

**LEGISLATIVE ASSEMBLY OF ALBERTA**

Title: **Thursday, August 3, 1989 2:30 p.m.**  
 Date: 89/08/03

[The House met at 2:30 p.m.]

[Mr. Speaker in the Chair]

**PRAYERS**

MR. SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.

Amen.

**head: NOTICES OF MOTIONS**

REV. ROBERTS: Mr. Speaker, I'd like to give notice of a motion under Standing Order 40 which I'd like to present at the end of question period. The motion reads as follows:

Be it resolved that the Legislative of Alberta send a letter of support and encouragement to Murphy Morobe, leader of the Mass Democratic Movement of South Africa, in light of recent actions taken by the movement to admit more than 200 blacks and Asians for treatment in whites-only hospitals, actions which are seen to be the most ambitious civil disobedience campaign against the system of apartheid in South Africa in the last 30 years.

MR. SPEAKER: The Member for Vegreville.

**head: INTRODUCTION OF BILLS****Bill 243****Alberta Lands Inventory and Protection Act**

MR. FOX: Thank you, Mr. Speaker. I request leave to introduce Bill 243, the Alberta Lands Inventory and Protection Act.

To briefly describe, the intent of this Bill is to create a commission that would inventory all land in Alberta, categorize it according to its agricultural capability, and then make sure that this valuable land is preserved in perpetuity for agricultural production, to address many of the concerns raised by the Member for Westlock-Sturgeon.

[Leave granted; Bill 243 read a first time]

**head: ORAL QUESTION PERIOD****Export Loan Guarantee Program**

MR. MARTIN: Mr. Speaker, to the Minister of Economic Development and Trade. The Official Opposition is not against providing aid to Alberta exporters if it is done properly. But we are against guaranteeing a company's loans without securing a claim against its assets. We are against a program that does not report its activities to the public, and we are against guarantees granted at a level lower than cabinet. We saw yesterday the be-

ginning of some problems with the Oil Patch Group Inc., where we've lost \$2 million. Add that to the \$2.2 million we've lost in the past; that's over \$4 million.

Mr. Speaker, we believe that could be the tip of the iceberg, because if the government continues export loans at the rate it has established in the first four months of 1989, this year's total will be almost double what it was in 1988. So if we don't clear up some of the problems with this program, some taxpayers' money, and more and more, could be at risk. My question, then, flowing from that, is: has the minister investigated a \$5 million guarantee to Presentation Pins Inc., which has already cost Alberta taxpayers over half a million dollars and which generated export sales of only \$15,000? Has he investigated that situation?

MR. ELZINGA: Mr. Speaker, let me indicate to the hon. member, as I did to his hon. House leader yesterday, that we feel that the export loan guarantee program is an instrumental part in increasing export sales of the products that are produced within the province of Alberta. I indicated to them the ratio yesterday whereby we have had close to a half a billion dollars worth of sales of products that are produced within this province, and our exposure is somewhere around \$60 million. It's a fairly good ratio. We acknowledge that there are some losses, because we don't have a perfect record, but the record of losses is slightly in excess of three percentage points. In the event that the hon. member does have some suggestions as to how we can improve that program, we're open to his suggestions.

MR. MARTIN: Mr. Speaker, we have lots of suggestions.

My second question, and I want to come back specifically to this company. The minister must be aware of it. I'm asking the minister: does he deny that the government has paid out over half a million dollars on a guarantee that has only generated \$15,000 worth of sales? Does he deny that?

MR. ELZINGA: Mr. Speaker, what we do is rely on due diligence of the banks themselves that do offer the security. We offer an 85 percent loan guarantee on the basis of the representations we do receive from both the company and the institutions, with the institutions doing the due diligence. We rely on them because they have a certain exposure themselves.

In the event that the hon. member has some specific companies that he would like me to investigate, I'm more than happy to do so. Again I would stress, Mr. Speaker -- and I recognize that they do have some thoughts. If they do have them, we're happy to examine them as to how we can improve the program.

MR. MARTIN: Mr. Speaker, first of all, it might help if the minister knew what was going on in his department. We've raised two specific examples here, Oil Patch Group Inc. and Presentation Pins, and we haven't had an answer. Has the minister investigated why in one they went bankrupt nine months after they got the guarantee from the government, and in the other one we have \$500,000 and they've only generated \$15,000? I want to know specifically about those companies.

MR. ELZINGA: Mr. Speaker, as it relates to Presentation Pins, I will ask my department for an update on that. I should share with the hon. member that in the event he was serious as it relates to his inquiries, he would have had the courtesy of giving me prior notice of his question, but he's obviously not serious.

It's a question more appropriately put on the Order Paper when he wishes to get into these specifics.

As it relates to the company that he raised yesterday, yes, we have done a fairly good investigation of it, as the hon. member is aware. There still is a receiver in place, as I indicated yesterday. As much as we hate to admit it, sir, it was as a result of the downturn of the economy and the oil industry in general that caused some of the difficulties that Oil Patch faced. For that reason they did encounter financial difficulties. As I indicated, though -- and I think it's important to stress -- the opposition consistently wishes to deal with the negatives. We acknowledge that there are some negatives, but we also acknowledge, as I indicated yesterday, the significant spin-off job benefits that accrue to the province and to the people of this province because of this very worthwhile program. If he is legitimate in his concern, if he has any concrete suggestions, which we haven't heard one to date, I'm willing to examine them.

MR. MARTIN: We'll help you. Just hang on. We'll tell you what to do.

Mr. Speaker, I'd like to designate my second question to the Member for Vegreville. [interjections] Oh, sorry. They changed on me. Calgary-Forest Lawn.

AN HON. MEMBER: Forest Lawn.

MR. SPEAKER: That means Calgary-Forest Lawn. Thank you.

#### **Federal Commitment to Energy Projects**

MR. PASHAK: Mr. Speaker, the federal and provincial Conservatives have shown themselves willing to say and promise anything during election campaigns. Construction of the Husky Upgrader was promised on at least eight occasions before the actual first spade of dirt was turned. In October last year Albertans, especially those in the Fort McMurray area, were delighted to hear the Prime Minister's announcement about the imminent start of the OSLO project. Well, today the chief economist of the Conference Board of Canada predicted that this project will now be on hold until 1992, a date that's obviously just before the next federal election. My question is to the Premier. Is the Premier aware of any change in the federal government's purported commitment to this project, which is so vital to all Albertans?

MR. GETTY: Absolutely none, Mr. Speaker.

MR. PASHAK: Well, that's par for the government's course.

My second question to the Premier. Will his government communicate to the federal government in the strongest possible terms that the federal government must live up to its commitment to this project?

MR. GETTY: That's very clear, Mr. Speaker. Of course, there were discussions with the federal government following their budget. There's no question as to the commitment of the federal government. I might point out to the hon. member and to the House that there is an OSLO plant proceeding, and there's only one reason it's there and proceeding, and that's because this government went out and fought for it to be there.

MR. PASHAK: Mr. Speaker, my final supplementary is to the Minister of Federal and Intergovernmental Affairs. Given that the people of Newfoundland have also fallen victim to this strategy of broken promises, will the minister communicate to Newfoundland an interest in making a joint presentation on this matter of keeping promises with respect to energy projects at the upcoming meeting of the first ministers?

MR. HORSMAN: Mr. Speaker, OSLO is going ahead. The Premier has already indicated that. We've had no indication of anything else taking place. It's on schedule as far as we are aware.

It's an interesting notion that we should join forces with Newfoundland towards ensuring that a project there also goes ahead. Although it is related to the extraction of hydrocarbon resources within the greater boundaries of Canada, it is not the responsibility of our government. However, I could say this: it's my intention to meet with the Premier or his designate from the government of Newfoundland with respect to Senate reform prior to the Premiers' Conference to be held later this month in Quebec City. I'm sure that will be a topic that would be useful to discuss with the Premier at that time.

#### **Responsibility for Financial Institutions**

MR. DECORE: Mr. Speaker, the former Premier of our province, Mr. Lougheed, and his colleagues during their day promoted the development of an Alberta financial industry at all costs. When our Premier took over in 1985, the climate in Alberta was considerably different, and the Premier and his cabinet went to great efforts to protect the little that Alberta had left in the financial industry area. They tried to keep it alive. Credit unions were in grave difficulty; two chartered banks had been called down by the federal government, leaving only one major player, that being the Principal Group. My question is to the Premier. Mr. Premier, is it not true that when you did take over in 1985 as the Premier that the Premier and the cabinet, the government, had deep concern over the health of this financial industry in Alberta?

MR. GETTY: Mr. Speaker, the government, of course, is concerned about all aspects of life in Alberta.

MR. DECORE: Wow.

Mr. Premier, this one isn't as hard. Mr. Speaker, my question is to the Premier. Is it not true, Mr. Premier, that your government had an obsession with the promotion of this Lougheed dream -- that is, keeping the remnants of this financial industry alive -- and that that obsession blinded the Premier and the government to the fact that Albertans were being fleeced, that they were being taken to the cleaners, and that these two companies should have been shut down?

MR. SPEAKER: Two questions.

MR. GETTY: Mr. Speaker, the hon. member should know that we don't anticipate his questions being hard.

In reply to his second question, Mr. Speaker, no.

MR. DECORE: Mr. Speaker, I think all Albertans know that the Premier never answers the questions anyway.

MR. SPEAKER: Order.

MR. DECORE: Mr. Speaker, I think the stars are in the right alignment. My question to the Premier is this: given that the former Minister of Consumer and Corporate Affairs has indicated that she did not think that she had complete control over the issues involving Principal Group -- and if there's one thing that is given, it is that this former minister is an honest person. Given that fact, will the Premier agree, then, that there must be others who are involved in the direction of those issues concerning the Principal Group?

MR. GETTY: Mr. Speaker, I gather from that circuitous question the hon. member is concerned about the Code report and the response to it and the response to the Principal Group affair. We have dealt with the report, and we have provided our response.

MR. SPEAKER: The Member for Cardston, followed by the Member for Vegreville, then Calgary-Buffalo.

### Grain Transportation Policy

MR. ADY: Thank you, Mr. Speaker. My question is to the Minister of Agriculture. In 1987 a committee was struck under the chairmanship of Hugh Planche to promote the advantages and necessity of the pay-the-producer concept in western Canada. It became apparent that Albertans were very much in favour of that concept. In recent months there's been quite a silence from the minister on this issue, so to the minister today. Having just returned from the annual agriculture ministers' meeting in Prince Albert, were you able to gain support from the other western provinces for the pay-the-producer concept?

MR. ISLEY: Mr. Speaker, I think I should first of all acknowledge the good work done by the committee under the chairmanship of Hugh Planche and the good work done by my predecessors on this issue that's been under debate for some time.

I am pleased to report that we had a good discussion on the pay-the-producer concept as well as the overall transportation policies of the nation in Prince Albert the last few days. In the final communique there is one paragraph that I think conveys the message:

Ministers agreed to participate in a process to review the Western Grain Transportation Act (WGTA), including the method of payment of the Crow Benefit, recognizing that agricultural conditions on which previous policies have been based have changed substantially over time.

That component of grain transportation policy plus the others have been directed to a subcommittee of deputies for review and report back in probably October of this year, and the matter was supported not only by western ministers but by ministers right across the nation.

MR. SPEAKER: The minister will file a copy of the communique as read, please.

MR. ADY: Supplementary to the minister. Our offset program has cost our province something like \$47 million to maintain, and that has allowed us to develop something of a respectable feeding industry and a processing industry that's in its infancy.

So although I understand that the agenda for this pay-the-producer concept is in the court of the federal government, perhaps the minister could tell us: what kind of acceptance did you get from the federal minister for the pay-the-producer concept?

MR. ISLEY: The federal minister, Mr. Speaker, tabled a paper entitled Agriculture Transport Issues, which outlines six principles that the review is to be conducted under. I would like to share with the House at least three of those principles. Number one,

Canada's agricultural transport programs . . .

- should encourage changes that reduce overall transport and handling costs.

Number two, they

- should allow diversification and value-added activities,

and that's where we've really had the push on to change the method of payment. And, number three, they

- should not lead to the need for federal or provincial programs designed to offset the negative effects of another transport program.

The hon. Member for Cardston has already identified the amount of money that we are using to counter the negative effects of the current system.

So I think the federal ministers present -- and there were three of them -- certainly recognized the problem and are working with us in a direction to bring about more value-added to the prairies.

MR. SPEAKER: Final.

MR. ADY: Thank you, Mr. Speaker. My final supplementary to the minister. I think that we all appreciate the value of this concept to western Canadian diversification, so what concrete commitments can you give us pertaining to the action and timing that we can expect. In other words, when will we get it, Mr. Minister?

MR. ISLEY: Mr. Speaker, the report from the subcommittee of deputies, as I indicated, should be filed with the ministers in October. The ministers' level of acceptance of that will depend upon when it goes public. In my judgment, we're looking at probably an 18-month time line to hopefully put this together.

MR. SPEAKER: Vegreville, followed by Calgary-Buffalo, then Lesser Slave Lake.

### Support for Gainers

MR. FOX: Thank you, Mr. Speaker. My question is to the Premier. The Provincial Treasurer attempts to reassure Albertans concerned about the future of the Gainers operation in Alberta and concerned about the security of the \$67 million of taxpayers' money that the Conservatives used to bail out the Premier's good friend, Peter Pocklington, by referring to a so-called master agreement that he describes as being so rigid and detailed that it would enable the government to sue Mr. Pocklington should he attempt to close the Gainers plant in Edmonton. Mr. Speaker, Albertans need to know and I think deserve to know the details of the deals that the Getty gang has made with Mr. Pocklington. I'd like to ask the Premier if he will order his tough-talking Treasurer to table in this Assembly the master agreement that he so frequently refers to that was

signed with Peter Pocklington in respect to the \$67 million bailout package?

MR. GETTY: Mr. Speaker, again the hon. member has allegations in leading up to his question which are incorrect. I draw again his attention as well to the question when he raised it yesterday with me. I pointed out to him that in all of our deliberations regarding Gainers we're going to be directed by several factors.

One would be to make sure that we had agricultural processing in the province to assist our agricultural industry; secondly, we would want to provide jobs . . . and ensure jobs for people already working in the agricultural processing in the Edmonton area; and thirdly, strengthen the economy of Edmonton. Those things still are the factors which direct us in dealing with this matter.

As far as the agreement, the hon. Treasurer's already told the hon. member to place his matter on the Order Paper, and we'll see what happens.

MR. FOX: Well, I would hope being honest and open with the people of Alberta would guide their decisions as well.

I'll direct my next question, Mr. Speaker, to the Minister of Agriculture, who recently described the Gainers plant as old and obsolete and in need of complete replacement in two to five years. It sounds like he's talking about the Conservative government. I'd like to ask the minister, who claims to base these conclusions on certain private-sector and departmental assessments, if he will table those reports to which he refers in this Assembly so that we can all see them.

MR. ISLEY: Mr. Speaker, the hon. Member for Vegreville is wrong in his prelude. I don't recall ever terming the Gainers plant as being old, obsolete, and ready for replacement. I think the hon. member should know that part of the Gainers plant is relatively new construction; that is, the cooling and distribution component of it. The hon. member should also know that there's another component of that plant, which is the processing component and by far does the most significant amount of processing of pork in the province of Alberta and is something that I would hope he would join me in wanting to keep for the producers of this province and the jobs in Edmonton. There's a third component of the plant, which is a multispecies slaughter floor, and that is the component of the plant that I referred to as being obsolete, older technology, and in need of serious upgrading or replacing in a two- to five-year period.

MR. FOX: Well, Mr. Speaker, the minister of economic development threw another card on the table yesterday when he suggested that a new Gainers plant might be built to replace the one that the minister just refers to. I'd like to ask the minister to stand up and tell the people whose hopes were raised by his statements yesterday whether or not these statements were based on actual negotiations with Peter Pocklington to build a new plant in Edmonton or if it was just another ham-handed attempt by him to cover up his mismanagement of the whole issue.

MR. ELZINGA: Mr. Speaker, the hon. member has referred on a number of occasions to the press release when the loan guarantee was offered by the former minister. The hon. member only has to read the press release to realize what is included in that. It indicated that there was to be constructed a plant in

southern Alberta and that there was to be an upgrading of the food processing facilities in the Edmonton area. That leaves a number of options available to the principals involved. If the hon. member cannot understand that, I'm happy to repeat it for him again. There are a number of options available so we can upgrade the food processing facilities that we have within this province so they do serve in an effective way the primary producers of Alberta.

MR. SPEAKER: The Member for Calgary-Buffalo, followed by Lesser Slave Lake, then Edmonton-Kingsway.

MR. CHUMIR: Thank you, Mr. Speaker. To the Minister of Agriculture as well. A curtain of secrecy and obfuscation has been drawn around the province's \$130 million-plus financial exposure with respect to Peter Pocklington. Now we have the Agriculture minister's statement that at least part of the Edmonton plant is going to have to be replaced, and this has raised further cause for concern. We'd all be better off if the government would release instead of hiding all relevant documentation and make a clear statement with respect to the whole truth on this matter. However, we're just going to have to ask it piece by piece. I'm wondering whether the minister is prepared to tell this House whether the loan which is being secured by our \$55 million guarantee is current or in arrears at all.

MR. ISLEY: Mr. Speaker, I would again share with the House that Agriculture's primary concern in the Gainers plant and any other plant is for the service of our producers. My department is in no way involved in any loans or loan guarantees, so I would suggest the hon. member is directing his question to the wrong minister.

MR. CHUMIR: To the minister of economic development. Will the minister tell this House whether the loan being secured by our \$55 million guarantee is current or in arrears at all?

MR. ELZINGA: Mr. Speaker, that question is more appropriately put to the Provincial Treasurer. It was put to the Provincial Treasurer yesterday, and yesterday the Provincial Treasurer answered it.

MR. CHUMIR: Well, they're demonstrating exactly what we've been saying, Mr. Speaker.

I'm wondering whether the Minister of Agriculture -- and perhaps the minister of economic development may wish to stand up and say he won't answer this as well. I'm wondering what amendments have recently been made with respect to the \$6 million loan agreement relating to the term of repayment or whatever. What changes were made recently in terms of the amendments which have been referred to?

MR. ELZINGA: Mr. Speaker, I'm happy to refer the hon. member, and all he has to do is read *Hansard* because these questions were answered in a very open and forthright manner by the Provincial Treasurer. All he has to do is relate back in the last number of days to *Hansard*, in questions that he has put himself, whereby the Provincial Treasurer has answered him in a very forthright way.

MR. SPEAKER: Thank you.

Lesser Slave Lake, followed by Edmonton-Kingsway.

### Flooding in Northwestern Alberta

MS CALAHASEN: Thank you, Mr. Speaker. In 1986 the northwestern part of Alberta suffered extreme floods in our history. In 1988 parts of my constituency were devastated by floodwaters. Over the past couple of days, in fact the past couple of weeks, the Swan Hills area has received very significant rainfall. Can the minister responsible for Alberta Public Safety Services advise the Assembly on the steps being taken to alert citizens in central and northwest Alberta as to current possible flood conditions?

MR. KOWALSKI: Mr. Speaker, there is a system now in place, the river forecast system, that is associated with Alberta Environment and other jurisdictions in the province to issue alerts periodically during a day to all citizens in the province of Alberta who might be affected by flooding waters. The most recent alert was issued at 12:45 this afternoon. The next one will go out at 4 o'clock this afternoon.

The most acute part of the province of Alberta that currently is flooding is the area south of the Swan Hills area in the province of Alberta. The state of emergency in the town of Whitecourt that was put into effect at 1:30 this morning was lifted about an hour and a half ago, and there is an acute area of surface flooding now occurring in the area of Mayerthorpe north towards Connor Creek. I was in discussion with the reeve of the county of Lac Ste. Anne about 1:30 this afternoon, and he is alerted, as are officials in the county of Barrhead as well. There will be over the next several days the movement of surface water that will follow the Little Paddle, the Paddle River, towards the community of Barrhead. Here in the city of Edmonton the North Saskatchewan River, as a result of the water that's falling just to the west of the city of Edmonton, will probably peak on Saturday afternoon, Mr. Speaker, and the level will probably be 2 to 2.5 metres higher than the current level that the North Saskatchewan River is right now.

MS CALAHASEN: Thank you. How confident is the minister that local authorities are in a state of preparedness for a possible flood?

MR. KOWALSKI: Mr. Speaker, a similar question was raised several days ago in the House by another member. We have here in the province of Alberta an emergency disaster plan that every municipality in the province of Alberta has within its own municipal office, and the first line of alert, of course, is at the local level. Officials from Alberta Public Safety Services have been in contact with all of the municipalities that might be affected by flooding, yesterday, today, over the next several days, and I'm advised that there is a very good state of preparedness.

MS CALAHASEN: Thank you. On what basis would assistance be provided to areas devastated by floods?

MR. KOWALSKI: Mr. Speaker, because it's almost impossible to determine what might happen on an annual basis in terms of disasters in this province, the mechanism in dealing with costly items that might result out of a disaster are always covered by way of special warrant in this province. To this point in time, I've received no requests from any municipality in the province of Alberta with respect to disaster assistance.

I did alert the reeve of the county of Lac Ste. Anne about an

hour and a half ago that that county should undertake every available thing that they would have to do to protect citizens and then property, and should there be a requirement for the province to assist, we would sit down with that particular municipality in the weeks after the event to determine what the level would be. At this point in time, it seems that the biggest cost factor might be in the case of road repair. There are a fair number of miles of road that have been washed away by this movement of water. But to my information at this point in time, no bridges have been destroyed or eliminated, and there is no loss of human life.

MR. SPEAKER: Edmonton-Kingsway, followed by Calgary-North West, then Cypress-Redcliff.

### Support for General Systems Research

MR. McEACHERN: Thank you, Mr. Speaker. Over the past five years the Conservative government has provided over \$30 million to General Systems Research in the form of grants, loans, loan guarantees, and share purchases. From the annual report it's obvious that this money has gone to help cover large operating losses and the accumulated deficit of some \$34 million.

Now, Mr. Speaker, the Official Opposition strongly supports the development of an Alberta-based, high-technology industry, but that does not absolve the government of its responsibility to be up front with the taxpayers of this province in its dealings with those companies. My question to the Minister of Economic Development and Trade is this: given that the consulting company Touche Ross has recently completed a review of the long-term prospects of General Systems Research and given the large amount of money at stake for Alberta taxpayers, will the minister release that document?

MR. STEWART: Mr. Speaker, as I indicated to the House not so long ago, the company is in a period of assessing its business plans. It has two areas of technology that are really quite foremost. These are laser cutting as well as the aerospace. Recently, it has had some success in establishing markets in each of those areas. However, at the same time it has had some difficulty in bridging the gap from establishing itself in the viability of its research and taking it through to the commercialization stage, and that has resulted in, from time to time, difficulties with respect to cash flow. But at the present time the company is continuing to assess its business plans, its potential, and to see if it can maximize in some way the technology that it has and the expertise it has, all within, of course, the viability of the business itself.

MR. McEACHERN: I take it the answer is no, he's not going to release that report. Well, perhaps this minister would tell me whether he's going to release the other report that his own department did then and that was prepared for the middle of June.

MR. STEWART: Well, Mr. Speaker, from time to time we have, obviously, the responsibility to keep . . . Because of the amount of investment that the government has in GSR, we do keep a monitoring system going and from time to time obtain reports for our own internal use in order to assess the ongoing viability of that company, and that's an ongoing process.

MR. McEACHERN: Well, given that the minister is hiding these two reports, perhaps he can provide Albertans with an estimate of how much it's going to cost us over the next five years, then, to make this company viable.

MR. STEWART: Mr. Speaker, I think the question is totally hypothetical.

MR. SPEAKER: Entirely hypothetical.

Calgary-North West, followed by Cypress-Redcliff.

### Via Rail

MR. BRUSEKER: When Via Rail was threatened in 1985, this provincial government did not find the time to prepare any submission to a task force which was traveling the country at that time in support of Via Rail. Now, when Via Rail is once again threatened by a federal government that is insensitive to Albertans' needs, another task force is traveling the country to alert the citizens of the plight of Via Rail. My question is to the Minister of Economic Development and Trade. Will the minister or someone from his department be making any representation to the task force which is currently traveling the country?

MR. ELZINGA: Mr. Speaker, as the hon. member is aware, we've been actively involved in the preservation of the Via Rail service. I want to compliment the Liberal Senators and Members of Parliament who are on that task force. They're so concerned about saving Via Rail that they're using their free rail passes and possibly depriving paying customers of paying to retain that very valuable service. Notwithstanding that fact, I think they are performing a very worthwhile purpose in receiving representations.

As the hon. member is aware, we've established our own task force under our deputy minister, whereby we do have a number of municipalities that are directly concerned serving on that task force. They are to report to me by the end of August. Plus I've indicated to the hon. member that we have communicated directly with the Minister of Transport and the Deputy Prime Minister indicating our deep concern, to leave them in the strongest possible way with the strong assurance of our support to preserve what we consider a very vital link in the tourism industry within this province.

MR. BRUSEKER: I'm glad to hear that we have a task force. Since we're all working towards the same end for the benefit of Albertans, will the minister set aside his petty partisan outlook and forget about free rail passes and direct his task force to work together with the task force of the Liberal Party that is now coming across?

MR. ELZINGA: Mr. Speaker, we are open to working with anybody. If the Liberal group wishes to make a representation to our task force, I'm sure our task force would hear it.

MR. BRUSEKER: That's an interesting twist, turning it around.

But anyway, has the minister sought the support of Alberta's 26 federal MPs to speak in support of Via Rail to maintain it for Albertans? [interjections]

MR. SPEAKER: Order.

MR. ELZINGA: Mr. Speaker, it says I've indicated . . . [interjections]

MR. SPEAKER: Order.

MR. ELZINGA: It says I've indicated to this member and a number of other members in the Legislature that we have on an ongoing basis made a representation not only to our own Members of Parliament within this province but those individuals who do have specific responsibilities, such as the Minister of Transport and the Deputy Prime Minister, who is also a Member of Parliament from the province of Alberta.

MR. SPEAKER: Cypress-Redcliff, followed by Edmonton-Strathcona, then Edmonton-Whitemud.

### Crop Insurance

MR. HYLAND: Thank you, Mr. Speaker. My question is to the Associate Minister of Agriculture. Questions have been asked of that minister in the House relating to crop insurance and the improvements to the crop insurance system. Now that the minister has just participated in a national ministers of agriculture conference, I wonder if the minister can share with the Assembly any improvements that were negotiated at that time, and I mean improvements to help the farmers, not improvements to decide who's going to pay for it.

MRS. McCLELLAN: Thank you, Mr. Speaker. Yes, I'd be very pleased to share with the Legislature the progress that was made in our federal/provincial ministers' meetings in Prince Albert in the last three days. We are very satisfied with the progress that has been made and the co-operation that was shown by all ministers from across Canada and indeed our federal ministers.

We were able to come to an agreement on a number of areas that I think will be of very prime interest to Alberta producers because, in fact, they are improvements that they have asked us for. One is in flexibility of the program. Another is in a commitment to change in federal legislation to allow indexing rather than the hard averaging on crop losses, an opportunity to establish criteria and methodology to incorporate new specialty crops that don't presently have historic data to work with, and a way of looking at risk splitting, which was of great concern to producers in this province. I think maybe the primary achievement of this move was in the co-operative feeling among all provinces that this is very important to our producers and that we are committed to work very hard with our federal counterparts to see these improvements achieved.

MR. HYLAND: Mr. Speaker, I wonder if the minister can outline to the Assembly if discussion took place on who is going to pay for these improvements, and how much is it going to cost the producer.

MRS. McCLELLAN: That was definitely discussed. It wasn't, I suppose, one of the main agenda items, but it was discussed, and we have not changed our position in Alberta. We are committed to an improved, enhanced program for our producers. Contingent on our ability to achieve that, we are willing to ne-

gotiate cost sharing, and the cost sharing that we are identifying as a possibility for our producers is 25 percent federal, 25 percent provincial, and 50 percent producers, which is no change to the producers of this province.

MR. HYLAND: Mr. Speaker, I wonder if the minister can outline to the Assembly when that minister expects to see concrete results of those changes. Which crop insurance year?

MRS. McCLELLAN: There is, Mr. Speaker, a very real dedication on behalf of the federal and provincial ministers and our various corporations of hail and crop insurance to see as many of these improvements and enhancements put in place for the 1990-91 crop year. There are some changes in legislation that will be required, as I outlined, but the commitment is there. I would say that Alberta -- probably through the dedication of the members of the Legislature, and they know who they are that have worked very hard on this program, as well as the members of our corporation for putting their resources forward. I would give this commitment to all members: that we will continue to commit all of our resources to achieving these improvements in the 1990-91 year. It will take a lot of work and a lot of co-operation, but we're willing to do that.

#### **Disclosure of Principal Group Search Warrant**

MR. WRIGHT: Mr. Speaker, my question is to the Attorney General, and it concerns the Principal affair, an aspect of it. He full well knows that when a search warrant is executed, the law requires, in general, that the warrant and the information on which it's based becomes public. In January of this year the federal government instituted inquiries under the Competition Act and laid an information, and the judge's order at that time said that upon laying of charges, the warrant and the information on which it's based would be unsealed. As you know, charges have been laid under the Competition Act by the federal government, yet the clerk of the court and his administrative assistant refuse to make public the warrant and the information upon which it's based. I brought this matter to the Attorney General's attention yesterday, and I would like his assurance that he has advised the clerk now to obey the law, obey the judge's order, and obey the Criminal Code and will allow the information to be disclosed to any member of the public wishing to read it, together with the warrant itself.

MR. ROSTAD: Mr. Speaker, I do realize that the hon. Member for Strathcona did contact my office last evening to determine the release of the search warrant. I was not able at that time to obtain the information, and I'm pleased to advise the member and the House that there was a justice who did seal the search warrant. It was put into an envelope, a plain envelope that had SW 13 on it, and the order of the court at that time was to release it when the action was commenced. The action has been commenced, but with nothing on the envelope the clerk was uncertain. He went to the justice that gave the original order. That justice said he was not empowered, that Justice Berger was empowered on this, and I understand that an application can be made for determination in this on August 10. I understand that's going to be the procedure.

MR. WRIGHT: Mr. Speaker, the involving of another judge would be quite unnecessary if the clerk had read and obeyed the

order, as it stood, which I have here. It quite clearly says to be unsealed when the charges are laid. My question, therefore, by way of follow-up to the Attorney General is: what unwritten rule is it that so terrifies the clerk of the court that he will not obey the face of an order that says that it is to be unsealed when the charges have been laid?

AN HON. MEMBER: More cover-up.

MR. ROSTAD: Mr. Speaker, that's preposterous. The Member for Edmonton-Kingsway, who isn't involved in the question, is preposterous in his musings. The hon. Member for Edmonton-Strathcona is correct if there is some confusion in this matter. The clerk is not always the official that's sitting in the court when something happens. When the order was granted, there was no designation put on the envelope. With this confusion the original justice was approached; he was no longer seized by the matter, and it had to go to the other. Probably, I would admit, there's some administrative error that there wasn't proper identification put on the envelope. I don't think that this is obstructing any procedures that they need. It's an unfortunate circumstance, but it's being rectified on August 10.

MR. WRIGHT: Well, it's just incompetence, Mr. Speaker. My question is that when this order is obeyed and the warrant and the information are disclosed, will at the same time the Attorney General order that any other warrant that has been laid in connection with the Principal affair and executed be disclosed also, as the law requires and as the Criminal Code, in fact, requires?

MR. ROSTAD: Mr. Speaker, any order given by a justice is given by the judiciary, which is independent from any politics. If there's another search warrant that might be given in this instance, the hon. member can approach the court and find out if he can access it.

MR. SPEAKER: Edmonton-Whitemud

#### **Taxation of Ethnocultural Centres**

MR. WICKMAN: Thank you, Mr. Speaker. Recently a number of ethnocultural centres in Calgary expressed concern that they, too, may be forced to close their doors because of accumulated property taxes, and we know a number of centres in Edmonton have had a settlement forced on them, crippling their financial future. More and more cultural centres throughout the province are facing the threat of closing the door, even those that are located in the Peter Lougheed multicultural village, those that this province encouraged to build. My question is to the Minister of Culture and Multiculturalism. Have any recent attempts been made to rescue these centres from this financial straitjacket and at the same time institute fairness in the handling of ethnocultural communities?

MR. SPEAKER: Time for question period has expired. Might we have unanimous consent to complete this series of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you. Minister of Culture and Multiculturalism.

MR. MAIN: Thank you, Mr. Speaker. The short answer is yes.

MR. WICKMAN: Mr. Speaker, as a courtesy to the House, would the minister please make an attempt to elaborate somewhat.

MR. MAIN: Mr. Speaker, this matter has been dealt with in the House as well as it could be, on a number of occasions. As I've explained to the Member for Edmonton-Whitemud in his maiden question in this Assembly, this tax problem is a municipal problem, that the centres are taxed due to an unfortunate circumstance in municipal politics that they can be taxed as either commercial enterprises -- and in fact some of them are, and are exceedingly wealthy -- or they can be taxed as residences, and obviously they are not those. What is required here is an amendment to legislation, and I again inform the House that this matter is under active consideration.

MR. WICKMAN: Mr. Speaker, I hope it's not being considered forever and forever. My question to the Minister of Municipal Affairs. In reference to the forthcoming legislation referred to, possibly you can indicate when it's coming. In reference to that legislation, which level of government will be expected to absorb the losses in revenue if that provision is there to allow the municipalities to tax at a lower level?

MR. R. SPEAKER: Mr. Speaker, the amendment would come under the Municipal Taxation Act, which would reflect on the revenue of the municipalities of the province.

#### head: **MOTIONS UNDER STANDING ORDER 40**

MR. SPEAKER: Thank you; question period is over. Request under Standing Order 40. Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Speaker, and members of the Assembly. I'd like to under Standing Order 40 move a motion for unanimous consent to consider the motion I think members have before them.

Be it resolved that the Legislative Assembly of Alberta send a letter of support and encouragement to Murphy Morobe, leader of the Mass Democratic Movement of South Africa, in light of recent actions taken by the movement to admit more than 200 blacks and Asians for treatment in whites-only hospitals, actions which are seen to be the most ambitious civil disobedience campaign against the system of apartheid in South Africa in the last 30 years.

In speaking to the urgency of this motion, Mr. Speaker, I just would like to point out to members three points which I think are very compelling in terms of these world events as they are unfolding before us.

First is that it brings home to us that blacks and Asians in all age groups, both children and elderly, currently in South Africa right now are suffering inferior health care because of the system of apartheid. We in the province of Alberta and we as Canadians cannot find acceptable in any compassionate, caring, or resourceful society the fact that that kind of inferior health care system continues to exist. So it is urgent we send messages to those who are attempting to rectify that kind of situation that the system be changed. It's urgent that those blacks and Asians who are suffering needlessly right now, right today, unnecessary disease, disability, and death only because of the colour of their skin . . . That kind of system, whether it's a health care system,

political system, or whatever, cannot be tolerated, and actions to rectify it and change it need to be supported urgently.

I'm told that 50 percent of the beds in white hospitals there go empty while 50 percent of blacks in hospitals in South Africa have to lie on hospital floors. That kind of system needs to be changed. This action, which needs urgent support, would be like actions of Gandhi or suffragettes in earlier days or Martin Luther King or the Chinese students in Tiananmen Square, recently around whom we sent a motion of unanimous support. This action follows in that vein of actions which have a potential of creating enormous social change and need the support of compassionate and caring other people.

Another reason for its urgent necessity before us, Mr. Speaker and members of the Assembly, is that because people of conscience such as ourselves just cannot sit back in any apathetic way and say, "Well, that's nice; good luck to them." We need to urgently be concerned about them, as they are our own brothers and sisters and as we'd be concerned about our own blood brothers and sisters, so in the world community we need to exercise our concern and our letters of support and encouragement in things that we need to do as we would for our own kith and kin.

Finally, as we in Alberta are coming up to Heritage Days, where we're celebrating the multicultural mix of our own province, I think it would be hypocritical not to be able to support this motion and send this kind of letter of support to people in South Africa. As a great old socialist, J. S. Woodsworth, once said, "What we desire for ourselves, we wish for all." To that end we need to continue our work to further the world's struggle for justice and for humanity.

With those comments for the urgency, I would ask all members to support this motion before us.

MR. SPEAKER: Under Standing Order 40 a request has been made for unanimous consent to allow the debate to proceed. Those in favour of the debate proceeding, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Request fails.

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

##### head: **WRITTEN QUESTIONS**

MR. HORSMAN: Mr. Speaker, I move that written questions 208 and 209 stand and retain their places on the Order Paper.

[Motion carried]

212. Mr. Bruseker asked the government the following question:

How much money and how many positions were allocated under the 1988 summer temporary employment program, the 1989 summer temporary employment program, and the 1988-89 priority employment program in the following categories:

(1) community nonprofit groups,



- (2) private-sector employers,
- (3) municipal governments and municipal government departments,
- (4) provincial government departments,
- (5) Indian bands and Metis settlements, and
- (6) postsecondary institutions and school boards and hospital boards.

MR. KOWALSKI: Thank you very much, Mr. Speaker. The government would be pleased to accept Question 212.

head: **MOTIONS FOR RETURNS**

MR. HORSMAN: Mr. Speaker, I move that the motions for returns appearing on the Order Paper, except for motions for returns 206, 211, and 213, stand and retain their places on the Order Paper.

[Motion carried]

206. Mr. Chumir moved that an order of the Assembly do issue for a return showing a copy of any reports assessing the results of the employment alternatives program.

MR. SPEAKER: Minister of Public Works, Supply and Services.

MR. KOWALSKI: Thank you very much. Mr. Speaker, 206 in itself appears to be a rather innocuous question. However, a careful reading of *Beauchesne* -- and I would like to cite certain sections of sixth edition of *Beauchesne's Parliamentary Rules and Forms* -- would, regretfully, lead me to a conclusion that the government will be unable to accept 206.

I might, Mr. Speaker, just point out to the House that I'll be using the same arguments for 206 as I will be for 213, so that will certainly alert hon. members to receive their arguments in form. But I would like to quote specifically from *Beauchesne*, 6th edition, 446(2)(a), 446(2)(1), 446(2)(n), 446(2)(o), 446(2)(p), 446(3), 447 and 411(2). Therein all of those sections contain certain words or phraseologies which, unfortunately and regretfully, prohibit me from being able to accept the question on behalf of the government. As a result of that, if it would be appropriate, I can quote from all of these sections and give the lucid arguments with respect to each one, or I could, for the benefit of the brevity of all, just cite those sections into *Hansard* and tell the hon. gentleman that, unfortunately, the government will be unable to accept Motion for a Return 206.

MR. SPEAKER: Thank you. Additional?

Calgary-Buffalo, summation.

MR. CHUMIR: Well, Mr. Speaker, that is certainly bombastic nonsense. It's totally unacceptable to the people of this province that a government would refuse to provide to this House a copy of any reports assessing the result of a very important provincial program, which was announced with much panache and alarums and slapping-of-the-back by the government. And here we are with no good reason proposed, but hiding behind an avalanche of numbers and wide, wide, googly eyes. We find the minister shamelessly refusing to disclose this basic information to the people of this province.

I mean, the matter is so plain that it requires no recitation of

sections of *Beauchesne*. It needs no authority. We know the only reason it's not being presented is that this government is the most secretive government in this country, indeed, in the whole of North America. We don't expect to get information from this government, but we do expect to have a new government.

MR. HAWKESWORTH: We'll treat you better, Sheldon.

MR. SPEAKER: Order please. Order please.

[Motion lost]

211. Rev. Roberts moved that an order of the Assembly do issue for a return showing the interim report of the Department of Health's utilization committee on laboratory services and the role for hospital-based laboratory services, private lab services, and the Provincial Lab.

MRS. BETKOWSKI: Mr. Speaker, this motion requests that a copy of an interim report be filed with the Assembly. I'm not prepared to provide the report for the hon. member, and I intend to give my reasons for that. First of all, the motion asks for "the interim report of the Department of Health's utilization committee." It is in fact a ministerial utilization committee; it is not a Department of Health utilization committee.

Secondly, although I did comment during my estimates that such a report was in existence, which wasn't new to the hon. member, I certainly did not read nor quote from the interim report, so certainly he can't place forward any arguments which are in section 495(3) of *Beauchesne*. And thirdly, I am prepared, when the full utilization committee reports -- and it's anticipated that that occur in September -- to provide all hon. members and to make public that report at an appropriate time after I've gone through it. But I'm not prepared to provide interim reports leading up to that final report.

MR. SPEAKER: Member for Edmonton-Centre, summation.

REV. ROBERTS: Well, Mr. Speaker, we just can't find that to be at all acceptable. I am sorry for the wording. I knew the former minister had struck the Watanabe committee, but I assume it's going to report to the minister and make a great deal of difference in terms of departmental policy development, I'm sure, insofar as the previous utilization committee under Dr. Young, which reported about four or five years ago, raised the same issue in some very significant ways in terms of the utilization of laboratory services.

This is an ongoing issue, Mr. Speaker, and we've raised it in the House and we've raised it in estimates. We now have a committee which has thoroughly and comprehensively looked into the issue, as the minister has cited both in the estimates debate and in question period. I think it's only fair that since that information has been worked on now, we as members of the opposition and Albertans generally who are concerned about not only the hospital-based lab services -- also we've raised the continuing cost to Alberta taxpayers of having more and more private labs billing more and more services to the plan. So it's costing us even as we sit, and if things aren't being done to rectify the situation, then Albertans are not being well served, not to mention our concerns that have constantly been raised about the Provincial Lab.

So the minister, I guess, in refusing this motion still knows that she is on notice for this being a major issue, a major area of debate which we'll get to eventually. I'm just concerned that the foot dragging on this not take much longer and that we can in fact get to the real meat of the issue with some good hard data and be able to debate it in this House as soon as possible. I would have preferred to have it today. If we have to wait, then as I said before, we'll try to have some of the patience of Job and wait. But it's not serving us and the people of Alberta, I feel, in the equitable way that they need to be served.

[Motion lost]

213. Mr. Bruseker moved that an order of the Assembly do issue for a return showing a copy of any process or outcome evaluations since 1987 prepared internally by or externally for the Department of Career Development and Employment with respect to the summer temporary employment program and priority employment program.

MR. KOWALSKI: Mr. Speaker, regretfully, the government will be unable to accept Motion for a Return 213. I indicated a few moments ago, Mr. Speaker, in responding to the debate on 206, that for the sake of brevity I would cite certain sections from *Beauchesne* at that time. They apply equally, with the same degree of validity, with respect to Motion 213. I might point out, Mr. Speaker, that it's always reflective, I guess, of the mood of the Assembly on any given day that when a minister stands up and, in the case of Question 212, accepts it on behalf of the government, I guess he's not really a good guy because there's just silence coming from the opposition. When he regretfully cites certain legal statements in *Beauchesne* with respect to his inability to provide information -- as a result of the rules of *Beauchesne* for 206 -- then he's chastised and insulted by the hon. Member for Calgary-Buffalo. And I can certainly hope that, you know, the spirit of congeniality and better government in this province would not see the Member for Calgary-North West using the same kind of terminology in attacking the Minister of Public Works, Supply and Services with respect to this particular motion for a return.

I must say, Mr. Speaker, that regretfully we will be unable to accept Motion for a Return 213.

MR. SPEAKER: Thank you.

Summation, Calgary-North West.

MR. BRUSEKER: Mr. Speaker, my rationale for putting this on the Order Paper and the reason for requesting this was simply that I am of the opinion that STEP is an excellent program and should be continued. Given the tenuous nature of programs in the past, I'm curious to see how the government feels about this particular program. Now that the minister of whichever title he wears at the moment -- the Acting Minister of Career Development and Employment, the Minister of Public Works, Supply and Services, the minister of lotteries -- although the hon. minister of various portfolios has broad shoulders, I'm simply attempting to help him out here by taking some of the load off his broad but, unfortunately, perhaps not able to carry all of the load shoulders. I would really request that this information could simply help me in helping him to become an even more effective minister, which I'm sure is really the crux and the dearest and nearest goal to his heart. I sincerely hope that he will

change his mind and allow me to have this information so that I can render that assistance which he so desperately needs.

[Motion lost]

#### head: **MOTIONS OTHER THAN GOVERNMENT MOTIONS**

210. Moved by Ms Mjolsness:

Be it resolved that the Legislative Assembly urge the government to take immediate action to support Alberta families by making the tax system fairer through the implementation of a refundable child tax credit of up to \$525 per child for low- and middle-income families.

MR. SPEAKER: Edmonton-Calder.

MS MJOLSNESS: Thank you. Mr. Speaker, I'm very pleased today to be able to present Motion 210. I'm very pleased to present this motion because this motion clearly supports families in this province. It supports them in a very concrete way. There's no rhetoric, no empty words like we've seen from the government in the past while. I also understand that there may be some government members that in fact support this motion too, which is really encouraging, Mr. Speaker, because even though they do tend to progress slowly, we know then that there is hope and that they may be progressing.

I'd like to say, Mr. Speaker, that during the election this was something we felt very strongly in promoting. And I'm very proud that New Democrats say what they mean not only during elections, but we carry through with our commitments between elections as well. That's why this particular motion is on the Order Paper and is being debated today. I'm very proud of that, because we mean what we say, Mr. Speaker.

This motion, now, if it were passed in this Assembly, which I hope it will be today, would see the tax system put dollars into the hands of families with children, families who are raising children and who are, in many cases, very desperate in terms of having some extra money in their pockets. This motion suggests . . .

AN HON. MEMBER: They want jobs, not welfare.

MS MJOLSNESS: Yes, Mr. Speaker; they want jobs. That's true. But they also need -- this goes a long way in supporting families as well. This motion suggests that the provincial government introduce a provincial refundable tax credit of \$525 per child. Mr. Speaker, this credit would provide a proportionately greater benefit to low- and middle-income families. For example, if a family with two children had a combined income of less than \$25,000, they would receive \$1,050. The same family with a household income of \$40,000 would receive \$300. So the amount of money that a particular family receives would be based upon their income. This motion, this concept, certainly gives support to middle- and low-income families. And this is very crucial, Mr. Speaker, in light of the fact that this government and their federal cousins in Ottawa -- in light of the kinds of policies that they're implementing.

[Mr. Deputy Speaker in the Chair]

Mr. Speaker, if we reflect back to the provincial budget of

1987-88, Alberta families, men and women in this province, remember that this government raised provincial income tax on individuals and families. They introduced a gasoline tax. They brought in a flat tax, which is a very regressive tax and hits hardest those who can least afford it. They eliminated the renters' tax credit, which I'll remind members meant up to \$500 for some families in this province. They brought in school user fees and entrenched them in legislation, something that we on this side are very opposed to, because that again is a regressive tax because it hurts families that can least afford to pay. This year in the budget we see higher medicare premiums, which again is a very regressive tax on families. We have increases in the number of children going to the food banks. Mr. Speaker, I can only say that we have to wait until the next budget year. When we know that there's a deficit, and we know what this government is planning to do -- they've got a hidden agenda -- we can expect to see more taxes on families and individuals.

Mr. Speaker, the key principle in this motion suggests a fair tax system, which we on this side are very supportive of and believe in very strongly as New Democrats. It gives money to families based on their income. And I know that this is a new concept to government members, because the way it works is the lower your income, the more benefits you would receive, not vice versa, Mr. Speaker, which we have seen lately in this province, where the more income you have, the more you receive. As a matter of fact, if you happen to be a millionaire in this province, of course then you're really lucky; you get lots of tax breaks and loan guarantees. We know that there's a very unfortunate trend happening in this province over the years of Conservative rule where corporations now are paying less and less in taxes and individuals and families are paying more and more.

Mr. Speaker, I believe that this motion demonstrates a very strong commitment in assisting families in this province that we value so much. Now, I've talked about some of the things at the provincial level that the provincial government has done to hurt families in this province, and I'd like to just take a minute to look at what the federal government has done. Because I think that in light of what they're doing at the federal level, it's even more crucial that we have some initiatives at the provincial level to support families. We've heard in this House opposition to the sales tax that the federal government is going to impose. Government members have even said that they're against that. We know that they probably were out campaigning for the federal members for the Conservative Party; however, that doesn't seem to matter much.

But, Mr. Speaker, let's talk about the family allowance. Family allowances were introduced in 1945, right after the Second World War. Now, apparently, when the family allowances were introduced in 1945, they represented 20 percent of the average income of a family with two children and 35 percent of the income of a family with three children. Furthermore, when family allowances were first introduced and first paid in 1945, the cost exceeded the whole federal budget of that year. So in other words, Mr. Speaker, there was real support for families, and families were very high priority of that government at that time, and they recognized how important families were.

Now, although the family allowance does remain universal and therefore recognizes a very important support for families, this federal government has moved to the partial indexation of the family allowance after years and years of it being fully indexed. Now, there's no doubt, Mr. Speaker, that this change

will save Ottawa millions of dollars. There's no doubt about that, but they're saving those dollars at the expense of families and their children. I think this is shameful when we know that six out of 10 children living in single-parent families right now in Canada are living below the poverty line. But again this is typical Tory policy. Of course, when changes like this are made, those who are hit the hardest are the poor, because their family allowance is worth more to them and makes up a larger percentage of their income, which is obviously very limited in the first place.

So we can see how the federal government has whittled away at the family allowance, and let's look at taxes at the federal level, Mr. Speaker, because again this is very important. Because in light of what the federal government is doing, we have to take a look at the kinds of initiatives we can take at the provincial level. According to a publication prepared by a coalition of seven organizations concerned about children in September of 1988 entitled "A Choice of Futures: Canada's Commitment to Its Children," it points out that since 1984, changes in the federal income tax system have had significant effects on families with children. Most families, it states, will face higher taxes, but high-income families will face smaller tax increases than low- and middle-income families by the year 1990. As a matter of fact, Mr. Speaker, a couple with a combined income of \$45,000 and two children will actually pay more in taxes than a couple with the same income with no children at all. So again this is very unfair to those families with children.

Now, there have been changes in the refundable child tax credit at the federal level and to the tax exemptions in an attempt to give families more money. But, in fact, most families will suffer a substantial loss in child benefits as a result of these changes. Now, according to the Canadian Council on Social Development, over the 1984-90 period low-income households will have contributed about a two and one-half times greater share of their income to taxes than the highest income households.

Now, again I can talk about the sales tax that the federal government will implement. Obviously, Mr. Speaker, this hits the poor the hardest. It's discrimination against families with children because they spend more of their income on taxable items. So clearly the federal government's support for families through our tax system and through universal programs that have been in place for years is declining. Again, if we look at the trends, it's very, very unfair. In light of this declining support, again I will stress the importance of a provincial initiative to support families, something that's very clear in Motion 210.

Now, if we look at children in this province, again, Mr. Speaker, I don't think that they are a priority. We see that increasingly it's more and more difficult for families in this province. As I mentioned earlier, the different policies that are being brought in by this provincial government are making it more and more difficult for families. We have a situation in this province where over 93,000 children are living in poverty, and that, Mr. Speaker, I think is shameful. We have seen in the Edmonton region a 73 percent increase in children using the Food Bank. Now, again, this is shameful, and we seem to deny that this is happening on the government side. The fact that food banks even exist is shameful.

I have talked about poverty and low-income families struggling from day to day, but we're also talking about middle-income families as well. By a lot of the initiatives that are being implemented by both the federal and provincial governments,

middle-income families are being hurt as well as low-income families. We know that poverty, however, Mr. Speaker, is a very serious issue, and a lot of the poverty in this province is due to inadequate financial support for these families. Now, Motion 210 is an initiative that I feel would directly benefit families either of middle or low income, and it would also put money into their pockets. So it's a very concrete, very exciting initiative.

Again, Mr. Speaker, when we look at the solutions to poverty in the province of Alberta, I think we need to look at a fair taxation system. Certainly that won't solve all of the problems, but it's certainly a very good start. When we look at a fair tax system in the province, a refundable child tax credit is a very important step.

When we're talking about financial support and giving financial support to families in this province, we're talking about all types of families, whether there are two wage earners, whether there's one wage earner, whatever; we're looking at all types of families. Let's look, Mr. Speaker, at single-parent families for a moment. This is very distressing, because single-parent families headed by women make up a very large proportion of low-income population in this province, and the numbers are growing. Now, the provincial government has rejected pay equity, an initiative in this province that would certainly help desperately financially strapped families. It would put disposable income right into their pockets, but they have rejected pay equity. It's very clear that women are working for less wages than men, and this would be an initiative that would help them as well, but of course the government has said no to that.

Many low-income families, however, are working for minimum wage or barely above minimum wage. According to statistics in the publication that I referred to earlier, in 1975 a minimum wage worker supporting a spouse and a child in a large city would earn about 81 percent of the poverty level income if they worked 40 hours per week all year round. But in 1986, and I think that these statistics are very, very important, this same worker could earn only 46 percent of the poverty line income by working at the minimum wage year-round. So the real value of the minimum wage has deteriorated by 28 percent between 1975 and 1986. So when we're looking at low wage earners, we see that they have less disposable income each year, and this is all the more reason to have an initiative like in Motion 210 that will help those types of families.

When we look at who has gained over the years, it has clearly been the wealthiest families in this country. Now, with Conservative policies, I guess it's not surprising that this has happened. But, again, the statistics indicate that between 1980 and 1986 the top 20 percent of Canadian families increased their share of Canada's total income by approximately \$3 billion. Clearly, Mr. Speaker, again this was made at the expense of lower and middle-income families.

Now, I mentioned earlier that children I don't believe are a priority in this province. And I think that to be a healthy society and to stay healthy, we must value our children; we must give support to their families. Now, I've talked about the lack of support that I think is happening at the provincial level, and there are many examples of this. It's not only financial support, Mr. Speaker; we could talk about support to families -- for example, offering them high quality child care so they don't have to worry. A lot of families don't even have access to high quality care, and some that do have their children in centres of course are worried about the quality of care that is given to their

children. So, again, there are many ways we can support families, not only financially.

I've talked about school user fees. Again I think that this in a way is a tax on families. It's very regressive; it has very negative effects on children. When we look at mental health services for children, they're sadly lacking in the province. Treatment services for abused children are desperately short. I could go on and on about the kinds of improvements we could make in the province. And I think we have an opportunity with this particular motion to indicate clearly to Albertans and Alberta families and their children that we support families and that we're not just spouting empty words or rhetoric. Here's a concrete idea, a very good idea, and I would hope that all members of the Assembly will support this particular motion.

Now, Mr. Speaker, I think we can learn a lot by looking at other countries. If we look at Australia, for example, they have a program in Australia called the family allowance supplement. It's based on family income, but it's cash to each family according to how many children that family has. So it's cash that actually is paid to that family. And if you rent, Mr. Speaker, you get even more money. Now, the program promises real increases in the standard of living for more than half a million families with more than a million children in Australia, a very important initiative in Australia.

If we look at Sweden, there are many initiatives we could take. We use these countries as examples. They support families in many ways through benefits to parents, whether it be for a birth of a child or an adoption of a child or on becoming a foster parent. They're given time off their jobs if their children are sick. If their mother is hospitalized to give birth to a child, the father may have to go home to take care of the other children; again they're given time off with benefits. They have free care of teeth for all children in Sweden under the age of 19 years old; 40 percent of dental costs for adults are covered. So there are many initiatives in that country, Mr. Speaker, that support families. They of course have very high quality standards and quality care for their children in day care. Children very clearly are a priority and families are very clearly a priority in Sweden. And if we were to look at this province, we would be hard pressed, I believe, to find any real initiatives that directly support families.

So, Mr. Speaker, I think it's time that the tax system -- and we have to get back to the tax system, because it's very unfair in this province, and it's hurting families; it's hurting middle- and a low-income families. So I think it's time that the tax system recognize the true cost of raising children and that we provide a fairness for all parents and all families in the province.

We the Official Opposition were fortunate, Mr. Speaker, in February of this year to sponsor a conference on the family. It was attended by many people, a variety of people: professionals, parents, all kinds of people. We had excellent feedback at that conference. And one of the concepts that came out of that conference and one of the comments that many people made over and over again -- many parents, many families said that they needed more disposable income. They were very pleased with the idea of a child tax credit. As a matter of fact, this particular concept was one that was discussed and talked about very much at that conference. So I think we can learn a lot, Mr. Speaker, by listening to Albertans, by listening to parents, by listening to families. Talk to them and see what they would like. I think right now there's a feeling that this government is not supportive of families. No matter how much they

talk, people are realizing that a lot of it is rhetoric, because we have not seen real, concrete ideas coming forth, creative ideas coming forth, from this government.

This, Mr. Speaker, is a very concrete, very progressive, if you like the word, idea, and I think it's a very positive one. We in the Official Opposition believe the family is a basic unit of care for children and that families must be ensured societal support to enable them to adequately care for their children. Mr. Speaker, this motion very clearly supports families and their children, and I would ask all members of the Assembly to support this motion.

Thank you.

MR. DEPUTY SPEAKER: The hon. Member for St. Paul.

MR. DROBOT: Thank you, Mr. Speaker. I rise to speak against this motion, but with some reluctance. There are a number of things I like about this motion. Support for the family is a key element of this government's basic approach to most issues, and this motion reflects that ideal. It's a progressive motion, not regressive, and that, in my opinion, stands in its favour. This motion allows low-income families to keep more of their hard-earned money rather than giving them handouts and the social problems that go with it. This government is exploring all possibilities, all possible avenues of assistance to Alberta families, and this certainly is another avenue that could be considered.

But what I object to has less to do with the idea behind the motion than the way it's being introduced. Sometimes members in this House get so caught up with their partisan politics that they end up compromising good policy ideas. What we have here is an idea with some merit, but it's so wound up in partisan language that I can't support it.

The motion asks the government "to take immediate action to support Alberta families by making the tax system fairer." The implication here is that this government does not support Alberta families and that the tax system is unfair. Mr. Speaker, I can't agree with that. We are providing assistance where it's needed. Day care is an example. The Alberta government spends more per capita on family day care than any other province, and we are actually the only province that has a vacancy rate. Alberta is the only province to offer an operating allowance for day care, an allowance which reduces the cost of day care to parents by about \$115 per month per child. About 20,000 families have children in government funded and regulated day care. About 43 percent of these families receive a low-income subsidy. This subsidy was increased by 20 percent in the June throne speech.

Mr. Speaker, in total the provincial support for child day care is \$75 million, a very significant support which low-income Albertans need and receive. Child care is only a beginning. There are health care premiums, subsidies to help low-income families care for their children and their children's health needs, renter subsidies and interest shielding programs to help them buy and own their homes, job creation and training programs to help them increase their income. There are women's emergency shelters; family relations services; mental health services; family and community support services; help for communities to deliver programs aimed at prevention, including parenting classes, family life education support groups for parents, and counseling services. Recreation and Parks creates recreational opportunities, and AADAC helps with addictions. The list goes on and on.

Then there are tax-based support programs under the Alberta selective tax-education program. A half million Albertans pay no income tax or pay a reduced rate. The federal nonrefundable tax credit provides \$65 a year for the first two children and \$130 for each subsequent child. Just under half of this credit is paid for by the province in forgone revenue, because the provincial tax is based on the federal tax base. We do have the option of opting out of this tax scheme, as Quebec does, but the Alberta government supports this program as a contribution to family and family life.

The family has been and remains a top priority of this government. Every policy that comes from this government is examined to ensure that it is in line with our goal of supporting the family. The family is a building block of society. It encompasses the whole of society; it fashions our beliefs. New initiatives are coming forward. I remind the Member for Edmonton-Calder of the throne speech, which just a month ago or so announced an interest shielding program to help Albertans afford their own homes, an Alberta family life program, a drug abuse foundation, a Family Day, and new initiatives to help combat family violence. Unless we strengthen the family structure, we will be faced with heartrending problems which no government can possibly cure or perhaps even cope with. We are addressing those concerns now.

Mr. Speaker, I have outlined a number of programs which currently assist low-income Albertans. I don't pretend that this system is perfect, but I do look forward to the contributions from the opposition members, that they may have some contribution to our strategy, and I repeat "may have." But we can't let the contributions that have been made to the family be forgotten. These programs have accomplished a great deal and will continue to do so. In the 1988 budget personal tax rates were lowered; Alberta cut a temporary flat tax. The personal income tax was not raised in 1989. Alberta families pay no sales tax and enjoy the lowest overall taxes by far in Canada. That is our record.

Yes, Mr. Speaker, the Member for Edmonton-Calder is correct in pointing out that we haven't solved the problem of poverty, but we have made progress, and that's more than a vast majority of governments, socialized or otherwise, can say. I look forward to the rest of the debate.

MS M. LAING: Mr. Speaker, I would like to speak in support of this motion. We have heard many times how much this government supports families, but what this government hasn't recognized is the diversity of Alberta families, what is really happening in our families. So when the hon. member says that we have programs for violence in the family, to help women that are battered, for drug abuse, for alcoholism, for AADAC -- funding for those -- that's not addressing the issue of the needs of many of the families in this province. And that is families where the mother and father are both in the paid labour force. The hon. member opposite has said that we have the highest per capita funding for child care in Canada. We know that, and we also know that there are spaces. But we know that we have the lowest quality training standards of any province in Canada, and in fact that means that parents don't dare leave their children at home.

We want to have choices for families. So we have to have quality child care and we have to have tax credits that allow parents to make a real choice in this matter. We have to say, "What is happening in families in Alberta at this time, and how do we

help them?" This motion certainly would provide for us to recognize the diversity of families, to provide for alternatives. We want to help all families so that they can in fact choose how they will care for their children, because we know that families want to create safe and nurturing places in which children can be raised that are financially secure; that we do not have hungry children; that we do not have people being forced to make one choice or another because of financial consideration.

I would therefore ask for support for this motion.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Speaker. I join my hon. colleague from St. Paul in rising to speak against this motion. He has amply demonstrated that the government of Alberta is committed to the family and that it shows its support in many ways, based both through the tax system and through our other programs. I do share his general concern about the wording of Motion 210, and specifically, Mr. Speaker, I find the wording too vague. It talks about a credit for "low- and middle-income families." It doesn't define a low- and middle-income family, and it doesn't show exactly how we came up with \$525. I think these are obviously important questions that we need to have definitions and discuss, if we're looking at this motion.

However, I think we can discuss the basic concept of a provincial tax credit. Is it a good idea? To be fair, Mr. Speaker, in some ways it is a good idea. It is positive and progressive; it is not a handout. It helps parents while still allowing them to make their own decisions about how their money will be spent. It provides assistance with a minimum of government interference. However, I do have some problems with it. My primary concern is that it's already being done, and I'm not convinced that it would be beneficial to repeat it.

This motion is closely modeled on the federal tax credit basis. The federal tax credit program provides a refundable tax credit of \$559 per child. This credit is reduced by a nickel for every dollar the family earns over \$24,090. The federal tax credit then goes a step further than Motion 210 by recognizing families with children under six years of age that need extra help. So it provides an additional \$200 supplement for each child six years or under. This supplement is reduced by 25 percent of child care expenses claimed.

The federal program is quite generous, Mr. Speaker. For example, let us consider a family with two children under six years of age and a net income of \$24,090. One spouse stays at home, so there are no child care expenses. That family receives the maximum child tax credit benefit of \$1,518. It also receives an \$850 spousal allowance. The total value of this package is \$2,368. That's the benefit for a low-income family. Suppose the same family earned the average family income for parents with one spouse at home of \$35,000. That average Alberta family receives \$972 in child tax credits plus the \$850 spousal allowance for a total of \$1,822. This is a substantial amount of assistance, and I'm not convinced that there is a need to add a provincial child tax credit to this. Under Motion 210 the low-income family would receive an additional \$1,050, raising its credits to a total of \$3,400. The average-income family would receive an additional \$550, for a total of \$2,372.

I realize, Mr. Speaker, that it doesn't seem like a lot of money when we discuss it on an individual family basis. However, because we are the government and not the opposi-

tion, we must look at the bigger picture. What would it cost to implement this child tax credit system for all Alberta families? A provincial child tax credit program of \$525 per child, modeled exactly on the federal program with the same threshold, would cost the province about \$200 million a year. Since this province is in a deficit position, the credit would require a substantial tax hike or borrowing which we'd have to pay back later. This is the bigger picture. It is easy to introduce these wonderful plans to the Assembly; not so easy, unfortunately, to finance them.

This government is trying to maintain a balance in our tax and spending structure. Alberta families pay the lowest taxes in Canada, a strategy that aims to create economic conditions that will enable our economy to grow. Mr. Speaker, money is not always the best solution to the problem. This government prefers a balanced approach to support of the family by financing a generous and diversified package of programs aimed at specific needs. That package is, and will continue to be, reviewed periodically to make sure it still meets the needs of Alberta families.

If we're not careful, a tax credit like this could have a negative impact on the very families we want to help. Tax specialists like to call this the vanishing credit problem. The primary drawback of tax credits is that the more of them we offer, the less incentive there is to move above certain income levels. In other words, some people may put off career advancement opportunities in order to remain eligible for tax credits and write-offs. I'm assuming that this tax credit will take a nickel off every dollar earned over \$25,000. That detail isn't in the motion, but it was in the March '89 news release describing the motion. Then for every dollar a family makes over \$25,000, we would take away a nickel under this program. That's on top of the nickel the family loses from the federal tax credit program and any additional income-tested credits the family is eligible for. Eventually we'll reach a point where for every dollar the family earns over \$25,000, it loses more than a dollar. Tax credits should only be offered with this important caution in mind.

In my opinion, Mr. Speaker, government would be of more assistance if it were to put this money towards programs that stimulate the economy and provide opportunities for low-income Albertans to increase their income. I believe a credit like this is little more than a stopgap measure. It's like taking a painkiller for an injury; it makes the pain go away for a little while, but it doesn't heal the injury. I think we're better off looking for the root of the problem and eliminating it. I personally feel that tax credits and tax write-offs have been disastrous.

The member opposite is absolutely correct in that there are problems for low-income families. But there are also problems for what I call Mr. In-Between: the family that is above the lower income levels but isn't in the high-reaching income levels. He doesn't have enough disposable income to take advantage of write-offs, so he pays the high tax bracket all the way through his working career. We can and we do help families overcome their difficulties in this province by providing job creation and training programs, universal access to top quality education, and by providing more per capita support for advanced education than any other province. We have the lowest tuition fees in this province. We should continue to evaluate and update a balanced program that provides counsel so small business can expand, or help families manage money, find suitable education, and expand their career opportunities. These measures are working. More people are employed in this province today than

ever before in the history of Alberta. The unemployment level has dropped to 7 percent, second only to Ontario. The number of part-time jobs is also declining, indicating more of these people are finding full-time employment.

Mr. Speaker, I heartily endorse the principle of helping lower and middle-income families. I believe the government demonstrated this commitment in the June throne speech when we announced a 20 percent increase in day care subsidies, a new Alberta family life and drug abuse foundation, new in-home support services, and initiatives to combat the effects of family violence, among other programs. But I cannot support this motion. The wording is vague and misleading. The motion duplicates an existing federal tax credit program. It would cost \$200 million at a time when we face a deficit, and it provides more money than solutions.

These are my concerns, Mr. Speaker, and I look forward to the remainder of the debate.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Speaker. I would like to rise in support of this very progressive and very necessary motion as presented by my colleague the Member for Edmonton-Calder today. I can't believe, in listening to some of the comments from government members who seem to be rejecting this, that they're missing quite an important ingredient, I think, or quite important experience, which is the actual cost of raising kids today. Now, particularly in the middle-income or lower income bracket, the cost of raising kids in 1989 and the 1990s I find, as a young father myself, to be quite extraordinary. I don't know if I'd qualify for this tax credit or not. I wish I could, because I could certainly put it to good use, not even to put it in any kind of savings account, because we don't have any savings account in our household; we can't even keep up with paying the bills every month. Here I am with a family, middle income, three kids under the age of six, and I'd like to see any person with a household income of \$60,000, which is our household income, raise three kids, pay the mortgage of \$1,000 a month, two vehicles for two working parents, and have to pay the babysitters . . .

AN HON. MEMBER: Extravagance. Waste.

REV. ROBERTS: I'm telling you. When was the last time you went and did some grocery shopping for a family of five, and found out what the bill is for five kids for . . . [interjections]

MR. DEPUTY SPEAKER: Order.

REV. ROBERTS: Now we've got them going, Mr. Speaker. Thank you.

It seems to me that members opposite, and I know that a few of them do have young families and young family members -- not many -- are quite out of touch with the experience of Albertans and their families who are having to pay the mortgage, pay the rent, send the kids to school, pay the babysitter, buy the food, buy the clothes, buy the bicycles, send them to lessons, do all the things that we want to have . . . [interjections]

MR. DEPUTY SPEAKER: Order, order.

REV. ROBERTS: I'm surprised, Mr. Speaker.

Now, we do have a lot of grandfathers on the other side of the House, and I know that out of their savings they like to spoil the grandkids and all the rest, and maybe they think there's nothing wrong. But it seems to me that any good, hard, serious experience in this situation reveals the fact that this kind of tax credit is welcome news, and shows that, in fact, we're not the Pocklington of the world, we're not the Don Cormies of the world, we're not the drug addicts of the world. We're people that are struggling along and want perhaps a little incentive, a little break, maybe some priority put on us in our situation.

I remember sitting down with some people during the election campaign, as they welcomed me in as I knocked at their door. Again middle income, if not a bit more, but he a teacher and she in fashion design. They had four kids, I recall. He had made the calculation that in the last 10 years his disposable income had not risen more than \$200. His take-home pay had not risen more than \$200 in 10 years. That is from all the taxes, all the costs of all the things that he was having to pay just to keep up. And yet the costs of all of what his kids and family -- was much beyond that \$200 figure. So he was finding himself in a situation like mine where it's very difficult to begin to save anything, to be able to go out and buy some Alberta bonds -- you know, that's all I want to do. But he and his wife in that experience -- you know, I wasn't surprised when they put up a lawn sign the next day in support of me and this program, because they saw it as something that would meet directly their needs and their experience in a very real way and a very helpful way.

Again, the Member for Edmonton-Calder is quite correct in terms of this being, in terms of politics, I would think a very strong action. I mean, what we've had to date is so much rhetoric, so much talk, and this would show the clear commitment to Alberta families and parents with young kids. I think maybe we should take it out of family and community support services, that department, and give it to the Minister of Economic Development and Trade. Now, I'm sure that minister could find the money, because maybe in some way he could determine how this would be a great way of economically developing the province, give them some kind of extra guarantee or loan, give them some taxpayers' dollars that he gives willy-nilly to everybody else to develop their way of wanting to develop their life and work in this province. Why not give it to the families? I think this minister would be much more aggressive, as he has shown in terms of his other aspects of ministerial endeavour, that he could put such a plan to work.

Two hundred million dollars. You know, let's call a spade a spade. Two hundred million dollars is the same amount that the Premier's put aside into this drug abuse foundation. Now, as I say, how many people are afflicted by drug abuse in this province? A significant number. But I say it's not nearly as many as are middle income and lower income who are struggling along day to day trying to make ends meet in their households. And \$200 million is what's set aside here. Now, political will is what we're talking about, and the Premier had the political will because of his experience and his family situation to put \$200 million into that area of life in this province. I can't understand why this government and members opposite can't be in touch with the experience of other people in this province who very seriously want to have some priority and some direction and some support put into their experience, which is in the home and in the household with young kids.

Let's invest it. Let's not see it as an expenditure, as a cost, as some sort of way of wasting money. No, this is an invest-

ment. This is a real and direct investment not only of families but in our kids and in our future to give them the kinds of opportunities, the kinds of experiences that are really beckoning in the 1990s. As I say, it's a matter not of argument; it's a matter of political will, because the experience is there, and this kind of program is one that would very directly meet it as it has the federal program, and I think if we have nearly as much -- I can't say balls -- courage, moxie, as much incentive as our federal counterparts . . . I hope *Hansard* didn't get that. Or even look in Quebec. Now, I don't know if we want to get that situation they have in Quebec where there's some sort of tax incentive and tax credit just to even have children. There are some jurisdictions where they've seen the birthrate really declining, and you can see why in this day and age. Parents and young married couples are really going to have to look seriously at planning pregnancies and how many children they're going to have because of what the costs are going to be. I would think the birth rate is going down and down and down primarily because of the economics of it. We might have to come to a point in Alberta as they have in Quebec and say, "Well, maybe if we give them some incentive, some tax credit, some financial incentive to, in fact, have children."

MR. TAYLOR: [Inaudible] but now he says it, after I've had my nine.

REV. ROBERTS: Yes. The Member for Westlock-Sturgeon would really bankrupt the fund with his nine children, I know.

So as I say, Mr. Speaker and members of the Assembly, it's a real, true experience of those of us who are trying to make ends meet in young families. I'm sorry that members of the government caucus really aren't in touch with this reality today. I'm sure that if they were to visit with and be with the people in terms of the expenses which they have just to keep paying the bills, not in any way to be able to accrue savings, that their experience is one that would really very much support this motion as is before us today. And again I submit, it's not just a matter of people's experience; it's a matter of political will. And that political will has been shown by this government in other ways because of certain political agendas in their own experience in certain things that are their pet projects. But I think that we need in this province to work together from all sides and really support the families and the kids and their parents that want to provide for them just not a happy home and a healthy home here today but an investment through this tax credit, an investment in making Alberta a brighter future for all of us.

Thank you very much.

MR. WRIGHT: I move that the question now be put, Mr. Speaker.

MR. DEPUTY SPEAKER: Having heard the motion of the hon. Member for Edmonton-Strathcona, does the Assembly agree?

SOME HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Are there any opposed?

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: In my opinion, the motion is

defeated.

[Several members rose calling for a division]

AN HON. MEMBER: Point of order.

MR. NELSON: Mr. Speaker, one of the members was standing to speak on this issue. [interjections]

MR. DEPUTY SPEAKER: Order please. The Chair called the question. The Chair heard more opposed to it than in favour of it, and the Chair declared the motion defeated.

The hon. Member for Calgary-Bow. [interjections]

Five have to rise for a vote, so I recognize the hon. Member for Clover Bar.

MR. GESELL: Mr. Speaker, I was rising on a point of order, the point of order being that the Speaker had recognized the Member for Calgary-Bow to speak rather than -- and that was after the vote had been called. So the progression of the matters in the House . . . [interjections]

MR. DEPUTY SPEAKER: Hon. members of the Assembly, I'm advised that the rule for a standing vote is three members standing. More than three members stood, so there will be a division. [interjections]

MR. HORSMAN: It is now 4:30, and the order. . . [interjections]

SOME HON. MEMBERS: Sit down.

MR. DEPUTY SPEAKER: Order please.

MR. HORSMAN: Mr. Speaker, on a point of order. The Standing Orders provide that when the hour reaches 4:30, we are to move on to the next order of business.

MR. SIGURDSON: On that point of order, Mr. Speaker. You had the division beforehand. You waited for a procedural interpretation from the Table.

MR. DEPUTY SPEAKER: Order please. I'm advised that the rules require that the division go ahead, and I'll ask the bells to be rung.

[The division bell was rung]

[Eight minutes having elapsed, the House divided]

For the motion:

Barrett	Martin	Roberts
Ewasiuk	McEachern	Sigurdson
Fox	McInnis	Taylor
Gagnon	Mjolsness	Woloshyn
Hawkesworth	Pashak	Wright
Laing, M.		

Against the motion:

Ady	Evans	Musgrove
Anderson	Fowler	Nelson
Betkowski	Gesell	Oldring



Black	Horsman	Orman
Bradley	Hyland	Payne
Brassard	Jonson	Severtson
Calahasen	Kowalski	Shrake
Cardinal	Laing, B.	Speaker, R.
Cherry	Lund	Stewart
Clegg	Main	Tannas
Dinning	McClellan	Thurber
Drobot	McCoy	Trynchy
Elliott	Mirosh	Weiss
Elzinga	Moore	West

Totals: Ayes - 42 Noes - 16

[Motion lost]

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

**Bill 208**  
**Alberta Farm Security Act**

MR. TAYLOR: Mr. Speaker, I'm rising to speak on Bill 208 today. I think I touch on something that is certainly very near and dear to members of the back bench of the government anyhow, because although they were lucky enough to win most of the rural votes last time, they must realize that if they don't address this problem, they will become as rare and extinct as those specimens you have under glass in your constituency, Mr. Speaker. But before we go on into the Bill on farm security, Bill 208, I would draw attention to and mention -- the member from High River was kind enough to draw it to me already -- that there's been a foul-up in the definition of "farmland." If one can bear with me outside of that . . . I guess when it was copied from one over to another, it skipped a line there. Now it would indicate that any land outside a municipality is considered a farm, whereas it was how it was defined within a municipality.

But to get on to the problem itself, the first question is whether or not a problem exists, Mr. Speaker. I submit that farm debt -- some people would try to brush it under the table and say it's no worse than many other areas. It is very much a problem. Between a quarter and a third of Alberta farmers are in serious financial difficulty according to farm organization reports. In fact, more than 20 percent of the Farm Credit Corporation's loans -- that's the federal government -- are in arrears. ADC has merrily been foreclosing and quitclaiming land at a great clip and now has an inventory of around 784 quarters of land. That's running around 85,000 acres. If you put that into a solid block, it would mean you could drive 12 miles on the side -- 12 miles west and 12 miles north, 12 miles back over again, 12 miles south. That would be solid land foreclosed by the Agricultural Development Corporation that has not hit the market. That's a lot of land, Mr. Speaker. I mentioned the drive and the 12 miles. Maybe I should have said "walk"; it would be much more impressive to people how much land is being held.

Also, Mr. Speaker . . .

AN HON. MEMBER: It's more environmentally sound too.

MR. TAYLOR: Yes.

In 1987-88, our last complete record, 350 people who had borrowed from ADC were involved in actions where the corporation realized some security. In other words, 350 people in total were foreclosed. That's just the owners. If we feel that the average family is around four, that means that through the government's own actions somewhere around 1,400 people were put out of their homes and their farms to try to make a living some other way. That has to be one of the biggest clearances, pushing off rural populations, since the days of the Scottish clearances, Mr. Speaker. I'll probably come back to that again later on. The Scottish clearances, of course, took place 150 years ago. With the advent of the industrial revolution, the bright-eyed people of the day, the governments of the day, said: "Well, there's no future in mixed farming, the small farm, anymore. It's got to be in sheep, because all we're going to be able to raise is wool. We'll take the wool to the great cotton mills of central England and then send that wool all over the world. There's nothing more wasteful than having farmers raising pigs, cows, alfalfa and such." It shows you how experts can be wrong, even 150 years ago. I don't think farm forecasters have improved anymore since then, Mr. Speaker. In that day they used the same argument the Tories use today: well, there's a natural readjustment in the agricultural economy; everybody wants sheep now, so let them go. Of course, in those days those were the people that caught the boats that settled a great deal of Nova Scotia, the maritimes, and the eastern States. Those were the farmers that were really the backbone in starting much of our farming in Canada.

Let's look at a few more areas. From 1971 to '81 -- this is in Canada now, but Alberta is no exception -- the farm debt increased from \$4.6 billion to \$18 billion. That's an average increase in debt of 15 percent. From '81 to '86 it slowed up a bit and increased only 4 percent a year. Now, as I mentioned, about 20 percent of Alberta Development Corporation's accounts are in problems or in arrears. The federal Farm Credit Corporation has approximately 19.5 percent. So you can see that the ADC and the FCC run very close together, and indeed there is quite a problem out there.

Now, I think I've outlined that the problem does exist, but where we might have a basic disagreement in the House, Mr. Speaker -- and this may well cut across party lines -- there are people that say, "Well, this is a natural progression." In other words, we're going to lose some farms to mechanization and computerization and improvements in genetics and so on and so forth. Everything is going for fewer and fewer farmers and this is just a natural progression. What we have to do is ease the depopulation of our rural areas -- not stop it or reverse it, just try to ease it. This is one of the first things I want to hit on, Mr. Speaker. That to me is erroneous. And that is why I used the example of the Scottish clearances, because the same argument was used that time, and that was a 150 years ago. Now those same lands that were cleared by the great sheep owners of the northern U.K. and Scotland are populated by something like 15 times the people they had at that time. So it is not a natural assumption to feel that agricultural populations go down. What happens is that they cycle.

It seems rather intriguing that as we reach the end of a particular cycle, more and more land is concentrated in the hands of fewer; there is a population decline. There was a bit of a population decline -- let's take western Canada -- at the end, if you want to call it, of the trapping era. There were fewer trappers

doing much more trapping at the end of the trapping era than back in the early 1880s or 1770s. Then we went into what you might want to call the ranching era. As we reached the end of the ranching era about 1910 or 1915, the beginning of the First World War, there were less ranchers than there had been in the late 1890s because the ranches got bigger and bigger and concentrated. That's all we're seeing today, the end of the grain-growing cycle. We're probably at our lowest population count per acre in the west that we'll be for some years. Because I feel we're just on the threshold of another revolution which is based, of course, on genetics, and not only genetic engineering, which changes the whole crop outlook, but techniques in raising crops. I think we may well be in for an era of more people concentrating on the land, the beginning of another cycle.

The beginning of every cycle brings in more people. The end of each cycle has fewer people because of the natural tendency for the ones that are able to adapt to that particular cycle -- whether it's wool or whether it's beef or grain, whatever it is -- to end up picking up more property. But we're starting out a new cycle. That new cycle, Mr. Speaker, is aided and abetted by the fact that we have a revolution in communications coming up and we're going to see a lot more small businesses located out in small towns. It's not necessary for them to locate in our big cities as our factories did. Our factories had to have huge labour forces that were concentrated in an area, and they always had a tendency to go to bigger cities. But as we go to our modern-day technologies, more of the service industries that are not using raw materials are going to start looking for places to locate where the quality of life is the best, that will be an attraction in trying to get people to come to your computer company. You can locate a computer company where you wish. You can locate a genetics company where you wish. You can locate most of the service companies where you wish. There's no real reason you have to be located in a large city the way large-scale manufacturing is. So what you're going to see probably in the rural areas is combined income, where many of the farmers will have their wives, themselves possibly, maybe some of their children working part-time in an industry in the town and part-time on the farm. That, too, will bring more people living on the farm and more tie-up with agriculture.

So I submit all these, Mr. Speaker, as at least my dream -- and I don't think I'm the only one in it. It's counter to the trend that farming populations have to go down, it's natural as winter follows summer and spring follows winter, and all we can do is grease the skids to make it a little easier. I'm saying that is going in the wrong direction, because probably within a generation we'll need every farmer we've got there now and probably will try to encourage more people.

If I may remind this government at all, I only have to remind them of the great Dr. Horner who was Minister of Agriculture for years. When Dr. Horner was at the helm, we spent most of our time bailing ourselves out of some trend we had pushed the government into five years early holus-bolus because it was the thing to do. With cow/calf, suddenly we had cows and calves running out of our ears. Then we were going to bonus pigs and had pigs running out of our ears.

AN HON. MEMBER: Coming out of your ears?

MR. TAYLOR: I don't mean elected ones.

What I'm getting at, Mr. Speaker, is that the idea of trying to extrapolate into the future a line of what went on in agriculture

the last generation has been proved wrong time and time again. I'm willing to submit that it's therefore worth while to try to think of ways to keep farm families on the land, because we're going to need them down the road. Certainly we're going to need more food; we're going to need more varieties of food.

Now, the other area, Mr. Speaker, is that if we are talking about transition, if we are talking about training some people that maybe are not going to work out in farming so well, or they're going to supplement the farm income with the service economy in our small towns, what better place to do it than where they already are, out in the rural areas, rather than the idea of pulling the South American type of thing as this government would seem to want to do occasionally, move them all into shack towns around the edge of the cities -- down there it's Lima and Bogota and a few others; up here it's Calgary and Edmonton -- and then try to figure out some industrial development to take care of them. We've already got the superstructures in the rural areas, whether it's roads, schools, curling rinks, whatever, to leave them out there. All right, start retraining them, but retrain them while they're still on the land. If they want to be retrained, let the movement go on there rather than trying to do a mass exodus, pushing them off the land and into the cities. Now, this would save the taxpayers untold money. If indeed what's happening is what they think is happening, there are going to be fewer and fewer farmers, let's try to retrain them where they are rather than try to push them off the land, bring them in here, and train them by force after they're here. As I mentioned earlier, I do not buy the argument that they are inevitably going to have to leave the land.

Now, I've mentioned what I think is the basic philosophical setup for why the rural population likely will not only hold still but increase in the next few years. Let's look at some of the ways we could structure the rural economy so we do preserve the family farm, preserve the family, or at least make the transition as easy and painless as possible, if they are going to transit.

The first thing, Mr. Speaker, is one of the puzzles I've always had: why we try to force the farmers into so many equal payments per year. Now, the past Minister of Agriculture, bless his soul, did say, "Well, if we're going to force them [inaudible] year, we'll come up with 20-year loans." I think that was a progressive step, in fact for a Tory a fantastically progressive step. He was almost light years ahead of the rest of the people with him. But it could have gone just a bit further. See, the whole idea of going to 20 years was to try to ease out the payments over a long time, maybe stretch it. Why couldn't we have gone just one step further? As in the oil and gas industry and most metal industries, which I've been associated with all my life, the payment on your debt is in direct proportion to your income. In a booming year you make big payments; a bad year, no payments. Loan after loan made by the banks -- they used to take what they call a section 82 -- would be on your production, not on your land, and as your production went up, your paybacks went up. When your production went down or your income went down, so did your payback. Over a 15- or 20-year span it averaged out.

Now, the answer I got from the assistant minister of Agriculture last year -- I haven't really had the chance to pin this one down this year -- was, "Oh, my, our civil servants would go crazy; some years you'd get three times your payments and other times you would get less," as if with the advent of modern-day computers and that they couldn't possibly keep up to a loan that didn't have a fixed repayment. Yet we have this

sort of VISA-type mentality of a small consumer loan that we're trying to apply to the farm industry, which is as variable an income as with any mining or oil company, Mr. Speaker. The mining and oil companies long ago quit going out with the idea, "Look, come hell or high water, whether we sell oil or not, no matter what happens, the rig blows up, we're going to pay you so much a month." No, it's not. It's always on the proportion of what is coming in. This is one of the things that I think the government -- as the ADC and FCC, the government now makes nearly 70 percent of the loans to the agriculture sector -- should be looking at now. I think the past Minister of Agriculture was on the right track. If I could have just pushed him that one little step more over -- and the new one -- it would have been just perfect.

While we're at it too, Mr. Speaker, it might be an idea -- one of the big problems is the huge value we put on land. Money has been lent on land rather than on productivity. Maybe we should announce to the rural industry -- bankers can change around if they want -- that for all farm loans, over the next 10 years we're going to try to swing from one system of collateral to another system. Over the next 10 years we will be gradually and slowly weaning people off loaning on the value of the land and, instead, loaning on productivity. How much easier it would be if many of our farmers had not been able to borrow because of a hypothetical land boom from foreigners, Germans and everybody else that wanted to come in and buy land, hiking our land way up there, making it so the banker said: "You know, Joe or Nick, what are you doing? You're sitting there with all that land. I'll give you a couple of hundred thousand and you can go out and buy more land." The point was that the land had no hope of paying for it. It was eventually a little bit like a chain letter, Mr. Speaker. Somebody was going to have to come down with the fat on the end. So possibly government organizations -- it might be hard to rule out banks too -- shouldn't be loaning on land values and should be loaning only on land income.

Mr. Speaker, I'd like to touch on another area. It's always bothered me a bit because I've been a guy that's gone broke once, twice, maybe even three times. I've always marveled at the fact that when the farmer goes broke he gets much worse treatment than the businessman. If the businessman in the city goes broke -- the car dealership closed down, the oil company drilled too many dry holes, or he married too often and the alimony got too high, whatever it is -- nearly always it settles down. When you go broke in the big city, you still retain your house. You're allowed to retain nearly a hundred thousand dollars in equity, which most people don't have in their house anyhow, like with the mortgage. You're allowed to retain the car, the family pooch, and probably a membership at a spa club. You're allowed a number of assets. But when a farmer gets in a bankruptcy, gets repossessed, they show up at his gate to take his truck because it's a farm machine. That's probably what he had for getting around recreationwise. He's not allowed to stay with any equity. The house is part of the farm. So when he is repossessed or when he is taken over, it's cataclysmic. He's got to move the family and everything else. I know all kinds of city slickers who went broke, and they seem to be better off when they're bankrupt than when they were going. At least the creditors quit chasing them. They still kept their house, still had their car. They were still going out to Kelowna to summer with their friends and did a little skiing in the wintertime. But when a farmer gets taken out of position, he or she is gonesville;

there's nothing left. This is something I think is unfair.

I often wonder why a government such as this couldn't legislate that the farm home is on a different title than the main farm itself, maybe five or 10 acres around the house, and it would be treated the same way as a person in the city who goes broke. That couldn't be taken over unless it was over \$100,000 in equity. I think that would be fair rules.

Finally, Mr. Speaker, I believe another area where we could help our rural people is the five-year leaseback. Well, I know a couple of times when I turned toes up and got turned around too far, the old banker called me in and said: "Member for Westlock-Sturgeon, how would you like to run this place for a while? You know, we don't know one end from the other. You dumped it all in our lap and we'll go broke. So we'll keep you around on a bit of a salary or a leaseback system. If you get back on your feet, you can buy your way out again." It's worked; it's worked a few times. If I wasn't fooling around here, Mr. Speaker, being an MLA, I'd probably be trying it again.

The point is that we don't give the farmer that. We tell the farmer, "Well, you can have a one-year leaseback." Most of the time they tell the farmer that when spring comes. When he's already starting to see the weeds grow and the snow is gone, they say, "Well, maybe we'll give you a leaseback till fall." So the guy has had no chance to do any planning or anything like that, maybe not even any summer-fallowing, because he doesn't know what he's going to do. So he gets the one-year leaseback. Comes the autumn, he takes off the crop and says, "Well, what about next year?" The ADC fellow says: "Well, I don't know. I've got to check with my boss, my boss has to check with his boss, and his boss has to check with the other boss." It goes all the way up to the minister, and they say, "Well, maybe we should try to sell it for a while." They don't know about that. So he's left in never-never land, and if he gets a chance to lease again, it's the next year.

Now, I don't see why -- and this isn't a question of charity; it's just common sense. No banker would be that stupid. They'd say, "You can have a five-year leaseback, Mr. Jones or Member for Westlock-Sturgeon, because then you can plan out the crops." "I'll give you an option," the banker will say, "to buy back that land at the going rates at the time." In other words, we'll put it up for arbitration, an arbitration board; three people will arbitrate what it's worth. So a number of things happen then, Mr. Speaker. First, you've kept the family on the land. Secondly, the taxpayer loses no valuable land property, because you didn't dump it out onto the market; you've got somebody working on it. If, for instance, they can't buy it back in the next four or five years, it's probably going to be worth as much as or more than it is today. So no value is lost there. When you look at it all around, you've gained in every way.

Maybe one of the problems today with ADC and FCC is that there aren't bankers running them. Maybe that's one of the big mistakes we made. Instead of using those areas to subsidize interest rates to the bankers, who really know how to keep things like this going, we turned ourselves into a bank, and I don't think we had the expertise and the knowledge on how to try to keep the local economy going.

Before sitting down, Mr. Speaker, I think this Act is a small step in the direction of setting aside a debt adjustment board. Some people will try to say that money and debt is a federal field. That's true. But the transfer of title and the ownership of title is a provincial field. This has been quite thoroughly re-

searched. We had Acts such as this back in the old homestead Act, where you had to leave a farmer with enough wheat and his ox and his axe and his bag of tools to go on. You couldn't take that away. So time and again we've had provincial laws here in the west in different provinces protecting the farmer from the final solution, you might want to call it. So a debt adjustment board that says that no foreclosure could go ahead until they had given approval -- and approval would only be given when it was apparent that the farmer was a bad manager. Bad health, bad markets, and bad weather would not be considered reasons to foreclose. Those are three of the big bads, if you want to call it that. The fourth big bad is government, but I don't think we can protect them from that. It was Mr. Aberhart, I think, who said that if you hadn't suffered enough, it was your God-given right to suffer some more. So we can't protect them from government, but we can try to do something about those other three bads. Therefore, a debt adjustment board wouldn't let things go ahead unless you appear to be a bad manager. If we took that and combined it with a five-year leaseback, we would keep our people's dignity in the farmlands and let grow, if it's possible, a gradual transition. Then I think we'd be moving ahead, and indeed the 20th century, as they might say, would belong to Alberta.

Thank you.

MR. DROBOT: Mr. Speaker, what we have before us is a Bill that at first glance looks very good for Alberta farmers, a Bill that the hon. member expects to be a tool to gain the support of rural Albertans. But in fact we find that Bill 208 is proposed legislation that is not only unnecessary but detrimental to the farmers in this province. For these reasons I'll be speaking against the proposed legislation before us.

As an active farmer and rancher, I see too many self-styled agricultural financial experts telling farmers how to run their affairs. Yet, Mr. Speaker, I wonder if they know the difference between a cow and a plow. We just had a half-hour rerun.

If passed, Bill 208 would not allow a foreclosure with respect to mortgage on farmland to take place without the participation of the farmland security board. Once a lender files a statement of claim with notice of foreclosure, this board would then initiate a 120-day period of review and mediation between the farmer and the lender under the direction of a mediator appointed by the board. At the end of the mediation period a final report drafted by the board would recommend whether legal action on the mortgage should be continued or whether the debt should be restructured in a way specified by the board. This report would then be submitted to the courts for consideration.

Through this piece of legislation the hon. Member for Westlock-Sturgeon seeks to provide the Alberta farmer facing foreclosure with a fair and reasonable opportunity to negotiate debt restructuring terms or any other alternate agreement that would satisfy his creditor and allow the farmer to keep his land. Mr. Speaker, I fully concur with that purpose and the principle of this type of legislation. However, there is an important question we must ask ourselves before we become too excited about the idea of creating another board, another bureaucracy that helps to facilitate the process.

A simple question is, Mr. Speaker: when an Alberta farmer is facing foreclosure, are there adequate review procedures and avenues in place to negotiate adjustment or restructuring of debt? The answer to the question is yes. I would point out the three processes that allow the Alberta farmer some breathing

space and full opportunity to pursue every measure at his disposal to avoid foreclosure on his farmland.

The first such opportunity to arrange alternate debt restructuring takes place by varying degrees between the farmer and the lender privately. Now, I'm not here today to applaud the generosity and the good nature of the lending institutions in this country. I'm reminded of a joke recently that defined many of the thoughts of farmers towards bankers. It seemed that a middle-aged farmer had a heart condition and was scheduled for an operation, a heart transplant. Before the operation the doctor came to him and said: "You've got a choice of hearts from three people who have just passed away. One is from a 25-year old professional football player, another from an 18-year old professional swimmer, and another from a 75-year old retired banker." The farmer thought about it for a while and then said, "I'll take the banker's heart." After the operation, when the farmer was up and around, the doctor asked him why he had chosen the banker's heart. The farmer replied, "Well, I wanted to make sure I got one that had never been used before."

Mr. Speaker, when farmers are facing foreclosure, we can be certain that lending institutions do make efforts to arrive at an alternate debt payment arrangement for reasons certainly not because of charity and good will. If banks operated on that principle, they would never survive in the business world. As well, creditors look toward preserving loans and mortgages to their completion because it is in their best interest to do so. When creditors foreclose on farms, they often take a loss. It is simply bad business for both the farmer and the creditor, and in the end everyone loses. That is why efforts are made on behalf of the creditor to avoid this measure long before foreclosure is taken.

The second procedure allows the farmers in the situation opportunity to make necessary adjustments. In a one-year period of redemption that is usually granted by the court at the time the creditor's legal representatives file a statement of claim -- unless the farmer has demonstrated practically no intent or potential to pay any significant portion of the loan or mortgage, the court grants a one-year redemption period before the foreclosure proceeds. This redemption period allows the farmer to sell a portion of the land or other assets in order to pay out his debt or arrange for a debt adjustment by his creditor.

The third and perhaps most effective existing process that addresses farm closure situations is the federal Farm Debt Review Board. Prior to the lender's filing a statement of claim with the court, the lender is required to give notice of intention to foreclose to the farmer and is at that time instructed that he make application to the federal Farm Debt Review Board. If the farmer elects to appeal to the board, then a review panel is set up to conduct a stay of proceedings in order to review the evidence. Creditors cannot take recovery action during a period of 30 days from the time the board receives the farmer's application, and this time period is subject to a maximum extension of 120 days. During the course of the review the panel attempts to work out an arrangement between the farmer and his creditors. If an agreement cannot be reached, a creditor may then proceed with foreclosure. A quick look at Farm Debt Review Board figures for Alberta since the board was established in 1986 reveals that this program has proven effective. Out of the 1,239 cases that have gone to a stay of proceedings and mediation, 998 were concluded with an agreement between the lender and the farmer. This represents an 80 percent success rate.

Mr. Speaker, the question I originally asked regarding the

need for this type of legislation was: is there currently adequate opportunity for farmers that are facing foreclosure to renegotiate debt arrangements or to take any other measures to avoid foreclosure? When we consider the private negotiation possibilities between the lender and the farmer, the redemption periods granted by the courts and, most significantly, the availability and success rate of the Farm Debt Review Board, it seems clear to me that the answer to the question is a resounding yes.

Mr. Speaker, at the outset I made the suggestion that Bill 208 is unnecessary but also detrimental to Alberta farmers. I have indicated to this House why I feel that existing procedures and processes render this proposed legislation unnecessary, but I would also like to explain why this legislation creates problems for Alberta farmers. When we institute any legislation that further complicates the process surrounding farm foreclosures, we run the risk of upsetting the delicate balance between the lending institutions and farm borrowers. The question that must be asked of any proposed legislation involving such matters is: could this legislation diminish the availability of farm credit and increase the cost of that credit to Alberta farmers? I would strongly suggest to members of this House that the answer to that question, in reference to Bill 208, is yes as well. In fact, Mr. Speaker, as far as I'm concerned, the possibility of this legislation having an adverse effect on the availability of credit to all farmers in this province is the most fundamental problem with Bill 208.

This Bill would allow for a farmland security board to assume a more active and powerful role in regard to debt review, to farm foreclosures. According to section 7 of this Bill, a farmland security board would submit a report to the court for their consideration. If the board recommended reconstructing of debt, or such arrangements other than foreclosure, with the lender not in agreement, the courts could hold up proceedings indefinitely in an attempt to force the lender into settling for some reduced level of overall debt repayment. That process would be very similar to mandatory debt write-down and a foreclosure moratorium and would certainly lead to a more conservative lending approach to the farming industry as a whole. Farm lenders would find themselves in a position where they no longer have control over their lending portfolio, a position where the lender/borrower contract agreements could be turned aside at the discretion of the courts. Creditors would no doubt respond to offset this risk with a combination of measures which would include limiting credit extended to the agricultural sector and increasing the cost of credit through higher interest rates.

It's very simple, Mr. Speaker, so simple I think that even members of the opposition should be able to understand. If the creditors are unable to foreclose on assets which secure the loan after adequate review, then lenders will certainly not choose to accept those assets as security in the future. Further to that, with the introduction of such legislation, lending institutions will no longer go the extra mile with a client. They will move on him sooner, and they will move on him at a higher percent equity. Ultimately, paternalistic legislation like Bill 208 drives the private lending institutions out of the agricultural field. It's happening in Saskatchewan and Manitoba. These creditors will decide that they are better off lending money to small business ventures, oil companies. I, for one, have a difficult time convincing otherwise. In the end it's not the lending institutions that will be hurt; it will be the Alberta farmers, both those in financial difficulty and those with viable operations.

Mr. Speaker, it's been popular -- and I do think "popular" is

the correct term -- for members of the opposition such as the one from Westlock-Sturgeon, for example, to run around the province speaking to farm groups, hammering away at banks. They're great targets, and there's not much sympathy out there for them. It's been popular but also grossly irresponsible. The hon. member is aware of the need to maintain and enhance the lending relationship between farmers and the lending institutions. It's in the farmer's best interest to do so. That is why this government has supported that relationship with programs like the interest shielding program for farmers and the farm credit stability program. Because of the efforts of this government and as a result of improving market conditions and the determination of the average farmer, the total number of farmers in Alberta is listed at approximately 31,000, while the total number of farm foreclosures in Alberta last year was 54, a drop of 54 percent from the previous year.

Mr. Speaker, agriculture is the most useful occupation known to man. That philosophy was noted in the 16th century; it's still applicable today. Certainly it takes a lot of credit and cash for operation of farming practices today, but let's look for a moment at modern agriculture. The department is mobilized; the dairy barns are sterilized; the cows are immunized; the milk is homogenized; the dairymen are organized; the milkman, unionized; the farmer is demoralized, perhaps more than realized. On top of that, in addition, the bugs need pesticide, the slaughterhouse needs to be purified, the storekeeper is petrified that his customers may be demoralized. The farmer is terrified because his business is computerized and his land may be socialized. I am mystified why Bill 208 is realized, and no reason for it to be authorized. The farmers certainly wouldn't want it to be patronized, because they don't want it liberalized.

MR. DEPUTY SPEAKER: Hon. Member for Clover Bar.

MR. GESELL: Thank you, Mr. Speaker.

I'd like to speak against Bill 208. It was my impression, Mr. Speaker, that the hon. Member for Westlock-Sturgeon would display some considered and considerable expertise in the legislative matters and specifically in rural affairs and in this Bill that's in front of this House. But alas, the number of years the hon. member has been in this Legislature and as a leader of the Liberal Party do not appear to assure any wisdom or consistency or rational thought in the matter that's before us here.

I believe I have some strong difficulties with this Bill. I have some difficulties, Mr. Speaker, when the hon. member stands up in the Legislature and says, "I'm going to save the farmer." That really concerns me, because when looking at Bill 208, quite the opposite from what the member is saying is the result. Now, the hon. member proposes legislation that he feels will assist the farmer, and I propose to debate and prove that it will actually be to the detriment of the farmer. Agriculture is our heritage; it's an important, central, and critical part in our provincial economy. Because that industry is that important, I think we as legislators have the responsibility to do whatever is necessary and rational to assist the Alberta farmer who is facing these difficulties. I think we need to do that.

Unfortunately, the terms "reasonable" and "rational" and "necessary" are not ones that I would apply to Bill 208. I will advance three basic reasons and expound on them, Mr. Speaker, of why I feel it is not rational, reasonable, or necessary. The first one is the intention of the Bill, the basic philosophy, the concept. I think it is flawed, and I will attempt to show that

The second reason is the availability of credit. Now, that is a strong concern, and I want to address that. The third one is the redundant review process that is being contemplated in this particular Bill.

Now, Mr. Speaker, in relation to the legislation being flawed in its principles, I would want to advance to you that the Bill attempts to create some different classes of farmers here. I have some serious difficulties with that. Without going into the details of the actual sections of the Bill, which is left for committee, I would want to say that the member is talking about farmers outside municipalities. When one looks at the definition of a municipality under the Municipal Government Act, it includes cities, towns, villages, summer villages, and municipal districts. Well then, this Bill is directed to those farmers that are outside those areas: improvement districts, counties, and special areas. Municipal districts are then somewhat excluded. What happens to those farmers that live in those particular areas? Are they handled in a different fashion? Now if one looks, perhaps, to the Planning Act for a definition, that municipality definition says it means an area of a city, town, new town, village, summer village, country, municipal district, improvement district, or special area. All of those are municipalities. The member advances that it should only apply to farmers that are outside municipalities, and if one accepts the definition of a municipality that's in the Planning Act, then it does apply to no one, no farmer at all. It's a flimflam. It's done with smoke and mirrors, Mr. Speaker. It is: I want to save the farmer.

MR. TAYLOR: Point of order.

MR. DEPUTY SPEAKER: The hon. Member for Westlock-Sturgeon is rising on a point of order.

MR. TAYLOR: I don't know that the hon. member heard and didn't register or registered and didn't hear, but I explained in the beginning that there's a line missing out of the Bill. Just so he could get more to the point, there's a line missing out of the Bill in the draft, so it does indeed say what he says it does. But rather than chewing it to death, maybe he could get on with it. I'd like to hear if he has anything else to say.

MR. DEPUTY SPEAKER: The hon. Member for Clover Bar.

MR. GESELL: Thank you, Mr. Speaker.

The point remains that I'm not sure whether the philosophy of this Bill is directed to a specific area of farmer. That is not

clear, and it concerns me quite a bit because we're perhaps creating second-class farmers here, and that bothers me.

Now, Mr. Speaker, the second point in respect to the main argument I have against this Bill is that it still creates difficulty with separation of different groups of farmers, and that is that the Bill proposes to deal with farmsteads of 160 acres. Well, I would hope that the member, who has more expertise and knowledge than I do, would recognize that we do have farmsteads, quarter sections that are larger than 160 acres in this province, and it's a situation that's caused by the curvature of the earth and the layout of townships and ranges. For instance, in township 47, range 1, west of the fifth meridian we've got quarter sections that are 161 acres or 162 acres. In township 55, range 3, west of the fifth meridian we have quarter sections that are 164 acres in size. Now, are those farmers that live on those specific parcels in Alberta excluded from this legislation? I have some difficulty with that.

Before going on to my second main argument, Mr. Speaker, and in light of the time, I would wish to adjourn debate.

MR. DEPUTY SPEAKER: Having heard the motion of the hon. Member for Clover Bar, all those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Carried.  
The hon. Government House Leader.

MR. HORSMAN: Mr. Speaker, before moving to adjournment, I would advise Members of the Assembly that tonight government Bills and orders will be dealt with for third reading -- I would advise the House leaders of both parties in opposition -- and then move to second readings of Bills, and advice has been given in that respect as well. Following about an hour or so of that, we shall move to Committee of Supply for Heritage Savings Trust Fund estimates, capital projects division, Agriculture, and following that to Capital Fund estimates, Advanced Education, Economic Development and Trade, Public Works, Supply and Services.

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