

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Tuesday, June 21, 1988 2:30 p.m.**  
Date: 88/06/21

[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: INTRODUCTION OF BILLS**

**Bill 56**  
**Credit Union Act**

MR. JOHNSTON: Mr. Speaker, I am pleased today to introduce Bill 56, the Credit Union Act.

This piece of legislation has been under discussion with members of the credit union system for some two-year period, and the co-operation and the consultation between the government and the system has been one of the pleasing results of this important piece of legislation. As well, Mr. Speaker, this legislation provides the legislative authority or framework for the credit union system to operate, to bring to the system new tests of contemporary operations. In particular, the scope of financial activities has been redefined and extended. There's been additional protection provided to the depositors of the credit union system, and as well there have been provisions in this legislation to establish an enhanced system of provincial regulation.

It's my view that the legislation does reflect, as I've indicated, the three important priorities of financial institution legislation which has been seen across Canada, and more recently in the other provinces of this country, and at the same time reflects the needs of the legislation here in the province of Alberta. So I'm very pleased today to move first reading of this Act.

[Leave granted; Bill 56 read a first time]

MR. SPEAKER: Government House Leader.

**Bill 59**  
**Telecommunications Act**

MR. YOUNG: Thank you, Mr. Speaker. I request leave to introduce Bill 59, the Telecommunications Act. This being a money Bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

This Bill represents an updating of telecommunications policy in the province of Alberta and for that reason involves the rescinding of several pieces of existing legislation. It provides

for the acceptance of delegation of telecommunications policy, in keeping with the federal/provincial understandings that are being worked on currently. It provides, as well, for the relationships between Alberta Government Telephones and the Alberta government to be slightly adjusted and, as well, provides a regime with flexibility for Edmonton Telephones.

[Leave granted; Bill 59 read a first time]

**Bill Pr. 16**  
**Leslie Roy Peck Adoption Act**

MR. BRASSARD: Mr. Speaker, I request leave to introduce Bill Pr. 16, the Leslie Roy Peck Adoption Act.

The purpose of this Bill is to provide for an adult adoption.

[Leave granted; Bill Pr. 16 read a first time]

**Bill Pr. 18**  
**Donald Roy Deen Compensation Act**

MR. EWASIUK: Mr. Speaker, I request leave to introduce Bill Pr. 18, the Donald Roy Deen Compensation Act.

The purpose of the Bill is to provide workers' compensation for a person not otherwise qualified.

[Leave granted; Bill Pr. 18 read a first time]

**head: TABLING RETURNS AND REPORTS**

DR. REID: Mr. Speaker, I'd like to file with the Assembly copies of the fairly substantial government amendment to Bill 22. This covers the construction industry and also the picketing provisions.

MR. SPEAKER: Thank you.

REV. ROBERTS: Mr. Speaker, I'd like to table copies of the Official Opposition's amendment to the Public Health Amendment Act. These amendments will help to ensure that the rights in the care of people affected with the AIDS virus are protected.

MR. SPEAKER: Westlock-Sturgeon.

MR. TAYLOR: Yes, Mr. Speaker, I'd like to table four copies of the corrected Votes and Proceedings of yesterday's proceedings of the Legislature. If we are going to use French, Mr. Speaker, the word for Monday is lundi, not mardi.

Thank you.

MR. SPEAKER: Thank you, hon. member, but the Table officers and Chair were well aware of it, and the correction has already been taken into account in terms of it, but thank you.

MR. TAYLOR: Actually, I'd like to hear it in French.

MR. SPEAKER: Merci beaucoup, monsieur.

**head: INTRODUCTION OF SPECIAL GUESTS**

MR. ELZINGA: Mr. Speaker, it's my pleasure, sir, to introduce to you and to Members of the Legislative Assembly, a group of 29 students from the St. Theresa school. They're a grade 6

class. They've enjoyed the tour, and we had the opportunity to visit with them prior to question period. They are joined by their teacher Connie Poschmann. They're in the members' gallery, and I would ask them to rise so that they could receive the warm welcome of the Legislative Assembly.

MR. SPEAKER: Edmonton-Avonmore.

MS LAING: Thank you, Mr. Speaker. It is my pleasure today to introduce to you and through you, 44 bright and well-informed students from Kameyosek community school, a model school in the constituency of Edmonton-Avonmore. They are accompanied by their teachers Mrs. Lynda Durand, Mlle Marlene Hansen, and volunteer Mlle Claudette Lefebvre. They are seated in the members' gallery, and I would ask that they rise and accept the warm welcome of this Assembly.

MR. SPEAKER: Calgary-Mountain View, followed by Athabasca-Lac La Biche.

MR. HAWKESWORTH: Thank you, Mr. Speaker. This past weekend my family celebrated a very special occasion. It was the 40th wedding anniversary of my parents, Elsie and Earle Hawkesworth. In Edmonton to join the family and to join their many friends were a number of family members from Atlantic Canada. Some of them are in the public gallery this afternoon, and it's my pleasure to introduce them to the members of the Assembly. I'd ask them to rise as I introduce them. First of all, Elsie Hawkesworth and her sister Ellen Hosford from Moncton, New Brunswick. We have Hazel and Pearl Foster from Parkdale in Lunenburg county, Nova Scotia; Marion Hawkesworth and her daughter Evelyn Morine from Wolfville, Nova Scotia. I'd ask all members to extend to them a warm Alberta welcome.

MR. SPEAKER: Athabasca-Lac La Biche.

MR. PIQUETTE: M. le Président, pour M. Strong, député de St. Albert, je suis fier d'introduire à tous les membres de la Législature, 27 élèves de l'école Marguerite d'Youville de St. Albert. Ces étudiants de la sixième année sont accompagnés par leur professeur Jeanne Martin. Would these 27 bright grade 6 students from the école Marguerite d'Youville of St. Albert please rise and receive the warm welcome from this Assembly.

MR. M. MOORE: Mr. Speaker, on behalf of the hon. Member for Grande Prairie, the hon. Dr. Elliott, I'd like to introduce 29 students from grade 6, the Hythe elementary school. They are accompanied by their teacher Vince Hewgill, by parents Jerry Jenner, Audrey Sipe, Mrs. Truax, Mrs. Archibald, Linda Desjarlais, Ron Letendre, and Ann Smith, as well as Hellen Kellog. They are seated in the public gallery, and I'd ask them to rise and receive the warm welcome of the Legislature.

#### head: ORAL QUESTION PERIOD

#### Husky Oil Upgrader

MR. MARTIN: Mr. Speaker, to the Premier. This good news government has announced the Lloydminster heavy oil upgrader on June 7, 1984; April 8, 1986; July 16, 1986; September 28, 1987; November 6, 1987; December 1, 1987; and finally, April 29, 1988. That's a total of seven times. I expect that might be a

record for a project where there's been no construction at this particular time. My question to the Premier. Has the Premier decided now to publish a schedule of dates for further announcements of the Lloydminster upgrader between now and the next election campaign? We might term it a sort of propaganda alert for unwary citizens.

MR. GETTY: Mr. Speaker, it's clear that we have the opposition's attention, in any event. I was thinking that if we could get that kind of impact, perhaps we should do the same with our income tax cuts.

MR. MARTIN: Mr. Speaker, just to come back on this, the most recent announcement -- for those who don't have a score card, that was on April 29. The Premier indicated at that time that the province was seeking further private investment, I believe, of some \$318 million. In the course of announcing 7,200 new jobs, the Premier said the new investment would be in place by May 29. My question to the Premier. It is now June 21. Will the Premier indicate what happened with his deadline?

MR. GETTY: Mr. Speaker, of course, the hon. member shouldn't take what he reads at face value, particularly when he reads it in the media. My comments at the time were that I wanted to see it go as quickly as possible, and I hoped that it could be done within a month. The government wasn't seeking additional money; it was Husky who was seeking additional private-sector money. There were some problems between Husky and the Saskatchewan government. These are matters that are dealt with on a normal basis by the Minister of Energy. I'd certainly welcome him if he feels he wants to add to my answer for the hon. Leader of the Opposition.

MR. MARTIN: Well, Mr. Speaker, I say to the Premier: keeping track of the excuses is about as difficult as keeping track of the announcements.

Now, Mr. Speaker, I believe the Premier said that he would consider an equity investment from the Heritage Savings Trust Fund if a private investor could not be found. My question to the Premier: has the government decided whether or not they will follow through on this at this particular time?

MR. GETTY: Mr. Speaker, I confirmed that the government would consider an equity investment. As of right now Husky is still actively involved with a group of private-sector investors. Until those decisions have been made, it isn't really appropriate for the government to consider additional government dollars.

MR. MARTIN: Well, Mr. Speaker, there's a certain thing about crying wolf too many times, and people are making investment decisions out in the Lloydminster area. But the New Democrats have proposed operating the facility on a rate of return basis as a utility, because the key factor here, as the Premier is well aware, is price. My question to the Premier: has the Premier pushed the federal government to consider this option to kick-start this project? In other words, we'd have a blended price right across Canada.

MR. GETTY: Mr. Speaker, all members know that with regards to this Husky upgrader we have an agreement between the federal government, the Saskatchewan government, the Alberta government, and Husky. And as we said, Husky is now looking for additional private-sector investors. I consider this a very

positive project for the people of Alberta, one that I'm convinced is going to go ahead, and it's a result of our government's determination that we've been able to continue to keep this upgrader moving along the path to final conclusion.

MR. SPEAKER: Thank you.

Second main question, Leader of the Opposition.

MR. MARTIN: Yes, Mr. Speaker . . .

MR. SPEAKER: I assume Calgary-Buffalo wants in on a supplementary.

MR. CHUMIR: I do, indeed, Mr. Speaker.

MR. SPEAKER: More alacrity, hon. member.

MR. CHUMIR: Along the lines of announcements, I note that last week the Energy Resources Conservation Board approved a Syncrude expansion. I'm wondering whether we can anticipate an announcement from the Premier and his cabinet that we're going to be proceeding with a Syncrude arrangement . . .

MR. SPEAKER: Order please, hon. member. That is clearly not a supplementary to the main question.

Second main question, Leader of the Opposition. Thank you.

#### **School Bus Safety**

MR. MARTIN: Yes, Mr. Speaker. I'd like to direct the second question to the Minister of Education, [interjection] I'm trying to compete with the Member for Calgary-Buffalo here.

MR. SPEAKER: Order, please, in the House so we can hear what the question is.

MR. MARTIN: Mr. Speaker, to the Minister of Education. One of the unfortunate consequences, I say to the minister, of cut-backs in public education is that more and more young children are bused to schools in our urban areas. The days when children could walk together, often in groups, for many families has gone. This is especially true in the newer subdivisions. My question to the minister: I wonder if the minister shares the concern of the Official Opposition about the matter of school bus safety in respect of younger children in urban areas, and if so what might she be doing about it?

MRS. BETKOWSKI: Of course I'm concerned about school bus safety, Mr. Speaker. I'm not sure of where the question is leading, and I'll await the second one.

MR. MARTIN: Well, Mr. Speaker, I asked a simple question. The second part: what is she doing about it? It's nice that she's concerned about it, but my question, to follow through. This is a serious problem in our cities. I would remind the minister that we've had a tragic accident in which a young girl was killed in the Mill Woods district about six weeks ago. Specifically, then, I take it that she hadn't done anything about it. I'm wondering if the minister has met with the parents or the school district in the city of Edmonton in an effort to come to grips with the matter of urban school bus safety.

MRS. BETKOWSKI: Mr. Speaker, the minister of transportation is not here, and certainly he and I share with all hon. members the concern for the tragedies which occurred in Edmonton and which have occurred elsewhere throughout the province. We endeavour to make our school bus safety rules from the provincial standpoint as current as possible, as I know school boards endeavour to do the same. If the member has any suggestions as to how we might improve school bus safety in this province, I would be happy to hear those from him.

MR. MARTIN: Well, Mr. Speaker, we're looking for leadership from the government. The point I'm making is that cutting back on some of the funds that the minister's cut back to school boards -- they begin to cut corners, and there is a very serious problem there. The minister can shake her head, but that's the reality.

MR. SPEAKER: Question.

MR. MARTIN: Mr. Speaker, now, it's not only the concern about stopping traffic; it is also the matter of young children having to walk alone from school bus stops to their residence and, in some cases, school programs. My question specifically to the minister: would the minister inform the Assembly as to what options she's looking at in terms of improved safety procedures regarding pickup and drop-off of young children?

MRS. BETKOWSKI: Well, Mr. Speaker, as the hon. Leader of the Opposition will know, we have in fact over the last year instituted some changes with respect to how our school buses are indicated, how they are lighted up, within not only the urban setting but also within the rural setting. I think the hon. Leader of the Opposition is attempting to link capital needs within some of the newer communities within the urban areas with the issue of school bus safety. Certainly I know that all parents and all school bus drivers and all school boards in this province are attempting to ensure that young people will always be safe on school buses. Tragedies are going to occur, and we all lament those. But certainly if there are specific suggestions which the member would like to make to me or to the school boards, which often set many of their own rules within their own school buses, I would be delighted to hear from him.

MR. MARTIN: Well, Mr. Speaker, we'll certainly refer it to the minister, but I remind her that she's the Minister of Education responsible for this area. I'm not only talking about the school buses in regard to Mill Woods; I ask specifically about the problem -- and it's a growing one -- of young children walking alone long distances. There's a safety factor there. I ask the minister specifically: has she looked into this, and what are some suggestions that she would make as the Minister of Education to solve that problem?

MRS. BETKOWSKI: Well, certainly, Mr. Speaker, young children, particularly in the elementary grades but certainly not excluding those in the junior and senior high school, must learn good, responsible means to protect themselves on city streets. That is something I think we can discuss in our schools, and in fact we do with respect to personal safety. If the member has some further suggestions as to how we may do those kinds of things, I would be delighted to hear from him.

MR. SPEAKER: Thank you.

Supplementary, Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Speaker. One of the issues in this area is that of designing a seat belt which would ensure safety in the event of impact yet provide for quick release in the event of fire or whatever. I wonder whether or not the minister might update the House with respect to developments in designing an appropriate seat belt and the long-term feasibility in that direction.

MRS. BETKOWSKI: Mr. Speaker, that really is a question that should be directed to the minister of transportation. But I can say that he and I are in close contact, and the latest information I have from him is that there is not a seat belt which would fit within a school bus setting which makes students safer than they are without them. But I would take the question as notice, in addition, for the minister of transportation and ask him to supplement it. But certainly we are keeping an eye on it in terms of what emerges in terms of new information about the safety of children in buses.

MR. SPEAKER: Westlock-Sturgeon, main question.

#### Maintenance Orders Enforcement

MR. TAYLOR: Thank you, Mr. Speaker. My main question today is to the hon. Attorney General, who is in charge of the maintenance enforcement program. Father's Day weekend was a very pleasant memory for many people, but there are of course many families, too, where father, who is essentially the one that has quite often skipped out, is not keeping up on the enforcement payments. I was advised by the Attorney General in a letter of April 6 that his enforcement program now is up to 42 percent that he said he's been able to collect. I consider that a very, very poor thing indeed. I'd like the first question I ask to the Attorney General. Is he proud of the fact that now 42 percent -- in other words, 58 percent of spouses are not paying their money?

MR. HORSMAN: Mr. Speaker, the program, which is working as well as in any other province in Canada where such a program is in existence, has indeed had some start-up concerns about old orders that have been filed. The hon. leader fails to include the fact that the rate of collection recovery on new orders -- those registered since January of 1987 -- is 86.4 percent, and that is something that shows a great improvement over the older orders. It is quite true, and it's going to be somewhat difficult to collect on some of the older orders. We quite appreciate that. We still say, though, that we can as Albertans take a fair amount of satisfaction in the fact that the new orders which are being filed have a success rate approaching 90 percent, and that's the statistic that I think is more important. Although it is difficult, of course, for the older orders to be caught up, we are attempting to do that.

MR. TAYLOR: Mr. Speaker, that's good news for the new ones, but I would be interested in -- I don't know if he's very fast in math -- what the overall is. My understanding is that over half the spouses that owe money in the province are still getting away with it. Could he bring me up to date on that particular figure on the overall, not just the new collections?

MR. HORSMAN: Well, Mr. Speaker, I think I put it in a letter

to the hon. leader of the Liberal Party. You know, the statistics were as of the end of January this year -- of course, the new orders are coming in all the time -- in the neighbourhood of 22,000, and the new files are being registered each month at the rate of about 600. We are approaching or have exceeded collections in several months of over \$2 million, of which about a quarter is collected on behalf of the Crown and the balance would of course go directly to the other spouse. On the year-to-year basis, for example since the opening of the project in February of 1986 -- and this program has only been working now for just over two years -- up until the end of January over \$22 million had been collected.

MR. TAYLOR: Thank you, Mr. Speaker. Two years, though, is enough time for even a Tory to get caught up.

Mr. Speaker, from the point of view that many of these single parents and mothers have to wait for 10 days before a cheque clears the Attorney General's department and maybe not get it then, would the Attorney General consider in these plans that are going forward to go ahead and issue the government cheque regularly anyhow, and then pursue the nonpaying spouse later?

MR. HORSMAN: Mr. Speaker, it is not within the purview of the Crown to do that, pursuant to the legislation. The funds must be in hand, and that of course is something that is a problem. We must ensure that the cheque paid to the government has, in fact, cleared. That, of course, is required, and the Auditor General of this province has something to say about that process that the hon. leader of the Liberal Party should take into consideration.

MR. TAYLOR: Thank you, Mr. Speaker. It may be an idea to amend the Act then, if he cannot do it himself.

Possibly let's go another step. In those instances where the errant spouse has bounced a cheque or been late to you more than once -- say, twice -- would you then consider demanding that all future cheques be certified before they're accepted? Because it's a tremendous setback to a single parent with a couple of children to have to wait maybe a few weeks or a month while the government gets its affairs unscrambled.

MR. HORSMAN: Mr. Speaker, there's no question that there are problems in collecting from some individuals. There are some people who cannot make the payments because of loss of employment or injury or matters of that kind. We are doing and the maintenance enforcement program is doing a very excellent job in collecting and providing these payments to the spouses so that they can look after their children. I know there are problems associated with trying to get money from some people, and there always will be.

But I would say that this program, while it is not perfect, is being improved all the time. I would urge the hon. member to go back in *Hansard* perhaps and refer to my comments during estimates and to exchanges that I've had in the Assembly with the hon. Member for Edmonton-Avonmore on other occasions. We are making a very real effort on behalf of the people of Alberta to see this program work, and we welcome any suggestions as to how it can work better. But we have to realize, you know, that there are times when you cannot get blood out of a stone despite all the efforts that might be made on behalf of the spouses and their children. It's very regrettable that some people do not meet their obligations, but that has been and will be

continue to be, I suppose, a fact of life, unfortunately.

MS LAING: Mr. Speaker, would the Attorney General please confirm that when he quotes an 86.4 percent success rate on those orders registered since 1986, this merely means that some of the moneys have been collected and that in a substantial number of cases there continue to be large arrears, late payments, NSF cheques, and things of that nature that leave the recipients in dire straits?

MR. HORSMAN: I've just answered that question in my answer to the hon. leader of the Liberal Party. It is certainly true that some people do not meet their obligations, but by and large the vast majority of people are doing so. The success rate for new orders is at a very high level. It is also true, on the other side of the coin, that I, along with other members of the Assembly, receive complaints -- and I'm sure the hon. Member for Edmonton-Avonmore has received them; I know she has -- from spouses who claim that they are being persecuted and pursued unnecessarily by maintenance enforcement officials when circumstances have changed so that they cannot make these payments.

So it is a difficult question, and there are two sides to every question. But we are certainly doing all we can, and I would suggest that given the high level of calls that our department is handling in this area, the group of people who are working for the government are putting this program into effect as effectively as is possible and with a great deal of diligence.

DR. WEST: To the Minister of Social Services, a supplemental. If one of the spouses refuses to legally go after the other spouse for financial assistance but then applies for social assistance even though the other spouse has financial means to support the family, is that taken into consideration?

MRS. OSTERMAN: Yes, it is, Mr. Speaker, and our department would work with the Attorney General's maintenance enforcement area in order to accomplish this.

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

### **Energy Industry under the Free Trade Agreement**

MR. PASHAK: Thank you, Mr. Speaker. By order 256 on pipeline tolls the United States agency, the Federal Energy Regulatory Commission, has intervened in an area that is clearly in Canada's exclusive regulatory jurisdiction. My question is to the Premier. Given that the only provision in the Mulroney trade agreement that addresses this problem merely requires only consultation between the two federal departments, what action does this province intend to take to ensure that the interests of Alberta energy producers are protected against intervention by United States regulatory agencies such as FERC?

MR. GETTY: Mr. Speaker, when we've dealt with this in the House previously, I've made the point with the hon. member that while the trade agreement does provide an ability to consult on this into the future, we were not able through our federal government's negotiations with the United States to bring FERC under the control of the free trade agreement. Therefore, we'll have to pursue the same avenues that were open to us before, which are through our federal government to the government of

the United States and ourselves with representatives of the people in the United States and try as best we can to educate them on the needs of our province and our industry. We will continue to do that. It's not perfect, but at this stage it's the most effective way we have of dealing with it.

MR. PASHAK: Well, Mr. Speaker, I'd like to see if the Minister of Energy can be somewhat more reassuring than the Premier. To the Minister of Energy then. Given that the Mulroney trade agreement does not prevent the United States from imposing measures such as countervail duties and given strong protectionist sentiment in the United States for their declining resource industries, what assurance can the minister provide that products derived from non market-priced ethane, Alberta ethane, will not be countervailed?

DR. WEBBER: Well, Mr. Speaker, I think the hon. member needs to clarify what he was saying in the last part of his question. It certainly wasn't understandable to me.

In terms of the free trade agreement the Premier has indicated that there is a consultation process in place where we can consult with the U. S. government and I think the best solution in the long run will be the supply/demand situation in the United States. I think that hon. members will see that as supplies become short in the United States, we'll see a number of the hurdles that have been put in place in the past by the Federal Energy Regulatory Commission soon disappearing. However, we have been working with some of the state regulatory bodies in the United States, particularly California, in order to clear away some of the hurdles so that we can have access to those U. S. markets and can have costs pass through so they would not come back onto our producers in this province.

MR. PASHAK: Mr. Speaker, on a related issue, we'll see if the minister can give a better answer than the one he just gave.

MR. SPEAKER: That's inappropriate.

MR. PASHAK: Given lower royalty rates for synthetic crude and given the expanding capacity of U. S. refineries to refine heavy crude and the United States' historical recourse to countervail, what assurance can the minister provide that all oil from the tar sands will continue to be upgraded to refinery level specifications in Alberta rather than be exported to the heavy oil U. S. refineries?

DR. WEBBER: Mr. Speaker, I've emphasized in this House a number of times in the past -- and I'm sure the hon. member is aware of it -- that one of our top priorities in this province is to upgrade our resources. But the hon. member should also realize that from the oil sands the product is upgraded. It's upgraded to a very valuable light synthetic crude and meets all specifications for refineries.

MR. PASHAK: My final supplementary, Mr. Speaker, is to the Attorney General. In his response to a question by the Leader of the Official Opposition, the Attorney General said that even though there was no threat to Alberta's jurisdiction over its resources, his department was drafting new legislation to protect Alberta interests. My question to the minister is: what specific infringement on Alberta's rights contained in the federal legislation is the Attorney General's new legislation meant to address?

MR. HORSMAN: Well, Mr. Speaker, it's been perfectly clear that the wines and spirits chapter of the free trade agreement is one that warrants concern on the part of provincial governments. Later in the session it is anticipated that appropriate legislation will be introduced here for the consideration of members of this Assembly, for them to judge as to its future and pass judgment on it in due course.

MR. SPEAKER: Westlock-Sturgeon, supplementary.

MR. TAYLOR: Yes, Mr. Speaker, a supplementary back to the Premier on the original on the free trade agreement and the trade in petro-products. Could the Premier tell the Legislature whether he has checked out with his authorities in the U.S. whether in the sweetheart deal he is trying to work out for Nova to get cheaper ethylene than the rest of North America, somehow or another the products made by ethylene through Nova would be countervailed in the U.S. if he is successful, in other words, in lifting the ethylene out of the small producers' pockets?

MR. GETTY: First of all, Mr. Speaker, I think the hon. member must be talking about ethane, because ethylene is the result of already having a petrochemical plant and making ethylene from the ethane which is under dispute. Secondly, this whole area of being able to make sure that Alberta's resources are upgraded within the province is a policy position of the government, and we will develop ways in which we can have it happen and also make sure that it does not bring us into any conflict with the trade agreement.

MR. SPEAKER: Main question, Edmonton-Meadowlark.

### **Cheque Cashing Policy**

MR. MITCHELL: Thank you, Mr. Speaker. Money Mart cheque cashing policies raise the problem of vulnerable people being taken advantage of by cheque cashing operations which sometimes charge usurious fees. My first question is to the Minister of Consumer and Corporate Affairs. Will the minister consider disallowing any institution from charging for cashing government cheques, as is now the case in Quebec?

MS McCOY: Mr. Speaker, there are services in the financial services market that are being offered to consumers. We are actually looking at all of those services from a consumer point of view, keeping in mind that the conditions of that market are quite different today from what we got used to 10 or 15 years ago. It's become something of a financial supermarket. Our Committee on Fair Dealing, lead by Mr. Pat Cashion, a member of the Securities Commission, is working now to bring forward recommendations on several matters.

MR. MITCHELL: Mr. Speaker, one of the problems that certain people encounter is simply not having the appropriate identification to be acceptable to a bank. To the Minister of Social Services. Will the minister consider issuing special identification cards to those who do not have access to or reason for holding traditionally accepted forms of identification, of course upon request of people with that problem?

MRS. OSTERMAN: Mr. Speaker, I think that matter has been raised on another occasion, and it turns out that it is very com-

plex, particularly for some people who do not want to deal with traditional financial institutions, and it's certainly not our view that we should force them to do so.

MR. MITCHELL: Forcing and giving them the opportunity are two quite different things.

To the Minister of Social Services again. Why has the minister not instituted direct computer payments of welfare cheques to bank accounts, thereby reducing the need for identification, providing greater confidentiality for recipients, and of course doing away with the incidence of lost cheques in the mail?

MRS. OSTERMAN: Mr. Speaker, that's certainly an area that I can take under consideration. It is a massive task to address that particular area because of the fact that in many instances the amount that is going out to a family changes and there has to be contact with the family. But, Mr. Speaker, I'll take that under consideration.

MR. MITCHELL: Of course, the amount on the paper cheque changes too.

To the Minister of Social Services, final supplementary. Has the minister considered a program of partial indemnification of financial institutions to cover losses incurred in cashing of cheques, as is now done by the federal government?

MRS. OSTERMAN: Mr. Speaker, no, we have not. But I would say once again that where people request that type of identification for them to be able to do business with a financial institution, in most instances we're able to provide that. It is on request.

MR. SPEAKER: Edmonton-Kingsway, this is a supplementary?

MR. McEACHERN: Yes. Thank you, Mr. Speaker. Why does the Social Services department leave the banks holding the bag on canceled cheques, thus leaving the bank with a situation where they make welfare recipients wait several days to get their money when they go to cash it at the bank?

MRS. OSTERMAN: Mr. Speaker, I'm not sure I caught the full import of the hon. member's question. I would only say that there have been financial institutions that have suffered losses because of a cheque falling into the wrong person's hands and being cashed inappropriately, but I don't believe the hon. member should somehow denigrate social service recipients, put them in a situation where they have to be treated differently . . .

MR. McEACHERN: You do that.

MRS. OSTERMAN: . . . or have them viewed as less responsible people.

MR. SPEAKER: Thank you.

MR. McEACHERN: That's the way they're treated.

MR. SPEAKER: Hon. Member for Edmonton-Kingsway, you asked your question, thank you very much.

We move on to Edmonton-Calder.

### Operating Allowance for Day Care Centres

MS MJOLSNESS: Mr. Speaker, in the last two years the government has forfeited approximately \$30 million in CAP funding from the federal government because of its commitment to fund commercial day care rather than funding the development of nonprofit spaces. Now in what appears to be an attempt to lower its expenditures on day care, the government apparently intends to drop the operating allowance. To the minister. Given this government's poor financial planning, which has meant the loss of millions of dollars, I'd like the minister to justify her plans to lower expenditures and eliminate the operating allowance for day care.

MRS. OSTERMAN: Mr. Speaker, once again, and I will speak slowly: there is no decision to remove operating allowance.

MS MJOLSNESS: Well, Mr. Speaker, we'll see, I guess.

Because there is a need in this province for high quality spaces, rather than proposing to drop the operating allowance, has the minister considered . . . [interjections] I will ask the minister this question. Has the minister considered tying the operating allowance that now exists in day care to standards? In other words, centres which offer high standards, high quality of service would be entitled to higher levels of funding.

MRS. OSTERMAN: Mr. Speaker, it is interesting that the hon. members of the opposition put themselves in a position where they are going to make the judgment about standards. I think it is important to note that we have more faith in parents in this province than a number of other people do. When it comes to financial planning . . . [interjections]

MR. SPEAKER: Order please. There's time for supplementaries.  
Hon. minister.

MRS. OSTERMAN: Mr. Speaker, when it comes to financial planning, we have tried very hard as a government to put that type of planning into the hands of parents, and that is why parents are allowed the day care of their choice. The fact that the federal government has not co-operated with this choice is an area that really concerns us, and we are working very hard at that.

MS MJOLSNESS: Well, supplementary to the minister then. Perhaps the minister could explain why her department has been handing over large amounts of money to day care operators with absolutely no strings attached. There's no requirement for accountability.

MRS. OSTERMAN: Mr. Speaker, the accountability is the parents who take their children to that centre. [interjections] On the basis of that -- and I know the hon. members can pooh-pah the choice that parents are making -- parents take their child to a particular centre. The hon. member says there are no strings attached. Mr. Speaker, the only area that is a matter of discussion, and appropriately so, is the qualifications of the people who are in the centre. I think the hon. member will admit there are many, many people who make wonderful child care workers who do not have to have an academic education. It is finding the balance there, and when you say "no standards," it is not true. [interjections]

MR. SPEAKER: Order please. The Chair recognizes Edmonton-Calder for a final supplementary, not Athabasca-Lac La Biche or any other member.

MS MJOLSNESS: Well, Mr. Speaker, there's a lot of parents that don't have choices because the quality spaces are not there.

My final supplementary would be this: would the minister admit that this minister and the taxpayers of this province have absolutely no guarantee that dollars going to day care are going directly to the care of the children and, in fact, that much of that money is going to line the pockets of the operators?

MRS. OSTERMAN: Mr. Speaker, I have had many people say to me, "I'm not sure why somebody would be in the day care business," because they believe that it is a very difficult one. It's certainly not an area where there are a lot of dollars to be made. To suggest that a publicly operated day care is automatically better and more viable and more financially responsible than a private-sector day care is just not true. I could show the hon. member many, many statements, both financial and in terms of support by the parents, that would automatically discount her statement.

Mr. Speaker, I take great exception to answering the same questions continually, prefaced by misinformation. At no time has this minister said that there are going to be cuts to the day care budget. Yet this hon. member, with all due respect, continually puts that out there. I believe that she should operate much more properly.

MR. SPEAKER: Cypress-Redcliff, followed by Edmonton-Gold Bar.

MR. HYLAND: Supplementary question to the Minister of Social Services. I wonder if the minister can assure the Assembly that parents will continue to have a choice of the day cares where they take their children and they won't have to truck their kids halfway across the city by bus, back to work, and do the reverse on their way home as they used to have to about eight years ago.

MRS. OSTERMAN: Mr. Speaker, we will do everything in our power to assure that parents continue to have a choice.

MR. SPEAKER: Edmonton-Gold Bar.

MRS. HEWES: Thanks, Mr. Speaker. It's interesting that our program seems in the nation to be the odd man out. Maybe we made a poor choice. Maybe it's been our mistake.

Will the minister tell us how this government can justify to itself and to taxpayers operating a day care system that cannot command CAP funding? We're leaving millions on the table.

MRS. OSTERMAN: Mr. Speaker, the hon. member knows very well that the day cares in this province live by the same regulations, both public and private, and the only difference is with respect to the CAP program, where the funding only goes to public-sector centres. That is a problem that has been acknowledged by the federal government in terms of its unfairness, and they have promised to address that in this particular day care Act that will be coming up.

There are many day care spaces in this province. At least people in Alberta have choices with respect to their children. With all the laudatory comments about child care in other

provinces, it is wonderful, isn't it, when it only deals with a handful of children. In Alberta we, too, could say, "Aren't we wonderful" if we put up an unbelievable system that only served a handful of people. We have tried very hard to walk a fine balance and, in particular, to give parents their choice.

MR. SPEAKER: Thank you.  
The Member for Vegreville.

### **Abandoned Railway Right-of-Ways**

MR. FOX: Than you, Mr. Speaker. My questions are to the Minister of Forestry, Lands and Wildlife. There are a number of abandoned railway right-of-ways in the province that have become a nuisance for farmers. They're a fire hazard, they're a problem with weed infestation, people use them as garbage dumping areas, and it makes it difficult for farmers to make efficient use of their land. A number of farmers in the Vegreville area would like to see this land returned to them so that they could begin to make productive use of it. My question to the minister is wondering if he's had a chance to make any decision on the future disposition of the lines between Vegreville and Willingdon and Vegreville and Ryley?

MR. FJORDBOTTEN: Yes, Mr. Speaker, we have, and I thank the hon. member for his representation and that of some of his constituents who have met with me. The traffic corridors that were left there because of the abandoned railways were gifted to the province basically when the rail system was taken out and that system, then, is that if it can't be utilized for transportation or utility corridors -- and we're working with Transportation and Utilities to see whether or not that would be the case. If they're not needed for that, the top priority is to see that that land which was originally taken out of a parcel of land to provide for the railways is put back into the parcel of land. We are in the process now of making arrangements on the disposition of that land to farmers.

MR. FOX: Well, a supplementary to the minister, Mr. Speaker. He referred to the fact that this land was gifted by the railways to the province for use. Would it be gifted back to the farmers to become part of the original quarter sections of land?

MR. FJORDBOTTEN: Mr. Speaker, our government always looks at ways to be helpful, but under the legislation we can't do that. So basically what we're working on is a value for unimproved land in that area, minus the rehabilitation costs -- and in most cases they are significant -- to rehabilitate that land and to bring it back into production. That would be minus those costs. The farmer would then pay the difference. However, it would not be less than -- \$5 an acre would be the absolute minimum that it could get down to.

MR. FOX: A further supplementary, Mr. Speaker. The farmers that signed the petition in the Vegreville area and certainly the ones that brought the petition to the minister to meet with him will be very happy about this. I am wondering if he can give us some idea of how long he expects this process to take. When would the land be offered to the farmers for their purchase and use?

MR. FJORDBOTTEN: Mr. Speaker, it's the government's intention to move as quickly as possible as soon as we have title to

the land and Transportation and Utilities has an opportunity to review it. We would move immediately to try and dispose of that land as fast as possible to the farmers in that area.

I also should say while I'm on my feet that there are some of the rail right-of-ways that are within hamlets and villages, and we're working with Municipal Affairs in those particular areas to make sure that that land is given over to the landowners and the municipalities in the area.

MR. FOX: A final supplementary, Mr. Speaker. There's been some discussion amongst recreation-oriented groups in the province, fish and game associations and stuff, that they would like to make use of these abandoned rail line right-of-ways in different parts of the province for nature trails, bike trails, whatever. Does the minister see a conflict here between farmers and these recreation groups, or is he firm in his decision to return that land to farmers?

MR. FJORDBOTTEN: Mr. Speaker, I'm firm in my view that it belongs in agricultural production. There are areas where there is significant habitat potential. They're very minimal as far as the number of areas that could be considered for that, but yes, we would look at that for habitat. I'm always looking for ways to enhance that and improve that. However, the number one priority has to be transportation and utility corridors and the farmers in the area, to the adjacent landowners. The other areas it may be used for, other kinds of recreational activities: if the local municipality came forward with something on the lands that are within their responsibility, of course, as always, we'd look at that.

MR. SPEAKER: Additional supplementaries? Thank you.  
The time for question period has expired.

### **head: ORDERS OF THE DAY**

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?  
The Minister of Forestry, Lands and Wildlife.

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

MR. FJORDBOTTEN: Mr. Speaker, on behalf of the hon. minister of transportation, the Member for Peace River, the Hon. Boomer Adair, I am pleased to introduce to you and to members of the Assembly, a group from Kennedy elementary school, a grade 6 class, in Grimshaw. They are accompanied by their teacher Mrs. Jodi Schroeder, parents Mrs. Ethel Brightwell, and students Angie Mann, Charlene Brightwell, Gordon Schmitter, Ritchie Gair, and Erik Moller. They're in the members' gallery. I ask them to rise and receive the cordial welcome of the Assembly.

MR. CHUMIR: On a point of order.

MR. SPEAKER: Well, hon. member, there was no point of order raised. We've completed Orders of the Day.



MR. CHUMIR: I understood that points of order can be raised, that there need not be any announcement of a point of order during the question period. Unless I've been . . .

MR. SPEAKER: It's highly unusual with the precedents of the House, but let's listen.

MR. CHUMIR: In fact, I raised an objection once to a point of order not so long ago on that very same basis, and it was . . .

MR. SPEAKER: Hon. member, I don't know if you're . . . Order please. I don't know if there's some trouble with your loudspeaker system, but the Chair said proceed.

MR. CHUMIR: It's just a problem comprehending, Mr. Speaker.

The point of order relates to my question that was ruled out of order, Mr. Speaker. It followed on the main question of the Leader of the Opposition, the theme of which I took to be the frequency of government announcements with respect to projects that never take place. That was the theme, and the Husky upgrader was only . . . [interjections]

MR. SPEAKER: Order in the House, please.

MR. CHUMIR: What I understood the Leader of the Opposition to be pointing out, particularly in his opening comments, was that the *modus operandi* of this government is to announce projects at every possible turn as *fait accompli* and then to find that they go nowhere: promises and no action. So I took the Leader of the Opposition to be pointing that out, and my question in that context was directed to what I understand to be another imminent announcement, this time with respect to the Syncrude project, which was not intended to deal substantively with the Syncrude project but again to point that we're going to have another [inaudible], probably this week, I suspect. So in that context I felt and still feel my question to be in order and felt impelled to make that statement.

MR. SPEAKER: Thank you.

DR. BUCK: Point of order.

MR. SPEAKER: Is this on this point of order?

DR. BUCK: Mr. Speaker, speaking to the point of order, I want to assure the hon. member not to be impatient. The Grande Prairie hospital was announced three elections in a row, and finally when the Queen came, they dug the soil. So don't be impatient, hon. member.

MR. SPEAKER: Thank you. The point of order was manifestly not a point of order, simply a complaint, and the Chair had every right to direct the member to take his place, seeing as how the original line of questioning was indeed with regard to the Husky Oil upgrader. The member, of course, will probably have a chance to raise his own question tomorrow or the day after or the week after that.

Government House Leader.

MR. YOUNG: Mr. Speaker, further to some informal consultations among such House leaders as were available today, I understand it has been agreed and I would therefore move that the

balance of this afternoon be given to government business.

MR. SPEAKER: Is there agreement in the House on that matter?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

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

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

[Mr. Gogo in the Chair]

MR. CHAIRMAN: Will the Committee of the Whole please come to order.

#### **Bill 30**

#### **Workers' Compensation Amendment Act, 1988**

MR. CHAIRMAN: This is a money Bill. There are no amendments. Any opening comments by the hon. minister? Are you ready for the comments and questions?

Hon. Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Chairman. I do have some questions of the minister on this particular Bill that I hope he will answer and relieve some of my concerns about things in it that I'm not clear on and some things I believe should be in it.

In the first place, I support the notion of separating the executive function, the board function, and an appeals function. I believe that will serve workers and employers. But I would like to ask some questions about how the board is chosen. Mr. Chairman, I think it's important that we are able to develop confidence in workers and employers that, in fact, the board is representative of all the major groups. I know you suggest not more than three members and so on. Would the minister let me know if, in fact, there was some consideration given to seeking nominations from the Alberta labour council for the three members representative of the interests of workers?

MR. CHAIRMAN: Excuse me, member. Order in the committee please, hon. members. Let's hear the hon. Member for Edmonton-Gold Bar.

MRS. HEWES: I believe this would go a long way to reassuring workers and their organizations that, in fact, if they were allowed to submit a list of nine or 10 names to the minister, an objective selection could be made from them but it would be their nominees in the first place.

Similarly, with the appeals commission, Mr. Chairman, to the minister. It seems to me we have to be absolutely sure people are confident that, in fact, there is no tilt in who is on the appeals commission or on the board of directors and it is not weighted in terms of one group or another. I think we have to do everything we possibly can to be as objective as possible and to put into place the mechanisms to appoint such people to the board.

Mr. Chairman, a couple of particulars in this. Speaking of the relationship between the appeals commission and the board

itself, I am concerned about section 8(7) -- if I can find it. It seems to me, Mr. Chairman and Mr. Minister, this removes from the appeals commission its capacity to make decisions. What is the point in having an appeals group, supposedly fair, arm's length, third party, when in fact it is governed by the board policy and the board policy can at any time presumably overrule it? That's the way I read section 8(7). I seriously question the objectivity of such a function. Why have the appeals commission if, in fact, they are subject to the position of the board?

Mr. Chairman, I'm reminded of the section in the proposed labour Bill, Bill 60, that said, "Yes, arbitration boards, you can make decisions, but they have to be subject to the fiscal policies of the government." I think the minister very wisely changed that section, and I would suggest this is exactly the same kind of overlay: the policies of the board would always or could always overrule the decision of the appeals commission. Now, that to me removes the fairness and equity the appeals commission can and should have.

Further, Mr. Chairman, I'm concerned about section 17(1). This combined with 16 is, I think, quite confusing. It appears to me to prohibit an employee from suing a negligent employee from another operation. I found that quite curious, and perhaps the minister can explain what the intent is there. I don't see anything wrong in protecting a worker from a fellow worker on the job or from his employer, who may or may not be scrupulous, but to protect him from other workers across the province of Alberta and from elsewhere I think may go too far. Likewise, to protect him from employers from other places. I don't quite understand what the rationale for that is. Perhaps the minister could explain that to me.

Further in section 17, there is a line or two that suggests it is retroactive. It's the new section 5(1.2). It reads:

Subsection (1.1) applies to causes of action under subsection

(1) that exist on the coming into force of this subsection that have not on that date been settled or reduced to judgment.

This I read to be a clause of retroactivity which would render any cases now in process null and void and would have to go back to square one. I don't understand the rationale for doing that. I can understand that anything from this point forward would be subject to it, but it seems to me that when we change the rules of the game midstream, we disadvantage people in a rather grave way. That whole section seemed quite high-handed to me.

So, Mr. Chairman, with those comments and questions, I would hope the minister will have some answers for me. The only other thing I would like to suggest is that I had hoped the Act would have more of an advocacy component in it. I understand the appeals commission and so on, and would like to suggest that the minister could consider an office of adviser to the employer and an office of adviser to the employee. The chairman of the board has on some occasions discussed with me the possibility of the advocacy function. I expect it can be built into the operation of the board even without writing it into the Bill. Perhaps the minister could comment on that; that is, the notion of an advocate being available to the worker. I understand that the vast majority of cases are solved quickly and readily, but for the difficult case an advocate could be of great use to both an employer and an employee. So I'd like his consideration of those ideas that aren't in this particular Bill.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, hon. member.

Hon. Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Chairman. I rose during second reading on this Bill, and at that I time expressed opposition to it. In this Committee of the Whole I again want to speak in opposition.

Mr. Chairman, to understand the significance of this Bill, it is important to review the history of workers' compensation both in the province of Alberta and in Canada. I think without the knowledge of that history, members do not fully understand why there's so much concern and anger over this Bill in the province of Alberta. These changes are irresponsible tinkering with the historic agreement, and it's tantamount to betrayal of a collective effort that forged not perhaps a perfect structure but has served both the employers and employees in Canada for well over 100 years. Somehow the minister's notion that workers' compensation is a gratuitous benefit provided by government and employer is totally wrong. While some form of employer finance compensation legislation was first introduced, as I say, almost 100 years ago, real advances did not occur until about 1913 when a Sir William Meredith was appointed to study the employers' -- and I emphasize the "employers'" -- liability legislation. As a result of that study, Mr. Chairman, most of the provinces in Canada adopted some form of compensation system. Alberta, in fact, introduced legislation in 1918. The creation of a no-fault, employer-financed workers' compensation system resulted in an historic agreement between employees and the employer. Mr. Chairman, to tamper with this historic agreement without knowing, acknowledging, and seeking the full impact and agreement of both parties is reason enough not to support this Bill.

The minister spoke glowingly about the Shaping the Future report in his closing comments when we debated on second reading. The workers in this province were anticipating a change; they were anticipating fair and constructive proposals for change. Instead, the Shaping the Future document promotes a one-sided perspective, the perspective of the employer. This is mostly concerning in light of the fact that even today's compensation benefits and rehabilitation provided are not nearly adequate. It is particularly distressing today when injuries and industrial diseases are on the upward scale while, in fact, activity in this province is decreasing. The minister on numerous occasions has stated that changes to the Workers' Compensation Board are necessary. You can't argue with that. Certainly from time to time you must review and you must make changes. But in this instance, the parties to this historical agreement over the years -- a tripartite agreement -- that is embedded in Canadian labour and management relations not only did not request this change; there was no request put on the minister to make changes. We knew there were problems that needed to be reviewed, but certainly there was no request for these wholesale changes the minister is now proposing in this Bill. Mr. Chairman, we are continually assured that the fundamentals of the WCB do not need change. Yet this Bill marks a total departure from the principles on which the compensation boards were founded.

Again, in his closing comments during second reading on the debate, the minister said the following, and I quote. He was referring to this caucus, and perhaps to me specifically, and said:

They're opposed to a [general] emphasis on rehabilitation as opposed to compensation. They're opposed to a wage-loss method of compensating injured workers. They're opposed to a more effective, more efficient, more sensitive, and more service-driven organization.

That's what the minister said. We're not opposed to any of those, Mr. Chairman. But nowhere in this Bill is there evidence this is going to take place. It's simply a Bill to totally restructure the organization, and while one can argue there's a need for these things, this Bill doesn't provide that.

So let us review how this restructured organization is going to deal with the rehab. Right from the beginning, the Shaping the Future document, when addressing rehabilitation, first blames the victim and then blames the workers at WCB. Justifiably, the WCB staff are blamed for deficiencies and problems, that they have developed a compensation culture. Then the injured worker gets his turn. He has also adopted a compensation culture. According to the minister, these careless workers are injured, make WCB claims, and then somehow cause the many problems the WCB is experiencing. Then there's a suggestion injured workers prefer to stay at home on a WCB claim rather than return to work. Mr. Chairman, in addition to that, the minister suggests that somehow these workers would rather stay at home and collect workers' compensation rather than be exposed to rehab and return back to work. That, I believe, has got to be the worst type of insult that is being projected on the workers.

The minister, in his release of March 31, said:

The . . . Compensation Board must strike a balance between rehabilitation and compensation.

The assumption here, of course, is that somehow there is an imbalance. Reducing compensation would therefore balance the scale. Mr. Chairman, the organization proposed by this Bill is purely cost cutting, reducing WCB costs, forcing injured workers through a rehab system as quickly as possible in order to reduce WCB costs. That's not the intent or purpose of the Workers' Compensation or the the rehab program.

There is also mentioned in the Shaping the Future document the work-loss compensation. The problem with this change is that it is geared to take care of 15 percent of the workers who account for 85 percent of total compensation costs. Now, if it was the intention to provide more effective and efficient rehab treatment for seriously injured workers, then I would take a more charitable posture. But it is the intention that most of these changes will reduce long-term liabilities to Workers' Compensation.

Another recommendation is that a one-time determination of ongoing wage-loss compensation takes place and then closes the file. That particular recommendation is so bad in my opinion that it is not worthy of comment. Mr. Chairman, nowhere in the Shaping the Future document is reference made to how the assessments have not impacted on the Workers' Compensation and the problems that exist with that organization. One can't help but make the assumption that somehow when the study was made, a review was made of this particular department that there had to be some form of collusion between employers -- and I say some employers -- and the government, because otherwise surely we would not have a document of that nature.

I say "some employers" because I received a communication just yesterday -- and I suspect the minister may very well have received the same communication -- from a management firm in Calgary. This organization makes the case, with which I agree completely, that rather than speeding this Bill through legislation, this Bill 30, they are suggesting the government wait until they conduct a study, that is going on now, where they are reviewing the document Shaping the Future, until all these hearings are done, until the recommendations are submitted to the minister in September -- that in fact this Bill be put on hold until

such time as there's truly been public input from the workers, public input from management. Only then should this Bill proceed, if in fact, as a result of those hearings, there is an agreement that it do so.

I might suggest to the minister, Mr. Chairman, there's no way in my understanding of what's happening at the hearings that there's approval of this particular Bill. I think if the minister were serious about dealing with injured workers, dealing with management who have to pay for workers' compensation, he would not proceed with the Bill. He would put it on hold until such time as in fact truly public hearings have been held and the results of those public hearings have been available to him and this Legislature.

MR. CHAIRMAN: Any further comments, questions, or amendments to this Bill?

Hon. Minister of Community and Occupational Health.

MR. DINNING: Mr. Chairman, I would like to respond to some good questions and comments by the Member for Edmonton-Gold Bar. How will the board be chosen? How will the appeal commission be chosen? The member is right; we will be seeking the advice and recommendations of various workers' groups, including unions, labour federations, whatever. They will be invited through public advertisements and through solicitations directly to submit names that the Lieutenant Governor in Council will consider before appointing representatives of workers, employers, and the general public to the board of directors.

As for the appeals commission, we are working through the Personnel Administration Office, using the services of a consultant to find the very best persons to serve as a chairman, a representative of workers, and a representative of employers -- a three-person appeal commission. I have been in contact by way of letter with a number of people who've submitted names, who've submitted nominations, and directly with those other people, saying they will be considered by the Personnel Administration Office and that consultant and myself before I recommend appointments to those three positions to the Lieutenant Governor in Council.

The hon. member mentioned something about the relationship between the board and the advisory committee. Clearly, Mr. Chairman, the purpose of the Bill is to carve away and separate responsibility as it relates to administration, governance, and policy-making vis-à-vis appeals. We have set out as one of the board of director responsibilities the setting of policy -- a policy-making body that will have input, that will have advice from members of the appeal commission and from the appeal commission personnel before a policy is agreed to and set by the board of directors, much like this Legislature sets policy, makes law, and courts interpret that law. The board of directors is much like this Legislature, and the appeal commission is much like the judiciary in this province. So there is that relationship, and in this case there will be a good working relationship between the appeal commission and the board, in that the appeal commission will have an opportunity to advise the board of directors before they establish policy.

As it relates to the advocacy component that the hon. member raised, Mr. Millard, through the Workers' Compensation Board task force, is hearing from a number of individuals who are recommending that there be a stronger worker adviser, worker advocacy process. We have one in place now. But he's also hearing suggestions that employers have an advocacy, ad-

viser process much like the hon. member has suggested. I look forward to receiving Mr. Millard's recommendations to that end when he reports at the end of September. But I believe that is an appropriate place for that to be occurring and not jumping the gun by putting that into the legislation today.

As it relates to section 5 of the Bill that relates to section 17 of the Workers' Compensation Act, Mr. Chairman, this in no way relates to the reorganization of the board. Instead it relates to a concern we have that the board does not have a legal right to claim for costs that are expended on injured workers for medical and rehabilitation care. Up to now the board has always exerted a subrogated right to recover moneys from wrongdoers, who did not enjoy the protection of this Act. These situations usually occurred in the case of a motor vehicle accident, and the moneys were usually paid by the wrongdoer's insurance company. Because of some concern, some question, as it relates to a decision by the Court of Queen's Bench, we wanted to ensure that there was no ambiguity in the wording, and we wanted to ensure that the board did have an ability to go after these funds that would be paid by that wrongdoer's insurance company. This is a provision that is similar across the country in various workers' compensation Acts across the country. And what this change in section 5 of the Bill will do is affirm the long-standing principle that a wrongdoer ought not benefit from his wrongdoing by avoiding a legal obligation he would otherwise have had to pay.

Mr. Chairman, I want to refer to one other item. It refers to the Canadian Federation of Independent Business, that has expressed some concern. I regret that the federation didn't take the time to sit down with me or with members of my office. They did meet with a number of people related to the change process. I wanted to alleviate any concerns they have that somehow the appeals commission is going to operate totally separately from the policy-making body. Clearly the Bill spells out that the appeals commission is bound by policy determined by the board of directors and that the board of directors may direct the appeals commission to rehear or hear again a matter before the board to ensure that the appeals commission decision is in keeping with board policy, and in fact the board of directors may stay the decision of the appeals commission pending a rehearing of the subject matter before the appeals commission.

I feel that I have responded in past, Mr. Chairman, to the comments made by the Member for Edmonton-Beverly, so I will refrain and resist the temptation to respond to Mr. Werlin's comments.

MR. CHAIRMAN: Are you ready for the question?

The hon. Member for Edmonton-Beverly.

MR. EWASIUK: Well, Mr. Chairman, I'm not sure where the minister draws his conclusions from, but I certainly work very closely with the labour movement in this province. I know how the workers feel and think about this particular Bill. I think it's only fair that I should be able to represent their views here to the Legislature. Obviously the minister does not listen to workers or injured workers in this province, and somebody should tell him what he needs to know.

Mr. Chairman, there is no doubt that this Bill is premature. There is no reason why this Bill should have been introduced in this sitting when, in fact, the minister has his one-man task force traveling throughout the province seeking the views of citizens, injured workers, other workers, management people. Everyone who has some interest in workers' compensation has the oppor-

tunity to be at the hearings and make their case, yet the minister goes ahead and proceeds with this Bill totally restructuring the Workers' Compensation Board without input from the public, particularly the vested-interest people who have a concern how this legislation is going to function. I believe it's totally unfair. It's arrogant of the minister to do these sorts of things. But here we have a person that is going ahead: "Don't confuse me with the facts. I know what I'm doing."

The minister has from time to time said: "Oh, but we have had labour representation. We've heard from the public." I challenge the minister to file in this Legislature the names of organizations and people that have, in fact, made representation to him relative to when the review was taking place. He was disappointed that the Canadian Federation of Independent Business did not make representation. Well, if he wants studies of the history of workers' compensation in this country, one will know that this particular organization opposed any implementation of workers' compensation dating back to when it first originated.

So if that's the kind of people the minister was listening to, I can understand why we have Bill 30 before us. He did not listen to the people who would be directly impacted by this legislation. I'm not sure, in fact, who he listened to other than a small group of bureaucrats in a department who, in my opinion, are doing nothing more than building an empire.

MR. CHAIRMAN: Are you ready for the question?

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: All those in favour of Bill 30, Workers' Compensation Amendment Act, 1988, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Carried.

[Several members rose calling for a division. The division bell was rung]

[Eight minutes having elapsed, the House divided]

For the motion:

Ady	Heron	Pengelly
Alger	Hewes	Reid
Anderson	Horsman	Rostad
Betkowski	Hyland	Russell
Bogle	Johnston	Schumacher
Bradley	Jonson	Shaben
Campbell	Kowalski	Shrake
Cassin	McClellan	Stevens
Cherry	McCoy	Stewart
Clegg	Mirosh	Taylor
Day	Moore, R.	Trynchy
Dinning	Musgreave	Webber
Downey	Musgrove	Weiss
Elzinga	Nelson	West
Fischer	Oldring	Young
Fjordbotten	Osterman	Zarusky

Against the motion:

Barrett	Laing	Piquette
Ewasiuk	McEachern	Sigurdson
Fox	Pashak	Younie

Totals:	Ayes - 48	Noes - 9
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[The sections of Bill 30 agreed to]

[Title and preamble agreed to]

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

[Motion carried]

### Bill 25

#### Municipal Taxation Amendment Act, 1988

MR. CHAIRMAN: There is an amendment, sponsored by the hon. Minister of Municipal Affairs. Hon. minister.

MR. ANDERSON: Mr. Chairman, there are two very minor amendments that I don't think should cause members any difficulty. One merely changes the definition with respect to water conveyance system: to remove the portion that qualifies it "for domestic purposes" and replace it with the phrase "to meet municipal standards." That should be more precise and ensure that the intent of the legislation is carried out to the fullest extent. The second . . .

MR. CHAIRMAN: Order in the committee, please. Excuse me, hon. minister.

MR. ANDERSON: The second proposed amendment, Mr. Chairman, merely allows citizens to vote and therefore pay for, if they vote for, the acquisition of land for noise attenuation devices or any building involved with that. An attenuation device, for the interest of hon. members, is a berm or another sound-holding device.

Mr. Chairman, I leave the committee to those two minor amendments, and will have some other comments to make when we are in committee stage of the Bill itself.

MR. CHAIRMAN: Comments, questions, or further amendments? Hon. members may deal with both the amendment and the Bill at the same time.

Hon. Member for Edmonton-Beverly.

MR. EWASIUK: Well, Mr. Chairman, I thought we would vote on the amendment first and then proceed to the Bill. Or did you say . . .

MR. CHAIRMAN: We will vote in that order, but hon. members may comment on both at the same time. That's our tradition.

Are you ready for the question on the amendment?

Hon. Member for Edmonton-Beverly.

MR. EWASIUK: Well, Mr. Chairman, I rise, actually, to partly support the Bill, because I think there are some good things in it. On the other hand, I think there are some questions that need to be raised and perhaps responded to by the minister. I would primarily like to speak to several sections in the Bill, but let me

first say that I think what this Bill does in part is, in fact, meet the kinds of requests that have been forthcoming to the government and to the various ministers in this portfolio over a period of years from the larger urban centres where, when recession set upon us in this province, many developers who held land in the city centres or on the periphery of the city but still were within the city boundaries found it convenient and economically prudent to divert their property from commercial zoning to agricultural zoning, thereby escaping the need to pay the commercial tax rate. And this is fine for a developer, and one, I suppose, can't be too harsh with him. However, the property owners in really residential areas had to make up the difference basically in that loss of the tax base, and so the municipalities, the larger centres, asked the government to close that loophole in the Municipal Taxation Act, and I'm pleased to see that the minister has taken some moves in that direction. I think it's going to alleviate the problems for many municipalities.

I see where the minister does in section 2 -- as I see it, the amendment now will allow the minister to issue regulations which will govern the assessment of farmland and a determination of what properties constitute farmland. I guess that's the basic issue here: what really is farmland? Up to this point there was some ambiguity about it. But, Mr. Chairman, without the regulations, it is difficult to determine the actual impact of this particular change. However, on the surface I believe it appears to be positive, and certainly we can support that portion of it.

I also want to speak to section 3. At the present time the Act provides for certain exemptions which would include municipally owned properties. This amendment now deletes that particular exemption, and there are advantages and disadvantages to what is being proposed. It'll be possible now for the municipalities to place properties on a tax roll and consequently collect their taxes rather than have to go to the process of getting payments in lieu of taxes in other forms. So I think that's an advantage to the municipalities.

However, there are disadvantages, and the properties are generally properties that municipalities are holding for one reason or another that may not be occupied, that might be available for leasing on a short-term basis to nonprofit organizations. With this provision now, these nonprofit groups would be required to pay tax on this property, and of course most of them cannot do it. They generally come back to the city and ask for a grant to offset their taxes. What'll happen now, quite likely, is that these properties may then not be rendered rentable. I think that's a disadvantage, because it does two things. It gives, as I say, charitable groups, nonprofit groups, an opportunity to have a facility for a period of time and to utilize it at a reasonable rate of rent. The second occasion is that the municipality does have the opportunity to, in fact, secure some rent from these properties when they sit vacant. I'm not making an amendment to this particular issue; I'm simply raising it as a concern I see in the Bill, and perhaps there may be some way to accommodate this disadvantaged situation that seems to exist in this particular Bill.

Generally from those points of view, Mr. Chairman, I see a Bill in these sections as acceptable. However, before I take my seat, I say there are concerns, and other hon. members in our caucus would like to address those as well.

MR. MUSGROVE: Mr. Chairman, I have to stand in support of this Bill, having spent a number of years on a municipal council when we were challenged with the court of revision to try and define who was or was not a farmer. This Bill takes away all that need to define a farmer. One of the things we discovered

during those days was that to define a farmer was an impossible task, because you can't do it by the amount of land he owns; you can't do it by income. So the definition of a farmer is very vague. This seems to be the best way of being fair on assessments as far as who is a farmer and who isn't.

Now, during those days, if you qualified on an acreage for the farm exemption, you would probably pay very little or no taxes. If you didn't qualify for the farm exemption and your house and land was assessed, then you would be paying, generally, an unproportionate tax for those that are paid in the urban centres. When I was in municipal government, we tried various ways of trying to establish a fair and equitable way of charging taxes to smallholdings. One of the proposals we had in those days was what we called the either/or prospect, where you would assess a person's land and his dwelling and tax the largest assessment. Our colleagues from the assessment department said we would have a problem trying to enforce that. This Municipal Taxation Act now is, to me, better than that proposal, because you are taxed on a portion of your house as it relates to your land.

Now, the exemption is still only on the equivalent of what we used to call a C-3 bungalow, which varies in assessment from year to year. But it's two-thirds of the replacement cost of that bungalow, which is probably today about \$45,000 to \$50,000, which generally would make the average farmhouse not assessable, providing the land base is there to cover it. It's agreed that the average person on a quarter section with a fairly elaborate house would be paying a certain amount of taxes, but then we also have to recognize that if the average person is living on a quarter section with a fairly elaborate house, probably his income isn't coming from all that quarter section. So he probably should be assessed a portion of that.

With those few comments, Mr. Chairman, I would certainly recommend that everyone support this Bill. Thank you.

MR. CHAIRMAN: Hon. Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Thank you very much, Mr. Chairman. I rise to ask the minister a number of questions and make some general comments about Bill 25. I'm already on record indicating that there are some good parts to Bill 25 in terms of trying to close some of the loopholes the urban municipalities were attempting to come to grips with. I think this Bill does provide for the urban municipalities to be able to access some of the acreage owners or urban dwellers that have what they used to call agricultural landholdings and escape a lot of taxes even though those lands were basically purchased for real estate speculation and development. I think that was very much a concern municipalities had in the past that people were playing around with some of these loopholes: all they had to do was hire a farmer to do a few acres of hay and they would get exemption from many of the taxes that should have been paid on that speculative piece of real estate land.

However, when it comes to the part of the Bill that basically treats all farmholdings and divides them into three-acre parcels of land where now the municipalities will have the right to tax at 65 percent of market value, and the way it's set up is that the exemption a farmer has is based on the agricultural holdings that farmer has, I feel this Bill is really open to abuse in terms of the small farmer having to pay residential taxes, and some of them will be seeing a dramatic increase in their taxes. This will be impacting on not just a few farmers but in effect from statistics I've looked at will be impacting close to 17,000 farmers in the

province of Alberta who have agricultural holdings less than four quarters of land. Whereas farmers who are sitting in the more fortunate situation of having four quarters of land or more will be exempt up to \$40,000 or more on their residential property of that three-acre parcel of land which will be still remaining exempt for any residential taxes, that portion of that exemption is not available to the small farmers.

I believe that all applies to the regulations. When you read the Bill we don't see that at all, but in the regulations the minister has already proposed, the regulations read that small farmers are not going to be able to get a residential exemption if they rent land from neighbouring farmers. And I would hope the minister would make public, at least in the House -- on the record -- what he did write to me in a letter: that in fact he will be trying a pilot project to allow municipalities to allow exemptions for farmers less than four quarters of land who rent additional quarters of land, so that they will also be able to gain that \$40,000 exemption on their residential property taxes, except I find that that is a promise and not a guarantee. You know, it's a promise: that because the municipalities don't completely agree with that he's going to be trying it out. It's unfortunate, because if the minister would be saying, "Yes, we will," then I think we've addressed that inequity.

Because I really believe that the Member for Bow Valley saying, "Well, the farmer who has one or two quarters of land isn't really much of a farmer anyway, so he should pay residential taxes. And he probably works off the land too, you know; he's probably got a second job." Well, I would dare say that many, many farmers, the vast majority of farmers who have seven, eight quarters of land, have a spouse or himself working at a second job. So to use that as an argument, I think, is totally unfair.

Really, paying property taxes should be based more on the ability to pay if we're going to be addressing fairness as an issue by this government because the minister did say when the Bill was introduced that he was attempting to introduce more fairness: a more equitable type of property taxes in the province. I say this Bill falls very far from the mark, because this is not based at all on the ability to pay. We have thousands of farmers in the province of Alberta who are, in fact earning most of their income on their small farmholding, either by a very intensive farming operation or by, in fact, renting land from neighbouring farmers and augmenting land ownership through the rental/purchase program or the rental program.

This Bill, even though there is some assurance that there might be a pilot to address that concern, does not guarantee that to the small farmers of Alberta, and because of that I'm against Bill 25 proceeding further. Because until that inequity is addressed more forcefully and much more positively by the minister, we are only hoping that perhaps we might have fairness in that system of taxation for small farmers. But there's no guarantee.

I think that because of that, we as Official Opposition must reject the fact that in this Bill the small farmer is going to be adversely affected by much higher property taxes on his residential holding, and I think that's going to be a detriment to the future of the family farm. It's going to be a detriment for encouraging young farmers to settle and to start from a very small operation to build up an operation into a larger one. It's almost repeating the whole aspect of what we've been debating about the ADC: that we're attempting to start beginning farmers from a large farming operation to begin with as opposed to encouraging the small farmer, the beginning farmer, to begin small, to

gradually expand his operation, and that he's going to have some tax benefit in order to accomplish that. Really, when we're talking about fairness in the property taxes, this Bill basically speaks on behalf of municipalities. It does not speak on behalf of farmers.

I had a conversation here the other day with a former MLA from the Tory party who feels that this Bill was never enacted by any minister before simply because of that question. I even heard a comment that the new Minister of Municipal Affairs perhaps doesn't fully understand how this will impact on the whole aspect of the family farm. Because unfortunately, a promise is not a guarantee, and I think that if we could have in this Bill an amendment from the minister, or at least a clear regulation which is not a pilot attempt, at least the farmers who have rental lands will be treated fairly in this Bill, and in fact their only hope is that the municipalities will perhaps take this on. And I can tell you, Mr. Minister, that most municipalities will probably reject this, because they will invent whatever excuses they can to say: "Well, it's too complicated to allow a rental piece of land, a quarter section of land, to be exempted. We should stick only with the landowner himself in order to gain that exemption."

Unfortunately, I can tell the minister that one loophole that he did not close because of this is that -- I know of a number of lawyers and doctors who own seven, eight, 10 quarters of land who are going to be gaining a \$40,000 exemption because this is not based at all on the ability to farm the land; this is totally a Bill based on the land ownership. So you're going to find a large doctor owner or whatever who is actually just renting the land to neighbouring farmers but actually not himself farming gaining exemption under this Bill but the farmer who's renting that land and actually producing on that land getting nothing and actually paying much higher taxes on his residential property.

What I would have liked to see in the regulation is that the exemption -- let's have fairness for all farmers, that they pay a bit of residential taxes. What we see, even in the minister's own calculation, is that the large farmers are going to pay less taxes under this Bill, the small farmers are going to pay a lot more. And then at the other end of the scale the municipalities are even going to be able to reduce their taxation on some of the summer villages, et cetera, because the bulk of the people who are going to be paying more are those small landowners who have an agricultural holding of 80, 160, 320 acres of land, in that vicinity. They are going to be basically paying the bulk of the new residential taxes under this Bill.

And I can see a real discouragement, as I say, for even the intergenerational transfer of land from father to son. Which father will break up his land to give one or two quarters of land to his son when as soon as he does that the house on his son's quarter will rise dramatically to \$1,200 or \$1,500 residential property tax? And the same thing for his own house as well; it will be treated differently because of . . . So you're going to be putting a damper on the whole intergenerational transfer of land from father to son or daughter, because this Bill does not address that.

So I'm awaiting the minister's statement on this. I was hoping that the small amendments he was going to be introducing in the House today would somehow come to grip with that issue, because whatever the government members may want to say, I do know, and I do know the minister knows that as well, that the farming groups who have talked to him do agree with the position that I have taken here in the House, that in fact the small farmer landowner will be paying a lot more, depending again on

the size of the house. You know, I think that's where the minister shakes his head and says, "Well, it depends what kind of a size of house." But you know very well that in rural Alberta there are a lot of houses which are going to be beyond that \$40,000 or \$20,000 exemption -- for example, if you're sitting with one quarter of land or two quarters of land -- because it is based on the real estate value of that land. It is not based on the productive value of that residential quarter.

So in fact, you're going to see the small farmers located near urban centres, for example, much more adversely affected by this Bill. The same thing for farmers who are located along major highways; they're going to be more adversely affected by this Bill than someone sitting further down in a more isolated area. So we're going to still have that inequity and that unfairness in that system the minister so proudly announced when the Bill was introduced approximately a month ago.

However, I must compliment the minister that he did delay moving ahead with the Bill to at least allow the farming group to respond and prepare some arguments to the minister to take into consideration. But I would welcome the minister to at least in the House, so that we have it on record -- you know, written kind of letters is one thing, but I think what is recorded in *Hansard* is much more on record -- actually say what will be coming out in regulation that somehow can address some of the issues here that we have brought forth from the opposition and from some of the farming groups that have talked to him. For example, Unifarm indicated that they were in favour of dropping the exemption for all farmers from \$40,000 to \$30,000 so that everyone would pay a bit, because even the large farmers would at least pay some residential taxes. Because I think if that is the issue we're talking about in terms of urban or rural municipalities, they're trying to get an equalized level of service, and you need money in order to do that.

Well, to be honest a larger farmer has the ability to afford to pay more than the small farmer, but that's not addressed in this Bill whatsoever. If we had a reduction in the exemption from \$40,000 or \$45,000 to \$30,000, then even the larger farm would pay a bit of taxes to the rural municipalities. Then there could be an adjusted rate for the smaller farmers as well, because there would be more of an equalized residential property tax, as indicated by the municipality. So that was one recommendation which he said that the rural municipalities could not accept.

Now, I mean is he speaking on behalf of rural municipalities, or is he speaking on behalf of farmers? We're attempting here out of this Bill to get some fairness and equity, because we know very well this will be the last kick at the can, and the minister's regulations are going to be very, very important emanating from this Bill. This Bill, from what we have here, appears to be very innocuous, but in fact the regulation that the minister will be enacting is going to be impacting -- of course, not right away in all municipalities, because it's all staged in as the new assessments are done, and there is provision for assessment. But we're talking about here the long-term implication of this Bill, that this Bill put into force -- that yes, the minister has to be prepared to admit that it will impact more heavily, residential property taxes, on the smaller farmers. I mean, there cannot be any denial of that fact. Even his own chart shows that.

"How can we equalize it?" is a good question. Will he attempt to arrive at a solution that maybe doesn't satisfy completely the municipalities on this issue? Because the minister must not just simply act on behalf of the municipalities but must act on behalf of the average Albertan out there who's a small farmer, who has not the kind of services provided to him that are

provided in municipalities and towns and villages. They do not have the water and sewer services and the garbage pickup. All they have is a road in front of their house and, of course, the educational kind of facilities that they help to provide as well. But in fact when you start looking, if they have a reasonably good house sitting on 160 acres of land, they will be paying tremendously more taxes but not receiving the kind of benefits that someone living in a town or village will, because he does have to provide his own water and sewer services. He has to provide all of the other facilities or services which are provided in terms of someone living in an urban or town or village site.

So I really urge the minister that the Bill here appears to be fair and equitable when you look at the way it's set up, but in fact the regulation behind it and the way it's going to be impacting on the small family farm is going to be a discouragement for the small farmers, the beginning farmers, to settle, to move from the cities into the country to raise their young families and to populate our rural Alberta. If they are going to be paying as much taxes on a quarter section, two quarter sections of land even though they could be earning 50 percent of their income on the farm, where the whole Bill here falls flat on its face is that . . . At least under the old Bill if a bona fide farmer was farming a piece of land, he got some exemption. Under this Bill he could be a full-fledged farmer on 80, 160, 320 acres or renting four or five quarters of land, and he's paying residential taxes. The same farmer, who may be sitting on land, retired, with eight, nine quarters of land, will pay no residential taxes. Where's the fairness on this? If we're going to be talking about the issue of who's a bona fide farmer and who is not, then this Bill doesn't address it.

I would like to hear the minister respond to that, because this Bill does not talk about who's a farmer and who's not; it's basically who has more land and who has less land. That's all this Bill attempts to deal with. It's very cut and dried, very nice for the municipalities. I mean, I can see that if you're a former councillor who has been dealing with this, you support that, because I know it's been a real problem for a rural municipality to deal with. But is that the real solution?

I heard a couple of councillors in some of the rural municipalities saying that in the past they were allowing farmers to be exempt from paying any residential taxes if they could show that they were selling approximately \$3,000 to \$4,000 worth of agricultural products.

MR. CHAIRMAN: Excuse me, hon. member. Second reading has been adopted. Are you addressing a particular section of the Bill? Second reading has been adopted by the House. Perhaps you could come back to various sections of the Bill. That's what we're dealing with.

MR. PIQUETTE: Okay. Well, I think I'm perhaps trying to address here the larger issue, but it does deal with section 3 in the Bill here. The whole lack of fairness in terms of how it's going to be impacting is very relevant, because it does deal with how, when we're trying to make a nice, neat little package here for the municipalities, it doesn't relate to reality out there in rural Alberta.

Again, I would urge the minister that before we proceed -- because this Bill will have long-range impact, and I would say negative impact. And if he's speaking on behalf of rural municipalities, you know who's going to get blamed when the tax bills start coming in and who's going to get the negative feedback. The rural municipalities here had the power under the

old Act to amend a lot of these things themselves. They could have addressed the whole issue of the farmer who is not a farmer who is paying no residential taxes at all. They could have done that under the old Act. But they want to pass on to the provincial government the responsibility to say: "Well, they made us do this. They made us raise your taxes so the small landowner will now have to leap a lot higher in terms of paying his share of residential property." But in fact, we've exempted the large landowner. It's almost like the feudal system.

Thank you.

MR. CHAIRMAN: Hon. leader of the Liberal Party.

MR. TAYLOR: Thank you, Mr. Chairman. In short, and along the question line, I'm a bit concerned that the minister may . . . Of course, in his graph that he put out to illustrate the difference in taxation for three acres going up to farmland, it shows a tremendous jump in the 40-, 60-, 160-, 320-acre category. Now, it may well be . . . I believe it was the minister who put out this -- may I ask? -- the proposed regulation for discussion purpose only, which is also helpful. It's beaming us in, along with the hon. Member for Athabasca-Lac La Biche, that took us into this area.

As the minister well knows, I represent a constituency that probably has the most intensive farmland in Alberta. The Sturgeon River valley has number 1. Don't shake your head, Cypress. If you had soil like this in Cypress there, you and I would be millionaires, not out here trying to make our living as MLAs.

But the point is that the best soil in Alberta is in the Sturgeon River valley and Blind man valley. Of course, the Blindman valley does not have a large settlement near it, whereas we have Edmonton. And we have farmers who are making a pretty fair living, although they might not agree, on 20-, 40-, and 80-acre parcels just out of town here, raising specialty crops and almost approaching market gardens.

Now, I noticed the minister has moved to allow, say, greenhouses and intensely farmed land. This is why I want to ask him as a question. I notice he's averaged, really, 10 municipalities, and it may well be that he's taken care of this, but I can't help but be a bit afraid -- and I want to represent my constituents -- that to, say, a fellow who might be third or fourth generation on a 40- or 80-acre farm, which down in the hon. Member for Chinook's they drive past in two minutes and it won't even keep a cow going, and down where I was raised it wouldn't even keep a gopher going . . . But nevertheless, up here they may have made a living out of it for two or three generations. Just an ordinary old house -- maybe it has plumbing in it now -- a barn, and some outbuildings. Now, it would appear from this graph that they might get their taxes jumped two or three times. Or is it because I haven't taken the proper averages? Is it possible that the buildings in a case like this would be evaluated so low because they were farm buildings? Not the millionaire type of relaxation with those little miniature John Deeres which papa, momma, and the kids all have -- they run around quick trying to mow off each other's toes. The whole yard isn't full of fancy equipment; all it is is plain, old-fashioned farming.

I'd like to know, and this is a question to the minister, if that type of farm does get that huge jump or whether indeed I am just I hope, blowing in the dark and hoping that what you have as an average has taken the millionaire's long, sleek home that takes an electric wheelchair to get from one bedroom to the



other and averaged that in with the home of a truck gardener. That's what I'd be interested in learning.

MR. STEVENS: Mr. Chairman, I'm very pleased as the Member for Banff-Cochrane to rise and support the amendment and Bill 25 in its entirety, brought to us by the Minister of Municipal Affairs.

Mr. Chairman, I want to remind the Assembly of the long history of service not only of the Department of Municipal Affairs officials but the ministers who have been endeavouring to resolve these outstanding problems for some time. I remember the Member for Lethbridge-East when he was minister and the beginnings of the changes that were developed at that time. And I remind us all of the members who served in various capacities as ministers of Municipal Affairs: the Member for Smoky River, who developed the idea of an exemption for part of the farmhouse up to a certain value; the former Member for Edmonton-Strathcona, who began the work of negotiating with the Association of Municipal Districts and Counties and with the Alberta Municipalities Association; the Member for Edmonton-Parkallen, who's unable to be with us today, and as minister continued with those efforts; and now, of course, the Member for Calgary-Currie who holds this portfolio and the work that he has done in presenting, as he said, long awaited amendments which have been supported fully by the Alberta Association of Municipal Districts and Counties that will, when passed into law, achieve fairness and equity.

Now, the Member for Athabasca-Lac La Biche made some comments today in opposition to the Bill and has asked the minister to develop a new strategy. It's very strange, and I found it difficult listening today to the New Democratic Party and its representatives, when just a few moments earlier we heard the support for the Bill from the Member for Edmonton-Beverly. So the message from the New Democratic Party, of course, is, as always, one of confusion.

This particular Bill has been developed completely with the support of a number of organizations, but let me just refer to the members of the Association of Municipal Districts and Counties who, together with the department and the minister, represent these areas and are in complete support of this proposal: the MD of Willow Creek, the county of Barrhead, the MD of Fairview, the county of Paintearth, the county of Lethbridge, the county of Thorhild, the MD of Sturgeon, the county of Lac Ste. Anne, the counties of Wheatland and Warner, the county of Grande Prairie. Now, how can the New Democratic Member for Athabasca-Lac La Biche ignore the support of these particular member municipalities who form part of this executive and committee who have carried out these extensive studies and are completely in favour and have been for the last two years? In fact, the president of the Alberta Association of Municipal Districts and Counties said, as the minister knows, that at the present time land does receive, if it is qualifying as farmland, two concessions: one on the land assessment and a basic exemption on the residence. But many rural residents with very small amounts of land have never been able to access farmland assessment concessions.

The problem that the Banff-Cochrane constituency has faced, and much more than any other constituency in this province, is the problem of the plastic chip farmer, the plastic chip farmer who by avoiding taxation by various means available to him or her has meant that some 700 farms or properties classified as farmland are not paying their fair share, as other acreage owners have in the areas such as Rocky View or the municipal district

of Big Horn. The president went on to say that many rural municipalities have had problems in being fair in trying to assess these properties and in dealing with the concerns of not everyone being able to pay their fair share. Because under the current system it's very easy for similar properties to carry different assessments, very easy for that to happen. One can qualify as a farmer and one cannot, and it's not fair. So what's before us today in committee is a method to resolve this. The change will be significant to a small percentage of taxpayers who are dramatically paying less than their neighbours.

I applaud the minister, and I know the residents of Glendale and Bearspaw and Springbank and Pinebrook and all throughout my constituency will welcome this change, as does the municipal district of Rocky View. And speaking for and with my colleague from Highwood, who fought for a long time to have these changes, I know the municipal district of Foothills will be very appreciative of this change. In fact, the municipal district of Foothills, with the support of the Member for Highwood, developed a strategy to embark on this kind of a program as an experiment, giving, I think, a leading way for all municipal districts to examine. I'm very pleased that not only this Member for Highwood did, but you may remember the motions from the member from Devon, the former Member for Stony Plain, and other members in this Assembly who have tried to right what is an inequitable position. I think the Member for Bow Valley explained, from his previous experience as a municipal officer, how important this change is.

I'm very pleased, Mr. Chairman, to see that farm residences will be assessed in the same manner as all other residences, notwithstanding the nonsense we've heard from the Member for Athabasca-Lac La Biche, who really doesn't understand what is before us and to whom I wish the minister would send over a copy, for his reading, of the proposed new rural assessment policy endorsed by the Alberta Association of Municipal Districts and Counties and the Municipal Affairs department. Exemptions, of course, are going to be geared to the amount of land in the owner's unit. This will ensure that farmers with large tracts of land will still qualify for the basic exemption.

I'm also pleased that under the Bill and the amendment the urban and highway advantage currently applied to farmland will be removed. That did serve a useful purpose for years. But now as cities have expanded, as the road systems throughout our province have expanded, that urban advantage in fact can be a disadvantage. In fact, we find that genuine farmers are now required to travel extra distance to move their products around large cities such as Calgary. So I'm pleased to see that that will be removed if this Bill is passed by the Assembly.

You know, I think, Mr. Chairman, the difficulty began with the development of two different kinds of assessment systems. The urban municipalities utilized assessments related to market value, whereas the rural municipalities used a rating system which reflected the productive value of farmland. Both systems work well when they're in isolation of each other. But what's happened in our province is that through the urbanization of our province and the tremendous growth we've had, the two systems are now intermeshing. It's very difficult as more and more Albertans choose the country-style life that it can be applied in the rural municipalities. That's very much of a dilemma in Rocky View or in Foothills or other areas of the province where these great changes have taken place, because there is a sharp difference in the assessment approach.

Now, the problem is growing more acute as more Albertans have become affluent, as more Albertans are able to perhaps

have a second job, as more Albertans are able to have a second home in some cases. That has been a mark of the good economic opportunities in this province. The disposable income of Albertans has also increased. So the problem is more pronounced. Yet for every conference that I've ever attended -- and all of my colleagues, I know, enjoy the opportunity when they're in the Assembly to attend the conferences of the Alberta Association of Municipal Districts and Counties and the Alberta Urban Municipalities Association. But for the AMD and C, this has been a burning issue for 15 years. We've had large demonstrations, organizations established, meeting in Red Deer to try and have a central location for property owners across this province to bring the problem of the plastic chip farmer to our attention. Trying to find a solution has been very difficult, but now we have a solution that's endorsed by that association and by those municipalities. In fact, it's been since 1984 that we've had this tremendous effort to have a solution that I'm so really proud of the department and this minister bringing before us and taking to this point here in committee that, when through committee and proclamation, will see results over the next few years happening.

Certainly under the current provisions of our taxation Act owners of land in urban municipalities can have the property assessed and taxed as farmland because the resulting tax saving is substantial. Property owners who pay full urban taxes on occupied lands know that that is not a fair approach, and this will change because this Bill and the amendment will allow the minister to draft regulations which will determine what is or what is not farmland in the urban areas. All parcels of land between one and three acres, or up to three acres of land if it's a larger parcel, will not be allowed to be classified as farmland when farming is not a designated land use and water and sewage services are available. Obviously, there'll be need for some exemptions to exclude greenhouses and perhaps other compact operations that are frequently found in urban areas. But under this proposal there is going to be a new system put in place so that all rural taxpayers will indeed be treated fairly. And perhaps we can have the fun in the coming years of showing how the New Democratic Party really doesn't know its position on this Bill.

Mr. Chairman, I urge the members to support the Bill and the amendment.

MR. FOX: Mr. Chairman, I hadn't intended to get into the discussion on Bill 25, because I think most of the points were very eloquently made by my colleagues. But I do feel compelled to help straighten out the confusion in the mind of the Member for Banff-Cochrane, that in a Bill like Bill 25 that has several sections to it it is possible to agree with some and disagree with others. That's certainly what my colleagues were doing here, Mr. Chairman. The Member for Edmonton-Beverly made it quite clear that we're in favour of the amendments as proposed by the hon. Minister of Municipal Affairs, and that with regard to most of the sections of the Bill we find it to be positive and a good initiative. The sections dealing with urban farmland and the problems that urban municipalities face are being dealt with, and these sections enjoy wide support. So I hope the Member for Banff-Cochrane doesn't lose any sleep over worrying about a caucus that does do its homework and spends time going through Bills clause by clause, unlike the government members who, if the minister says it's good, well, then it's all good and they'll all vote in favour of it no matter what.

MR. CHAIRMAN: Order please, hon. member. Let's come

back to the Bill before the House.

MR. FOX: In terms of the concerns being expressed by the Member for Athabasca-Lac La Biche, I think they're concerns that the minister has to some degree acknowledged: that when you try and develop a piece of legislation, it's not possible to have a perfect piece of legislation, and that when you try and correct inequities, you may move towards that goal but some inequities either will remain or some additional ones will be created. I think that's the case here.

Certainly I've met on a number of occasions with small landowners, two of whom belong to the council of Alberta ratepayers association, and they're among these small landholders who have been punished over the years by a very arbitrary designation in the past by the municipality they live in as to who is a farmer and who is not a farmer. These people, let's say, have got 80 acres and a home and are raising some livestock and crops and working off the farm. The county designates them as a nonfarmer and they pay a lion's share of the tax burden, while the neighbour beside them who is doing exactly the same thing, who happens to be designated as a farmer by the municipality, is getting away without paying any tax, or virtually no tax at all. So this Bill I think does address that, and I think that's positive.

But there is still an inequity; there is still an anomaly that the Bill is not able to address. And I believe we have a commitment from the minister to at least look at ways of addressing that inequity through the regulations, the way in which the regulations are interpreted, so that a person who doesn't own very much land but who operates land may be able to use that rented land to accumulate acres -- assessed acres, if you will -- to gain the maximum \$35,000 exemption.

We did look at suggesting amendments that would alter the level of exemption; in some ways that would be a fair thing to do, a way of making the system more fair. But when you look at it, there's really not a better number that anyone can suggest and I think the minister is probably wise in leaving it at the level it's currently at. So it was our idea, our suggestion to the minister, that he look at placing a little more emphasis on operating land rather than owning land in terms of accumulating exemption. I think that's a fair recognition of the situation that a lot of people find themselves in. Indeed, Mr. Chairman, this government has become a major owner of farmland in the province. We think it only right that the people who are leasing or renting the land from the government in the interim at least would be able to count that in terms of the acres they operate and gain the full benefit of the \$35,000 exemption, much like the larger farmer does.

I might point out to the Member for Banff-Cochrane, who seems to be so interested in addressing inequities, that there could be someone in the Banff-Cochrane constituency, for example, who owns five quarter sections of land and who doesn't farm any of them, who rents them out to five other farmers, each of whom owns a quarter section of land. Now, the big landowner who has this land gets to use the maximum exemption under the provisions of this Bill, whereas the small landowners who rent additional land from this guy wouldn't be able to gain the full benefit of the exemption. I'm sure even the Member for Banff-Cochrane in his enthusiasm would admit that that's not quite fair.

I think the Member for Athabasca-Lac La Biche would have felt a little more comfortable if he could have seen some provisions built into the Bill -- perhaps an amendment in the Bill --

that would firm up the minister's commitment to try and address this inequity in practice. But in the interim I think his commitment to try and address that through regulation is certainly good enough for me.

I understand from the minister that the Bill doesn't come into force in all counties overnight, that it's a phase-in period, Mr. Chairman, and as different jurisdictions go through their general assessment, they'll start to play by the new rules. I would hope that when the minister assesses the experience of these changes in regulations in the first couple of counties that try it, he is initially a little skeptical of the kind of concerns that the municipal districts and counties might express. Because certainly it is going to create a little bit of extra paperwork for them to keep track not only of who owns the land but who is operating the land, but I do believe that once we jump over that hurdle, once we find a way of keeping track of that sort of thing, it would be fairly simple.

So for those reasons I'm basically in support of the Bill. But I think the comments made by the Member for Athabasca-Lac La Biche were very good, and certainly he described in a very thorough way just how the Bill will impact on the small to moderate size farmers in the province, many of whom farm in the Athabasca-Lac La Biche constituency. There are thousands of farmers in that class. I think if the minister can make formal recognition of the fact that many of these people operate farms larger than the land base they have title to, for the purposes of accumulating the property tax exemption under this Bill, he will take that into consideration.

MR. CHAIRMAN: Hon. Member for Highwood.

MR. ALGER: Mr. Chairman, I thank you for this opportunity to speak to this Bill and the amendment. It's been a long time since I've been on my feet with regard to the actual principles of municipal taxation. I found it very awkward for the [inaudible] that we couldn't find some way to make things a little more beneficial and more equal to all taxpayers, particularly in my own municipality and hence throughout the province.

The discovery of the fact that many municipal people were burdened with another fact, that acreage people . . .

MR. CHAIRMAN: Order please.

The hon. Member for Highwood.

MR. ALGER: . . . were getting away with literal murder in the determination of their tax program, was what set me on fire to get something done about this. We've worked with other municipal officers for quite a long time and finally got it under way, and I give full credit to our Minister of Municipal Affairs now for bringing it to a pleasant culmination.

When we refer to municipal taxes, Mr. Chairman, you have to consider why they're designed in the first place. Certainly every municipality has its budget. Once the budget's designed and determined, it has to be a factor that we've got to figure out who's going to pay for this budget. In the process it was designed that so many acres of land paid so much tax, which, of course, was a pretty good system in a sense, until we got involved with all kinds of what we might call acreage people, who took over an awful lot of farm property and in many cases didn't pay any tax, but in other cases paid an exorbitant tax.

So there had to be something done about this factor. It seemed to be a pronouncement of people that had a lot of money, would come out and buy an acreage and raise a horse or

two, declare themselves as farmers, and get away without paying any taxes. Another man might be a welder, and he would pleasantly have a 40-acre piece of land. He couldn't be classified as a farmer because he actually worked from that farm on his vocation -- and got charged an extreme amount of tax, maybe up to \$4,000 or \$5,000 a year, while the rich man with his horse got \$200 a year. There was just no reason or rhyme for any such nonsense.

The fact is that there are only so many services offered by a municipality. Primarily the roads are the biggest feature, and it seems to me that if a road goes by one house and then goes by another, the tax should be almost equal regardless of the size of the house. However, I guess since the days of Oliver Cromwell that won't be the case. There's always been that "If you can pay more, you're gonna pay more" attitude. I don't like it, but that's the way it is. In any event . . .

AN HON. MEMBER: They just want to get you, Harry.

MR. ALGER: Yeah, that's how they got Harry.

In any event, Mr. Chairman, the pilot project that was funneled down through the Foothills, at I think my own request, probably has worked out admirably. We have an awful lot of people paying more taxes, including myself -- a big landowner, you understand, and also rent an awful lot of property. Now, who do I rent this property from? I rent it from other people who are paying taxes on it already. If they don't want to farm it and I do, that's a business affair of our own, but the municipal tax system is still applied to that land and those buildings, if there are any. If there are no buildings, then probably the municipal tax isn't that high.

Getting back to my point, why are we taxed at all? The budget is the main thing that a municipality has to go along with, and when you discover that there's been an increase in your taxes, the first thing you should say is, "What's going on?" The next thing you should do is phone up and see if the budget went up. If it did, you can expect to be paying a little more taxes.

To get back to the point of evenness, if everybody pays a fair share of tax on their own home and their own piece of ground, albeit three acres or 300, at least there's an equity there in the design for the principles of what a municipality is all about, and that is to give service in the nature of roads and schools buses and so forth. If everybody, as I say, gets to pay their fair share . . . We can bandy about this acreage business and renting land and so forth and never make any sense. The fact of it is that that budget has to be met, and there are only three ways to make it: that's tax the farmer, tax the acreage owner, and tax any amount of industrial use there is in that particular municipality and/or county.

I feel, minister, that you've done a great job on this, and I admire you for it. I'm glad you got it presented.

I thank you for the time, Mr. Chairman.

AN HON. MEMBER: Question.

MR. CHAIRMAN: The hon. Minister of Municipal Affairs.

MR. ANDERSON: Thank you, Mr. Chairman, and my thanks to all members who participated in this very complicated but important topic that we have before us today. By and large, I believe that most of the comments made this afternoon have been both reasoned and with legitimate questions for the better-

ment of the Bill itself and for the citizens of the province who will benefit from it.

Mr. Chairman, I would like to thank some of the members who have talked to me between second reading and this particular section to improve aspects of the tax Act. The Member for Cypress-Redcliff, the Member for Taber-Warner, the members, in fact, for Vegreville and for Athabasca-Lac La Biche have all raised issues with me, not all of which related to the specific amendments but all of which dealt with rural taxation. I might say to some members from the government side who have raised with me the issue of obsolescence and the difficulty of assessing appropriately residences that don't have the same market value because of their proximity to urban centres that we now have in place some direction to assessors that will hopefully improve that circumstance, and we do plan to reassess that in a year from now.

The Member for Athabasca-Lac La Biche as well as the Member for Vegreville both raised the question of leased land and its impact in terms of the exemptions allowed for urban residences. Mr. Chairman, I will make two points with respect to that. The first is that in fact government leased land is to be calculated into the assessments, so the Member for Vegreville will be pleased to know that, and in fact people in that position will benefit from that particular aspect of our application of the new rural assessment policy. With respect to other leased land, I do believe there's a good case that's made that, in fairness, there are some farmers with limited means who are, because of that reason, leasing land, and consequently the land should be taken into account when dealing with the farm residence exemption.

However, it is also true that the ability for us and for rural municipalities throughout the province to deal properly with regulations and with assessment in such a way as to ensure that that leased land is not a loophole but is rather a part of a fair and equitable formula is a very difficult one. The Alberta Association of Municipal Districts and Counties tried to solve that for some years without success, and their advice is to not, in fact, include that. I have undertaken -- to the Member for Athabasca-Lac La Biche, and I do, to members of the House -- to look further at the potential for that, see if we cannot with that association evolve the regulations necessary to ensure that fairness is there with respect to leased property. But whether or not we're able to accomplish that on a pilot project basis will depend on the ability to cover the loopholes that are there or at least possible in that respect.

Mr. Chairman, I have to comment briefly on some of the suggestions made by the Member for Athabasca-Lac La Biche. I believe that municipal councillors throughout this province will be most upset with comments made that imply that they in fact would not be developing programs in the best interests of their communities. I recognize that the Member for Vegreville managed to smooth over that and to indicate that his party, and I appreciate that, is generally supportive of this Bill. But I think the Member for Athabasca-Lac La Biche should take yet another look at the Bill, the basis of it, which is fairness and equity for all.

It is true that there will be some small farmers who will in fact receive an increase in taxes, but those will be the farmers who have residences that merit that kind of assessment. We know that at the current time we have residents with large buildings on the parcel of rural land who are paying as little as \$150 a year while their neighbour is paying \$1,100. Clearly, that's not fair. Clearly, that's not equitable. We plan to have an increase

in those cases through the formula and the policy set out in the Bill and through the regulations that will be forthcoming in that respect -- not such changes as to make things inequitable, not such changes as to try and harm a beginning farmer or a smaller farmer, but one that will fairly assess the residence in relation to the land that that person has. And that should be underlined in this Bill. It is the size of the residence that will kick in any significant change that will take place in the assessment. It's not just rural councillors who have asked for this, Mr. Chairman; it is as well rural ratepayers who have approached this government and their municipal councillors for such changes.

I would thank all members for their involvement in this and hope for a positive vote both on the amendments and on this amendment Bill in committee stage. Any specific questions that I've not answered this afternoon I will peruse *Hansard* for, Mr. Chairman, and be glad to get back to individual hon. members. I would hope all members would feel free, on specific regulations that have to be evolved or specific questions, to ask me individually for a response in that respect.

I'd only say in closing that I did circulate to hon. members a piece of paper titled Proposed Regulation Changes to Urban Farmland. This is for the urban farmland issue. This is a draft regulation only. We are trying to make sure that all possible aspects of this situation are taken into account before we put the regulation in place, and I would invite hon. members to send me any suggestions for changes or for equity that they feel should be included in this or other regulations. In doing that, Mr. Chairman, I would ask for a positive vote in this committee stage on Bill 25.

[Motion on amendment carried]

[The sections of Bill 25 agreed to]

[Title and preamble agreed to]

MR. ANDERSON: Mr. Chairman, I move that Bill 25 be reported.

[Motion carried]

MR. YOUNG: Bills 33, 34, 46, and 47.

MR. CHAIRMAN: Hon. Government House Leader and members of the committee, the Chair is in something of a dilemma. Under Standing Order 61 the Chair must put the question 15 minutes before the normal adjournment hour, which would obviously mean that this Chair cannot allow any debate on these Bills. If I understand the Government House Leader, he's talking about the appropriation Bills, 33 and 34. Then the Chair would have to put the question immediately. The Chair must put the question 15 minutes before the normal adjournment hour. Is the intent of the government to call the . . .

MR. McEACHERN: Mr. Chairman, perhaps I can be of some help.

MR. CHAIRMAN: Perhaps a point of order, Edmonton-Kingsway.

MR. McEACHERN: Yes. On the two appropriation Bills, on 33 and 34, we didn't have any comments on this side of the House at this stage. We might have some wrap-up comments at

third reading. So as far as we're concerned, you could put those two. I would prefer not 46 and 47, however; they should be saved for another time. [interjections]

MR. CHAIRMAN: Order please. Government House Leader.

MR. YOUNG: Mr. Chairman, I request unanimous consent, but I'm not sure what for. [interjection] To put the question on 33 and 34.

MR. CHAIRMAN: The Government House Leader has recommended that we proceed with the standing order; that is, put the question immediately. The Chair, I think, would have to have unanimous consent. All in favour, please say aye.

HON. MEMBERS: Aye.

MR. CHAIRMAN: Opposed, please say no. Carried.

### **Bill 33**

#### **Appropriation (Alberta Capital Fund) Act, 1988**

[The sections of Bill 33 agreed to]

[Title and preamble agreed to]

### **Bill 34**

#### **Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1988-89**

[The sections of Bill 34 agreed to]

[Title and preamble agreed to]

MR. JOHNSTON: Mr. Chairman, I move that Bills 33 and 34 be reported.

[Motion carried]

MR. YOUNG: Now, Mr. Chairman, I would submit that Bill 46, which is the Financial Administration Amendment Act wouldn't be caught by that. This hasn't to do with the appropriation. So we could proceed in the normal way?

MR. CHAIRMAN: I believe so, Government House Leader.

### **Bill 46**

#### **Financial Administration Amendment Act, 1988**

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

Hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Yes, Mr. Chairman. This Bill is the one that asks for a \$7.5 billion borrowing power, up from \$6.5 billion borrowing power that the government asked for last year. We did ask a number of questions of the minister, and I outlined as best I could the borrowings of the government and asked the Treasurer if he would perhaps explain in a little more detail exactly why it is he needs this extra billion dollars. Since we've not had that explanation at second reading, perhaps he would be inclined at Committee of the Whole, when we have a chance to get into details of the Bill, to give us some of the details as to

why he believes this is necessary.

The feeling on this side of the House is that if the government is asking for the power to borrow money of this magnitude, they must have good reasons for it. It is less than democratic to just come into the House and use the large majority of the government to railroad through the Bill and to not explain in some detail why \$7.5 billion borrowing power is necessary. The facts and figures that I laid before the Assembly last time around were as current and updated as I could get from the various sources I have to indicate what the government is doing or not doing with our dollars, and I don't see why the Treasurer shouldn't at least confirm some of those figures or amend some of those figures and tell us what he has in mind.

If my figures were correct, the borrowing at this stage would be somewhere in the neighbourhood of \$5 billion. His budget for the 1988-89 fiscal year, which we are now into, is only a further some \$670 million planned deficit. Now, it may turn out to be more than that because he did estimate revenues based on \$18.50 a barrel for oil. But if that's the case, if he's already revising his figures and thinks that it's going to be more, then perhaps he should be giving us an update and telling us a little bit about that.

So, Mr. Chairman, unless the minister is prepared to take this House into his confidence and give us some facts and figures and some reasons why, then I don't think we need to pass this Bill.

MR. JOHNSTON: I can assure you that there is nothing secretive about the request for additional dollars. What we have done as a process over the past several years is to tie in our fiscal plan with the requirements to increase the debt. This increase of a billion dollars is simply that, to meet the rough appropriation required in the Capital Fund and General Revenue Fund to cover off the expected requirements over the next year; that is, approximately \$800 million or \$900 million in the General Revenue Fund, another \$300 million in the Capital Fund.

So, Mr. Chairman, what we have done here is to take the numbers that the member has pointed out, approximately \$5.2 billion now outstanding, factor in the possibility of us having to spend the total amount of money, and therefore having a small cushion. It's not based on anything with respect to revenues. We have made some guesses about overexpenditures; that is accurate. But of course, in terms of the management approach we take to handling our borrowings, it's required that we do provide for some possibility of unexpected expenditures. Now, some of that has faded with the drought being relieved. Possibly, depending on the other demands over the year, I'm simply sending a signal to the public of Alberta that, in fact, in line with our fiscal plan, which points to borrowings for the Capital Fund and requirements for the General Revenue Fund -- this \$1 billion simply increases it on a lockstep basis with the requirements for the year.

That's what we have done, Mr. Chairman. There is no other provision with respect to expectations on revenues. There is a small provision with respect to expenditures. So there's nothing at all unusual or irregular with respect to this request

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Are you ready for the question on Bill 46?

[The sections of Bill 46 agreed to]

[Title and preamble agreed to]

MR. JOHNSTON: I move that Bill 46 be reported.

[Motion carried]

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

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. MUSGREAVE: Mr. Speaker, the Committee of the Whole has had under consideration and reports the following: Bill 30, Bill 33, Bill 34, Bill 46; and also reports the following Bill with some amendments: Bill 25.

MR. DEPUTY SPEAKER: Having heard the report, all those in favour, please say aye.

HON. MEMBERS: Aye.

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

MR. YOUNG: Mr. Speaker, this evening it is the intention to have the House sit in committee to deal commencing with Bill 22, others if time. Accordingly, I would move that when the House assembles this evening at 8 o'clock, it assemble in Committee of the Whole.

[Motion carried]

[The House recessed at 5:28 p. m. ]