarantee agreement of \$800,000 made on May 6, 1988, between the government of Alberta and Canadian Professional Munitions Ltd.

MR. SHABEN: Mr. Speaker, the government of Alberta has over the years provided assistance to a number of companies, and we expect that will continue from time to time. When that assistance is provided, we provide the members of the general public, including the members of the Assembly, with much information on the nature of that assistance and the type of company and the kind of operation that it's involved in. But we have also made it a practice to not provide to the Assembly

commercially confidential agreements, though we describe the nature of the support.

In the particular case of the motion for a return being asked today, Canadian Professional Munitions is an Alberta based company in Raymond, Alberta, and the government has agreed to provide an \$800,000 loan guarantee. The company's principal owners are Albertans. It is involved in the manufacture and production of small-arms ammunition and has recently been selected as a recipient of a contract by the RCMP, who had tendered for small-arms ammunition. This small Alberta company was successful. They needed some assistance from the province in order to do the necessary testing to bring their facilities up to standard in order to qualify to fill that very important contract. There are no manufacturers of small police weapons ammunition that we're aware of in western Canada. The only other competitor is in central Canada. Also, it has been a policy of the government to decentralize and strengthen the economy in smaller communities, and where an opportunity presents itself to assist a business in a small community and create employment, it's an area we will respond to far more readily in those areas where it's more difficult to attract industry.

[Mr. Deputy Speaker in the Chair]

The potential market for manufacturing small-arms ammunition for police forces in North America is approximately \$2 billion annually, and we believe it's an important recognition of the opportunities for a small company in a small community which was not able to obtain the kind of bank financing necessary. The initial employment in the company is 20 people, and we expect it will grow to 40 to 50 people over a matter of months and has the potential by 1990, when it's in full production, to possibly have direct and indirect employment totaling 400 people.

I regret that as a policy we're not able to file with the Assembly the confidential contracts we've entered into that cover the guarantee, but it's important that members of the Assembly are aware of the nature of the company, the kind of business it's involved in, and its importance to the Alberta economy.

MR. R. SPEAKER: Mr. Speaker, I'd like to speak to the principle that's been enunciated by the hon. minister and the policy position this government has taken for many years, since 1971, with regards to this kind of thing and also the disclosure where direct loans are given to some operations. We've discussed those earlier in this Legislature. I have felt and still feel very strongly that any time public funds are used to, in this case, guarantee a loan or are directly given through some type of agreement to any kind of organization or individual in this province, then we as legislators or anybody else in the general public should know what that agreement is.

Now, the way the minister has described this matter here that's before us, we're talking about a loan guarantee agreement of \$800,000. What would be said in that agreement is what the \$800,000 would be used for by the company, I would assume; what they would be allocating it to in terms of their capital or their operating function as a company. It would not disclose all the books and all the details of action of the company. I wouldn't think that would be part of the agreement. That would be an addendum or addition thereto. It would be the collateral. If we have to pick up the loan on default, what is actually ours in terms of the capital facility? Or can we claim it on the personal signatures of some of the partners of the company? It would be

that kind of thing. I feel that if they want to participate with the government in either guarantee or loans, then we should be able to find out about that. I see nothing wrong with that. That should be part of their responsibility, to say to government, "If you're going to do this for us, then you have the right to disclose it" I think it should be just like the backside of a lottery ticket. If a person wins the lottery, immediately when you win it, the lottery foundation has the right to disclose that you've won. They can put your picture in all the ads they want. You've lost that individual right of being anonymous.

So, Mr. Speaker, I really think the government should rethink what they're going to do. Let's say the government changes or this goes on as policy for some period of time, because we've established precedents since 1971, another government does it -- somewhere along the line someone is going to be doing things behind the scenes that are not for the public good, I think just for the protection of government the protection of the citizens' dollars that are involved in these kinds of enterprises, although they may have the spin-off benefit of diversifying, of enhancing the economy, creating employment -- all good objectives, and I think this is an excellent company that is going to do a good job -- I really think it's the responsibility of government to say to the company, "If you want that then the trade-off is public disclosure," It should be there. I really would recommend to the government to rethink what they're doing. I know the minister can't change his mind on this issue here, but I think the caucus of the government should rethink the position they've taken on this matter for so long. It's a bad precedent as I see it.

MR. WRIGHT: Mr. Speaker, I'm afraid this isn't the first time this sort of thing has come before us, and I'm afraid it's not going to be the last time. There were a few times it came before us.

I couldn't agree more with the Member for Little Bow, who's just spoken, and what he has spoken of. I well remember when the present government came to power in 1971. It was so largely on the theme of open government and it was claimed the previous administration had become secretive. Well, they were a lot less secretive than this present administration is now. At first there were some spasms of openness, but the state of affairs now is that when there are commitments of hundreds of thousands or millions of dollars of public money, it is held secret from the Legislature. I can't see how hon. members on the government side can really think that is carrying out their commitment to open government. Just give a single valid reason why it is. It just is not, Mr. Speaker. It bewilders me how they can sleep nights when they make a promise to have open government and then do things like this. It's shameful, and I ask all hon. members to search their consciences. If they really can square with their consciences the idea that documents that commit the expenditure of many hundreds of thousands or millions of dollars of public money can be kept secret then I suppose they can vote against this motion, but not otherwise.

MR, DEPUTY SPEAKER: Hon. Member for Edmonton-Meadowlark.

MR, MITCHELL: Thank you, Mr. Speaker, I would like to make the point that loan guarantees, although representing at the outset a contingent or hypothetical or potential liability of the government can and will result in the direct expenditure of public funds to cover those loan guarantees in some proportion of

the total amount of loan guarantees allocated, approved by this government to the private sector. It is fundamental to the process of the Legislature that the expenditure of public funds, such as this will inevitably result in, should be reviewed by the Legislature. Each step of the way it is impossible for this Legislature to review the structure of loan guarantees.

We have questioned the Auditor General, who cannot afford us information on what policy guidelines the government utilizes, upon which they would approve loan guarantees. We cannot find information on how loan guarantees are co-ordinated amongst and between departments. We cannot find information on what criteria have been established by this government under which personal guarantees of the owners of the companies involved are required or are not required. We cannot find out whether this government has done any analysis to determine what is the relationship between the total amount of loan guarantees approved and the amount of loan guarantees that, in fact become liability to this government. It is not acceptable within the process of the Legislature's ability and responsibility to approve government expenditures or, in this case, potential government expenditures. It is not acceptable that we cannot get this information,

I therefore support very, very strongly the position taken by my colleague from Little Bow, and I urge this government to reassess the manner in which it approaches this loan guarantee and all loan guarantees, both in the approval process -- making certain that that process is open -- and secondly, in the process of providing detailed information to this Legislature and to the people of Alberta so that each and every one of these initiatives, these loan guarantees, can be properly assessed from an objective point of view to determine that that money is being spent in the right way, that those commitments are being made in the best interests of all Albertans,

MR, DEPUTY SPEAKER: The hon. Member for Edmonton-Kingsway.

MR, McEACHERN: Thank you, Mr. Speaker, I rise to support Motion 192, The Assembly should issue a return showing the copies of all documents pertaining to loan guarantee agreements. When we're talking about all documents pertaining to the loan guarantees, we're not talking about peripheral stuff; we're talking about what is germane to the particular agreement. The minister refers to some confidential commercial investments or something. Then he uses the term "a confidential contract," this guarantee. Is he really telling this Assembly that he went to that company and said, "We will give you this money, and keep it secret"? Not really. He went so far as to say, "We're going to release some of it and brag a little bit that we are doing this wonderful thing." He stood up just a few minutes ago and told us that it was a good deal and a good idea and it would create employment And no one's disputing those things.

But what I really wonder, Mr. Speaker: the Premier stood up the other day and said, "Well, you know, you couldn't release that information, because after all, it might harm the companies." So I guess they have released enough information that is supposedly good for the company, but they're keeping back something that would harm the company. And I don't really believe that That's what they seem to be implying by their policy and by what the Premier said the other day, but I don't really believe that what they're holding back would somehow harm the company if it were given out.

What I suspect is that if they did it with all loan guarantees --

and I'm not saying this one particularly -- there would be some terms of the contract that people in this Assembly and the people of Alberta would not like or would not really agree with. That can be the only reason they would hold back some information, otherwise they are keeping us in the dark for nothing. So I suggest a government should not make contracts with companies that are against the public interest or that the public would not be in favour of generally. And there's only one way we can find that out, and that is if they are honest enough and open enough, as they promised to be when they came to power, to tell us exactly what is going on. So they should release the contract, the basic terms of the contract.

Exactly what is the loan guarantee? That is all we're asking. We're not asking for the various negotiations that went into it and some of the supporting evidence and so on around it, but just what is really on the line for the taxpayers of Alberta? What is it that this House should know about that contract that they don't want to tell us? They say that, you know, it's a good deal. If it's a good deal, then don't only just tell us that little bit that goes out into the press release and lets them brag about what a good job they're doing and how they're creating employment and how they're bringing in industry to the west that was never there before.

Mr. Speaker, the government should live up to a few basic principles that were enunciated very effectively by the Member for Little Bow. When a company makes a contract with a government, then the people, who are the ones that have the money on the line, should know what the terms are. There is no reason for any secrecy whatsoever. If a company knows they're making a contract with the government instead of with a commercial bank, then they should expect as a citizen of this province, and most of them probably do, that that information would be public information. Yet somehow this government thinks: "Oh, gosh, we'd better not tell people. They might find out something that we wouldn't want them to know." It isn't the companies that wouldn't want us to know, it's the government, and for some reason they seem to think they have the right to wheel and deal with the taxpayers' dollars and large amounts of money and not tell us what's going on, not tell us the terms under which we are committing the taxpayers' dollars. Mr. Speaker, that is certainly not acceptable. I object very strongly. The minister should really reconsider releasing this information, not just in this particular case but in all cases.

This government and all the backbenchers in it should be ashamed of the fact that they voted down Bill 201 that we put forward for freedom of information. One of their own great stalwarts, Ged Baldwin from the Peace River country, fought for years and years and years for the right for people to know what's going on with the tax dollars of this province. One of your own members stood up in this House and said one of the reasons politicians have a reputation something lower than that of a used car salesman is that we do not tell the people what we're doing with their dollars, and he's right. It's this government and this government's policy that is at fault. So I would ask the Minister of Economic Development and Trade to reconsider and set a precedent.

The funny thing is that sometimes they do release the documents. It isn't that they always do or they always don't. It's when they don't that you start to think there's something wrong and something being hidden that they don't want to release. I'll just say one more time that it isn't the companies that don't want them to release the information. I'll bet you there isn't 5 percent, there's isn't 1 percent of the companies they do busi-

ness with that would object to having the terms of the contract made public. After all, you do release the sort of top figures and sort of skate over what's going on, give us the main points. So what is it you're hiding that you don't want people to know? I'm sure it isn't the companies that object. I'm sure it's this government because they don't always act in the best interests of the people of Alberta. So in order to protect the right to do deals that aren't always in the best interests of the taxpayers of Alberta, they then say, "Okay, you can't have this either." So they cloud the issue by not releasing the documents quite often. Yet at times they do release the documents. So I wish they would be consistent and release all documents. After all, it's the taxpayers' dollars that are on the line, and they have the right to know what those dollars are buying or not buying and how many of them are at stake.

MR. DEPUTY SPEAKER: Hon. Member for Cardston.

MR. ADY: Thank you, Mr. Speaker. I'd just like to enter this debate for a moment on Motion 192 -- because this company in question, of course, is in the Cardston constituency -- and give a little background of how this evolved, why the decision was made to grant the backing financially, and some of the reasons why the government has chosen to not disclose all the details.

First of all, this company came to southern Alberta about two years ago and entered into a small business to feel the market and take time to do a market study of what was available out there. They saw an opportunity to open a business where there was one supplier in Canada and, because of that, much of the police ammunition in Canada was being imported from the United States. This was an opportunity for Alberta to capture an industry that could go into a rural community and supply some industrial base that certainly we have a hard time capturing in rural Alberta. They prepared a well-done business plan and went through all the process of applying to the government. I suppose one of the reasons they were not able to get regular conventional financing is because there was no history on such an industry in Canada. There was no one for the conventional lending institutions to go to and say, "Ammunition manufacturers have this level of profit, that level of profit." We just have only one, a long-established one located in Quebec, I believe.

Well, if we talk about this loan guarantee not being in the best interests of Albertans, I'd like to take the hon. Member for Edmonton-Kingsway down to my constituency, lead him around, and see if they feel it's not in the best interests of Albertans, because they have a great expectation of what this company will be able to do for them.

But to get back to the issue of the motion, I can assure you that the government would not enter into a contract they would be ashamed of. That's not the issue. The reasons, as I understand them, for not putting forth information which they consider to be confidential is that it's their practice to do what they're going to do for a company and stand back and allow them to function as a company should in a free enterprise system. That company -- and we'll use conjecture here for a moment -- may have to go out into the financial field now and raise additional funding to do what they may want to do over the next several years. They have to enter into contracts with potential suppliers. They have to enter into negotiations with potential customers. Also, this allows them to run their business without having to have all of their business out in front to run it like you and I might like to run a business. We go and put our best foot

forward, we negotiate, we try and run a business to turn a profit, and that's what this company is intent on doing.

Personally, I support the fact that the government has gone public and said the amount of the loan. I'm sure they've taken whatever security is available to them and they're protected on it, and I support the position the government has taken on this transaction.

Thank you.

MR. DEPUTY SPEAKER: Hon. Member for Edmonton-Avonmore.

MS LAING: Thank you, Mr. Speaker. I'd like to speak in support of this motion. I think we hear too often in this Assembly the government's unwillingness to answer our questions. Too often we hear them say, "Trust us." Too often we hear them hide behind the smoke screen of confidentiality. I would question why on earth a company seeking contracts would find that its source of funding is something that would mitigate against their getting contracts or getting further funding. So what is the hon. member saying? Is the problem with people knowing that government funding may be a source of funding for a particular company when they're seeking to do business in the business world? If this is truly a free enterprise system, one would wonder why the government is, in fact, guaranteeing money to the private sector. It sounds more like corporate welfare to me.

I think what we have to be looking at is the nature of contracts, what kinds of industries are being supported. Are people in this province wanting to be supporting these kinds of industries? That's why we want to know where this money is going and to what. Is it in fact that Albertans want to have their economy brought into munitions manufacturing? Couldn't we be putting money into supporting industries that are more life supporting? Certainly we know that the U.S. has the highest murder rate in the world, and part of it is because they have an armed citizenry. In developing a munitions industry in this province, are we supporting that kind of change in our own society, which is a much less violent society? In addition, when we see the increase in this manufacturing, will it move towards military munitions building, and do Albertans want . . .

MR. DEPUTY SPEAKER: Excuse me, hon. member. Frankly, the hon. member is getting off the motion for a return. It's to do with the government of Alberta providing information in response to loan guarantees.

MS LAING: With all due respect, Mr. Speaker, I think the people of Alberta have a right to know what kinds of industries are being supported and that this is part of the reason we want this information, so it can be brought into the public realm for debate. So again I would say, where is this industry going? We have a right to know those kinds of questions. Certainly I hear from many Albertans that they don't want us involved in militarization of this country. Is that where this company is going? What is going on?

SOME HON. MEMBERS: Oh.

MS LAING: The hon. members say "Oh." Why, if they have nothing to hide, will they not show it to us? Why do you not bring forward the contracts if you have nothing to hide? That's why things are hidden, because people have shame or fear of bringing it into the public realm. So I say if you have nothing to

hide, then bring it forward.

MR. DEPUTY SPEAKER: Hon. leader of the Liberal Party.

MR. TAYLOR: Thank you, Mr. Speaker. I just want to touch on three points fairly briefly in support of my colleagues on this side of the House who have been asking that the government put forward the information on the guarantees.

I'm looking through some old news releases and statements by the hon. Member for Lesser Slave Lake, and he said himself back on March 10 in an interview that they were going to try to phase these out, that it was a sort of emergency measure, Mr. Speaker. So that is one of the arguments: that when something is not in the normal course of business, certainly one of the reasons you could argue this should be made public is that these are exceptions, they are extraordinary procedures used to get a corporation under way, like the hon. Member for Cardston mentioned. It seems to me that anything extraordinary, unusual, and out of normal should be made public. Certainly to argue that the company may not want it released -- I wonder whether the company would. Because you can bet your bottom dollar, Mr. Speaker, that if a company can get a loan with the same interest or less interest than from the government or get a guarantee from somebody else besides the government, they would. Nobody likes dealing particularly with the government. Consequently, it seems to me very easy for the government to make it, as the hon. Member for Little Bow said, a condition that when you take money or guarantees from the government, it's going to be like on the back of a lottery ticket; it becomes part of public business. There's nothing wrong with that.

The second part, Mr. Speaker, is that the hon. minister would like to give the impression that these are sort of airy-fairy things like that old Irish folk song, "It may be for years, and it may be for ever," but you would never have to make an account for it. Well, I think the hon. Member for Cardston probably is quite well aware that he was one of the ones that pushed quite strongly for a \$4 million bailout for the Pincher Creek fertilizer plant, which I understand now is in orbit someplace. There was a huge explosion down there a couple of weeks ago, and I would gather that the government is likely going to be called on for any loans or guarantees. In other words, I'd be very interested in hearing . . . But that's another matter entirely, I know. What I'm saying is that a large loan can suddenly disappear, and a munitions plant all the more so. We could be picking that up with a strainer in the next month or 60 days somewhere around the world out in the stratosphere, and here the hon. minister gives the idea: "Well, it was sort of like betting on something as solid as the Liberal Party. It will be around another hundred years from now, so don't worry about it." Well, there's a very, very clear hazard that this thing could be called very, very quickly.

Lastly, Mr. Speaker -- and none of the members who have spoken against this motion before have touched on this -- I think there's something unique about a munitions plant, I would be very interested in knowing, because after all, if you go back to the dawn of explosives, one of the most nefarious connections that creeps in from time to time is between government and munitions manufacturers, I would be very interested in, for instance, whether the hon. minister has put in his guarantee any sort of restriction that the Alberta government won't be embarrassed finding out down the road that we have financed munitions to Nicaragua or to Central America or off somewhere else. Munitions is not exactly -- it can be a nice clean game if

all you're going to do is use the manufacture to go out and shoot gophers and other varmints that are eating farm crops. But if you're going out there to let daylight through some human beings around the rest of this country . . . Munitions have a tendency to do that. They have a tendency to be bought and resold and resold again. And here's the Alberta government putting its name on backing a munitions company. I'd be very interested in knowing if at least one of the guarantees was that we had a right to see who they were selling it to and if there were any chance of any of that resale going into more unpleasant hands, we could call the guarantee. Those are very important matters.

I think the hon. Member for Lesser Slave Lake could be getting us in way over our heads, not only in the question of money but in the question of reputation and conduct and the whole question of the ethics of backing a munitions corporation that may or may not be selling their death-dealing activity around the world to some people that we don't like.

MR. DEPUTY SPEAKER: Hon. Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Thank you, Mr. Speaker. I also rise to support the motion. I am deeply shocked again to hear the minister of economic development saying he will not release documents pertaining to the loan guarantee agreement of \$800,000 made on May 6, 1988, between the government and Canadian Professional Munitions Ltd. When we hear statements from members of the government that because these companies are having to do battle in the free market enterprise system is a reason why we cannot make public documents pertaining to the kind of guarantees the government and the companies negotiate is really an unbelievable kind of conclusion. These companies, if they are really involved in the free market system, should not need government guarantees and loan guarantees or giveaways or grants. As soon as you do business with the government, that should be a policy of this government, not something we have to battle every single time these issues come up in the Legislature. It should be government policy, indicated to all businesses that come to government inquiring about loan guarantees or support for economic expansion or development or beginning a new small business, that this information or these agreements are public documents. Because right away, when a company is coming to government, they are not following the free market system of doing business. They are actually trying to get an unfair advantage, or perhaps not an unfair advantage but an advantage other companies may not necessarily have.

For example, if we take a look at Alberta Newsprint: a \$200 million loan guarantee. Again, the government denied the request from the Official Opposition to produce the loan guarantee agreement. Still to this day we do not even know the particular owners of that company, about what kind of guarantee is behind Alberta Newsprint. It's a phantom type of company as far as public documents show. We have committed large sums of government moneys not only to Canadian Professional Munitions Ltd., again without any public documentation of ownership and the type of guarantees it will take, and in a recent case, a \$200 million loan guarantee to the Alberta Newsprint Company. This is just appalling. For the government to hide behind a veil of secrecy and confidentiality is not supported by the average Albertan. I wonder if the government has tested the public of Alberta to see if they agree with their policy of entering into agreements with the private sector without releasing any type of public documents which protect the Alberta taxpayers from per-

haps some hoodlums that are defrauding the public. We do not know. How can we judge whether the government is doing its proper job, or even the members opposite, the government members? If the minister of economic development makes an agreement with a company, I know the backbenchers here have no more idea of what kind of guarantee he's arranged with his department than we have on the opposition side.

I think what we're asking for here is accountability to all members of the House, not just to the Official Opposition. Because we know very well that if the powers of a minister are not put in check -- and making sure he's accountable to all members of the House -- we can very easily have friends of the minister or people who have undue influence on a minister who can get unfair advantage in the marketplace by negotiating deals and loan guarantees and grants and giveaways without anyone else knowing the whereabouts or the possibility of that venture even being remotely successful. So we are, as members here, really taking to account the accountability of the ministers of the government that needs to be accountable to the backbenchers of the government and through the Official Opposition and, more importantly, to the public at large: we, the taxpayers of Alberta, who are putting out our loan guarantees based on no public information whatsoever.

For the government to try to pretend that they cannot release these documents, agreements made with the private sector, because these companies don't want to have their names and officials' names released is a lot of hogwash. It's not supportable by anyone in public that you can talk about. I've mentioned this to a number of people, a lot of them Conservatives, and they don't agree with that policy of the government whatsoever. So you represent only a very narrow self-interest when you fail to release these public documents that are requested by the Official Opposition. If I were a backbencher, I would be fighting tooth and nail to make sure that my ministers are accountable to me as a backbencher. We don't have this whatsoever in this government of Alberta.

MR. OLDRING: Kind of like that Anglophone minority you referred to?

MR. DEPUTY SPEAKER: Order please.

MR. PIQUETTE: I think the member opposite has been hoodwinked a number of times, and he doesn't even know about it. What we're saying here is that his own minister could be playing little [inaudible] on anyone in Alberta, not simply the members of the opposition, because we represent all Albertans, on both sides of the House. The whole thing about democracy is the whole practice of accountability and making sure that any type of public money, whether it be Bill 10, the lottery funds, or loan guarantees, or whatever -- anytime public money is at issue, it needs to be publicly accountable to the taxpayers and to the members who represent the taxpayers.

So I ask the minister of economic development to start taking the smoke screen from in front of his eyes and finally develop some policies here which will finally make some sense of public accountability in terms of its dealings with private companies.

MR. DEPUTY SPEAKER: Hon. Member for Edmonton-Highlands.

MS BARRETT: Mr. Speaker, thank you. I'd like to add my voice to those who are calling for support of this motion such

that the government is ordered to issue a return showing the information pertinent to the loan guarantee to the tune of \$800,000 which has been made between the government of Alberta and Canadian Professional Munitions Ltd.

The reason I think it's important to have this information is because the armaments industry itself is known to be a world sourcing industry that calls upon a number of sectors outside of its direct sphere of economic activity in order to sponsor what will ultimately be the creation of munitions or armaments. I think it's very important that taxpayers understand that their money may be at risk to support an industry which may be directly or indirectly sponsoring the development of the means of destruction, of which I suspect there are already too many. I have it from last summer's agreement signed between Mr. Gorbachev and Mr. Reagan that they, too, believe that far too much building of armaments has gone on in the world, and they have agreed to reduce the intermediate-range weapons.

Now, I don't know what Canadian Professional Munitions Ltd. is up to, but I know one thing. As somebody who pays around \$4,000 or \$5,000 a year just to the province of Alberta in terms of taxes - and that's aside from all sorts of fees and user taxes that I pay -- I don't want my money going to any company that is going to be promoting the further development of the means of destruction. I guess my mentor over the years, Tommy Douglas, used to say all the time: "Good heavens. If we've got the money to build armaments and destroy the world, surely we should have the money to fix the world instead and fix the problems of the world: mainly hunger, illiteracy, and health care problems." That's where my principles stand. That's where the principles of the New Democrats stand, Mr. Speaker.

I must say I was amused, however, by the comments from the Liberal members of the Alberta Legislature in arguing from their perspective why it's important to have this information, because as I recall, it was the Trudeau Liberals, in fact, who gave permission for the American cruise missile to be tested in Canada and it was the Alberta government that gave . . .

MR. DEPUTY SPEAKER: Hon. member, the Chair really hesitates to interrupt because the hon. member is most eloquent. Unfortunately, it's really not related to the subject under discussion. Would the hon. member come back as to reasons why the government should respond to Motion for a Return 192.

MS BARRETT: You're absolutely right, Mr. Speaker. I thought I would entertain the members of the Assembly for a moment.

My point, however, is that I stand on a very principled position and from within a very principled party on the issue of arms production, Mr. Speaker. There's one political party in Canada that doesn't change its mind when it's out of government compared to when it's in government, like the Trudeau Liberals did.

MR. TAYLOR: It doesn't have one to change.

MS BARRETT: Well, not for long, Mr. Member.

My point was that there are a lot of people, as you know, who are related to various religious organizations that are by conscience peace activists, that refuse to participate in the destruction of other human beings in war. They, too, want to know where their money is going when it's being lent out in this fashion

I could speak in principle about the notion of loan

guarantees, Mr. Speaker, but I've done that before. I believe that where loan guarantees are warranted, perhaps equity finance is equally warranted. I suspect the government, in this instance, wouldn't want to come forward with equity financing for the means of destruction. I share the view of my colleague the Member for Edmonton-Avonmore that whenever information is withheld, it is withheld for a reason, and that in this instance the ulterior motive is to prevent us from knowing in what way this particular company is involved with the creation of armaments or munitions that will be used in war endeavours. On that basis I would oppose any such loan guarantee, I can assure you, Mr. Speaker, but for now one can only speculate. One is forced to speculate, in fact, because the government won't come forward with the information as requested.

So I stand with my colleagues in the New Democrat opposition in, first of all, stating categorically that no public funding should ever go into the armaments industry, and secondly, that this information in particular should be forthcoming to prove that the government itself has clean hands, if it is even going to attempt to say that it has clean hands in that regard.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: Hon. Member for Edmonton-Glengarry.

MR. YOUNIE: Thank you. I'd like to thank the Member for Edmonton-Highlands for expounding on those principles with which I agree so strongly.

I think there's another point to be made on this as well, in terms of freedom of information and the rather weak arguments given by the government that these companies deserve confidentiality and secrecy in the manner in which they're spending public money or given loan guarantees supported by the taxpayers. I think it should be obvious to any fair-minded person that a businessman who wants to operate with confidentiality and in secrecy should do it with his own money. A person who wants to use taxpayers' public money should operate in public. It seems to me a very simple distinction. I can tell that any businessman who says, "Well, give me the money, but don't expect to know what I'm using it for; just trust the government; it's for something you'd agree with," doesn't have any amount of logic on his side. He should realize that if he wants the public's money, the public has the right to a lot of information, and that information includes what's asked in this motion for a return. I would say very simply to him, "If you didn't want the public to know, you shouldn't have taken the money."

It is a matter of very simple, straightforward principle: when dealing with public money, the public has the right to that information.

MR. DEPUTY SPEAKER: May the hon. Member for Calgary-Buffalo close debate?

HON. MEMBERS: Agreed.

MR. CHUMIR: Mr. Speaker, in closing I would like to echo the earlier comments of other members that I couldn't agree more with the eloquent and sensible comments of the Member for Little Bow.

I'd like to comment briefly on the arguments by the hon. Member for Cardston with respect to the merits of this particular guarantee, and just advise that the issue here is not the worthiness of the particular business undertaking whatsoever. The

attack, the attack -- that's not the issue we're raising. The issue here is access to information. There's no attack at this time on the worthiness of that particular loan. Indeed, we have no information on which to base such an attack, and that is the problem: that if there were such information, we do not have access to that information. That's the nub of the issue here.

Now, this isn't an isolated situation. In recent years the government has committed itself to guarantees, to loans, to grants, in the amount of approximately \$2 billion, and we have absolutely no documentary information with respect to the nature of these government commitments. We have just another example of government by press release: "Here's what's happening. Trust us." Well, how is it, Mr. Speaker, that we are to assess what the government is doing with our \$2 billion if we don't have the information? I think it's vitally important that we know the magnitude and the term of the government's risk and return.

We should know, for example, if Mr. Pocklington is himself guaranteeing the \$55 million of loans to Gainers, or whether the people of this province are going to be left holding the bag in the event there is a default. That has happened before, you know, Mr. Speaker. The same concern goes for other beneficiaries of government largess. We should, in short, know if we are taking a major share of the risk with the private sector getting most of the benefits. We should know if the deal is a benefit to the people of this province. It's obvious that we can't know and we can't properly assess these questions without having the information.

Now, perhaps it's being a bit cynical to suggest that that's the general idea behind the government's policy. In any event, whatever the motivation, whether malevolent or honestly mistaken, the policy is unacceptable. It's clear that public business should be conducted in public.

Now, the minister and other members of the government, and particularly the Premier, have argued that this policy is necessary to protect business secrets and the competitive nature of business in this province. The Member for Little Bow has pointed out that it's unlikely these agreements provide that type of information which will compromise the competitiveness of business. In any event, if these business undertakings accept public largess, then it is clearly reasonable to require full disclosure of the terms upon which that largess is granted. So I certainly don't accept this rationale being provided by the government. It's clearly an excuse rather than a reality.

But what it does do, in the event that there is some honestly held belief in that as a rationale, is point out the desperate need in this province for freedom of information legislation, because such legislation could clearly provide for the release of this type of information, with the proviso that it would not be released in the event that it was established that business would be harmed by the release of the information in terms of their competitiveness. And of course this would require a mechanism, as other provinces have, for an independent commissioner or a judge to make that decision rather than the decision being made by a carte blanche policy of denial of information by this government.

Of course, as we know, the government tells us that there is no need for freedom of information because we have open government. Well, as Will Rogers once said: "Who are we going to believe? You or my own eyes?" Can the minister -- I would ask with a straight face -- say that we have open government, in light of the evidence that this government is the most secretive government in the whole of North America?

So in summary, it is clear that without . . . [interjection] Bar none.

AN HON. MEMBER: San Salvador?

MR. CHUMIR: Bar none.

Without the information there is no way that the people of this province can possibly assess the public policy issues relating to the granting of these guarantees and other loans and grants by this government. It is another unhappy and sordid example of the undemocratic practices of this government. Bill 10, as has been noted earlier, is another example. We see one bad practice begetting another and serving as a precedent for more and more secrecy and decisions behind closed doors, and that is unacceptable. It's the wrong direction to go.

[Motion lost]

194. Mr. R. Speaker moved that an order of the Assembly do issue for a return showing copies of all documents or studies used by the government to determine the effect on employment of an increase in the provincial minimum wage.

DR. REID: Mr. Speaker, first of all, I'd like to move an amendment to Motion 194, to amend it by deleting the words "copies of all documents or studies" and inserting the words "a literature search." The reason for this is that there is a large amount of literature that has been looked at in relation to the item asked for by the hon. member. Rather than providing him with all that material in photocopy form from the various libraries where it's to be found, I think it would be more satisfactory to provide him with that list and then he can have his staff look at it. Of course, the internal documents that were used within the government are not available in any event.

So if that amendment is acceptable to the member, then I can provide him with the information. In that case, I'll file the literature search document.

[Motion as amended carried]

MRS. CRIPPS: Mr. Speaker, in view of the time, I move that we call it 4:30 and begin with the Bill debate.

[Motion carried]

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

**Bill 208
An Act to Amend the Municipal Taxation Act**

MR. MUSGROVE: Thank you, Mr. Speaker. It's certainly a pleasure today to introduce to you Bill 208, An Act to Amend the Municipal Taxation Act. Basically, what that means is that there be a computer assessment on all municipalities every year. But there are some problems with the way the Act is written, and I'll speak to that before I go on with my response to the speech.

The municipal Act is amended, section 28 is repealed, and the following is substituted. Now, it was my intention when I introduced this Bill that all municipalities be involved, and sec-

tion 28 only refers to urban municipalities. So I would ask that in all comments we include section 30, and if the Bill gets past second reading, then I will be introducing an amendment to include section 28 and section 30 in the amendments to the Act.

[Mr. Musgreave in the Chair]

Section 28 would be changed, and section 30:

In making an assessment pursuant to section 27, the assessor shall base his assessment on the current fair actual value of the property during the previous year.

And of course, "during the previous year" is important in that ratepayers must have a chance to appeal their assessment. So the assessment would have to be known to the ratepayer late in the previous year so that he does have a chance to appeal his assessment. As most of us know, you can't appeal taxes; once an assessment goes on the tax roll, it's not appealable. So we have to allow those people that opportunity.

Now, there are quite a number of reasons why I bring this to the Legislature, but one of them is that right now we have a general assessment every eight years. Mr. Speaker, reading from some information I got the longer period of time between general assessments, the greater the shift between possible values of properties. In some municipalities this results in updated assessments on land and improvements that are many, many times higher than they were the previous year. The reason for this, of course, is that values are out of date, reflecting values of eight or nine years. Certainly today, Mr. Speaker, property values change dramatically within one year, so an assessment that is eight years old probably doesn't reflect anything near what the value of the property is. Now, I would have to say that providing assessments are equal, it doesn't matter what your assessment is, because your municipality, being a nonprofit organization, bases its mill rate on the assessment and as long as it's equal it doesn't matter. But things get out of hand after eight years.

Right now assessments are a far cry from when the eight-year assessment was established. For instance, in those days your assessor would go out and find improvements to buildings that they had no knowledge of. In the case of farmland, they would find that a farmer had probably cultivated an extra half section that wasn't in the previous assessment. So those were necessary in those days. But nowadays everybody's got a land use bylaw and they've got a development officer, so there are no surprises. When you go out, providing your development officer is doing his job, you will know of all the improvements that were made to dwellings or to property that is assessable, and that assessment is made annually.

Now, as far as increased acreages and cultivation, nowadays the municipality has a little aerial map and they can tell by looking at the map. They can actually put a plastic type of thing on it and tell you exactly how many acres difference there was in it and they can do that within a tenth of an acre. So there's no reason for us to go out annually and look to see how much development has taken place within the municipality during the last year. That should be all known through your annual assessment.

Another reason why we should go to an annual assessment is the cost. General assessments are very expensive. In the municipality that I was part of for many years, the last general assessment they had cost \$133,000, of which the Department of Municipal Affairs contributed \$33,000. So the county budgeted for four years to reserve enough money to pay for their general

assessment. And as soon as it's over, they have to start budgeting for another one in the next eight years.

The city of Spruce Grove is into a computer assessment annually, and it's worked out quite well; it's proven that this is possible. But my opinion is that it's not beneficial unless all municipalities are on it. The 1986 cost of the computer assessment in Spruce Grove, as I understand, was about \$38,000, where their general assessment before they went into that program ran somewhere in the neighbourhood of \$200,000 every eight years. Mathematically that cost is about the same, but the services are a lot better.

Now, the third reason why we should go into a computer assessment program, Mr. Speaker, is because we now have an equalized assessment board that takes all municipalities every year and equalizes their assessments in comparison to the time when they had their last general assessment done. This is a pretty complicated ordeal; it costs the province about \$180,000 a year. If we were to go into an annual assessment with all municipalities, it wouldn't be necessary. Equalized assessment is not only complicated, but no one understands it. I'm not even sure the board of directors that go through the formula understand the reason why that is happening. Equalized assessments, for instance, are on 20 percent of your fair market value. Your actual assessment is on 65 percent of its fair market value. Now, why that is done that way I wouldn't have any idea, but it's certainly confusing to the average ratepayer.

Now, last winter a lot of us in this House got into discussions with ratepayers *when* we were discussing the pooling of corporate assessment. I met with several school boards and municipal councils, and they were quoting figures to me about how many dollars of assessment per student each school district had. My first question was, "Now, are you talking about your actual assessment, or are you talking about the equalized assessment?" And there wasn't one of those school districts or municipal councils that could tell me what assessment and there's quite a difference. For instance, in the county of Newell the actual assessment is \$420.5 million; the equalized assessment is \$114.563 million. So when you take an equalized assessment for school purposes, for instance, and there is a mill rate attached to it to go to municipalities and then you transfer that mill rate to your actual assessment why, your mill rate drops by about three-quarters. A lot of ratepayers, in particular, don't understand that and it would be awfully hard to explain. So what I'm saying is that if we went to an annual assessment on a computer every year, we wouldn't need an equalized assessment and we would do away with that confusion to the ratepayers.

To give you an example of what can happen, in the town of Brooks -- I believe it was in 1982 that I got involved -- they'd had a new general assessment done in 1981. It went on the assessment roll in 1982. By the time the ratepayers got involved in it it was probably getting into 1983, and they said that there were some terrible inequities in the assessment particularly in unimproved residential land. There were other cases, but I'll use the unimproved residential land as an example. Because of high speculation prices on unimproved residential land in 1981, the assessor had put some tremendous values on that land. And then in 1982, of course, when the economic downturn started, land prices fell out. These people came to me and said, "Look, we're paying \$4,000 an acre taxes on this unimproved residential land." They said, "We're not going to pay that; we'll let it go back to the town." The town said, "We don't want that land on tax recovery; we need to do something about it." So we dis-

cussed with the Department of Municipal Affairs the possibility of updating the town of Brooks' assessment on a computer, and there was a price negotiated to do that. I'm not sure how long it took to do that computer assessment, but it is my understanding that it didn't take very long.

But the outcome of it was quite surprising actually. The average residence in the town of Brooks that was supposed to be assessed at 65 percent of its fair market value was discovered to be assessed at 75 percent, which was assessed 10 percent too high. But unimproved residential land was assessed at 180 percent of its fair actual value, three times what its actual assessment should have been. So the town of Brooks for, I think, about \$25,000 in 1984, as I recall, got a brand new general assessment, and they were happy with it. I see no reason why this can't happen to every municipality in Alberta.

Now, I've had some people ask me: "What about farmland? How does it fit into the picture?" Farmland is actually assessed at 65 percent of its productive value. I believe the top assessment on farmland is still about \$260 an acre, which, as I see, doesn't make any difference to this type of a policy. It just becomes part of your annual assessment every year. I have people asking me: "Why 65 percent of fair actual value? Why not 100 percent? Why not 50 percent?" And as I said before, it doesn't matter what percentage your assessment is, providing all assessments are equitable, because your final tax dollar depends on the mill rate that's put on that. Your municipality, being a nonprofit organization, will decide what the mill rate is. So if you used 100 percent, you would just lower your mill rate. But the reason 65 percent seems to be a good figure is because Municipal Affairs and the assessment branch don't want to have the responsibility of setting market values for property. And if you went to 100 percent, then a lot of real estate people would be saying: "This is what the assessment is. It's supposed to be 100 percent of fair market value, so that's what the value of the land should be." They don't want that responsibility.

Pipe and power line assessment at the present time is assessed on a computer annually. Its equalized assessment then is distributed amongst all the towns and villages that pay taxes within a given school district. In the case of one of the counties that I represent, all the towns and villages get their pipe and power line assessment taken off their requisition before they have to pay it. So there is a pooling of assessment for education purposes as far as your pipe and power line is concerned.

I have been asked how this will affect the Bill that was introduced by the Minister of Municipal Affairs on the rural municipal taxation Act. I can see no reason why it would have any effect on that Bill. As a matter of fact, as I see it, it would only improve it. I believe that the rural municipal taxation Act is a real plus for the rural municipalities, and I don't see this giving any problem.

Now, one of the concerns that I hear from the assessment department is that they thought the intention of the Bill was that immediately we would repeal sections 28 and 30, and you would have to go on a computer assessment at the next taxation year. That's not the intention of the Bill at all. I think each municipality, whether it be urban or rural, would have to have a general assessment, and that would be their base year, to start on computer assessments the next year. I believe that probably you could go retroactive a couple of years, because your general assessment would be fairly current and your assessors could use land values to bring it up to date. Once all the municipalities have had a general assessment and start on a computer assessment per year, then I see no reason why the other ones couldn't

have a general assessment and come in on this type of program, and everyone should be equal at some point as far as their land and property values being equal.

It was suggested to me once that if the Legislature wanted to pass a Bill like this, they could hold off Royal Assent on it for about four years until all municipalities had had a general assessment. But my recommendation would be that if it's acceptable, it be introduced and be carried on for a number of years, with all municipalities being required to have a general assessment as early as possible.

Now, another problem that I've been approached with is: what about small villages -- villages with, say, a population of 500 to 700 -- with a small annual budget, and they don't have a computer? How will they be handled? I believe that it still would be a benefit to those smaller municipalities. They do have to have a general assessment every eight years, the same as larger ones do, and they could either rent space from private industry or else the department in some of those cases might be able to allow space on the department computer for smaller villages, whereby they would be able to look after that for them. Now, I'm not sure that that's possible, but that's one of the suggestions I've had.

You know, I don't really see this being a serious problem to small municipalities. In large municipalities like the cities of Calgary and Edmonton it has been suggested to me that it would be impossible to do an annual assessment because of the fluctuation in property values in different regions of these two large cities. Well, I maintain that the Department of Municipal Affairs has got about 180 assessors working around the province now, doing general municipal assessments, and probably they would easily be able to consider the fluctuation in property values in regions of the city and come up with some equitable type of assessment to put on the computer.

I understand, Mr. Speaker, that this wouldn't be something that is as easy as just passing it and carrying on. But I do believe that in the interests of all Albertans -- municipal councillors, the Department of Municipal Affairs, but in particular, the ratepayers . . . If you had a ratepayer come in today and ask how you come up with assessments and you tell him, "Well, we've got 65 percent of the value of your property in the base year 1983 converted," then this gets pretty confusing to him. But if he comes in and says that he wants to know why his assessment is a particular amount and you say, "Well, that's 65 percent of the value of your property," he can sure understand that a lot easier.

To me, Mr. Speaker, the benefits outweigh all the problems, so I would ask the members to support this Bill.

Thank you very much, Mr. Speaker.

MR. ACTING DEPUTY SPEAKER: The hon. Member for Lloydminster.

MR. CHERRY: Thank you, Mr. Speaker. I'd like to begin by complimenting the Member for Bow Valley for bringing this Bill before the Assembly. The issue this Bill tackles is one that is very near and dear to Albertans: their tax bill. It's a pretty human reaction to not like taxes, and it's a very human reaction to be quite shocked after a general assessment when the previous assessment has come 8 years before. I'm sure other hon. members have received phone calls from constituents soon after a general assessment asking about procedure and whatnot because they are upset that the tax on their house has made this tremendous leap. I think what this Bill can do is make people

more aware of how assessment works and also make assessment work better.

An annual assessment of the current fair and actual market value of property will even out any increases or decreases in the tax bills. I believe that this Bill will not only work for citizens but also for municipal governments. They will have more precision in their budgeting and less guesswork. I see fewer complaints by citizens with this system, because the effects of economic change will be seen more quickly by both the property owner and the municipality.

Technology also works in favour of this Bill. Computers have revolutionized many aspects of our society. Even the smallest municipalities these days seem to have computerized record keeping systems. This computer capability offers more ease and speed in doing an annual assessment. This technology does not have a price, and if there is a con side to all of this, the initial start-up price of the system certainly has to be considered. On the other hand, if we were to look at it in the long run, the system would probably save the municipality money in terms of both time and labour costs.

In considering this Bill, I think we also have to take a look at the very successful pilot project that has been going on in Spruce Grove. The Spruce Grove experience has shown that annual general assessment can work and work well for the property owner and the municipality.

In closing, I'd like hon. members to also consider that this Bill offers a more fair system to the individual with the amendments to Bill 208 in place. Every year every property owner is going to have a much better understanding of his or her tax bill and will appreciate that the tax he or she is paying really does reflect the current economic situation, and I think that is one of the great things about this Bill. This Bill is a dose of reality, a much needed reality. We have the technology that wasn't available back in 1918 when annual general assessment was carried out in this province, but I think . . . [laughter]

MR. ACTING DEPUTY SPEAKER: I think the hon. member has quit debating.

The Member for Edmonton-Beverly.

MR. EWASIUK: Thank you very much, Mr. Speaker. I just want to make a few comments on Bill 208, and I also commend the Member for Bow Valley for raising this rather important issue. I think it's important because the present antiquated process of assessment on an eight-year basis is certainly one that creates a hardship, both for those being assessed and for the municipalities who govern the process.

The suggestion being made by the hon. member of computerized assessments certainly has some merit. However, as he did allude to in his presentation to the Assembly, there will be -- and I'm sure there are -- small communities, hamlets, towns, and even counties and municipalities who cannot and would not be able to afford the sophisticated equipment of a computer to help them along in this process, so it becomes a cost item for those particular groups. It is in this area that I have some doubt whether this Bill really should be endorsed or passed unless there are amendments made to the Bill that would assist those municipalities, hamlets, whoever, that are in a financial position where they cannot afford either to hire assessors on a regular basis or, in fact, to proceed to a computerized process. Even the computer process would require, of course, the baseline assessment done, a general assessment being done, before the computer process could be initiated.

So I think there are a variety of cost items that may indeed use up the funds that may be generated as a result of the proper assessment. I know that in the city of Edmonton quite frequently there were complaints and expressions that there was a need for a more frequent assessment and certainly we agree with that. However, there is the cost item that needs to be addressed and, I guess, where do you look for that address? You have to look, perhaps, to the Minister of Municipal Affairs or the government in some form that will provide assistance, particularly for those who cannot afford those costs.

So I would think that before this Bill should receive support there should be an amendment considered, I would say, that would in fact suggest that there would be support provided by the government to those counties, municipalities, hamlets, towns, whoever, that would be required to do an annual assessment that there would be financial assistance provided to them so they can in fact meet the requirements that this Bill suggests.

Although generally I think the Bill is a good one, I think it does stimulate some discussion, some thought, as to how to approach the assessment situation. As I say, I think eight years is extremely too long. I thought it was seven, but eight years is extremely too long, and I think we should start to address . . . It's a problem that should be addressed, and hopefully that would resolve the problem for the taxpayers, who may not get the proper assessment but also for the municipalities, who also may not be receiving the benefit of a higher assessment and the tax that would be generated from that.

MR. HYLAND: Mr. Speaker, in speaking to Bill 208, it would have been interesting to find out what was remaining in the Member for Lloydminster's speech. Maybe he can pass it on to the one beside him as was done in here one afternoon when the Member for Calgary-McCall ran out of time and the Member for Calgary-Fish Creek gave the rest of the speech so that we would know what was going to be said. [interjection] Mr. Speaker, the hon. member said that it's true, and I believe he even admitted when he got up to speak that he was using partly his own notes and partly those of a member who hadn't had time to use them all.

Nevertheless, in participating in debate on Bill 208, the Member for Lloydminster outlined what happens to people and how people are affected when they get their taxation notice on general assessments and assessment increases. I know that it happened in one of the counties in my constituency a number of years ago -- and it's probably due to happen again -- in that the assessment had gone on something like eight or nine years and then they had to have a general assessment. When that general assessment took effect there was a tremendous, manyfold increase in the assessment on land and buildings. People got very upset and rightfully so, when they saw 200 and 300 percent increases in assessment. But when it came to taxation, when the costs of running the municipality were put over the assessment and it came out to the mill rate, the mill rate went down, the taxes remained near the same: up somewhat on the higher assessed irrigation land, but on the other land remained somewhat the same. So depending on what kind of land you had, the net effect on the whole county was not that great although there was a higher effect on some areas. So an increase in assessment doesn't always mean that the taxes are going to go up.

[Mr. R. Moore in the Chair]

I think if we could bridge that every-seven-years time period

-- or six years, whatever that assessment time period is, and often they get longer -- and keep it up to date yearly, it would make a very great difference in assessment and the way people would treat assessment and how it affects them in the taxation on their homes and their land.

In the Bill the member specifically requests that in making an assessment for a year . . . the assessor shall base his assessment on the current fair actual value of the property during the previous year.

That opens up another whole new can of worms: what is the current fair actual value? Now, that seems like a lot of adjectives before a noun, and I'm not an English teacher, but all those words will allow a great deal more debate. I think that's where the whole assessment thing, whether it's in the seven-year cycle or if it's on a yearly cycle -- the whole problem is related to that fair value or fair market value, whatever phrase you use. What is a fair value for that facility? We're seeing it in assessments now that were done in the high inflation years, and people were paying a lot more money for land and buildings. Those assessments are still being placed on property and buildings now, and we have a distortion because the price that one can get for that property and buildings is down dramatically from what it was. We have no way of changing that assessment until we go into the general assessment of the whole municipality.

The minute we go into general assessment, it starts to cost a lot of money, when we're looking at general assessments throughout a whole municipality, be it the city of Edmonton or the town of Bow Island or the county of Forty Mile or the county of Strathcona. To have general assessments would be a lot of dollars. I would suggest that most municipalities of reasonable size -- counties, MDs, towns, even some villages, but not all -- have a computer system now. And I think the cost of readjusting their assessment yearly would be a long ways from what they would have to pay out every eight years to do a general assessment.

Mr. Speaker, once we start talking about fair value and what is fair market value or what is "fair actual value of the property," the phrase used in the Bill, we place a value on it, then we tax at 65 percent of that value. But in achieving that value, if the assessment isn't up to date with the general market prices, it is again distorted. I think appeal of assessment on your home or buildings or land, be it farmland or commercial land, is probably the only system left where you're guilty until you can prove yourself innocent. The assessor's word is law. A lot of how he comes to his conclusions -- guidelines are laid out, and it's left to his judgment which thing should be applied in which circumstances and what things should fall into what particular categories. So when you go to the Assessment Appeal Board to appeal your assessment, you're guilty right off the bat, the only system we have where you're guilty right off the bat. So then you have to prove him wrong.

Well, how does one do that without the great cost of bringing in some experts that are supposed to be more expert than him? Then you argue: should this economic obsolescence be in, or should this patio door be in, or should it be number 2 soil, or are we on the verge of number 2 and because we're irrigation, it makes us number 1 soil, even though it isn't number 1? You go round and round in a circle, and what it comes down to is what the Assessment Appeal Board feels on how you've presented your case. I don't know what percentage rules, but a lot of the time if you're appealing and all you've got is your feeling on what you perceive is the quality of your land or your buildings against the assessment put on it, against his so-called expertise

because of his years in the business, you're often the loser.

I think that's one place where we should look at the system and try to get closer to what is the fair market value in the area, rather than a fair market value in an area in the province and then superimposing that on all municipalities in the province and then saying such things as the assessor "may" look at obsolescence, not saying he "shall" look at obsolescence. Maybe the obsolescence is zero; maybe it's more. But the way the system is now is, as I said, you're guilty until you're proven innocent, and the burden is on you to prove yourself innocent rather than on him to prove that your assessment should be that rate and why it should be at that cost. I think this is a reversal of any other setup we have.

It's my understanding that some municipalities, urban and rural, attempted to do a pilot project on yearly assessments. In Spruce Grove, for example, the estimated cost of a general assessment was somewhere between \$150,000 and \$200,000. With the setup that they went into with this experiment, their pilot project cost was somewhere around \$38,000, which included a fair amount of start-up costs, so obviously years after, their costs wouldn't be the same. So I think we could have more up-to-date information and material available to us, and we could better govern the price in the assessment of land and buildings. When people did go to assessment appeal boards or municipalities set their assessment for the year, they would know better what market value in the area was, what stuff was selling for, and you could adjust it more quickly either upwards or downwards than what you can on an anywhere from seven- to 10-year review.

In the report that was put out relating to the experiment in Spruce Grove, one paragraph reads, and I'd like to quote:

Spruce Grove has found that they have gained a more realistic picture of revenues, and as a result can better plan expenditures. Budget forecasting and control is strengthened and council's ability to oversee and deal with both short- and long-term projects and problems is enhanced.

So I think, Mr. Speaker, that shows that on a yearly review or on a yearly update such as that, we may well be looking at less problems with assessment because we will be able to track it more closely and more quickly to what market values indeed are, and we can then set our tax rates more equitably through the system. We know we're all going to have to pay. We know the municipalities need X dollars to run their operation, but it's a matter of being reasonable and right to those that are paying the taxes and having the proper assessment on those buildings as it relates to the market value. I would suggest that a program such as this would bring us closer to achieving that.

Thank you.

MR. MUSGREAVE: Mr. Speaker, I'd like to just speak to this Bill briefly. I'd like to compliment the hon. Member for Little Bow for bringing this forward.

I would like to just mention that this morning while I was attending a meeting of the Municipal Statutes Review Committee, we were discussing this very issue. During our discussions one of the questions we were going to propose to the people of Alberta is: why should the assessment of land be 65 percent of value, and why should the buildings be likewise the same? I'm speaking now of land that's not farmland. One response was that it was a convenient figure to use. We appreciate the fact that farmland is assessed on its productivity, and we realize that each municipality has to appoint an assessor who's guided in his work by the assessment manual. But "Why should we keep the 65 percent level?" is the question that's come up.

And should we, as the hon. member mentioned, move to the 100 percent of market value for land and buildings?

I would suggest with modern technology such as computer applications, electronic message transfer systems, and reproduction facilities that we have available, that current yearly update would be possible. The hon. member mentioned the fact that some people were worried that the cities of Calgary and Edmonton couldn't do it on an annual basis. Yet I would imagine that Vancouver is able to do this, and therefore I don't see why the cities of our province couldn't do the same.

Naturally land in rural areas presents some different challenges. By using the market approach, sales of land may be less frequent, and sales within families or in relationships that are not at arm's length obviously would distort the picture and shouldn't be included in determining market value. There are those who suggest that foreclosed land shouldn't be included because it's at less than what people bought their land for, but the opposing view to that is that it still represents market value. As most rural members know, I'm sure, agricultural land is usually assessed on ability to produce, which depends on the soil, the rainfall, topography, and location -- to name a few things -- which makes it difficult to determine market value, which is really set by world prices of commodities. Then we get into the question of foreign subsidies and things of that nature.

I'd like to suggest something entirely different for the hon. members. This is a new approach that's being used in the tax system, and I should suggest that the tax system we do now use in our country has in its earlier forms been adopted from that used in Great Britain. But in Great Britain now Margaret Thatcher, the Prime Minister, is launching a major reform of local government financing. Local councils in Great Britain are going to lose the authority to levy property tax for their own purposes. Residential property tax is going to be replaced by a community charge, which is a uniform charge that will be payable by all adults. Property taxes will continue to be levied on nonresidential property, but the rate will be determined by the national government, and the proceeds will be distributed to local authorities on a per adult basis. That would mean that the provincial government would collect all the taxes in the province of Alberta. Assuming such a change would take place, that would in effect levy a tax on every adult, and some people would call this a poll tax. Now, the proceeds from this poll tax -- or what they prefer to call it in Great Britain, a community charge -- would be redistributed by the province to local authorities on a flat per head basis. They still would have a grant system, though, which would compensate for real differences in local authorities' needs and would provide help on a per capita basis to those authorities that needed more money to achieve a certain level of service.

What Britain is concerned about is the overall level of expenditure, borrowing, and local tax rates. We have a similar problem in Alberta, where many municipalities got themselves deeply in debt during the boom times. My own city has a debt, I think, of about \$1.6 billion, and this is in spite of -- I think it was -- \$750 million in debt reduction money we gave them back in 1979, I think it was. According to the English authorities, excessive borrowing affects monetary growth and interest rates and the burden of taxation on the economy and the balance between public and private expenditures.

Interestingly enough, the national government of England has identified three areas responsible for lack of local accountability. I should mention that most of the local councils in Britain are controlled by Labour; whereas the national govern-

ment happens to be a different political stripe. One-half of non-domestic taxes come from nonvoters in Britain; that is, commercial and industrial properties, public utilities, government buildings, to name a few. Domestic rates, or the local taxes: out of 35 million voters in Britain, 18 million are directly responsible for paying domestic rates, but of these, 3 million get a full rebate; therefore, they pay nothing. So what we're really seeing in Britain is 34 percent of the electors pay the taxes on property, and the other 66 percent do not. The grant system would be a supplement to provide a level of service, as I mentioned earlier, that would be provided to a tax authority that could not raise enough money.

Now, some people have suggested -- and we've heard this comment here in Canada -- that a local sales tax or a local income tax for local municipalities would be the answer. What Britain is proposing in its community charge is that each tax authority would be able to raise more money if it wanted to provide more services. That would mean that the local residents would be very clear as to what their local politicians were doing when they imposed certain taxes. This would also eliminate the necessity for equalization of tax rates and the problems involved with assessment and all the rest of it. What it would really do, the real achievement of this -- and this is hopefully what the government is aiming for: it provides a wider tax base and a much better understanding between spending and tax demands. It would improve the accountability of local authorities to their electors.

MR. ACTING DEPUTY SPEAKER: The Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. Just a comment or two on some of the ideas put forward by the last speaker. I certainly think that any changes to the system of taxation should be looked at and debated fully. I haven't had a lot of time to digest all the ideas he put forward, but I would suggest that one of the main effects of it would be to centralize the power over taxation much more in the hands of the provincial government. I guess that would be consistent with the way this government operates: they talk an awful lot about local autonomy, but they end up, to a very great extent drawing all power unto themselves and then don't even like to disclose exactly what they're doing, as we found out earlier.

[Mr. Musgreave in the Chair]

So I would think that the members of this Assembly -- certainly the Bill that was put before us is innocuous enough. If modern technology can make it so that we can update the property values every year so that property taxes are adjusted annually, that will be great. I would think that would be pretty expensive, but we do know the kinds of problems associated with the present system.

But I can't help thinking that we would move into this poll tax system -- we'd better look at it with a certain amount of care and ask a lot of questions about it before one goes off in that direction.

MR. DROBOT: Mr. Speaker, I stand to support Bill 208, and I wish to speak briefly on its merits. The hon. Member for Bow Valley has presented us with some well-thought-out proposals on how municipal taxation and the Act could be amended to institute a better system of general municipal tax assessment

which would benefit not only the taxpayers but the tax collector as well. I'm also glad to hear the hon. member state that if the Bill goes to Committee of the Whole, he would introduce an amendment to include dealing with rural lands as well.

Amendments to sections 28 and 30 of the Municipal Taxation Act allow for annual tax assessments to be based on the current, previous year's, fair actual value of properties instead of using a previous assessment for as long as eight years, which makes good, sound sense. I've heard many times from my constituents that this existing practice of using the same assessment for eight years does not accurately reflect the real value of their property. From town dwellers I hear that over a period of eight years many things can happen that affect the value of their property, either by their own initiative or something outside their control. People build sheds, new homes, renovate, or landscape the yard and pay the same taxes for eight years regardless of what they do. Then all of a sudden, after eight years of budgeting for a certain amount of property taxes, an assessor comes along and says: "Well, we're doing a general assessment. With all these improvements the value of your property is greatly enhanced, and therefore so are your annual taxes."

The situation is similar when a residential area grows over a period of eight years, which in most areas is inevitable, and acquires better roads, more schools, shopping centres, et cetera. Everybody benefits and enjoys these additions to the neighbourhood, but I'm sure they would rather pay for it on a gradual, incremental basis than have the payment deferred for eight years and then, bang, a drastic increase in property taxes all in one swoop.

Although for different reasons, agricultural landowners have a similar problem. Their property taxes are not linked to improvements such as buildings and availability of services like town people's are, but the taxes they pay annually are also based on assessments that are used for up to eight years. Just like city property the real value of agricultural land can also change dramatically over that period. Their buildings so far are exempt, but the land itself is not. Agricultural lands are usually graded for assessment purposes according to their ability to produce, factors such as the type of soil, the climate, location, which all come into play.

Other difficulties, Mr. Speaker, in assessing the taxes are that all land used for certain crops may be depressed. Therefore, economic conditions, the ups and downs of agricultural markets, and the havoc of the kind of environmental conditions we have seen lately do affect rural land values over time. It is conceivable that a farmer who is experiencing very bad financial times as a result of the listed factors is still paying taxes which were set at a time when the actual value of land could have been much higher.

Those are some of the common problems caused by existing assessment systems which could be corrected by the passage of the amendment before us. Under the type of assessment system the hon. member is proposing, taxpayers would be able to see from year to year what exactly is happening with their assessment -- and the resulting increase or decrease in their taxes could make more sense to them -- the effects of economic change, and better monitoring of the annual general assessment so that property owners are not faced with unpleasant surprises at assessment time. People would become better informed and aware of the whole general assessment process, thereby eliminating the problems and complaints caused by the eight-year system.

The changes this Bill proposes would also benefit municipalities. Other members have already discussed the success stories of the two pilot projects in the towns of Spruce Grove and Fort Saskatchewan, where annual general assessment has been taking place for the past three years with many positive results. These projects show us that with the use of existing computer technology, the cost of assessments to municipalities would be reduced. It allows for accurate predictions of revenue levels and demands for services, and as was found in British Columbia, it reduces the number of staff required to perform assessment duties, thus providing additional savings to the municipality. In general, the most significant benefits for municipalities are probably in terms of better budget control and more tax roll records.

[Mr. Deputy Speaker in the Chair]

Mr. Speaker, I could go on and on. However, I do believe that

Members of the Legislature come
And as polished speakers go.
Some of them say I told you so;
Some of them strut to show their stuff,
Some of them try to throw a bluff;
Some of them try to be real funny;
Some of them want to spend more money.
But the one who really makes me happy
Is the ten-minute bird who makes it snappy.
A speaker should cultivate brevity
With suitable levity.
In short, be terse,
For nothing is worse
Than verbal longevity.

MR. DEPUTY SPEAKER: Minister of Municipal Affairs.

MR. ANDERSON: Mr. Speaker, with respect to this particular Bill I'd like to first of all congratulate the hon. Member for Bow Valley for introducing the Bill. Indeed, it's one with foresight and with a vision of the future which I believe will come. There's no question that assessments done each particular year would be of benefit and would improve our system dramatically.

There is also no question, Mr. Speaker, that some of the comments made today with respect to the costs involved and the difficulties with implementing such a system are there and will have to be overcome over time, as those things are. Members have well alluded to the experiments that have gone on with respect to this, and I'm confident that the vision seen by the hon. member in this particular Bill will come to be realized in years to come.

I do believe we have to do further research into how we can best help expedite this particular direction, and with that requirement and the need to look at the issue further, I would move to adjourn the debate.

MR. DEPUTY SPEAKER: The Minister of Municipal Affairs has moved to adjourn debate on Bill 208. All in favour, please say aye.

HON. MEMBERS: Aye.

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

[The House recessed at 5:25 p.m.]

