

Legislative Assembly of Alberta

Title: **Monday, May 28, 1990 2:30 p.m.**

Date: 1990/05/28

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

[Mr. Deputy Speaker in the Chair]

Prayers

MR. DEPUTY SPEAKER: Let us pray.

O Lord, we give thanks for the bounty of our province: our land, our resources, and our people.

We pledge ourselves to act as good stewards on behalf of all Albertans.

Amen.

head: **Introduction of Bills**

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

Bill 45

Professional Statutes Amendment Act, 1990

MRS. MIROSH: Thank you, Mr. Speaker. I request leave to introduce Bill 45, being the Professional Statutes Amendment Act, 1990.

This Bill encompasses the Nursing Profession Act, the occupational therapists Act, the physical therapists Act, and the pharmaceutical Act.

Thank you.

[Leave granted; Bill 45 read a first time]

Bill 270

An Act to Amend the Judicature Act

MR. GIBEAULT: Mr. Speaker, on behalf of my colleague the Member for Edmonton-Strathcona I request leave to introduce Bill 270, An Act to Amend the Judicature Act.

Mr. Speaker, this Act would give boards the power of waiving formalities and extending time limits if they are of the opinion that justice will be better served thereby. It also provides that the fact of an issue being before a board does not preclude other remedies of law pending a board's determination of a matter.

[Leave granted; Bill 270 read a first time]

Bill 47

Alcohol and Drug Abuse Amendment Act, 1990

MR. NELSON: Mr. Speaker, I wish leave to introduce a Bill, being the Alcohol and Drug Abuse Amendment Act, 1990.

Mr. Speaker, this Bill will identify AADAC as a Crown agency and also change the designation of the agency head.

[Leave granted; Bill 47 read a first time]

MR. HORSMAN: Mr. Speaker, I move that Bill 45, Professional Statutes Amendment Act, 1990, and Bill 47, the Alcohol

and Drug Abuse Amendment Act, 1990, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

MRS. BETKOWSKI: Mr. Speaker, I'm pleased to table with the Assembly the annual report of the Alberta Health Facilities Review Committee for the year ended December 31, 1989; as well, the annual report of the Alberta Cancer Board for the fiscal year ended March 31, '89. Copies will be distributed to all members.

Additionally, I'm tabling responses to Motion for a Return 238 and questions 258 and 259.

MR. KLEIN: Mr. Speaker, in accordance with the instructions of the Speaker on Friday, I'm tabling the public consultation program documentation which formed part of the environmental impact assessment program for the Daishowa pulp mill.

MR. DEPUTY SPEAKER: Thank you.

The hon. Member for Redwater-Andrew.

MR. ZARUSKY: Thank you, Mr. Speaker. I'd like to table the 1988-89 annual report of the Alberta Multicultural Commission with the House.

head: **Introduction of Special Guests**

MR. MUSGROVE: Mr. Speaker, it's my pleasure today to introduce to you and to the Assembly 11 students from the Duchess school. They are sitting in the members' gallery, and they're accompanied by their teacher Laura Golberg and parent Yvonne Lelond. I would now ask them to stand and receive the warm welcome of the Assembly.

MR. SEVERTSON: Mr. Speaker, it's my great pleasure today to introduce to you and to members of the Assembly 32 students from Spruce View school accompanied by their teachers Marguerite Baker, Glenn Elverum, and parents Debbie Hehr, Brenda Nugent, Donna Stoyberg, and Phyllis Reardon. I would like them to rise and receive the warm welcome of the Assembly.

MR. DEPUTY SPEAKER: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. It's my pleasure to introduce to you and to members of the Assembly today 56 students from the Peter Svarich school in Vegreville. They're seated in the public gallery accompanied by their teachers Mrs. Lillian Humeniuk, Mr. Raymond Charuk, and Mr. Randy Footz. I'd like those students and their teachers to stand up so they can receive the warm welcome of members of the Assembly.

MR. McINNIS: Mr. Speaker, I would like to introduce two residents of Grande Prairie who are in Edmonton today pursuing their concern and interest in restoring clean water in the Wapiti River. They are also friends of mine. I'd like to introduce Norm and Jennie Eng. They're in the public gallery. Would you please rise and receive the welcome of the Assembly.

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

MR. McEACHERN: Thank you, Mr. Speaker. It's my pleasure today to introduce 16 students from the AVC school at Winifred Stewart campus in my riding. They are in the members' gallery, so I can't see them. They are accompanied by their teacher Peter Edmondstone. I would like them to rise and all members to give them a warm welcome.

MR. DEPUTY SPEAKER: The hon. the Solicitor General.

MR. FOWLER: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the members of the House two special guests from the city of St. Albert, Mrs. Joyce Welsh and Mrs. Joanne Pearce, who have with them a special guest from Christchurch, New Zealand, who is in St. Albert visiting her relatives. I would ask them to rise in the members' gallery and accept the acknowledgment of the House.

head: Ministerial Statements

MR. DEPUTY SPEAKER: The hon. the Minister of the Environment.

Environment

MR. KLEIN: Thank you, Mr. Speaker. As part of the ongoing process to achieve the protection, improvement, and wise use of our environment, the Alberta government has established a water management policy to guide the management of the water resources of the South Saskatchewan River basin. Recognizing the many and sometimes conflicting water needs in southern Alberta, the policy is designed to protect both the in-stream flow needs, including water quality, fisheries, and recreation requirements; and the consumptive water uses, including municipal, domestic, and agricultural water supplies.

The new policy includes irrigation expansion guidelines. Irrigation expansion in southern Alberta, Mr. Speaker, is supported by this government. However, guidelines to limit irrigation expansion have been established since the desire for water to support irrigation exceeds available supplies. Work is continuing on determining in-stream flows through a process developed jointly by Alberta Environment and the Alberta Water Resources Commission. The new policy also recognizes the need to meet the province's interprovincial apportionment commitments, to encourage water conservation, and to consult the public on water management within Alberta.

The South Saskatchewan River basin water management policy is based on an extensive river basin planning program, public hearings, and recommendations of the Alberta Water Resources Commission started back in 1983, Mr. Speaker, by the late Henry Kroeger. Officials of Alberta Environment, Alberta Agriculture, and the Alberta Water Resources Commission will meet with the agricultural industry to discuss the irrigation expansion guidelines and other aspects of the policy in detail.

The Water Resources Act, which governs water management in Alberta, will be reviewed and amended to allow full implementation of the South Saskatchewan River basin water management policy and irrigation expansion guidelines. In the interim the new policies and the existing provisions of the Water Resources Act will ensure wise use of our water resources. By supporting multiuse of water in the South Saskatchewan River

basin and giving consideration to water conservation initiatives, the water management policy will ensure that Alberta's rivers are sustained for future generations.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Leader of the Opposition.

MR. MARTIN: Thank you, Mr. Speaker. In replying to the ministerial statement in terms of what it says, I don't have a great deal of problem with it, although I would like it go a little further. I would note, and I'm sure the minister would agree, that it's not the first study that's been done on the South Saskatchewan basin; we've had studies done in southern Alberta before. I would remind the minister that the in-stream flow-needs process, a study done on the Highwood, suggested a certain level that should be proceeding through, and I notice that the minister's promise the other day was much less than that.

Mr. Speaker, I would hope, though, that in terms of a study like this in the South Saskatchewan basin, that not only water management – I hope that in fact we're looking at water quality, because I think that's a very important aspect of the study. I would also hope that in terms of the irrigation system in southern Alberta we'd take a look at the efficiency of the present system before we get into expansion, because I expect there is a fair amount of water wasted, and we can't afford that in southern Alberta. So I take it that that would be part of this particular study.

Mr. Speaker, I notice that there's public consultation, and that's nice. I hope the public consultation is a little better than we did with Daishowa just recently. But in saying that, hope springs eternal, Mr. Speaker. We'll wait and see how this proceeds.

head: Oral Question Period

Alberta-Pacific Project Report

MR. MARTIN: Well, Mr. Speaker, back to the Minister of the Environment. There have been so many bad decisions on the environmental front in the province in the last few months, it's easy to lose track of all of them. Some weeks ago, however, this government decided to try to undermine the review conducted by the AI-Pac review board. It searched the world over, and ended up hiring Jaakko Pöyry, a Finnish firm of consultants, to review the review for \$400,000 of taxpayers' money. Soon after, we pointed out that Jaakko Pöyry had already recommended a bleached kraft pulp mill for Athabasca in a study for this government in 1983. Now, Mr. Speaker, since then more information has come to light regarding activities of Jaakko Pöyry that seriously call into question the company's credibility on environmental matters. My question is this: can the minister explain why his government would hire a consultant whose Brazilian subsidiary is involved in bleached kraft pulp projects that use trees from the Amazon rain forest?

MR. KLEIN: Well, as I understand it, Mr. Speaker, there are many components to Jaakko Pöyry's operations, and one is purely an environmental protection component. This company was deemed to have some of the best expertise available as it relates to chlorinated organics. They are not now involved with any companies in Alberta, and therefore were deemed to be

quite independent in terms of their ability to perform this review.

The whole question here, Mr. Speaker, is the question as it relates to dioxin and furan. I think that in light of the examination given to all those who were invited to participate in this process, Jaakko Pöyry, notwithstanding their involvement with the pulp industry, is still in the best position to assess this very, very important question of chlorinated organics.

MR. MARTIN: Mr. Speaker, to the minister. This company is involved in pulp projects that use trees from one of the most, if not the most magnificent and ecologically important rain forests in the world. The destruction of that rain forest and efforts to save it have mobilized public environmentalists around the world. The Coalition for Environment and Development in Helsinki have said that Jaakko Pöyry – listen to this: "has quite a bad reputation among the environmental [groups] in Finland." My question to the minister flowing from this: how can this government ask us to believe that Jaakko Pöyry hasn't been hired to do a hatchet job on the Al-Pac report, when it's got a reputation like that?

MR. KLEIN: Well, Mr. Speaker, there are a lot of assumptions here. I've talked to people in environmental circles, and they seem to think that Jaakko Pöyry is indeed a very, very good firm with tremendous capabilities and certainly the expertise to conduct this kind of research.

With respect to the Brazilian rain forest, Mr. Speaker, I think that all of us throughout the world can look at the destruction that has occurred there and reflect very, very sadly on the kinds of things that have occurred. But this is quite common with respect to the environment the world over. If we could go back and correct all the mistakes that were made in the past, then we wouldn't be dealing with the very complex and very difficult issues that we're dealing with today.

MR. MARTIN: Mr. Speaker, the point is that they're involved in this right now. This is 1988, and they're moving in right now, into the 1990 . . .

MR. DEPUTY SPEAKER: A supplemental, please.

MR. MARTIN: My question, then, to the minister, Mr. Speaker, is this. This company has been criticized – I don't know which environmentalists he's been talking to – for their environmental destruction all over the world, and especially in the Third World. I have a list of it here. My question to the minister, flowing from that: isn't it the truth that the reason Jaakko Pöyry was chosen to do this unnecessary review in the first place was because its reputation was a pretty good guarantee that the original report would be trashed?

MR. KLEIN: Mr. Speaker, I really think it's unfortunate that the hon. Leader of the Opposition is trying to imply that this firm was hired to do a hatchet job. Indeed, this firm was selected from seven highly respected firms from around the world.

AN HON. MEMBER: Could we see their names, Ralph? [interjections]

MR. DEPUTY SPEAKER: Order please. Order.

MR. KLEIN: Thank you, Mr. Speaker. Not in talking to a specific environmentalist but certainly in reading the comments of a well-respected environmentalist, someone who has been quoted in this Legislative Assembly from time to time – I refer to Dr. David Schindler, who was a participant on the Al-Pac review panel. If I can quote from a newspaper clipping, it says:

David Schindler, an ecologist who sat on the review panel

looking into the Alberta-Pacific Forest Industries' proposal, was interviewed for several hours by officials from Jaakko Pöyry.

Again, I'm quoting Dr. Schindler from the newspaper, as they quoted him:

"I think they are the type of people who will be honest and try to do a good job."

I think that's a good reflection, Mr. Speaker, of this company. Thank you.

MR. MARTIN: I'd like to designate my second question to the Member for Calgary-Forest Lawn.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Forest Lawn.

Liquor Sales in Hotels

MR. PASHAK: Thank you, Mr. Speaker. In answer to questions I asked last Friday, the Solicitor General admitted that all hotels in Alberta would have the opportunity to sell all liquor products over the counter. He further said that these private liquor stores will have to pay Alberta Liquor Control Board retail prices for their stock. This means that Albertans living in rural communities where there are no ALCB outlets will have to pay the ALCB prices plus the hotel's markup, or suffer some inconvenience. This is clearly discriminatory, Mr. Speaker. My question to the Solicitor General is this: in the interests of fairness, will the minister now consider an ALCB agency approach in which all reputable businesses could apply for licences to sell liquor in those areas where there are no ALCB outlets, but only on the same conditions, such as prices and hours, as ALCB stores sell it?

MR. FOWLER: Mr. Speaker, there are a whole series of questions and more innuendos in the question than I could take time to answer for the duration of the question period. The ALCB, together with my office, studied carefully the best way of handling off-sale liquors. We felt very strongly that those organizations, mainly the hoteliers who have sold liquor for generations in this province, were in the best position to ensure that liquor sales continued on a basis which was most professional. Rather than putting it into the corner grocers' and into the pharmacies as other provinces have done around us, where we perceive great difficulty in the control of sales, we have gone the route that we have gone.

In respect to the pricing, it is true that the sale of liquor through the hotels will, in fact, be higher, and the consuming public will have to make up their own minds and the marketplace will have to determine whether, in fact, they want to pay that price or drive to the nearest liquor store which may be 32 kilometres away in order to make the price more equitable.

MR. PASHAK: Well, Mr. Speaker, I just gave the minister a better alternative. In any event, the problem of discriminatory pricing is only one of the problems caused by the Solicitor

General's proposal. There will also be an extension of hours during which liquor can be purchased, with the result that patrons will be able to leave these hotels in the early hours of the morning with a bottle for the road tucked firmly under their arm. To the Solicitor General: what is the minister's estimate of the extra policing costs that will be required to protect Albertans from this irresponsible expansion to liquor distribution in the province?

MR. FOWLER: Mr. Speaker, the hon. member must have a terribly low opinion of Albertans who are going to buy in these new outlets. He sees nothing but drunkards and people who are going to go in there and buy this and go out. I don't think this is going to happen at all, and it is not determined that that is going to happen. We will, however, be monitoring what is taking place here, but I'm absolutely convinced that by and large Albertans will continue their responsible drinking, their responsible purchasing of alcohol and its responsible use, and that this will not make any trouble.

Also, Mr. Speaker, this hon. member somehow or another, beyond my imagination, has determined what the hours have been. I wish he would share those with the minister, myself, because we haven't determined those at all at this particular point.

MR. PASHAK: Mr. Speaker, I certainly don't have the negative attitude towards Albertans that the minister says I have. I'm prepared to admit that the first stage of his plan has some possible limited merit, but the rest of his proposal allowing hotels in the cities, for example, to sell liquor makes it crystal clear that this is essentially a privatization plan, pure and simple. My question is this, Mr. Speaker: will the Solicitor General now admit that what his government really wants is the establishment of private liquor stores, and if not, explain why his proposal allows hotels to sell all kinds of liquor in communities where there are already Alberta Liquor Control Board outlets?

MR. FOWLER: Mr. Speaker, the feeling that this is going to cause a great deal more problem, I'm convinced in my own mind, is absolutely incorrect. For at least seven to 10 years, now, all city hotels have been able to sell liquor to rooms. In more recent . . .

AN HON. MEMBER: Beer.

MR. FOWLER: Not beer, hon. member. They have been able to sell all liquor in the rooms, and I don't remember, other than the odd convention where I've seen people staggering out of hotel rooms on occasion merely because it was there — which you open with that little key they give you when you check in.

I want to say further, Mr. Speaker, that notwithstanding on May 1, 1990, when the hon. member indicated . . . To quote from the *Hansard* of that day, "We happen to live in a particularly intellectually backward part of the western world," is not a view that I hold at all. I believe that Albertans are, in fact, responsible people and that the new availability will not make them irresponsible.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Gold Bar. [interjections]

Order please. Order.

Poverty

MRS. HEWES: Thank you, Mr. Speaker. In the midst of our anxiety about Meech Lake we shouldn't lose sight of a crisis in our province that can't be swept under the rug. Nothing affects families and is more devastating to them than poverty. Sadly, the growing statistics and research in Alberta all indicate that unless positive, comprehensive action is taken, the cycle of poverty for thousands of Alberta families is not only going to continue but is going to get worse. When we consider the number of innocent children that we allow to be caught as victims in this crisis, it's obvious that the spending priorities of our provincial government are distorted. We can, in fact, make life better, if we have the will. My questions, Mr. Speaker, are to the Premier. The growing number of Alberta children living in poverty is a systemic and incipient illness. It needs rational and sensitive leadership to provide solutions. How does, then, the Premier justify spending a hundred million dollars on community facilities to improve tennis courts and ski chalets and so on when there are 93,600 Alberta children living in poverty and where 70,000 children in our province are on social allowance, having to use food banks? How do we justify that?

MR. GETTY: Mr. Speaker, it is true that throughout the world, in our free western society certainly, there is poverty, there are problems with drugs, there are problems with family breakup. These are problems throughout the world. We deal with them to the very best of our ability in a sensitive, caring way. We do it by trying to care for those who can't help themselves. We do it by providing opportunities for Albertans so that they can work and have good incomes and good homes. Mr. Speaker, there are always going to be problems which we will try and deal with to the best of our ability.

MRS. HEWES: Well, Mr. Speaker, we do have means at our hand, and we have communities that are prepared to help. Will the Premier please tell us how he feels about having a quarter of a million dollars left in the lottery funds while 23 percent of Alberta students miss at least one meal a day and a single parent with one child earning minimum wage would need to work 68 hours a week just in order to achieve the poverty level? How does the Premier feel about that statistic?

MR. GETTY: Mr. Speaker, I wouldn't feel good about one child missing a meal. That's why, as I said, we work very hard at it.

MRS. HEWES: Mr. Speaker, tragically, we do have the means at our hand. In November '89 the Child Poverty Action Group called on the provincial government to establish a task force on child poverty. I'd like to ask the Premier: has anything happened? Has anything been done to work with our communities who are prepared to go along and help and support this move?

MR. GETTY: Mr. Speaker, the Minister of Family and Social Services may want to augment my report. The hon. friend from Edmonton-Gold Bar has quoted statistics and certain reports and certain statements and certain requests. I'm not familiar whether, first of all, she's accurate. I know she's a good friend, but she's not always accurate. I think if she sent it to me, I could give her a detailed response at another time.

MR. OLDRING: To supplement, Mr. Speaker. To the Premier's good friend the Member for Edmonton-Gold Bar, I would just want to assure that this minister is working very closely with a number of advocacy groups across the province of Alberta. I appreciate their efforts and their co-operation, because we realize that poverty is a very difficult issue. It's not an issue that we're going to be able to solve or address alone, so I appreciate the efforts of Albertans. I've appreciated working with them this past year, and I look forward to their continued input as we continue to make progress in this initiative.

Although obviously we're no different than any other province in that we recognize that there are people living below the poverty level, I would also want to point out that in Alberta there are fewer people living below the poverty level than in most provinces, and we're considerably less than the national average. But again, Mr. Speaker, we're still not satisfied with that. We're still not happy about that, and I'm going to continue to work with my colleagues in cabinet and in caucus and my colleagues across the way in this Assembly, because again it is important for all of us to work together if we're going to resolve this issue.

MR. DEPUTY SPEAKER: The hon. Member for Highwood.

Flooding along Eastern Slopes

MR. TANNAS: Thank you, Mr. Speaker. In the past few weeks this Assembly has heard a number of questions based on the shortage of water in the Highwood. Today my questions will be to the Minister of Public Works, Supply and Services about too much water. Mr. Speaker, the foothills of southwestern Alberta have received a considerable amount of rainfall in the past week causing many rivers to reach flood levels, particularly peaking on Friday and Saturday. Many people have been evacuated from their homes and from their farms. My question, then, to the Minister of Public Works, Supply and Services is: what assistance in terms of manpower, materials, and money is his department prepared to offer to the people along the Highwood and Sheep rivers, keeping in mind that there now appears to be a danger of a second flood peak in the next day or two as a second storm is now, at this moment, depositing an additional load of precipitation in that area?

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

MR. KOWALSKI: Thank you very much, Mr. Speaker. The hon. member today is about 180 degrees different from where he was on Friday when he talked about a shortage of water in the Highwood; today he talked about a surplus of water in the Highwood. The Highwood is only one of approximately 20 rivers and tributaries in the Eastern Slopes of the province of Alberta, going from Edson down to the municipality of Crowsnest Pass, that have received a rather acute amount of rainfall in the last 96 hours. There are two communities in particular that perhaps were more hard hit than others: one is Canmore; the other one is Black Diamond. There seems to be an emergency situation in both occurring right now.

Alberta Public Safety Services has been in a position to provide assistance as per requests from all municipalities in the Eastern Slopes going back to last Thursday, Mr. Speaker. We've provided some 17,000 sandbags, and we've provided other equipment as required. In each community there is a disaster

assistance plan. The local reeve or mayor of each municipality is in charge of the program, and we're here to help as per all requests given to us.

MR. DEPUTY SPEAKER: Supplemental question.

MR. TANNAS: Thank you. Mr. Speaker, my supplementary question again is to the Minister of Public Works, Supply and Services. After the flood what assistance will he commit to give to people who have suffered property damage, and what assistance will be offered to communities like the MD of Foothills and the town of Black Diamond where they've sustained damages to their facilities?

MR. KOWALSKI: Mr. Speaker, with all matters that are related to disasters, what our focus of attention is on at the time of the disaster and in the first few days after a disaster is a mitigation with respect to the particular situation. Towards the end of this week an assessment will be made with all the municipalities that have been affected, and if there is a bona fide case that can be made to the province for assistance, the province would respond. We've done that; we've done that very aggressively under the leadership of Premier Getty since 1986. Some 10,000 citizens have been able to seek redress, but in all cases, Mr. Speaker, redress is not provided if situations occur where insurance is available and readily available.

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

Health Records Confidentiality

REV. ROBERTS: Thank you, Mr. Speaker. Last Friday a senior official in the Department of Health at a conference in Calgary described plans to introduce smart cards, or debit microchip cards, and associated information-linking systems which would contain certain medical and financial information on all Albertans registered with the Alberta health care insurance plan. But, Mr. Speaker, Albertans want to know who is going to have access to their personal health history. As well, Albertans do not want this information to be used by governments that want to ration health care services. So today will the Minister of Health at least call a halt to plans for this computer grab of personal health information until it can be assured that confidentiality will be protected and that the rationing of health services will not be the result?

MRS. BETKOWSKI: Well, Mr. Speaker, I too attended the conference that was referred to by the hon. Member for Edmonton-Centre. In fact, I spoke at the opening in the leadoff speech towards that conference. Certainly the issue of the suggestion in the Premier's commission report with respect to the potential for smart cards is one that we are looking at and one that I supplied a rather detailed response to the hon. member in a question that he raised on the Order Paper of this Assembly. But at no point did I or any member of my staff use the word "rationing." That's a word that the hon. Member for Edmonton-Centre has coined. It's not one that I use in my lexicon. The one that I have talked about frequently is the issue of rationalization, which is a very different concept than rationing, if he'd care to look it up in the dictionary.

REV. ROBERTS: Well, Mr. Speaker, I stayed for the whole of the conference on Friday, and there was a lot of talk about plans for information and computer grabs and smart cards and information-linking, the kind of which I'm asking the minister today. In fact, at a recent conference of deputy ministers of Health meeting in Manitoba, they hit a block of how to proceed on this issue of smart cards, so confidentiality, that issue, could be resolved. So will the minister at least ensure that before smart cards are used in Alberta, for instance, a privacy commissioner established under a personal privacy Act, as they have in other provinces, will be in place to ensure private health confidentiality and a healthy future for all Albertans?

MRS. BETKOWSKI: Well, Mr. Speaker, the hon. member is great with rhetoric but not very great with what, in fact, has to happen in this province. Every single commission that has been undertaken in Alberta, certainly the ones that we've seen report over about the last year, have talked about the need for information, for information-linking, and appropriate use of that information within the existing legislation with regard to the Alberta Health care insurance plan, with regard to hospital records, all the pieces of legislation that refer to confidentiality of records. The protection of an individual's confidential position with respect to health is one that has been upheld very strongly by this province, and in fact the creation of the new Department of Health 18 months ago has increased the support for ensuring that information with respect to an individual's health is kept private and appropriately used.

AN HON. MEMBER: The smart card.

MRS. BETKOWSKI: The issue of the smart card was one that was suggested most recently in the Premier's commission, and the hon. member is the one that criticizes this minister and this government for not responding quickly enough with respect to the recommendations of the Premier's commission. It's because of issues like the smart card and ensuring that we protect Albertans' confidentiality that we are moving unapologetically with a proper amount of time to ensure that we do have an appropriate package for the protection of our health system.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-North West.

Cormie Ranch Sale

MR. BRUSEKER: Thank you, Mr. Speaker. On Friday of last week I asked some questions of the Provincial Treasurer regarding the objectives that he has in pursuing the \$400,000, and the minister replied that he was concerned in protecting the interests of the contract holders and the taxpayer. Createm International has set a deadline of June 10 to finalize the purchase of the Cormie ranch. I would suggest that the Provincial Treasurer is being penny-wise and pound-foolish in jeopardizing a \$1 billion project and a potential loss of a \$6 million sale pursuing a grand sum that represents eight one-hundredths of a percent of the total amount lost in the Principal collapse. My question is to the Premier today. The Provincial Treasurer is playing a very high-stakes game of bluff poker. Will the Premier now step in himself, take over from the Provincial Treasurer, set aside any pettiness, and ensure that this project can go ahead, so we can all benefit both directly and indirectly from such a large project?

MR. GETTY: No, Mr. Speaker, and there's certainly not any pettiness involved.

MR. BRUSEKER: Well, Mr. Speaker, to the Premier once again. I have to wonder if the government has any better offer than that one which is before us now that guarantees 5 and a half million dollars to be set in trust and a possible \$1 billion investment for the province. If not, my question to the Premier is this: why is the government creating roadblocks preventing this project from going ahead?

MR. JOHNSTON: Mr. Speaker, as I explained to Albertans and to this House last Friday, the process is not in the hands of the government; this process is in the hands of those people who own the property or in the courts or both. The province has done nothing to block the sale. In fact, you've heard already that the province has accommodated the sale by encouraging the foreign ownership of land regulation to proceed, to providing all kinds of support, through a variety of ministers, to the foreign investors. And that, Mr. Speaker, has already been done.

But there is also, as I pointed out before, a balance of interest. That interest is to protect those people, the contract holders. The province now has a responsibility there, having paid about \$85 million, to secure a position and to protect their position and the taxpayers, who have paid approximately \$25 million-plus and expect to pay a lot more in the future on the Principal affair itself.

Now, what has happened is that the contract holders, with the support of the government – and in one case the government has made an application to turn the process over to the court. That is to say, Mr. Speaker, that in the case of Mr. Cormie, he has signed a consent agreement that he has agreed to transfer the proceeds into the hands of the court. We received an injunction against Mrs. Cormie, again to transfer the proceeds into the hands of the court.

As I pointed out before, Mr. Speaker, there is a long line of claims against those assets; not just the province but other governments as well have claims against those assets. They have to be sorted out at some point, and we have to secure that asset for the future settlement of that account. This property still is in the hands of the owners of the property, because the court has not given anyone a better claim against that property as a result of the court process. So the owners themselves are the ones who can judge whether or not they're going to sell it, and if it is sold, then the court itself will judge whether or not those proceeds are allocated.

So it's not up to the government now, Mr. Speaker. All we have done is protect all interests and left it to the court to arbitrate the process.

MR. DEPUTY SPEAKER: Calgary-Glenmore, followed by Edmonton-Jasper Place.

Consumer Contracts

MRS. MIROSH: Thank you, Mr. Speaker. Many of my constituents and others have indicated that when entering into a contractual purchase agreement when buying a house or a car, the documents they have to sign have been most comprehensive. Many of these contractual agreements have been particularly troublesome to consumers, especially in residential tenancy leases and car rental contracts. Consumers are unaware of this long legal baffleab contained in these contracts. They want to

know, more importantly, what these documents are saying, and even the salesmen are unaware, actually, of what they're saying. Can the Minister of Consumer and Corporate Affairs indicate whether he is planning to take further steps to ensure that consumers can understand the contracts they sign for the purchase of goods and services?

MR. ANDERSON: Mr. Speaker, Bill 19, the Financial Consumers Act, would speak to the hon. member's concerns with respect to plain-language contracts for those services that individual citizens would purchase regarding the financial contracts. There are, of course, good reasons for some of the legal wording and some of the technicalities that exist in contracts regarding the purchases we make. However, I would share the concern expressed that in most cases we should be able to, capable of, and willing to sign contracts only when we understand them. In that regard we're reviewing a number of the areas that my department's responsible for to see if we can't encourage or in other ways require contracts to be written in plain English or more understandable terminology.

MRS. MIROSH: Mr. Speaker, in order to develop a standard plain-language form, how is the minister and his department, when reviewing these documents, planning on involving the consumer and the stakeholders?

MR. ANDERSON: Mr. Speaker, with respect to one standard form, I don't know that that would be practical for all of the kinds of purchases that we as individuals make. Each has its own specific problem, its own specific circumstances that have to be detailed. However, we are now, with the Financial Consumers Act, going to ask that those contracts be written in understandable English and that they contain certain provisions. I have asked the Real Estate Association to work with our superintendent of real estate to have a plain-English offer to purchase form prepared, and we will look further, then, at other documents. We have established nationally a task force from consumer and corporate affairs ministers meetings, which Alberta is heading, that will try and develop some standards for plain-English contracts and understandable language through those purchases that we make. It's not an easy process nor a simple one, but I believe that the point made by the hon. member is a good one. In this very complex, very fast moving market that we have, it is important that consumers understand what they sign.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Jasper Place.

Daishowa Pulp Mill

MR. McINNIS: Thank you, Mr. Speaker. The Minister of the Environment began last week by stating that he gave Daishowa their operating permit on the advice of the Attorney General, saying the province had no option: it could be sued; it could lose the lawsuits from Daishowa. Later in the week we had the second story which was that actually there was a public input process, and he waved these documents in the air and said there were over 25 meetings. Now I understand the document he tabled today is in fact Daishowa's environmental assessment report from way back in 1987 and that the meetings that he spoke to were meetings between Daishowa and Alberta Environment: private meetings between Daishowa and municipal

officials and community officials and local authority boards, five and only five public meetings held by Daishowa, PR meetings, in November of 1987. Now, will the minister perhaps confirm that all these meetings were sponsored by Daishowa, that they all took place prior to the project application, that there was no public or independent review of the project application, and that in any case not one of them related to the operating licence?

MR. KLEIN: Mr. Speaker, with respect to what the Attorney General is alleged to have said or not to have said . . .

AN HON. MEMBER: In your press release.

MR. KLEIN: Well, as far as I'm concerned, the hon. member is . . .

AN HON. MEMBER: Out to lunch.

MR. KLEIN: . . . out to lunch. Thank you, from my colleague.

Mr. Speaker, the public consultation document that was filed today is all part of the environmental impact assessment process that was required of the company at that particular time. I would like to reiterate today, Mr. Speaker, that Daishowa did everything that was required of the company relative to public involvement, relative to the preparation of documents; relative to the submission of those documents to the department for a deficiency review, taking into account the public comments; relative to submitting our comments to the federal government for their deficiency review; and relative to the federal government, under the terms of the old contract, signing off on that particular project.

I would like to reiterate, Mr. Speaker, that Daishowa went the extra step and refitted that mill midway through to add to the operation the best available in environmental technology. Indeed they have played by all the rules. They've played by all the rules that were in existence at that time, Mr. Speaker, and there was no reason under the circumstances not to issue them a permit to operate.

MR. McINNIS: Well, Mr. Speaker, in other words, they were 1987 meetings, and they had nothing to do with the operating licensing.

Perhaps we could go to the Attorney General, back to the first story. I've learned from the Attorney General's department and officials very close to the minister that the legal opinion referred to, relative to this matter, was rendered by Milner and Steer. I wonder if the Attorney General would confirm that that's the same law firm that represents the government of Alberta in the current Daishowa court case. They're trying to prevent a federal environmental assessment. They're taking that position on behalf of the province, and they're advising them . . .

MR. DEPUTY SPEAKER: Order please. I think what the hon. member could be asking for is a possible legal opinion, and of course it turns out that he can't give that. But if the Attorney General has something to provide that isn't in the nature of a legal opinion, I'll recognize it.

MR. ROSTAD: Mr. Speaker, I'm at liberty not to answer what was starting out to be an opinion. But in respect of who represents: we have a broad spectrum of private-sector lawyers that we use from time to time, and Milner and Steer is definitely one of them.

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

Advanced Education Institutions

MS BARRETT: Thank you, Mr. Speaker. A couple of weeks ago the Minister for Advanced Education tried to pass off criticism, public and otherwise, of his Bill, the power grab with the postsecondary education institutions, by saying: would it make you feel better if you knew that he'd consulted with the institutions? Twenty-nine of them, I assume he's going to tell us. The fact of the matter is that the institutions that are affected by this power grab don't like the Bill, so the minister's insinuation that his consultation was effective would be somewhat misleading. My question to the minister is this: prior to the Bill getting to second reading, will the minister announce his intentions to amend the Bill to strike out the offending parts – that is, the power grab parts – that apply to every postsecondary institution in the province?

MR. GOGO: Mr. Speaker, we have a very successful postsecondary system of education in Alberta with some 29 institutions, so as to not disappoint the hon. member. The intent of Bill 27 is simply to improve the very successful programs we already have.

MS BARRETT: Mr. Speaker, it's a funny thing, you know: all these years those universities and colleges survived with ministerial powers being limited to preventing unnecessary or undesirable duplication of services, and he didn't have the power to say when they can or cannot eliminate or transfer programs. This Bill is causing a lot of controversy amongst the community affected by it, and my question to the minister is this: seeing as how he won't agree to amending it right now, will he agree to not calling the Bill over the summer, to let the institutions contact him and try to actually negotiate something that makes sense?

MR. GOGO: Mr. Speaker, I'm very disappointed in the hon. Member for Edmonton-Highland's question. With respect, the hon. member is referring to Bill 27. That section is applicable to all institutions; there are some 29 very successful institutions. I find it somewhat ironic. I have heard from three of the 29 institutions in a way that they're not happy with it. I would simply invite all hon. members to be present in the House when it comes up for second reading, and we'll do this whole thing in principle.

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

Housing Rent Increases

MR. WICKMAN: Thank you, Mr. Speaker. We in the Liberal caucus have made it quite clear that our position is one that does not support the question of rent controls as a means of trying to correct at times a situation that may not be the most desirable. However, we do have a concern when we do run across instances of what I call blatant exploitation on the part of a landlord as far as the tenants are concerned. I want to file in the House three documents. I have 90 copies. One is *Hansard*, page 1301, from a few nights back, which explains in more detail the situation I'm talking in terms of. The second piece of documentation is a letter signed by the property manager of the

particular complex which is in the riding of Edmonton-Whitemud, which is a rental notice increase to \$675 a month. The third item, Mr. Speaker, is an ad advertising the same types of units for \$595 a month that continued to run for a lengthy period of time after the tenants were given notices of increase. My question to the Minister of Consumer and Corporate Affairs: can the minister tell me if there is currently any avenue of protection that tenants who find themselves in such situations can utilize?

MR. ANDERSON: Mr. Speaker, we all are concerned with specific circumstances where individuals face an increase that doesn't seem fair or reasonable. I would say to the hon. member, however, that the control of that circumstance lies within the marketplace and, of course, within the amount of accommodation available so that individuals can make a choice to in fact not stay in a particular place but to move.

I might indicate that in reviewing in the last few months what were some very rapid increases in rent from the January/February time frame, we noted that those particular individual apartment complexes which increased the rent a very great amount, 30 or 40 percent, ended up with about a third vacancies, a third of their whole complex vacant within a few-month period. That, I believe, was the ultimate control mechanism.

To answer the question specifically, we have a Landlord and Tenant Act. It does try to establish fairness in operation of the contract between the landlord and the tenant. We're reviewing that Act through the residential tenancies committee and the recommendations that they put in place, and we're looking for input with respect to ways we can better ensure that fairness. But I would underline my first remark and that is that the best control of a marketplace, the best safeguard for the residents that the member speaks of would be for them to be able to have a choice of accommodation and to therefore choose not to live in a place which unreasonably raised the rents, if that's the case in this circumstance.

MR. WICKMAN: Mr. Speaker, when the minister reviews my comments from the other night, he'll realize more fully that we're talking in terms of a two-tier system in that one particular complex. It's not just a question of a rental increase.

MR. DEPUTY SPEAKER: The question, please.

MR. WICKMAN: It's a question of a two-tier system.

To the Minister of Consumer and Corporate Affairs. Will the minister give me his assurances that while the revisions are being considered for the Landlord and Tenant Act, he will take these comments into consideration to see if there is a mechanism to incorporate protection for tenants in this type of situation?

MR. ANDERSON: Mr. Speaker, I can certainly undertake to take the member's concerns under consideration, and I will review the documents that he has just tabled. I would say that the task force, which consisted of tenants, landlords, and an independent chairperson, concluded that rent review, which seems to be what the member is now suggesting – though I realize in his opening remarks that he said that wasn't the case – would in fact stop the market from evolving and therefore limit the kind of variety in accommodation that is required in circumstances such as the member mentions. But I'll be happy to review the remarks that he made and to look at those along with all others that we'll receive over the next couple of months.

in preparation for any changes that the House may wish to consider regarding the Landlord and Tenant Act or its sequel.

Liquor Sales in Hotels
(continued)

MR. DAY: Mr. Speaker, my question is to the Solicitor General. The recent announcement that hotels will be able to increase their off-sales does give rise to some concerns. The whole matter of increased availability makes one wonder about the possible negative social effects that may follow. Does the minister plan to set up any type of formal process to monitor any possible negative social effects, and if not, why not?

MR. DEPUTY SPEAKER: The hon. Solicitor General.

MR. FOWLER: Thank you, Mr. Speaker. In response to the hon. Member for Red Deer-North's question, our inspection department of the Alberta Liquor Control Board has monitoring ongoing at all times in respect to the operation of the over 6,000 liquor outlets that we have in the province of Alberta. He may rest assured, with his constituents and all Albertans, that we will be watching very, very carefully the result of the impact of this policy change, just as we have on every policy change that has been implemented in the past.

AN HON. MEMBER: Does anybody monitor cold beer stores?

MR. DAY: It's interesting the reaction from the opposition. One day they're concerned about increased availability; the next day they're suggesting privatization and cheaper prices.

Before announcing this policy change, did the minister bother to do an assessment of the regulations in our neighbouring provinces of British Columbia and Saskatchewan and possible negative effects they may have experienced?

MR. FOWLER: Mr. Speaker, this policy change could have actually been introduced or recommended last year had it not been for the study that we have been doing throughout western Canada and, as a matter of fact, all Canada. At this particular time the province of Alberta is the only province from and including Ontario west to British Columbia that does not have off-sales of all liquors handled by all boards in stores other than the liquor control board stores of each and every province. All provinces – Alberta, Manitoba, Saskatchewan, and British Columbia – have off-sales conducted from nonliquor board stores.

MR. DEPUTY SPEAKER: Order please. Before calling Orders of the Day, the Chair would like to thank hon. members for the general low level of noise in the Chamber during question period today. But the Chair is also a little concerned that we did complete only 11 questions, leaving six or seven people who would still like to get recognized, and the Chair would suggest that the real reason for this is rather long introductions to the questions.

MS BARRETT: Not long answers?

MR. DEPUTY SPEAKER: Well, sometimes the long introductions result in long answers, so if everybody could tighten up. But there were certainly some rather lengthy introductions.

Before we call Orders of the Day, could we have unanimous consent to revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.

head: Introduction of Special Guests
(reversion)

MR. CHERRY: Mr. Speaker, it's my pleasure to introduce to you and members 65 grade 6 students from the Lloydminster constituency. They attend the Kitscoty elementary school, and they are accompanied by teachers Diana Dixon, Bob Gerhart, and Elgin Pawlak. They are seated in the members' gallery, and I would ask if they would rise and receive the traditional welcome of the Assembly.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Forest Lawn.

MR. PASHAK: Sorry, no. The students aren't here, Mr. Speaker.

Orders of the Day

head: Government Bills and Orders
head: Second Reading

Bill 24
Mines and Minerals Amendment Act, 1990

CLERK: Mrs. Black.

MR. ORMAN: Mr. Speaker, I'm not Mrs. Black, but I hope all hon. members can distinguish the difference. If they can't, they're in big trouble.

On her behalf, Mr. Speaker, I'd like to move second reading of Bill 24, the Mines and Minerals Amendment Act, 1990.

I would like to outline for hon. members the purposes of the changes to the current legislation. First, the increase in mineral agreement rentals will occur, and it will move those rentals from \$2.50 to \$3.50 per hectare. The legislation is also enabling legislation; it will enable implementation of complementary exploration regulations. Thirdly, it introduces some housekeeping amendments.

Presently, Mr. Speaker, the government of Alberta administers some 63,000 agreements which cover in excess of 30 million hectares. The majority of these agreements now have an annual rental of \$2.50 per hectare. This rate has been in place since 1930. In the 1989-90 fiscal year the rents from all mineral agreements generated were approximately \$70 million. The increase that occurs with regard to this change in rental rates on mineral agreements will generate an additional \$28 million per annum to the government of Alberta general revenue. In effect, this means that some 61,000 agreements will have their rents increased, as I've indicated, from \$2.50 to \$3.50 per hectare. These agreements are mostly comprised of petroleum and natural gas leases, oil sands leases, and coal leases.

Natural gas leases, which number approximately 2,000, traditionally have a rent of 80 cents per hectare, and that has been in place since 1930 also. These leases will also be increased to \$3.50. This change, Mr. Speaker, will make rental

rates for virtually all mineral agreements, and it will also make them comparable with all other jurisdictions, all other provinces in Canada. There will be a new section in the Act that is required to implement the proposal to increase the rentals. The rental rates for some agreements are specified in the agreements themselves. For that reason, this amendment will clarify that rental rates for agreements that are set by regulation will prevail over those rental rates that presently occur in the agreements.

The second proposed amendment, Mr. Speaker, is necessary to clarify the definition of "exploration" and "exploration equipment" and provide a clearer interpretation for the regulations. The proposed change will amend the current definition insofar as minerals other than petroleum and natural gas are concerned so that it focuses on all activity that may result in surface disturbance. As it is currently defined, there is certain equipment that creates an environmental concern by its activity under this particular part of the Act. To provide greater clarity, there is equipment that does not create the surface disturbance that maybe some equipment would create in the regular operations. For this reason, we are going to definitively outline the equipment that creates surface disturbance and that equipment that does not. Hopefully, it will allow for less of a bureaucratic involvement on a day-to-day basis in defining which equipment is defined and the nature and its implications during workings under this particular segment of the regulation. The definition is also expanded to include work which is preparatory or incidental to the exploration work itself. The present legislation specifies that in order for certain types of exploration equipment to be exempt from the regulation, it must be done under the regulation-making power of the Lieutenant Governor in Council.

Mr. Speaker, as I mentioned earlier, there are several housekeeping amendments which I'd like to put forward to you for your consideration at this particular time. The first deals with the reinstatement of mineral agreements. Presently, mineral agreements are canceled either purposefully or inadvertently, and there may be occasions for reinstatement. This particular section in the legislation will more specifically define the terms and conditions related thereto to reinstate a mineral agreement that has been surrendered, expired, canceled, or forfeited in error by the following: one, specifying a single 90-day limit for applications for reinstatement; two, precluding reinstatement if the minister has already disposed of the minerals to another party; and, three, indicating that the minister determines the circumstances that justify the reinstatement. The current provisions right now provide for 30-day and 90-day time limits, and this amendment will eliminate the confusion and specify that the longer, 90-day period will prevail for all situations.

Similarly, Mr. Speaker, with regard to reinstatement, under the current provisions it's unclear whether security notices and builders' liens that are registered against lands that are either surrendered, forfeited, expired, or canceled, either on purpose or by error, and are reinstated – whether or not these liens and security notices apply when the leases are reinstated. Certainly it is our intention that that does occur, and the provisions in this particular part of the amendment will clarify that and will mean that those liens and security notices are still valid when the agreement is, in fact, reinstated.

Another part of the housekeeping amendment, Mr. Speaker, deals with mineral trespass. This is a relatively difficult one to explain. Certainly those that understand the business are clear on the implications. But as it occurs today, there are mineral

leases that are given for certain horizons, certain sections below the surface of the earth, for exploration, to win and take mineral rights. On occasion there have been circumstances where operators have penetrated horizons that were not part of their leasing agreement and, in fact, either were someone else's leases or were undisposed Crown leases. Obviously, in that it's below the surface of the earth, it's very difficult to detect this situation, this mineral trespass, and in the Act it indicated that we only had a period of six months to recover or take action for mineral trespass. We want to strengthen that and extend it to five years, and that will occur under section 59(5).

Mr. Speaker, any lessee who commits trespass is liable for damages. For example, minerals, equipment, and installation involved in the winning, working, and recovering of the minerals are forfeited to the Crown, and/or a fine of not more than \$100,000 may be levied. The usual damages payable to the Crown are the value of the minerals recovered, and certainly we want to strengthen that provision.

Additionally, section 53(5) has also been amended to broaden the minister's power to authorize recovery of Crown minerals without an agreement. The amendment gives flexibility to allow, for example, educational institutions to drill a well on an undisposed Crown location for instructional purposes. We did not have this particular provision in the Act, and we feel it is only appropriate to be included. The Minister can still regulate such activity through the power to place terms and conditions on the authorization under section 8(3) of the Act.

Mr. Speaker, in conclusion, I believe these particular amendments are in the public's interest and provide the industry with more flexibility in the conduct of its operations and certainly strengthen some of the provisions required by the department in their relationship with the industry in the province of Alberta.

Thank you.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Forest Lawn.

MR. PASHAK: Thank you, Mr. Speaker. Well, I have no particular difficulty with the Act the way it's drawn up and with its intent. Certainly the housekeeping changes seem to be quite in order from what I can tell by reading the Act. The question of extending the time limit on prosecutions for offences under section 53(1) to 60 months for people who violate certain zoning rights I think is important. It does raise the bigger question, though, of shallow rights reversion, and I look forward to the government taking some positive steps with respect to making those shallower layers more available to oil companies for drilling and exploration activities.

I think the government's intention to try to increase its revenues through increasing lease rentals is good. It's sound, and I don't think that the actual amount of increase is particularly a problem. I think it's quite in line. As I understand it, those lease rentals haven't been raised for quite a few years.

But there are a couple of problems with respect to the way the Bill was introduced, as I understand it, Mr. Speaker. First of all, the Bill or at least these measures to increase the lease rentals were announced quite unilaterally in the Budget Address. The industry had no prior warning, as far as I can tell, that this was to take place, and it came as a bit of a shock, perhaps not to the whole industry but certainly to the smaller producers. As I understand it, for a major company this is not a major expense, but for a smaller company that has been acquiring a lot of prospective lands to explore and develop, it can constitute a

significant part of their budgets. So a lot of these companies that have entered into relatively long-term lease rentals will now see a major increase take place in their exploration costs, and I wonder why the government in the first place didn't enter into prior consultation with all sectors of the energy industry, and secondly, why it couldn't perhaps have looked at grandfathering some of these lease rental agreements, certainly in order to protect smaller companies.

But I look forward to debating some of these issues at greater length when we get into Committee of the Whole.

MR. DEPUTY SPEAKER: The hon. Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. Seeing that the hon. minister is pinch-hitting for one of the more astute and knowledgeable members of his caucus, I thought I would do the same for my caucus. You might say this is a battle of the second lines.

A couple of things bother me a bit; these are just generally speaking questions. One is that although the increase in rent, if you say it fast, sounds good because it increases our income, I've always been inclined, maybe coming from the independent sector rather than the large corporations – bearing in mind that the large corporations that have these large inventories of acreage, when the rent goes up, just deduct the rent from their income tax, their operating income. When you increase rent without either shortening the lease term or maybe putting in a graduated form of rental increases, what you do allow is the large corporations with the big budgets to hold on to a lot of land and make it difficult for the independent to get in and take a contract to do the drilling. I think our government should be more interested in making sure that oil and gas is developed in an environmentally sound and conservation sound way. Just an increase in a rent or to concentrate on the money coming in from rent, which in effect is infinitesimal to what oil and gas discovery on the same lease would yield – that 3 and a half dollars a hectare is minor to what an oil or a gas well would pay per hectare in royalties. It would probably pay something like 50 times that. Consequently, the ultimate aim, Mr. Speaker, should be to try to get development, not rent, because as I mentioned, increasing the rent without a parallel grip or kick in it to force the companies either to drill or drop is not good for the taxpayers; it's not good for the smaller oil companies, which are by their very nature more Albertan than the others are.

The second that was a little puzzling to me – I'm not sure; I may have missed it somehow in here. But there is a new system on the horizon that could be a great money-maker in Alberta, and that is producing natural gas from coal beds. The coal lease here leaves me a little bit mystified. I know there is a quarryable mineral. I suppose you could argue that an open pit or ordinary coal mine would qualify there, but if that's the case, why mention the words "coal lease"? In other words, I'm asking: is the coal lease a right to extract coal either by open pit or by mine, and how does that tongue-in-groove with someone that wants to drill the coal seams to produce methane gas from them? That's becoming quite a fair source of revenue. In fact, I take some pride in having one of the first methane coal leases in the world about six years ago, which I picked up in central Wales. Anthracitic, or hard, coals lend themselves more than subbituminous. But I'm just wondering how this fits in, because coal gas, I might mention to the minister, is a very intriguing method of producing methane. You have to suck a lot of the

water out of the coal bed before the methane starts being given up by the coal. I'm just wondering how this fits in, because it is something that's the wave of the future, because we have so much coal here in Alberta that we should have a form of regulating it. It may be hidden in here somewhere and I can't find it, but I would appreciate that. As I said before, I am substituting for one of the more astute members of the caucus, as is the hon. member, so I can't tell.

There was one other item I couldn't quite understand: the mechanics' lien. I'm not sure how this figures in. This appears to just be a notice. But one of the problems with the mechanics' lien in the oil patch is the time elapsed. Because the oil patch is so slow in paying its bills – probably one of the slowest organizations in the world, I think even slower than government, if you can imagine that – by the time the sub has submitted a bill to the contractor and the contractor has reported it to the oil company and the oil company has had five accountants between here and Houston look at it and then the cheque comes trickling back, the 90 days is often well gone by. I think in the oil industry itself there should be a special period, a longer period, in order to file a mechanics' lien, because by the time one of our subs, especially if he's in ditching or roustabout work around leases, finds out that the contractor he's been working for has taken all the money to pay his alimony or to gamble down in Las Vegas, it's too late to file the mechanics' lien. So I think we'd better look a little at that, and I have asked that at least another 30 days be added on there. But it may not come quite in here, because the way I understand this, it's just notifying the registrar rather than the department, or vice versa. But I thought I'd put that pitch in anyhow.

That's all I have for right now, Mr. Speaker. I'll have something later. Thanks.

SOME HON. MEMBERS: Question.

MR. DEPUTY SPEAKER: Question?

The hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. My question's really a fairly simple one. The minister gave us some numbers saying that the rental for these lands would be increased from \$2.50 to \$3.50 per hectare. I looked at the Bill again – because I'd looked at it earlier – and couldn't find any numbers. So I came to the conclusion that it must be covered under page 3, where it talks something about the regulations, that you have to look to the regulations. So I wonder if the minister would be prepared to table in the Assembly the regulations so that we could see in more detail some of the numbers and figures that he was putting forward today.

MR. ORMAN: Mr. Speaker, with regard to the Member for Calgary-Forest Lawn, I'd like to respond by saying that in that it was a budgetary matter that was to be dealt with in the budget, of course it was very difficult for me to consult with individual companies or individuals that had leases from the province of Alberta and indicate to them that there was going to be some fiscal change that was really confidential to the Provincial Treasurer's Budget Address. For that reason, it would be highly inappropriate for me to discuss those matters. I can tell the hon. member, though, that in general terms this matter has been discussed in the industry over the years, and I can tell the hon. Member for Calgary-Forest Lawn that there were very few calls or letters that came to me.

I would, I guess, support – actually his assumption is supported by the industry, and that is that when we hadn't seen a rental increase since 1930 on these agreements, it seemed appropriate that in 1990 we'd look at increasing it to the extent that we have. Certainly, if we annualize that, Mr. Speaker, over the last 50 years, it would be minuscule and almost undetectable. So I don't think it is an unbearable burden that the industry must carry. Certainly my sense is that they're willing to contribute to the extent possible to the government's intention to reduce expenditures, increase revenues, and balance our budget. So I would assume that the lack of calls and letters that I did receive was in support of our objectives.

There is no question that this is something that affects both the small and the independent and the major holder of mineral rights. But certainly I can tell hon. members that substantial – I think around 80 percent of the impact will be borne by maybe the top 10 or 15 royalty landholders in the province of Alberta, and we all know who they are. So the distribution has an impact, obviously, but when you look at the total amount of gross dollars and where it's being contributed from, I can tell you that it essentially comes from the major producers, and as acknowledged by the hon. member, it won't make much of an impact on an overall basis on their budgets.

The hon. Member for Westlock-Sturgeon makes a point that I support and an objective that I think we've had as a government, and that is to do things that engender development and get away from things that engender inventory. We've done that in a number of areas. We've done it, firstly, by reducing some years ago the lease term, which I think was highly appropriate. As the hon. Member for Westlock-Sturgeon knows, our mineral leases at one point were 21-year leases, as are our oil sands leases, and we're moving away from that, Mr. Speaker, as you well know. So we have as short as a three-year term on some of our mineral agreements, and that is to engender activity, not inventory. A second initiative that occurred that was an effort to do the same thing was the deep rights reversion. I believe that has been accomplished. I'm a big supporter of deep rights reversion, certainly in my previous life as an oil and gas explorationist, as was the Member for Westlock-Sturgeon. It's certainly worked to free up a lot of lands that were held by productive horizons uphole, and it has created many opportunities for a number of companies in this province to get active in the oil and gas business.

But I don't think the rent issue really works against that particular philosophy. We have a number of initiatives. One initiative I didn't speak to, Mr. Speaker, was the Alberta royalty tax credit program. There is a program that is intended to create activity. It is a revenue-based, activity-based program; again, something that we try and encourage and will continue to try and encourage.

The hon. Member for Westlock-Sturgeon is very accurate and very contemporary in his knowledge of the industry, although he may have been out of it for a while. But coal-seam gas activity is on the verge of being very significant in this province, Mr. Speaker. I have been advised and briefed on coal-seam gas activity. In the United States, certainly in Colorado and the Four Corners area of the United States, there is a great deal of activity going on with regard to coal-seam gas exploration. As a matter of fact, the federal government in the United States has a major tax benefit regime for industries that are out looking for coal-seam gas. I believe it has another year attached to that program. But there is a lot of coal-seam gas on this continent, and to the extent that it can be recovered and be competitive

with the conventional winning and taking of natural gas – it's something we'll have to wait and see. I should point out to the hon. member that with regard to coal-seam gas, that is produced and subject to the conventional oil and gas lease and it is not connected, as the hon. member had suggested it might be.

With regard to his question about the mechanics' lien, I recognize the concern that is expressed. I think it's more appropriately directed to the Attorney General, who has responsibility for the Land Titles Act. This provision, this amendment in the Act, simply says that where liens and section 177s of the Bank Act are lodged against mineral leases for whatever reason, if they are inadvertently canceled or forfeited or lost for some particular reason and then reinstated, those liens will then be reinstated when the lands are reinstated. I can't speak to the effectiveness of the mechanics' lien or any of the provisions that are connected with land titles in this particular province.

Mr. Speaker, the Member for Edmonton . . .

AN HON. MEMBER: Kingsway.

MR. ORMAN: . . . Kingsway – thank you – asked a question about where these rental increases are specified. As I indicated in my opening remarks, we're moving the specific numbers from the Act into the regulations, and I'd be pleased to give the hon. member a copy of those regulations with those particular provisions in them. It's a good suggestion, and I'd be pleased to do that.

[Motion carried; Bill 24 read a second time]

Bill 20 Consumption Tax Statutes Amendment Act, 1990

MR. JOHNSTON: Mr. Speaker, today I'm encouraging members of the Assembly to agree to second reading of the Consumption Tax Statutes Amendment Act.

Mr. Speaker, sometimes you judge a piece of legislation by the number of pages and sometimes by the principles. I would hope we would look to the principles today, because an evaluation of the Bill based on its pages may not be an appropriate test. I can say that this Bill is a compendium of Bills. It reflects changes to several of the consumption taxes which the province of Alberta operates: the Fuel Tax Act, the Hotel Room Tax Act, the Pari Mutuel Tax Act, and the Tobacco Tax Act. In this piece of legislation, we're bringing together those four Bills and at the same time attempting to process amendments to those various Acts.

Mr. Speaker, one of the major reasons why this piece of legislation is so large is that we are making some administrative changes. Essentially this Bill is full of administrative changes to bring the application of the consumption tax laws into accord with the fuel tax legislation, which was quite comprehensive in its administrative sections. In fact, if a member were to look at the Pari Mutuel Tax Act, you'd find there are hardly any administrative provisions in that legislation. So we want to bring these pieces of legislation up to speed and to make them at least applicable in terms of how the laws are applied to collect the taxes and to ensure the administrative procedures are in place. So the major impact of this Bill is administrative changes, and that's why there's quite a series of changes which have amendments to the existing legislation but, as well, provide administrative sections to the other consumption tax Acts.

Of course, Mr. Speaker, when you have a consumption tax Act and a budget and a fiscal plan, you must effect in legislation the budget requirements. You'll recall that the budget did talk about a couple of taxes which are reflected in this piece of legislation, taxes which are fuel-based, both on gas and on propane, and taxes to tobacco as well as so-called sin taxes. Those taxes are reflected in this legislation. Now, all members have already debated the issue of the fiscal plan. We spent something like 28 or 29 days debating the budget. So there are no surprises in this piece of legislation when it comes to the fiscal plan that's been pointed out in the budget, which we have now debated since March 20.

[Mr. Jonson in the Chair]

So, Mr. Speaker, I apologize for the size of this legislation, but along with the total review of all the Acts that's taken place before Treasury, this Bill is now being brought up to contemporary status in terms of its application and administration and to ensure the collectability of the taxes properly levied by this Legislative Assembly.

I move second reading of Bill 20, Consumption Tax Statutes Amendment Act, 1990.

SOME HON. MEMBERS: Question.

MR. ACTING DEPUTY SPEAKER: The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. My, they're anxious to get this Bill passed. I hear them already calling the question as soon as the Treasurer sits down. Well, this Bill shouldn't be passed quite that quickly.

The minister made reference to a number of the principles that obtain in this Bill, and that's fair enough. Let's make it very clear what these principles are. The principle is: raising more money from a regressive form of taxation for the Provincial Treasurer. This implements a number of changes to Alberta's sales taxes. Among them and possibly the most significant in terms of dollar amounts is to raise the tax on fuel oil from 5 cents to 7 cents per litre. And that is not all of it. It also widens the base to extend this tax to cover liquid petroleum, gas, or propane. The propane tax, as I understand it, will be 5 cents per litre. There's a total – I take it, as we review the Provincial Treasurer's budget, this implementation of his budget is to generate \$130 million and some or \$140 million in this year's budget. It's not insignificant. It's quite significant. Furthermore, farmers who in the past had an exemption retain that exemption, but their grants under the Alberta farm fuel distribution allowance will be reduced by 2 cents per litre, saving the Provincial Treasurer another \$20 million in his budget.

Now, you know, it's funny. With this government, when it comes time to run an election, all of a sudden the exemption gets increased. Then, once the election is over and they're back in office, it's all decreased. So it's just a very manipulative and cynical approach to government and financing and lawmaking. If that's the principle that the Provincial Treasurer wants to stand up and put forward this afternoon, well, that's fine. Let's just make it clear what exactly the principle of this Bill really is.

Now, as well, the Act increases the tobacco tax. As I understand it, the Provincial Treasurer wants to raise \$25 million from that one. While it's perhaps regressive and perhaps not based on the ability to pay, nonetheless the \$25 million he's looking for

in that amount maybe would be more appropriately brought up under the provincial health care minister's department as hopefully encouraging people to smoke less and adopt a more healthy life-style. Nonetheless, let's make it clear, Mr. Speaker, that these amendments are intended to raise taxes and to raise them by not an insignificant amount of money, \$25 million, if I recall my figures correctly from the Provincial Treasurer's budget.

He noted in his introduction that a number of administrative changes are also being incorporated in the Bill, and that consumes fairly lengthy sections of the Act. One of them early in the Act includes, as I recall, that the Provincial Treasurer will be allowed or be given the power to provide rebates to colleges, universities, school boards, and so on. I'd like to just make quick reference to that, Mr. Speaker. Many of those school boards or virtually all of them have contracts with private busing companies or in some cases, perhaps in the big cities, with a publicly run transportation system to provide transportation services for their students. Over the past several years many of those privately run companies have gone to great expense to install propane-burning equipment in their vehicles as a way of reducing their fees charged to school boards or reducing their costs accordingly. Now, all of a sudden, by bringing in this 5 cent a litre change to propane to increase the tax on liquid petroleum gas, these companies are going to be faced with extensive increases in their costs which they'll have to pass on in the form of higher rates and fees in the contracts they sign with school boards, which in the end has the effect of increasing also some of the costs those school boards have to either absorb or take out of the poor old property taxpayer in the form of higher mill rates.

Now, I don't know how this particular section might work in the example I've laid out for the minister this afternoon, whether it will simply have to be accounted for in an offsetting amount provided to the school board or the college based on this amount – I don't know how they are to account for these increased costs to the Provincial Treasurer – or whether he would intend to have it given across the board on a lump sum basis or some basis other than that. But I would like the Provincial Treasurer to at least be given notice at this point that I wish to follow up with him – if not today, then when it comes to a committee hearing – that this kind of indirect taxation on our schools and secondary institutions is going to be a significant cost for many of them, and I'd like to ensure that this is an equitable system and they'll be able to absorb the cost of these increases.

I think the important point the Provincial Treasurer made when he introduced this Bill is that it's going to be judged by its principles. I'd say to the Provincial Treasurer that a government is also judged by its principles, and the principles it pursues are partially reflected in its legislation, partially reflected in its policies, and partially reflected in the kind of attitude they take toward the public in general. My memory is not so weak that I have forgotten what promises this government made in the last provincial election. This government promised, Mr. Speaker, that taxes would not increase; taxes would not go up. In fact, the Premier took out ads in the newspapers all across this province, with his picture on them, and assured Albertans that the fiscal plan they had was right on track. In fact, the only direction taxes were going to go was down, not up. That was a promise made in writing by the provincial leader of this governing party in ads all across this province.

The principle this Bill represents today, Mr. Speaker, is that this government's promises mean nothing, this government's word to the people of this province means nothing. That's the principle represented by this Bill this afternoon, and there's no denying it. Let's not forget as well that those ads were all taken out under the banner "leadership with integrity." Let's not forget that, Mr. Speaker: "integrity." What kind of integrity is it where promises are made and in less than a year are broken? Where is the integrity in that? That's the kind of principle this Bill fails to uphold. That's the principle this Bill is abandoning. That's the principle this legislation is repudiating.

Let's be very clear about this. If you want to talk about principles, it would be easy to get lost in all the administrative wording, all the administrative changes, the figures and the dollar amounts that are being changed in this Bill, but let's not forget that a principle of legislation is the integrity of the government that's bringing it in. Let's also remember that the leadership of a government is reflected in its legislation, and when the leadership of this government and this province can take ads out in the newspapers in the middle of an election campaign either blatantly knowing them to be untrue or so ignorant of the condition or the situation of the provincial fiscal regime that they have to be broken in less than a year or not much more than a year after those promises were made, then let's be clear that that is a principle being represented by this Bill: that this government's word means nothing, that this government's election promises mean nothing, that it's based on a fraud. It was based on ads and words and promises given to people that they have no ability of fulfilling. The Provincial Treasurer talked again today about his fiscal plan. The ads in those newspapers talked about the same fiscal plan, Mr. Speaker. They talked about a fiscal plan that didn't envision an increase in taxes, and here we are today with a Bill that increases not decreases taxes, as promised by our provincial Premier.

Well, we can judge a Bill by its principles, but we can also judge a government by its principles. A government that has so lost its principles that it can no longer keep its word to the people of this province, a word it gave to them with integrity – then the people of this province will judge that government very, very severely. Let's not forget there's more at stake here than simply legislation. It's the ability of people to trust the word that's provided to them, the promises that are given to them, and that, Mr. Speaker, is what this Bill breaks: that word, those principles, and that integrity. I regret to say that because of that, we will not be able to support the legislation this Provincial Treasurer has introduced this afternoon.

MR. TAYLOR: Mr. Speaker, I'm going to just tackle a short bit of this voluminous Bill. As the Treasurer said, large volumes shouldn't frighten us going into it, and I think that's quite true. We've heard a lot of volume and noise and words out of that side in the last few years and it hasn't frightened us, so a voluminous Bill will probably compare in the same way.

I wanted to touch on two things, one that I'm not so sure applies to the Act – but I will anyhow, because second reading's supposed to allow wide-ranging discussion, and with such a knowledgeable Speaker as the one presently in charge, I'm sure we'll be able to rule on it when we come to it. The other item has to do with the whole idea of taxing farmers for fuel tax. I've never quite understood the principle behind this, or if there is a principle at all, because pretty well through the western world the idea is that wherever you have somebody manufacturing or

doing something that sells on the export market, you try to facilitate it as much as possible, whether it's growing peanuts in Nigeria or turning out cotton shorts in England or making cars in eastern Canada or surgical tools in other parts of Canada. The whole concept that goes through the western world is that in order to allow your operator in that field the maximum penetration of markets and therefore maximum profits, hopefully from money made abroad that will then pay you income tax, you try to take off the front-end load, as you call it, as much as possible. In other words, taxes on rent or taxes on utilities or taxes on power or an import tax on the raw material or anything like that: you try to put those out of the way so your competitor can go out in the world and make a good-sized profit, repatriate the profits, repatriate the money coming back, and therefore pay good income tax and create jobs. We see that in nearly everything except when you come to farming in Alberta.

Farming in Alberta, as the minister well knows – I believe up to 80 percent of our produce goes out into the foreign markets. Now, fuel tax on a taxi is one thing, because you could argue that the taxi driver passes his increased fuel bill on to the passenger. That's strictly internalized within the country. I can see fuel taxes on luxury cars on weekends. All these things internalize and probably make sense. But when you put a fuel tax on a farmer that's exporting – now, I know that ideally speaking, the farmer that exports should probably pay no tax versus the farmer that just leaves it consumed here, but we've got to take a broad brush.

We have essentially an export industry, an industry that made us famous around the world. I know wherever I travel abroad – and I've worked in a lot of different countries – they've never heard of our lawyers or politicians or manufacturers, but they do know about our farmers. We're fairly famous in that respect. I remember many years ago in China, going to a convention; I think it was 1970, when Chairman Mao was still running the country. At that time they weren't interested in what great things we'd done in Canada. They'd just laugh at dammed rivers, hydroelectric projects, oil wells, or anything else. They wanted to know and would often ask me: is it true one family can farm – they used a different term, but in effect to them the idea that one family could farm 200 acres was absolutely out of the world. And to farm 2,000: they thought surely the round-eyed one from Canada must be lying. The matter I'm trying to get across is that our farmers live in the export market, are famous in the export market, so why slam them with a fuel tax? Why try to hurt their competitive advantage? You would not think of doing that to many of the other industries we have. You wouldn't try to hurt the competitive advantage by front-end loading, and this is what we're doing. I'd like the minister to explain just why he and his government feel they've got to gouge our farmers for fuel tax when it hurts the farmers' competitive advantage around the world. As a matter of fact, any competitive advantage we can get now we certainly should welcome.

The next item I want to talk about for just a moment, Mr. Speaker, is still in a fuel tax line. There was a hemorrhage of fuel taxes out on the east side of the province. I believe the minister charged something like a dozen farmers on the east side of the province, in that Lloydminster/Vermilion country. They're normally very honest, God-fearing people, but I think their idea of being able to sell the fuel and turn it over to Saskatchewan might have encouraged some bit of entrepreneurship there. Instead of bootlegging, I guess you would call it gaslegging. I'm just wondering if the hon. minister, who was prosecuting a number of farmers – what stage that is at.

Lastly, Mr. Speaker – and I beg your indulgence in this – is the tobacco tax. I'm not positive this is covered, but I think I can get at it, because the tobacco tax is collected from retailers. Because tobacco is probably the most addictive drug western society can give to anybody – and that's probably why government seized on it, because it is so addictive and profit yielding – is there any way the minister can draft this Act so cigarettes can be sold only in those areas frequented by people over 18, like bars and so on? In other words, cigarette vending machines where people of 12, 13, or 14 can get in and buy it seems an unfair way for the government to create addicts to help pay their taxes down the road. It seems to me the least we can do is try to be noble about it and make sure the drug is peddled only to adults. So I was wondering if the minister would try to tackle it that way.

Thank you.

MR. JOHNSTON: On a point of order.

MR. ACTING DEPUTY SPEAKER: I recognize the hon. Provincial Treasurer on a point of order.

MR. JOHNSTON: Mr. Speaker, when the Member for Calgary-Mountain View was speaking, during his comments he said that the government's action was a fraud – a fraud, Mr. Speaker. I draw the attention of the Chair to *Beauchesne* 489 and 492, where that word in particular has been ruled unparliamentary.

MR. ACTING DEPUTY SPEAKER: Does anybody else wish to comment?

The Chair had noted the item drawn to his attention by the hon. Provincial Treasurer, and we'll see that that is drawn to the attention of the hon. Member for Calgary-Mountain View when he returns.

The Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. Bill 20, as the Treasurer said, is in large part just a housekeeping Bill in the sense of trying to bring some of the statutes involving four tax areas into line with the federal areas. Those four areas are the fuel tax laws of the province, the hotel tax laws, the pari-mutuel taxes, and the tobacco taxes. Now, the Treasurer has only raised two of those, but he has called his Bill the Consumption Tax Statutes Amendment Act, and that very term "consumer tax" makes one think, of course, in terms of a sales tax. A consumer tax is really a tax on the final consumer, the retail purchase of whatever the products might be.

Now, the government of Alberta likes to go around saying that we don't have any sales taxes in this province, Mr. Speaker, but I submit that that is nonsense. We have a fuel tax, which is a sales tax; we have a hotel tax, which is a sales tax; the pari-mutuel tax, I guess, would be considered a sales tax as well; and certainly the tobacco and liquor taxes are sales taxes. Not to mention that anybody analyzing the situation in Alberta would also think that the premiums for health care are in a sense a flat tax, so in that sense a sales tax. We might also mention that we have a .5 percent income tax that is a flat tax. I guess that's not a sales tax directly, but it has one of the features of a sales tax, and that is that it's flat on all income. The 8 percent surtax is not quite, of course, because it only applies to upper levels of income, but again it's a flat tax and has some of the features of a sales tax in the sense that once you get over a certain amount of income, everybody pays the same percentage after that. It's

certainly not based on the principle of an income tax system, which is graduating income taxes.

I would point out that we are going to get another major flat tax, a real sales tax, the GST, mainly because this province along with the federal government decided to have a free trade agreement with the United States. Now, this government can say they don't like the GST and don't want it and don't want a sales tax in Alberta, but the fact is we're going to get it because it's part of that deal any way you look at it. So, Mr. Speaker, the provincial government has gone a long way into the sales tax field one way or another, either directly or indirectly.

Now, why do you raise taxes? Of course, it's because your fiscal regime is in shambles. You have a \$2 billion deficit facing you. You had a \$2 billion deficit last year, a \$2 billion deficit the year before, \$1.5 billion the year before that, and \$4 billion the year before that. So you've accumulated a tidy little deficit in the neighbourhood of \$10 billion at March 31 of this year. The numbers don't quite show that yet, but when the public accounts come in showing the final figure for March 31, 1990, it'll be \$10 billion. At election time, though, of course you don't admit that that's going to happen or that your fiscal plan is in shambles and that you're not going to meet your deadline for a balanced budget.

In fact, it was interesting to note that in December of '88, just after the federal election when they told us how good the free trade deal was going to be without telling us that we'd get the GST with it, the Treasurer also decided to tell everybody that, gosh, he had made a little error and that his fiscal plan wasn't quite – well, he was still on target, a little ahead of target, but actually he'd miscalculated the revenues a little bit, and instead of an \$835 million deficit, it was going to be another \$500 million. Well, of course by the time the numbers were in, that deficit was \$2 billion, and the Treasurer knew it at the time. He knew that the oil prices – well, he didn't know. The oil prices, in fact, were better from that time on, after he'd made his adjustments in the December 6 press release. The oil prices were better for the next three months, for the end of that fiscal year, than he could reasonably expect them to be, and still his deficit figures were more than a billion dollars out, not the \$500 million where he was saying, "Gosh, I made this little error."

So the Treasurer has consistently kidded the people of Alberta about where he's going and what he's doing, and this budget this year is, of course, another good example. To try to claim that he's going to keep the deficit this year to a billion dollars – and he had to do that to have any credibility in saying that next year he would have a zero deficit. To get from a \$2 billion deficit to a zero deficit, you have to have the interim year as one around a billion dollars or less deficit. So he put the numbers together and put in some things like \$21 a barrel for oil, which obviously is becoming quite unrealistic . . .

MR. ACTING DEPUTY SPEAKER: Order please, hon. member. I would just like to remind the hon. member that the budget debate and budget estimates concluded last week. Perhaps the hon. member could be urged to return to the principle of the Bill, please.

MR. McEACHERN: It is the taxation policies of the government, and so I would put them into that context and stay, as you said, to the subject of taxation.

Now, if you look in his budget, one of the things that bothers one is that most of the tax changes that have been brought in over the last few years have put the emphasis on consumer tax

just like this Bill does. You didn't see any increase in corporate taxes in this piece of legislation, nor in any other piece of legislation that the Treasurer has brought in this year do you see any increase in corporate tax. The tax increases are going to be on consumers, the fuel tax and the tobacco tax being two examples.

By the way, while we're at it, we might just point out that the increase in various licences and fees of some \$27 million that he's looking forward to and the changes in the liquor board prices, those will all be done by regulation. He won't even come into the Assembly and ask for permission to do that; that's why they're not in this Bill. So there's more, in a sense, taxes on people than this Bill points out. I've already mentioned some of the others: the medicare premiums, the GST that we're going to get through his federal cousins, and so on.

But the sharing of taxes between the corporate sector and the provincial sector – all you've got to do is turn to the Treasurer's budget on page 35 and see that the pie is divided up as to where the revenues are coming from. Personal income taxes are 23.4 percent of the taxes, and corporate taxes are only 8 percent. It reminds me, Mr. Speaker, of this little chart that shows in five-year periods how the taxes have gone down for corporations and how they continue to go up for individuals in this province. Well, the Treasurer had a lot of charts when he was introducing his budget, and held them up in this Assembly. He had a whole little booklet of them and showed how this and that and the other thing is looking fairly rosy for Alberta. It behooves us, I think, to show some facts and figures that . . . It showed that corporations, for example, are not paying their fair share of taxes. So why should he pass another consumer tax, particularly when the Premier went around this province in the last election saying that there would be no new taxes? Afterwards, when he brought in some changes, some of which are reiterated here, in the tobacco tax, for example, and the hotel tax, he said, "Oh, well, I meant income taxes." Well, fine, but he didn't say that during the election. During the election he was going around saying, "No new taxes." So we've ended up with quite a few new taxes, Mr. Speaker, and that is not fair to the ordinary citizens of this province. The corporate sector is not paying its fair share of taxes, and it's a responsibility of this Treasurer to see to it that they start doing that.

Now, the Treasurer – when you mentioned that the health care premiums are not a tax, I would like to know why, then, he put them on page 25 along with the list of other taxes. It shows – this is in his budget speech – that Alberta is one of only two provinces that have premiums for health care, a flat tax. The rest of the provinces all pay for their health care system out of the income taxes and corporate taxes that they take in. Therefore, they don't have this flat tax that says that every individual will pay \$23 for a single person and \$46 for a family per month for taxes. Now, it used to be that there were three provinces that had these taxes, but even Ontario finally got around to taking their costs for medicare out of their general revenues and out of the other taxes rather than a flat tax. Alberta and British Columbia, the second and third richest provinces in this country, are the only ones that have a flat tax on ordinary citizens for their health care. Mr. Speaker, that's unacceptable. The Treasurer should re-establish, along with his federal cousin, a progressive income tax system not only for individuals – take another look at the numbers there – but also for corporations, and see to it that it really is progressive and that those who can afford to are paying their fair share of tax.

The taxes in this budget, when they're all added up and calculated using the Provincial Treasurer's own numbers, show that more of those taxes will land on individuals than on corporations. In fact, individual taxes go up by \$397 million, about \$400 million, according to the Treasurer's own numbers, whereas corporations get an increase of some \$250 million only. Now, that didn't really stop the Treasurer, of course, from making it look like he was going to get enough money to balance his budget, but I'll leave that for another time.

The Treasurer has . . .

AN HON. MEMBER: Question.

MR. McEACHERN: No, no. I've got a couple more here. I'm just looking for the right paper.

The Treasurer increased the fuel tax on purchases of fuel oil from 5 cents to 7 cents, and he put a 5 cent tax on propane. At the same time, he went on to brag about the fact that farmers would still be sheltered from this tax per litre of gasoline. But what he also had to admit in there was that the rebate that he used to give farmers – it was a 14 percent rebate at one stage, before the first 5 cent fuel tax was brought in. He reduced that rebate of 14 cents a litre down to 9 cents a litre and then tried to claim that, of course, he wasn't taxing farmers. But if they had been getting 14 cents' and were now only getting 9 cents' rebate per litre, then obviously it's the same as if they had been given a 5 cent per litre tax. The effect was exactly the same as for all other people in this province. Now that he's raised it another 2 cents, he's also reduced the rebate by 2 cents to farmers. I find that rather hypocritical, for him to say, "Well, you know, there's no tax for farmers." Well, it's true, but the rebate is smaller, and since there are taxes on gasoline – there are federal taxes on gasoline – and since farmers are paying a high enough price that the rebate was needed, then of course the farmers are that much worse off, the same as everybody else. So I can't help wondering why the government isn't a little more up front in admitting that they're taking this 2 cents from all farmers the same as they're taking the 2 cents from all other Albertans.

The Bill also has a section in it on the hotel tax, and that 5 cent hotel tax is causing some problem for hotel owners. The Treasurer would be aware of some communication between himself and a particular hotelier that lives here in this city and myself. This particular hotel owner points out that hotels tend to pay their . . . Most people, when they go into a hotel, pay for their accommodation with credit cards, and most hotels pay to the credit card company a 2 percent sort of administration fee. The problem that creates is that if the room was, let's say, \$100, just to pick an easy number, before the tax, then with a 5 percent tax, it would be \$105 for the night. What happens to the hotelier is that not only is he paying that 5 percent, but he has to pay 2 percent on that 5 percent, the same as he does on the original \$100 that he's charging for the room. So what happens is that the hoteliers are finding themselves in the rather odd position of having to pay an extra amount over and above the 5 percent in order to pay the 2 percent to the credit card companies.

I don't understand why the Treasurer cannot find a way or spend some time working with the Alberta Hotel Association and the credit card companies to avoid that problem. It doesn't really make any sense. The government promised to give the hotel owners a certain amount of money to help cover the cost of collecting the tax because they become, in effect, tax collec-

tors for the province of Alberta, yet when the calculations are done, the amount that the Treasurer is giving each hotelier is much smaller than what that 2 percent amounts to, that 2 percent on the 5 percent tax. So it means that the hoteliers are having to pay for the collection of the tax, and not just the cost of having an accountant sort of do the books – supposedly that part is being paid for – but there's like a surcharge they pay because they have to pay the 2 percent on the 5 percent tax. It does seem to me that the Treasurer, because he made the tax law that brought in the 5 percent, should have some obligation to sit down with the Hotel Association and the various credit card companies that are involved and work out in some kind of equitable manner a way of avoiding that extra charge. What it's really done is said that the credit card companies will get a little bit of a windfall for free and the hoteliers will pay it for no reason whatsoever other than that they've been made into tax collectors for the province of Alberta. It's a most extraordinary situation that I think the Treasurer should take a look at.

The taxes on cigarettes and the increases in booze that'll be done by regulation do not really upset one all that much, as they're the kinds of products that, you know, everybody thinks should be taxed so that we use them less. I would suggest also that the Treasurer and the government should do something about cutting advertising in those two areas. That would be more beneficial than just raising taxes if they really want to get the population off booze and off cigarettes for health reasons. So the government might consider that.

It would seem to me that the Treasurer, while they didn't go after large amounts of taxes this year, will have to do something like that next year unless he is prepared to take a second look at corporate taxes in this province. They are the sector that has not been paying their fair share for some time now, and it's getting worse. The Treasurer, unless they're prepared to just keep dumping on ordinary citizens as they have been doing for the last number of years, is not going to balance that budget next year or even in the next several years at the rate he's going.

So, Mr. Speaker, with those comments I would suggest that Bill 20 is not worth supporting. This government broke its promises to have no taxes. It has not leveled with the people as to exactly what its deficit picture really is. It has tried to kid them that everything's rosy when it's not. So this caucus will not be supporting this legislation.

MR. ACTING DEPUTY SPEAKER: The hon. Provincial Treasurer, to close debate.

MR. JOHNSTON: Mr. Speaker, I was fascinated by some of the comments which focused on this legislation. To say they were wide ranging would be generous. They were certainly wide ranging, Mr. Speaker. I'm sure that over the next few days we'll have an opportunity to debate more specifically the detailed questions which were raised, but I wanted to, on general principles at least, talk about a couple of the issues which I think are particularly important. While you're talking about the principles of the Bill – and the Member for Calgary-Mountain View looked behind the principles to a very great extent – I want to talk about what it is that's being achieved by this piece of legislation aside from the administrative changes which are effected in this amendment.

Mr. Speaker, the tobacco tax, for example, as the budget points out, increases the price of cigarettes from \$1.20 to \$1.40, increases the price on loose tobacco, and increases the price of cigars. What I understand from the opposition across the way

is that they're in favour of lower taxes for tobacco. If they're going to draw the same kind of oblique conclusions with respect to our intentions, I guess it's fair for us to say that anyone who opposes this Bill must be in favour of lower taxes for carcinogenic based products. [interjections] Well, that's the same kind of argument that we see here with respect to other parts of the legislation. So let it be seen and let the record be clear that they would rather have us pump up the health care system with additional costs generated by cancer. Many of us today have already been reading a publication put out by the Alberta Cancer Board which sets forth frightening statistics. They would simply say that they would rather have tobacco taxed at a low cost, provide access to it, and allow anyone to have access, including youth, to tobacco and tobacco products.

Well, that's not our view, Mr. Speaker. We think that as well as being a revenue-generating item – it's part of the fiscal plan that this does generate taxes from those who deign to smoke, and that tax does generate some revenue to us – as I've said in this House before, when we increased the price of tobacco, I had more people come to me and say, "You know, my wife and I really want to talk to you about that tobacco tax you just put in place." I expected quite a considerable blast, but instead what those people said to me was, "Thanks a lot; it was enough for us to make up our minds to stop smoking." So you see, Mr. Speaker, there are some positive actions and attributes and benefits from this kind of a tax change. [interjections] If you guys want to vote against the legislation, then you're voting against a health objective. That's fair enough; you can do that, and that will be on the record. That's fair enough with us, Mr. Speaker. But that's what they're saying here. By opposing that tax increase, obviously you're supportive of lower taxes for tobacco, and everyone knows, if you read the tobacco package, that smoking can be harmful to your health. Well, I guess the opposition doesn't; some of the opposition.

AN HON. MEMBER: Listening to you is dangerous.

MR. JOHNSTON: Well, it's going to be more dangerous, I can tell you that; more dangerous. So stand by. It's going to be a long night.

Secondly, with respect to gasoline prices, you know, Mr. Speaker, as I look at the numbers, gasoline prices in Alberta are probably as low as anywhere in Canada. We have abundant access to this available resource. I was interested to note that the federal government levies 12.05 cents a litre on gasoline consumed in Alberta and in Canada. That incremental tax has been imposed by the federal government over the past three to four years: 12 cents a litre. Now, in my terms that's 55 cents a gallon; that's what it is. That's a lot of money that the federal government is taking out of a resource which is essentially the province's, assuming that 85 percent of liquid hydrocarbons are generated here in Alberta. Somebody is taking a heck of a slug of money out of Alberta's pockets and transferring it to the federal treasury – 12.05 cents. So what we've done here, Mr. Speaker, is only, in a very reasonable way, increased that tax from 5 cents to 7 cents. Hon. members are well aware of the chart which shows up on page 25, because the member for Edmonton something or other raised it: 7 cents a litre, the lowest taxes of any province on gasoline, in particular for the normal car consumption.

Three important points must be focused here: first of all, the fact that it is an important revenue generator for the province. It is, to some extent, a discretionary use; nonetheless it is an

important revenue source which the province has to protect. As I said before, the federal government is now capturing more of the economic rent out of a barrel of oil than is the province with its royalties and its sales tax at 7 percent. Therefore, Mr. Speaker, it's obvious that someone else is getting the benefit of our resource.

Secondly, Mr. Speaker, there is the conservation element. I read just last week in one of those American publications that the Americans, about 63 to 37 percent in one popular poll, were supportive of higher taxes on energy consumption, particularly car gas. It has a control-of-use element, it protects the environment in terms of CO₂ emissions, and it would be used for replacement oil in the United States' case. So you see there is a conservation/environmental question that's attached to this tax as well. I can only assume that those people who are not in favour of this tax, which is essentially one to protect the environment to a great extent, must in fact ignore that leaded and unleaded gasoline is one of the major problems of contamination of our environment. I can only conclude that, Mr. Speaker, and I think the environmental weight attached to this tax is significant.

So those are the points. One, that it isn't part of our fiscal plan. It's the lowest provincial consumption tax with respect to gasoline of any province. The federal government is taking 5 cents a litre more than we are from the same source, and on a reasonable basis that's taking more out a barrel of oil than the province is. There is the question of consumption. The question of consumption's important in terms of the environment, as I pointed out.

So you see, Mr. Speaker, these taxes do have more than just the principles outlined in the legislation itself, and I was glad that other people raised that. I wanted a chance to debate and to rebut that particular point. So if these people from the NDP Party – and that's a footnote to *Hansard*, by the way: NDP Party. Do not correct to ND Party, it's NDP Party. Those are my words, Mr. Speaker. I don't want that changed, *Hansard*; that's parenthetical. NDP Party, because Wild Bill likes it so much. The NDP Party across the way must be, as I said, looking out of one side of their head when it comes to these kinds of taxes. These are contemporary taxes being applied across all governments. They have other objectives that are being served besides the revenue objective, and they're extremely important, as well, to our financial plan.

So, Mr. Speaker, with those few words . . . I could perhaps deal with the Member for Westlock-Sturgeon, when he returns, at some other point, in committee. While he talked about the broad brush, it was more apparent to me that he was using the spray gun approach to the whole issue. But I'll leave those comments to some other time, and I'll simply move second reading of this Bill.

[Motion carried; Bill 20 read a second time]

Bill 25

Alberta Income Tax Amendment Act, 1990

MR. JOHNSTON: Mr. Speaker, Bill 25, the Alberta Income Tax Amendment Act, is before the Legislature for two major reasons, I guess. I again must refer to the depth and perhaps complexity of this legislation. For that I accept some responsibility, and to some extent I provide an apology for the way in which the personal income tax legislation in this country has now evolved to a state where it's extremely difficult for an individual

to understand the Act, to be acquainted with the law, and therefore puts the individual at some peril in terms of abiding by the law, because this system is based on self-policing when it comes to income tax. So there are administrative changes in this piece of legislation which, as I've said in other Acts, are there to parallel the changes in the federal legislation.

What I want to draw to the attention of the members of this Assembly today is that the changes that were outlined here today are somewhat different in terms of process. Historically what we have legislated to ensure that our Alberta income tax legislation parallels the federal legislation is to pass identical sections under Alberta jurisdiction that parallel the sections in the federal legislation. That has been the approach we've used to harmonize the legislation to this point. This piece of legislation, Mr. Speaker, has a somewhat different approach in that it simply says that this section is being amended to follow the changes in the federal legislation. That provides that in subsequent years, and this is perhaps an expression of good faith as much as anything, we'll not have the same degree of administrative amendments to our Alberta income tax legislation that we have had, because as the Act changes federally, it will then change here provincially, so it will become an automatic consequential amendment in our own legislation.

Now, I recognize there is some peril and some risk there in that some of the sections amended by the federal government may not necessarily agree with ours or we may not agree with their principles, but in 99 percent of the cases we do agree with the amendments that the federal government puts through. I should point out that, as a matter of contract, the province has entered into a tax sharing agreement with the federal government. In that agreement we are bound by essentially their administration and their enforcement of the Act, and we agree to comply with the majority of the changes to the personal income tax legislation. So that's the one change which is in this. Nonetheless, these are essentially a bundle of administrative changes.

In this piece of legislation as well – the second point, Mr. Speaker – is an amendment to the personal income tax legislation to deal with the changes announced in the budget for the Alberta royalty tax credit. The changes there, of course, dealt with the cap and the rate and the price sensitivity that was discussed in the budget. We've had 28 or so days discussing the budget; we've had an opportunity to examine that. Because it is possible for an individual, aside from a corporation, to invest in a royalty property and be eligible for Alberta royalty tax credits as well, this legislation therefore must provide for the same adjustments to a person having organized his affairs to take advantage of the ART credit, and that's provided for in this legislation.

I think, Mr. Speaker, those are the major changes that are in this piece of legislation. I'd be glad in committee study to spend more time dealing with the item-by-item changes, a fascinating area for those of you who want to pursue it but, generally speaking, mostly left to tax lawyers and tax accountants.

Mr. Speaker, I move the second reading of Bill 25, Alberta Income Tax Amendment Act, 1990.

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

MR. MITCHELL: Thank you, Mr. Speaker. I'm willing to accept the Treasurer's general description of this Bill as being more or less administrative and required as a necessity in

running the tax regime in this country. But I'm wondering, given that it is essential to the federal government's ability to collect taxes in Alberta, whether he has considered that there may be some kind of leverage to which this process can be put in his negotiations and suit with the federal government over the upwards of \$600 million that we in Alberta feel that the federal government owes us, specifically this year the \$250 million that the Treasurer is attempting to wrestle from the federal government, and whether in fact we might hold up this process until Ottawa is willing to pay us the money that they clearly owe us under equalization or stabilization programs.

MR. McEACHERN: Mr. Speaker, this Bill is rather complicated in its terminology, but the process of eliminating large parts of the provincial Act and substituting sections of the federal Act one can only believe will make administration somewhat simpler and easier in interpretation. But the Treasurer himself raised a potentially serious problem. What that does is mean that there are large sections of the Alberta Act that will be amended by the federal government, in many cases, I would assume, without consultation with the province, or at least there is that danger. So I guess what I'm asking the Treasurer is: what mechanisms is he putting in place so that somebody will always and constantly be monitoring exactly what changes are coming down the pike from the federal government and whether or not those are acceptable or not acceptable to the province of Alberta? And if they're not, what do we do about it? I realize that the federal government does the administration and the interpretations of the Act in terms of collecting the taxes anyway. Nonetheless, there may be times, in some aspects of changes they make over the years, in the future that the Alberta government doesn't want to agree. I'm asking the Treasurer: what kind of monitoring mechanism is he putting in place, and what right would he have then in terms of backing up and instead of bringing in new legislation, which could get quite complicated, I guess, to counteract anything that the federal government might do that we disagreed with?

As to the royalty tax credits sections, I think we could look at those changes in more detail in Committee of the Whole.

So I would just have that question for the Treasurer on this Bill.

MR. ACTING DEPUTY SPEAKER: The hon. Provincial Treasurer, to close debate.

MR. JOHNSTON: Well, Mr. Speaker, it is a rather unique and to some extent cumbersome process that we go through to parallel our Acts with the federal Act. Nonetheless, the tax collection agreement, which has been signed by Alberta and Canada, has for its administrative efficiency certain agreements that require us to comply with the federal legislation. Those are set out, for example, in section 6, which provides that the province will maintain the provisions of the provincial Act and regulations relating to the administration, enforcement, and collection of the Income Tax Act in a form similar to the corresponding provisions of the federal Income Tax Act. That's essentially the wording of the agreement that we've complied with.

But it is one point which has concerned me as well: what is it we're doing? Some people may suggest that we should have our own provincial income tax legislation, similar to what Quebec has done, but of course the administrative question there would be one which we'd have to debate quite carefully.

It would allow us to do certain things which may satisfy the economic objectives of Alberta more than being tied to the federal government legislation. We do have our own corporate income tax system which allows us to do just that.

There are problems with the federal system. For example, I've said in the House on many occasions that we would like to make some adjustments to the way in which the provincial income tax is calculated. Perhaps instead of the provincial tax being a tax on tax – tax on federal tax – it would be more appropriate if it was a tax on taxable income similar to the temporary flat tax that the province now levies. That's a position taken by most governments right now, and we're encouraging the federal government to consider it, but it's not a secret that Mr. Wilson, the federal Finance minister, is reluctant to make those kinds of changes which provide some form of leakages in the total tax system. The federal government likes to control these systems under their own base definition, under their own regulation, and under their own enforcement process. So it's a fairly important matter to the federal government.

When we want to make changes to the personal income tax – for a variety of income tax credits, for example – we have to go to the federal government to ask them for approval to change the tax form, give them ample warning of it, and not always are we successful. In fact, recently we've been unsuccessful more times than successful. So the question of jurisdiction, the question of provincial rights does come to issue here, and whether or not you want to get into a linkage question, which the Member for Edmonton-Meadowlark has pointed out, is part of this issue. Do you want to say that we would refuse to amend our legislation to comply with the federal legislation as some form of a linkage with such things as the stabilization payment? Well, those are difficult questions, and this government has not usually used linkages to argue the point, but I do generally agree that we need to think through where we stand with respect to Alberta income tax, whether or not it's serving the objectives of the people of Alberta by being delivered and enforced and under the federal jurisdiction essentially, and whether we could do something better to improve it here. Nonetheless, finance ministers as a whole are concerned about certain fundamental changes to the Act that I've talked about, in particular the way in which Alberta provincial tax is applied, and we're pressuring Mr. Wilson right now to make those changes.

Generally speaking, those are the comments that I have on some follow-up with respect to second reading. I would move, Mr. Speaker . . .

MR. McEACHERN: What about the monitoring part?

MR. ACTING DEPUTY SPEAKER: Order.

MR. JOHNSTON: I'm missing something. I'll get you in committee. Okay?

I move second reading of the Bill, Mr. Speaker.

[Motion carried; Bill 25 read a second time]

Bill 26 Utility Companies Income Tax Rebates Amendment Act, 1990

MR. JOHNSTON: Mr. Speaker, the Utility Companies Income Tax Rebates Amendment Act is here for second reading and consideration by the Assembly. This is a fairly simple piece of

legislation. Again, it follows from the Budget Address and budget principles and the fiscal plan and has been debated here over the past 25 to 27 or so days.

Essentially, the Act does two things. First of all, it terminates the rebate of provincial income taxes paid by utilities for the 1990 and subsequent taxation year, and secondly, it ensures that any income earned after April 1, 1990, on the utility companies' income tax federal side is remitted to the General Revenue Fund. Remember, Mr. Speaker, that this Act still provides that the federal tax on utilities flows through to consumers, and that has not changed. Other provinces, I might note, have captured the federal tax as well and taken it back for General Revenue Fund purposes.

We have had some discussion already on the impact on individuals as consumers. This is quite a complex area, Mr. Speaker, made up of questions of utility board applications, made up of questions of electrical marketing agency allocations, made up of questions of other plants coming on stream, made up of other concerns entirely within the ambit of regulatory authorities. Therefore, it's hard to isolate specifically what will happen, but we think in a general sense the impact on the consumer in Alberta will not be all that significant but may be more significant with respect to the corporate side.

Mr. Speaker, the responsibility for the actual administration of the electrical utilities is with the Minister of Energy. The Treasurer's responsibility is for the two funds that allow the transfer of money, the income tax in particular, and that's what this Act has done. Fortunately, this is a short Act, because the principles are very simple. The administration with respect to electrical utilities is far more complex, but I would still move the second reading of this Bill today.

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

MS BARRETT: Thank you, Mr. Speaker. This Bill, I believe, constitutes yet another stone in the wall that this government is building against the people of Alberta. They never talked about this sort of legislation or consumption taxes during the last snap election of 1989. They never talked about it last spring. They just said, "Don't worry; no more taxes," and then started to retreat saying, "Oh, well, we only meant income taxes."

But I'll tell you why I find this Bill so particularly offensive, Mr. Speaker. A few months ago, before this House resumed its spring sitting, the minister for social services said, "Look forward to an announcement about social allowance rates." I'm still looking forward to an announcement about social allowance rates. Rents are going through the roof whether you're renting a house or an apartment. The minimum wage hasn't been increased. The poor people haven't had any sort of increase for the last couple of years, and now this mean-minded government not only says, "We are going to tax the dickens out of you every time you go and buy something, including gasoline," now they're going to take away your rebate on your home heating. Well, talk about slapping the lowest income people, many of whom are working poor because this government doesn't have the political guts to index the minimum wage. This is the biggest slap in the face as far as I'm concerned, because for six months of the year you have to have that furnace going full blast. Six months of the year to maintain warmth it costs poor people a lot more than they can afford and a lot more than this government allows in shelter allowances and utility costs.

I'll tell the Provincial Treasurer a little story. It's related to the VAT in Britain, but it's absolutely relevant in this case, and it's the reason I'm so angry about this Bill. When I moved there in 1979, the day I arrived happened to be the date that the VAT was raised from 10 to 15 percent. That's the British equivalent of the GST. I couldn't understand. You know, the guy who was supposed to pick me up wasn't there. He was always late, I was later to find out. So I went into the airport, and it was on the front of every newspaper. I didn't even know what a VAT was until I got there. Anyway, I couldn't understand why it was such a big issue. Well, I learned over the course of the next few weeks why it was such a big issue, but in no way did I learn that lesson so profoundly as compared to the date that I was on the tube in Glasgow. I had been doing this every week, going to the downtown library in the middle of the week to avoid the big crowds, and finally I as a foreigner got up the guts to ask these people who I saw on the tube all the time and who were talking to each other and drinking tea from thermoses and reading newspapers and books. It looked like a regular little coffee club. I couldn't figure it out. Finally, I got the guts and asked this one old guy: "What's going on? You guys seem to know each other." He told me that since the VAT had been raised to 15 percent, the poorest people – those on fixed incomes, mainly pensioners in this case – found it cheaper to spend 25 pence to sit in the tube all day long than to heat their homes, Mr. Speaker. Now, if that isn't a disgraceful example of the inhumanity of certain types of taxes and certain types of Acts like this one; I can't think of anything worse.

I think the lesson ought to be learned by the Provincial Treasurer, whom I suspect is in his last term sitting in that role. Think about the poor people who can't afford the utility rates that they're paying already, and think about the poor people whose minimum wage hasn't been increased in the last couple of years because of this silly government's pre-election attitude that that's the only time you raise their rates. Think about the poor people who are still waiting for their shelter allowances and food allowances and utility allowances to be raised, Mr. Speaker. I hope you don't sleep tonight.

MR. DOYLE: Mr. Speaker, I think this attack on the consumers of a privately owned utility company certainly is not fair to those of government owned utility companies. The Public Utilities Income Tax Transfer Act was instated in 1947 by Mitchell Sharp. Of course, at that time it was put in because of the fact that the federal and provincial power companies did not have to pay taxes to their federal and provincial counterparts, so they said that they should bring in a tax that would be fairer so power rates could be fair across this country. The provincial governments of the day went along with it and did not charge taxes, or they charged taxes and then rebated them to the private utility companies.

I have a letter, Mr. Speaker, from the town of Hinton, signed by the mayor, representing almost 10,000 people. It says in part, and I quote:

We definitely feel that it is wrong to discriminate against customers in areas served by privately owned utility companies, compared with customers in areas served by Government owned utilities.

We as a Council are definitely against this type of selective [tax] and request that the Government reconsider their decision to eliminate the income tax rebate.

Signed by the mayor, Ross Risvold, of the town of Hinton. Also, I have one from the town of Edson signed by the town manager, Dwight Stanford, that says basically the same thing.

They believe that the recent decision by the Alberta government to eliminate the provincial portion of the Alberta income tax rebate is certainly a discriminatory act. The original intent of the income tax rebate program was to provide customers of privately owned utilities, which pay taxes, equitable treatment to customers of government owned utilities, which do not pay taxes. The effect of the elimination is a selective tax on customers of privately owned utilities, Mr. Speaker, and they certainly requested the government of Alberta to reverse their decision to eliminate the provincial portion of the income tax rebate announced in the March 22, 1990, provincial budget.

This is a very aggressive thing against the utility payers in the province of Alberta, especially with TransAlta Utilities. Their rates to municipalities are going to increase somewhere between 25 and 28 percent. Mr. Speaker, this government last year let those companies overcharge the customers of this province almost \$100 million, and now with taking away the income tax rebate, the power company has no other choice but to raise rates in the province to recover the losses under the Public Utilities Income Tax Transfer Act. I'll tell you, I really believe that what the government is trying to sell as a reduction in corporate welfare is actually a measure to take at least 4.5 percent more out of the pockets of Albertans by way of their power and gas bills.

From his statements I would hope that the minister would decline to use another consumption tax to rip off the people of Alberta.

MR. ACTING DEPUTY SPEAKER: The hon. Provincial Treasurer, to conclude debate.

MR. JOHNSTON: Mr. Speaker, I have no concluding comments.

SOME HON. MEMBERS: Question.

MR. ACTING DEPUTY SPEAKER: The hon. Provincial Treasurer having moved Bill 26, the Utility Companies Income Tax Rebates Amendment Act, 1990, for second reading, all those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. ACTING DEPUTY SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. ACTING DEPUTY SPEAKER: It's carried.

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

[Mr. Deputy Speaker in the Chair]

[Eight minutes having elapsed, the House divided]

For the motion:

Adair	Getty	Orman
Ady	Gogo	Osterman
Anderson	Horsman	Paszkowski
Bogle	Hyland	Payne
Cardinal	Johnston	Rostad
Cherry	Jonson	Severtson
Clegg	Kowalski	Sparrow
Day	Laing, B.	Speaker, R.
Dinning	Lund	Tannas
Elzinga	Mirosh	Trynchy
Evans	Moore	Weiss
Fischer	Musgrove	West
Fowler	Nelson	Zarusky
Gesell		

Against the motion:

Barrett	Hewes	Mitchell
Doyle	Martin	Pashak
Ewasiuk	McEachern	Roberts
Hawkesworth	McInnis	

Totals: Ayes – 40 Noes – 11

[Motion carried; Bill 26 read a second time]

MR. HORSMAN: Mr. Speaker, it's proposed this evening when the House reassembles to deal with third reading of Bill 41 and then to proceed with Committee of the Whole study of Bill 21 and other Bills, roughly and hopefully in numerical order as shown on the Order Paper.

[The House recessed at 5:27 p.m.]

