Legislative Assembly of Alberta

Title: **Thursday, May 31, 1990 8:00 p.m.**

Date: 90/05/31

[The Committee of the Whole met at 8 p.m.]

head: **Government Bills and Orders**
Committee of the Whole

[Mr. Jonson in the Chair]

MR. DEPUTY CHAIRMAN: Order please.

Bill 10
Small Power Research and Development Amendment Act, 1990

MR. DEPUTY CHAIRMAN: Three different sets of amendments have been provided and circulated to all members. I will start with the government amendment to Bill 10.

The hon. Member for Pincher Creek-Crowsnest.

MR. BRADLEY: Thank you, Mr. Chairman. I haven't received the other two amendments which are being proposed, so I'd appreciate if the Chair may be able to supply them to me. I don't know if they've been circulated on the desks or not.

Regarding the government amendment, Mr. Chairman, after review of the proposed amendments, it was required that further amendment to the section regarding rebates and income tax paid was necessary, and the purpose of this section was to ensure that the small power producers could be paid an amount in respect of income taxes paid but not rebated. So it's just a clarification in terms of how regulations would be passed, what would be taken into consideration. The intent of the amendment is to ensure that the small power producers receive the full treatment that they should receive and so that they would be treated similarly to utility companies.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Hon. member, did you wish to move the government amendments so they could be distributed?

MR. BRADLEY: I so move the amendment.

MR. DEPUTY CHAIRMAN: The government amendment has been moved. Is there any discussion on the amendment?

The Member for West Yellowhead.

MR. DOYLE: Mr. Chairman, I understand that the hon. Member for Pincher Creek-Crowsnest must make this amendment in order to bring in line the fact of the heavy-handedness of this government by cancelling this utility company's income tax rebates to the power companies, which is going to cause all the rates in this province to go up by a monstrous amount. So, Mr. Chairman, I'm pleased that he did find this in the Act, and I'll allow this amendment to go through.

MR. DEPUTY CHAIRMAN: Are there any further speakers?

[Motion on amendment carried]

MR. DEPUTY CHAIRMAN: Are there any questions or comments or further amendments to Bill 10 as amended?

The Member for West Yellowhead.

MR. DOYLE: Mr. Chairman, I have no amendments to the Bill, but I certainly have comments on the Bill.

Mr. Chairman, I missed the original debate on the Bill, but going over the member's presentation, I think it's very good that the government is getting behind such things as small power producing with alternate sources of energy. For far too long we've allowed production of electricity to be given mainly only by waterfalls and by coal in this province and the odd oil and gas generation. Of course, the coal and the oil and gas are not the best things we have for the environment, although our low-sulphur coal is much better than what they use in other parts of this country.

Mr. Chairman, I've had the opportunity to tour various places in the United States where they generate electricity with alternate sources of energy. Many of these things proposed in this Bill, of course, are things of the past in the northwestern United States. It certainly is a good idea, though, to help some of those industries out there with forestry development in the areas where it's very expensive to get the traditional power systems built. Many of those people feel that they can use the wood leftovers that have no other use. Most of them are beside water, so it gives them the opportunity to generate their own power and put it back into their own systems.

I'm very pleased, Mr. Chairman, to see that they have included geothermal in this particular renewable energy project. Geothermal, of course, is very highly used in the geysers of California and in many other parts of the world. I would hope that the government will be open to suggestions from the area which I represent, West Yellowhead, where geothermal is one of the best sources of alternate energy that's available and completely environmentally safe. You can bring it up from underground, use either the underground water or the surface water, run it through turbines and extract electricity, and put the water back down in the ground.

Mr. Chairman, wind power, of course, is one factor that I'm sure will be helpful in southern Alberta, although it's not a consistent source of power. It's not clear to me whether on low-wind days they're going to hold this electricity by storage batteries or what particular way they do it. They apparently are tying in to the existing systems of TransAlta Utilities or Alberta Power.

Mr. Chairman, I would hope with the new initiatives in small power production that it will, of course, be highly regulated so that there's no danger such as having a three-way throw switch, so that when they tie into the existing systems, it'll be safe for those people who might be working on the other system or vice versa. Those regulations must be followed very closely. The biomass use and the solar use, again, is only a part-time source of energy unless you have some great storage banks or water supplies to store that heat and that energy.

I have to support this Bill, Mr. Chairman, because of the fact that they have allowed into this Act, finally, at this great day, possible development of geothermal in the province of Alberta, and it's not only in my riding, it's throughout this province and especially along the Eastern Slopes of the Rocky Mountains.

Thank you.

MR. DEPUTY CHAIRMAN: Are you ready for the question?

HON. MEMBERS: Question.

[The sections of Bill 10 as amended agreed to]

[Title and preamble agreed to]

MR. BRADLEY: Mr. Chairman, I move that the Bill be reported as amended.

[Motion carried]

Bill 16
Real Estate Agents' Licensing Amendment Act, 1990

MR. NELSON: I have an amendment, Mr. Chairman. The amendment basically is initially to change a couple of words from "operation" to "business."

The primary amendment to the amended Bill that was placed in the House some months ago – under section 15(1) basically what it relates to: if an action commences and no notice is given to the association or the fund, this will allow for the association to appeal and argue their case against the proponent of a motion of claim; that will offer them their argument for the action. Basically, that's all the amendment relates to, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Are there any comments, questions? Voting, then, on the amendment, I might ask if it's acceptable to the committee to vote on all the amendments, all the sections at one time.

HON. MEMBERS: Agreed.

MR. DEPUTY CHAIRMAN: Voting, then, on the government amendment to Bill 16, as proposed by the Member for Calgary-McCall: sections A, B, and C before you.

[Motion on amendments carried]

[The sections of Bill 16 as amended agreed to]

[Title and preamble agreed to]

MR. NELSON: Mr. Chairman, I move that Bill 16 be reported.

[Motion carried]

Bill 18
Personal Property Security

Amendment Act, 1990

MR. DEPUTY CHAIRMAN: The hon. Attorney General.

MR. ROSTAD: I have no further comments, Mr. Chairman.

MR. DEPUTY CHAIRMAN: There is one government amendment to Bill 18. Perhaps the hon. minister would move that.

MR. ROSTAD: Mr. Chairman, actually, it's just correcting a typo. Where we had it amending section (d), it should be referring to (d) and (e). It's of no consequence.

MR. DEPUTY CHAIRMAN: Are you ready for the question on the amendment?

[Motion on amendment carried]

[The sections of Bill 18 as amended agreed to]

[Title and preamble agreed to]

MR. ROSTAD: I move that Bill 18 be reported.

[Motion carried]

Bill 22
Agricultural Development Amendment Act, 1990

MR. DEPUTY CHAIRMAN: There are amendments, as I understand it.

The Minister of Agriculture.

MR. ISLEY: Mr. Chairman, there is a House amendment, which I understand has been circulated. The purpose of the amendment is just to clarify the section which allows the current employees to remain as participants in their existing pension plan in view of the fact that there's the opting out of the public service Act section.

MR. DEPUTY CHAIRMAN: The hon. Minister of Agriculture has moved the government amendment, A to section 4, B to section 5, and C to section 13. It looks like there will be debate, which is fine. We will look at the sections separately if needed.

The Member for Vegreville.

MR. FOX: I appreciate the explanation the minister has provided, brief though it was, for amendment A. He didn't provide any explanation for B and C. I believe they're quite straightforward as well, but did the minister have any comments on B and C before we vote on all three of them?

MR. DEPUTY CHAIRMAN: Are you ready for the question on the amendment?

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: Perhaps we can vote on all three at once then.

[Motion on amendments carried]

MR. FOX: I, too, have an amendment to propose to the Bill. It's being photocopied, Mr. Chairman. I asked for 83 copies a few minutes ago. There may be a lineup at the photocopier, so at the direction of the Chair, if the minister would like to entertain debate on the Bill generally, I'd be happy to oblige and propose the amendment when it shows up here, or I could describe the amendment to the Chairman. It's been authorized by Parliamentary Counsel, and the minister – I think we've got it here.

MR. DEPUTY CHAIRMAN: Perhaps, hon. member, since I understand the amendments have arrived, you could explain your amendment, and then they'll have it in a few moments.

MR. FOX: The amendment that I'm proposing to Bill 22, Mr. Chairman, arises from debate that we had during second reading of Bill 22. It's my contention that there is a bit of a loophole in this legislation that would permit the ADC to dispose of land that they hold, without approval of the Lieutenant Governor in Council, to people who are not Albertans. In other words, they could dispose of that land, sell that land without cabinet approval, to foreign interests. I submit that that's a discrepancy,

because when you read the Agricultural and Recreational Land Ownership Act, regulations respecting the ownership of agricultural and recreational land in the province of Alberta, this Act describes land that is subject to the foreign ownership regulations. Specifically, in the interpretation section of this Act, they exempt land of the Crown in right of Alberta. In other words, they exempt Crown land from the provisions of these foreign ownership regulations, Mr. Chairman.

Members of the Assembly might recall that prior to the announcement of the pending deal on the sale of the Cormie ranch, the Lieutenant Governor in Council had to provide an exemption from the provisions of these regulations so that deal could be at least put on the table and perhaps even consummated. But Crown land is exempt. Crown land can be disposed of without being subject to these restrictions governing foreign ownership of agricultural and recreational land in the province of Alberta.

I recognize that debate on this Bill is not the avenue or the forum to try and tighten that up in a general sense, but I submit that it does give us the opportunity to tighten it up with respect to Crown land that is in the hands of the Agricultural Development Corporation.

When I brought this amendment, Mr. Chairman, to the attention of the minister, he seemed to think that it wasn't necessary because those provisions already exist, that ADC land is subject to these regulations because ADC land is not Crown land. I have discussed it with learned legal authority on more than one occasion, and I can't see how ADC-held land, for however long it may be held, can be determined as anything other than Crown land, because when ADC takes land back from a farmer, either through quitclaim or foreclosure, they're doing it in the name of the Crown. The ADC is an agent of the Crown; therefore, the land is Crown land. I think the minister should recognize that and be prepared to take a fresh look at this amendment that I'm proposing.

The amendment described to members would be that we take section 12, which is on page 5 of Bill 22, and add the following after the proposed section 19(1.1):

> (1.2) Notwithstanding subsection (1), the Corporation shall not, without the approval of the Lieutenant-Governor-in-Council, dispose of land to a foreign controlled corporation or an ineligible person as defined in the regulations pursuant to The Agricultural and Recreational Land Ownership Act.

Now, that's not a stringent requirement. That's not a very limiting restriction on disposal of ADC land to foreign corporations or ineligible persons as described in the Agricultural and Recreational Land Ownership Act. All it does is require ADC, before considering such a sale – and I hope they never would – to get permission from the Lieutenant Governor in Council. In other words, the decision about whether or not they sell 300 or 400 quarter sections they currently hold title to that they've taken back from farmers in the province to some foreign agribusiness multinational, for example – the way I read this currently – could be made between the chairman of the ADC and the Minister of Agriculture over a cup of coffee. Now, I trust them both to make responsible decisions, but after the Minister of Agriculture nearly tripped the Premier walking through the aisle behind his chair yesterday, I don't know how much longer he's going to be Minister of Agriculture. So I have to shore these things up a bit so that, you know, we're protected no matter who's Minister of Agriculture. Maybe it'll be me someday, hon. members, and we have to make sure that I don't have carte blanche to make decisions like that.

It would require the ADC as an agent of the Crown to get permission of the Lieutenant Governor in Council. Now, goodness knows, after my four years in this Assembly I understand that Conservatives think with one mind, that whatever the decision-maker in that group decides is going to happen happens. But at least it would be subject to the scrutiny of cabinet. That's a fairly broad-based decision in some senses, because we've got an impossibly large cabinet in this province, much larger than most provinces, I might add. But it would at least require that this pending sale, contemplated disposal of the land to a foreign corporation or ineligible person as defined in the Agricultural and Recreational Land Ownership Act, be submitted to the Lieutenant Governor in Council, debated, and then approved on its merits or rejected on lack of same.

I think it's something that the minister should think of. I reminded him during second reading that one of the recommendations that came out of the review of the role and mandate of the Agricultural Development Corporation that was published in the report Options and Opportunities was that there be a relaxation on the rules and regulations respecting foreign ownership of land in Alberta. That worries me. That worries me because I think, indeed the Official Opposition thinks, that ADC-held land should as quickly as possible be returned to family-owned and -operated farms in the province of Alberta. We don't like the idea of the state being a massive landowner, dispossessing family farms and holding onto this land. We think it should be returned as quickly as possible to family-owned and -operated farms in the province of Alberta.

Quite frankly, I'm worried. I'm quite worried by experience. This very day we saw the Premier stand in this Assembly and announce that his government's making plans to sell off the assets of the provincial telephone utility, AGT: sell off AGT. And the reason they're doing it, ideology aside, is to provide some quick-fix cash for the Provincial Treasurer to pretend that he's able to balance the books and reduce the deficit to zero.

MR. ISLEY: A point of order, please, Mr. Chairman.

MR. DEPUTY CHAIRMAN: A point of order. The Minister of Agriculture.

MR. ISLEY: What does the sale of AGT have to do with the legislation under debate?

MR. FOX: It's an example, Mr. Minister of Agriculture, and one that you should be able to see very clearly, because one of the other assets that this province holds is Crown land: some three or four hundred . . .

MR. DEPUTY CHAIRMAN: Order please. Order.

MR. SIGURDSON: Even Jesus used parables. Come on.

MR. DEPUTY CHAIRMAN: Order, Edmonton-Belmont. I would like to just say at this point in response to the point of order that was raised that to a limited degree I felt the remarks were in order in terms of the sale of an asset, but I felt the debate was starting to drift away from the amendment. So, please, on the amendment, hon. member.

MR. FOX: The raison d'être for the amendment, Mr. Chairman, is because I know from experience that this government yields to the political temptation to make short-term decisions,

decisions about what's good for the Conservative Party politically rather than what's good for the province long term, economically and socially. I used AGT as an example of that, and I think the potential of the sale of ADC-held land to foreign interests by this government is a realistic concern based on experience. That asset is a valuable one. I suggest that there may be people interested in acquiring it. There may be foreign corporations or ineligible persons, as described in the Act, who are interested in acquiring that land, and I want to make sure that before the minister, under instructions from his Provincial Treasurer, yields to that temptation, he has to jump through more than one hoop to do it, and that is that that would require that such a sale be subject to the examination or scrutiny of the Lieutenant Governor in Council, the approval of the Lieutenant Governor in Council. I'm admitting that that's not a substantial roadblock, given the way this government operates, but I think it's a reasonable safeguard.

Mr. Chairman, I would point out that there are other things in this Bill that say that ADC can't do certain things. In fact, the section I'm amending says that ADC can't do certain things without approval of the Lieutenant Governor in Council. The existing section 19(1.1) says that

> . . . the Corporation shall not, without the approval of the Lieutenant Governor in Council, acquire, hold or dispose of land for the purposes of withdrawing land from agricultural use.

I think that's a positive amendment. That's not going to put much of a roadblock in their way, but it's a positive amendment that at least causes some examination to be made by duly elected officials before decisions like that are made. The clause I'm proposing is an additional clause to 19(1.1) that would tighten it up with respect to the foreign ownership of land in the province of Alberta.

If the Minister of Agriculture is of the opinion that this amendment shouldn't be passed because he doesn't like the idea of the amendment, then I'd like him to stand in his place and say so. But if it's because he honestly believes that ADC-held land is not Crown land, then I'd like to hear his reasons, because anybody I've talked to who's in the business of handling land transactions believes that ADC-held land could easily be described as Crown land because it's land held for the Crown. I'd like to hear the minister's response to that.

MR. ISLEY: Mr. Chairman, I have no problem with the idea the hon. Member for Vegreville is proposing because it's already in place. Therefore, I see no sense in further cluttering up the Act.

The actual practice of ADC since 1972 has been to make all land sales subject to the land ownership Act and the foreign ownership of land regulations. The best legal advice that we're getting, that we've been obeying for all these years, is that we're not dealing with Crown land in the normal sense. We're dealing with private-sector land that has been quitclaimed back to ADC or foreclosed upon, and hence for a short period of time ADC holds ownership of it.

One significant practical difference that has occurred over the years, as I think the hon. Member for Vegreville and others know, is that the provincial government does not pay taxes to municipalities on Crown lands. Over all these years, on any land returned to ADC, ADC has been paying regular property taxes to the municipalities. Obviously, if we were treating them as Crown lands, we wouldn't be expending those moneys; the municipalities would not be receiving those taxes. So I have to assume that the legal counsel that we're getting is correct, because we're paying a bill in connection with it.

I submit that the amendment is redundant because currently ADC cannot dispose of their land without it going through an order in council if it's a foreign owner. Hence I would encourage hon. members not to further clutter our legislation and vote against the amendment.

MR. TAYLOR: I'll just take a minute to speak to it. I can understand the minister's answer, that it's subject to the foreign ownership Act and other normal things that the Lieutenant Governor in Council would find, but I am thinking of a form of disposal that would either go to large corporate farms or land for tax write-offs to corporations of some sort. I don't know; it may be too fine a point in a way, but that was a fairly major policy decision. As long as the Lieutenant Governor in Council was just looking at what to do with land as far as foreign ownership was concerned or grazing leases or how it fit in to an overall pattern, it wouldn't matter, but I wonder whether we want to give the authority to a minister – and it might not always be under such an efficient administration as it is now – to be able to transfer land to tax loss companies, to corporations, to agribusinesses that may be not too related to it. I think there's a chance to get around the general policy of the Legislature. Consequently, I think the amendment submitted by my friend from Vegreville – although he often misses the mark, this time I think he has hit the mark, and it is worth supporting.

MR. DEPUTY CHAIRMAN: The Member for Vegreville.

MR. FOX: Mr. Chairman, the reason given by the hon. Minister of Agriculture for rejecting this amendment: he doesn't want to clutter up the Act. Well, I mean, let's not be foolish here, hon. minister. There are but a few words written on a piece of paper. There's room at the bottom of this page to add them. It's not cluttering up the Act. What he's saying to us is that based on existing practice, he doesn't think it's necessary, but existing practice is not law in this sense. We have to be careful when we draft laws for the province of Alberta that we say what we mean, that we mean what we say, and that we choose the words carefully.

He's saying that what I'm proposing in this amendment is already the case, because disposal of ADC-held land is already subject to the regulations, but the regulations clearly exempt Crown land from the provisions of these regulations. The definition is here. The interpretation exempts Crown land from the provision. So the opportunity is clearly there for someone sometime in the future to view this sale differently. The minister is shaking is head; I can hear it rattling from here. He provides for us a definition of Crown land suggesting that ADC-held land is not Crown land because they pay taxes on it. Now, if the minister could provide me a definition of Crown land where it says, "Crown land: that land upon which no taxes are paid to local municipalities," then I'll sit down and forever hold my peace, but that's not how it's defined, hon. minister. Even in the case of Crown land the government pays grants in lieu of taxes. It's a mere formality. The sponsoring municipalities or the host municipalities still get money from the provincial level of government into their coffers as a result of that Crown land having taken some land away from their tax base.

I might point out to the hon. minister that when the Minister of Forestry, Lands and Wildlife – well, maybe I won't say it that way. Let's say that when a community grazing association adds land to their grazing association land base, it is often patented, deeded land upon which taxes were paid that's bought from somebody and then becomes Crown land. Crown land isn't

always virgin land on which no title was ever issued. Crown land is land that's sometimes acquired through other means. All I'm suggesting is that, you know, we tighten up ever so slightly this restriction.

I wouldn't have even thought of it had I not seen the direction hinted at by this government in the report on ADC land, Options and Opportunities, where they suggested that we should loosen the regulations respecting foreign ownership of farmland in the province of Alberta. Perhaps the minister could tell me this: when the government is tallying up the assets of government – the Provincial Treasurer likes to say that we're the only government in Canada that has more assets than liabilities – do they include the value of ADC-held land? Is that considered an asset of government at the time it's held by ADC? I'm sure it is. I'm sure ADC has assets and liabilities. Land they hold is considered an asset, and the liabilities against that and other land is considered a liability. So it's counted as an asset of the Crown; it's got to be considered Crown land. I await the minister's arguments.

MR. ISLEY: Mr. Chairman, I'm quite aware of the fact that we as a provincial government choose to pay grants in lieu of taxes on Crown-owned properties, and I underline the word "choose." ADC is not choosing to pay taxes on ADC-held land. ADC is responding to a tax bill the same as any private owner out there is.

I think there are some further consequences if we proceed with this amendment and deem that ADC land is Crown land in the purest sense, because it could mean a loss of taxation to some municipalities out there. That can vary over time depending on how big the inventory is. Fortunately today the inventory is declining. What I am saying to the House, Mr. Chairman, is that for all the years this has been in place, everyone has deemed that ADC land is subject to the foreign land ownership Act, and none has been sold without proceeding through there. We've been deeming it as non Crown land, and paying taxes to the municipalities based on that, and that's on the best legal advice I can get. So I again repeat to the House that unless I can receive better legal advice, all we'd be putting in the Bill would be something which is unnecessary but which might lead to a reclassification of ADC land to the detriment of the municipalities in this province.

[Motion on amendment lost]

MR. DEPUTY CHAIRMAN: The Member for Westlock-Sturgeon on the Bill as amended.

MR. TAYLOR: The Bill as amended: I'm not going to try to amend the Bill. As I mentioned in the second reading, I disagree with the whole philosophy of the Bill. I believe that the government is letting socialism and government interference run rampant by having ADC, the Alberta Opportunity Company, Alberta Housing. Everywhere you turn around, there's somebody playing at being banker. Really the only thing to recommend them for banker quite often is the fart that some Tory had recommended that a loan be made.

After passing second reading . . . [interjection] The chattering of the Member for Vegreville or the rattling in the head: I couldn't tell which one it was. I'm faced now with a rather imperfect instrument that I will try to make more perfect. In other words, I'd rather use a posthole digger, but I'm stuck with using a rubber shovel, Mr. Minister, invented by the NDP.

Now, one of the first things that bothers me is the question of the loans. Many of the farmers I've talked to have felt – and I'd like to hear the minister's opinion on it – that there should be some way of making beginner loans or young farmer loans only to those farmers who have made some effort to acquire some expertise in farming. Now, it's not necessary that you have a degree or a certificate, but there should be some qualification to illustrate that the young man or woman is not so much a farmer but indeed has some knowledge of farming. I remember at a recent forum that most of the farmers seemed to argue that although weather and crop prices still are the large reasons for bankruptcy, one of the major reasons is still inefficiency in management, and I think a lot of it could be cut back by ADC, which of course is a big lender now in agriculture, having some sorts of restrictions in education qualifications for the young farmer borrowing.

Now, to go on – I might as well do a number of them while I'm up here. In section 5.1(l)(b) and a couple of other areas it would appear that you've given too much power – an individual officer is allowed to do this; an individual officer is allowed to do that. Maybe the minister could tell me what this system is for appeals from an agent or individual officer's ruling. It seems to me that one person has been given too much latitude, and the farmer is almost defenceless. Now, agreed, if there is a number of financial institutions in the game, this does not come about, but as ADC moves closer and closer to having an monopoly on farm lending, I think it's quite important that if the officer makes a decision that a farmer finds it difficult to live with, is either turned down or there's a question of abating interests – after all, ADC is being equipped now to do many, many things: leasebacks and everything else – is there a regulation appeal procedure that we can work on.

The leaseback clause bothers me somewhat in that it's something, as you know, that I've argued for some years. Now that you've entered, rather tiptoed rather querulously and carefully into the whole land of leasebacks and discovered that the strange, new territory the people have been explaining to the government for the last five years exists out there, why . . . I did call the ADC directors here, and they tell me that the leaseback option does not exist if the farmer is so much in debt that the debt exceeds the value of the farm. Well, why in hell would they – that's the time you need it most. Not when the farm value exceeds the debt, but when the farm value is less than the debt: that's when we have to do something. Obviously if you don't give a leaseback to the farmer and the mortgage is high and you repossess the land and put it on the open market, you've given the new person that comes along a write-down that the person who's presently living on the farm may not have a chance to. So I would like the minister to explain whether indeed the information I got from the ADC office that a leaseback will not be granted where the debt exceeds the value of the farm – I'd like a little more input on that.

> The other thing, Mr. Minister, the next area, is section 6(2): The Corporation may, with the prior approval of the Lieutenant Governor in Council, borrow money to achieve the purposes of this Act.

I notice that the hon. Provincial Treasurer isn't here, but I feel that this is taking the responsibility away from the Provincial Treasurer – see the former section 11 – and giving it to the cabinet. The Provincial Treasurer tries to keep tabs on expenditure, but when the cabinet is responsible, really no one is responsible. I'm not saying that the cabinet is irresponsible, but acting as a group you can't pin it on any one person. So I think I'd like the minister to explain why he felt it was necessary to

take the responsibility of deciding whether ADC could enlarge its capital, borrow money, by going to the cabinet rather than to the Provincial Treasurer. I thought the old system worked reasonably well.

Another area: I'm wondering why the Agricultural Development Fund – the repeal of sections 11 and 12 means that the Agricultural Development Fund disappears. [interjections] The hon. Member for Edmonton-Kingsway, who raises so much hell if anybody interferes when he's talking, is now doing most of the chattering in the front row here.

MR. McEACHERN: Sorry, Nick.

MR. TAYLOR: Why don't you follow your own advice? [interjections] Okay.

Where's the hon. Mr. Nelson? I'd like to get him into the . . .

MR. DEPUTY CHAIRMAN: Order please. Let's proceed.

MR. TAYLOR: What I wanted to get at here is that the repeal of sections 11 and 12, abolishing the Agricultural Development Fund – surely there is a reason that . . .

MR. FOX: Shirley's not here.

MR. TAYLOR: I guess the hon. Member for Vegreville feels he has to talk for two.

Surely there must be some solid reason for that. We need checks on the ADC.

I'm just going to wait until the minister is free here.

AN HON. MEMBER: Come on, Nick; get on with this. [interjections]

MR. TAYLOR: No, I'm waiting until the minister is free. She would cause me to stop.

MR. DEPUTY CHAIRMAN: Hon. Member for Westlock-Sturgeon, please proceed with your speech. [interjections]

MR. TAYLOR: All right. Jealousy will get me everywhere.

I wanted to know: why the abolishing of the Agricultural Development Fund?

You blush prettily.

Section 13(h), if you're making notes, the deletion of "secondary agricultural industries": why is that gone? Does that mean that agricultural processing industries are supposed to go somewhere else now? I don't know what the definition of "secondary" means. That's in section 13(h). It may even expand it, but this is what I'd like to know from the minister: whether you're throwing out secondary agricultural industries as a possible recipient of loans or whether you've enlarged it.

AN HON. MEMBER: Nick, you're wasting our time. Sit down.

MR. TAYLOR: Allow me to cross-examine the fellow. He's never had this much attention in three years. Now you're trying to take away his day in the sun. Mr. Minister, I hope you'll inform your cohorts that your Bill is more important than theirs. They can go back out to the lobby and fool around while we carry on a very intellectual discussion.

Section 17, Mr. Minister. I hope I'm not overloading you. I'm just trying to give you a forkful at a time rather than the whole bale. Section 17 raises the upper limit for loans guaranteed from $500,000 to $1 million. That's a lot of money. It appears that it could be . . . I don't know; are there differences in authorization if you move from $500,000 to $1 million, or is the same person who could do a half a million dollar loan now being allowed to go up to $1 million?

I suppose, lastly, section 23. This is very similar to what the hon. Member for Vegreville mentioned. [interjections] If he blows in your ear, hit him on the nose, will you?

This whole question of section 23: grants or other incentives can be provided for various categories: ". . . who are persons for whom the lending of money is not part of their ordinary business." I guess this is supposed to do for vendor financing, but I think we can do a little better definition, because we could also talk about lending money under that clause and under (d) to agricultural firms or just to somebody trying to get a tax write-off by buying agricultural land.

I know that I've left you with a number there. For somebody that doesn't agree with the whole principle, I've got a lot of questions, but I thought that if you could have the time to answer, I'd appreciate it.

MR. ISLEY: Mr. Chairman, it's unfortunate that the hon. member was opposed to the total Bill in principle, which I had some trouble understanding since he's very often lobbying for constituents to be served by the corporation. Apparently, because he was opposed to the Bill in principle, he didn't listen to the introductory remarks in second reading and as a result is raising a number of questions that have already been dealt with in this House. Because I feel sorry for him and his lack of research ability over there, I will repeat some of the things that have already been said.

First of all, I'm amazed that the hon. Member for Westlock-Sturgeon, representing a rural riding, is not familiar with the current beginner farmer program, which, number one, requires a certain amount of proof of expertise and experience in farming; number two, requires 20 percent of equity before you can start borrowing money; number three, fully recognizes off-farm income; and number four, allows you to come into the program over a series of applications as opposed to once at the well, as the old program existed.

I heard comments about the appeal. We are not in this amendment changing the appeal procedure whatsoever. The appeal process if you're turned down on an ADC loan remains as it has been for a number of years. First of all, the local appeal committee. If you don't receive satisfaction there, then you can appeal to the appeal committee at a provincial board.

ADC is by no means acquiring a monopoly in farm lending in this province. The farm credit stability program, administered through banks, has got at least twice as much money out there today as the Ag Development Corporation has, so we're not creating a monopoly here.

If you understood correctly, hon. member, what the loans officer told you with respect to the leaseback options, then I have a serious problem with a loans officer somewhere, because we don't start looking at the leaseback option until after such time as the ownership of the land has flowed back to the Agricultural Development Corporation. At that point in time, there is no debt owed on the land, so how could there be a rule that says, "If the debt exceeds the value, we won't lease it back"? I would hasten to add that we have a number of leasebacks in place out there, many of them to original landowners, some of them up to a five-year term, but normally it's a one-year renewable term.

I don't know how you can read into this Act that the Ag Development Corporation can borrow money without the approval of the Provincial Treasurer and Lieutenant Governor in Council. That is certainly not the case. I must plead on behalf of the Ag Development Corporation, and any other minister responsible for it will have to plead in front of Treasury Board on an ongoing basis.

You asked why the Ag Development Fund disappeared. I told you in my opening remarks that it was a standard thing to put in Bills back in the early 70s. The fund has never been used. It's redundant. It's disappearing. It's probably going the same way that the Liberal Party will go in this province.

Section 17: the $1 million limit, as I explained in my opening remarks, brings the Ag Development Corporation in line with the current levels of Alberta Opportunity Company lending. That's simply the limit up to which the corporation can lend on its own before going to cabinet for an order in council.

Section 23: you started talking about it having the freedom to make grants, incentives, et cetera, et cetera. You may remember it goes on to say, "as prescribed by the Lieutenant Governor in Council."

I think I have responded to most of the points of the hon. Member for Westlock-Sturgeon that I could understand.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Member for Vegreville.

MR. FOX: Well, thank you, Mr. Chairman. I'd like to make some comments on Bill 22 as amended. During debate in second reading I made some comment with respect to the ADC's ability to respond to changing circumstances. The minister pointed out to me that the ADC at no time called loans on farmers who had off-farm income, and that's correct. What they did do was take away the benefit of the beginning farmer program, which in many cases had the same force and effect in practical terms of calling the loan because it put the interest rate beyond their reach. So I thank him for correcting the record in that regard. I used the wrong terminology, but I'm sure he will agree with me that there were young farmers whose futures in agriculture were ended as a result of that provision, a provision that no longer exists. The corporation now recognizes the reality in agriculture.

I found it very interesting listening to my learned colleague from Westlock-Sturgeon talking in second reading about how the Liberals can't support this Bill because it takes away from the free operation of the marketplace. Really, he doesn't want any farm loans to be made by agents of the Crown, be it ADC provincially or FCC federally. He wants that business to be in the hands of the major banks. I look forward to sharing that information with farmers in the province of Alberta who have 9 percent loans through ADC or 6 percent beginning farmer loans, and some farmers still have 5 percent loans through the Farm Credit Corporation, but the Liberal Party's on record now as not favouring that. They want all the lending to be done by the major banks in the country, and I think that likely fits with reality. When you look at election contribution statements, you'll see that the banks donate very heavily to the Liberal Party, and it's incumbent on the Member for Westlock-Sturgeon to come and act like a shill for the banks in the Legislature.

I didn't, however, hear in his comments to the minister how the Liberal Party's going to vote in committee on Bill 22 as amended. They're going to vote against it in second reading, but today's a new day. You know, I'm not sure what their policy will be today, nor do we know what it would be like tomorrow. I often think that the only way we'd get consistent policy coming from the Liberal Party is if they found themselves a two-headed coin . . .

MR. DEPUTY CHAIRMAN: Order please.

MR. FOX: . . . so that on every day they flipped it . . .

MR. DEPUTY CHAIRMAN: Order please.

The Member for Westlock-Sturgeon.

MR. TAYLOR: I have some more questions. I am flattered by the attention of the NDP. It sounds like we're the government. If I can get as much attention in the future from the hon. member, it sounds like I must be the government.

Now, to go on, the minister did come close to answering, but he still did not answer why you do not require a beginning farmer to have some sort of certificate or course in management. You danced all around. I know all the things . . . [interjections] I'm just waiting till the debate between Vegreville and the others settles down. You did not answer why there was no certificate required in management. That's one of the things that I found was coming up quite often.

Secondly, section 5.1(l)(b), on the powers of an individual officer, was not answered. That is, I think you're giving too much scope to any one officer. The way I read it, they can take over land, resell it. It could have serious consequences. To me the individual officer has been granted more power than they had in the past.

I'm glad to hear your explanation of the leaseback. I have the ADC people – I'm not going to bring the name out, because, as I told you, that was a personal communication. I will call back there. If indeed, as you say, the person that had the land seized from him or her because of nonpayment and the land was worth less than the mortgage can have a leaseback, then that's fine. I will take that, but I will double-check again with ADC on that.

I'm glad to hear about the Provincial Treasurer. The upper limit for loans left me a little confused yet, as confused as the hon. Member for Vegreville, who feels that we get more money from the banks than they get from the unions. I'd be quite willing to swap the two. Last time I went to a union, they threatened to sue me, threw me out the door.

AN HON. MEMBER: They should have.

MR. TAYLOR: The probably should have I guess.

So that, Mr. Minister, is all I really wanted to ask you. That's three more questions. You did a reasonably good job the first time, but I know if I give you another two or three times, you'll get it right.

Thank you.

MR. ISLEY: I suggest, Mr. Chairman, that I answered the questions the hon. member just repeated. Maybe he should check *Hansard* tomorrow, and if they're not clear enough, I will promise to go out on the back veranda with you and explain them.

MR. TAYLOR: The hon. minister has pulled this on me two or three times. He says to check *Hansard,* and it's not in *Hansard.* I asked him plain and simple: why do they not ask for a certificate in management from a beginning farmer lender? He did not answer that. Now, he doesn't have to answer it, but

to get up with the smart-ass thing that he said and expect me to read *Hansard* is not right.

MR. DEPUTY CHAIRMAN: Order please. Order. Hon. member, as you correctly point out, the minister has the choice of answering or not answering or answering in the way he chooses. This is not an excuse for unparliamentary language. If you have something else to say on the Bill, please do so; otherwise, we'll go on.

MR. TAYLOR: Mr. Chairman, I would withdraw it. By comparing him to a donkey, I insulted every donkey in Alberta.

AN HON. MEMBER: Why were you picking on the donkeys?

MR. TAYLOR: I don't know why I'm picking on the donkeys, or he is too.

The fact of the matter is that I don't like being told that he has answered it. If he refuses to answer it, that's fine, Mr. Chairman.

Next thing then: I will repeat the next question again. He did not answer section 5(l)(b). Now, I know those are three words in a row, and he may find it hard to wrap his mind around that, but 5(l)(b) – I would like him to say again for *Hansard* that he has answered that. Now, just say either you answered or refused to. I just want you to get up on it, because I will table it that way.

MR. ISLEY: Mr. Chairman, I think if the hon. Member for Westlock-Sturgeon checks *Hansard* in response to his first question, I pointed out that under the new beginning farmer loan we demand and check for a certain amount of expertise and experience in the activity of farming. We do not and have not become formal enough to demand some sort of certificate. That would require, first of all, developing some sort of course to train young people for a wide variety of farming operations. So while we insist on experience and some management skills, there is no certificated course.

I think if the hon. member were to check his questions with respect to 5(l)(b) – are you listening, Member for Westlock-Sturgeon? If you were to check your original question . . .

MR. TAYLOR: Nobody's blowing in my ear.

MR. ISLEY: I see Mr. Fox may be.

I believe you will find that your question had to do with the appeal from the decision-making there, and I did outline the appeal procedure. Section 5(1), (a) and (b), is simply the delegation of authority that moves from the board down through to staff. Remember that delegation, first of all, starts at this level; then it flows to the order in council level; then it flows to the board. With the new, restructured Ag Development Corporation we are flowing as much authority as possible down to the grass-roots level. With the flow down of authority goes accountability, and that in my judgment is how you get a responsive organization.

Thank you, Mr. Chairman.

MR. TAYLOR: Mr. Chairman, I just want to take a moment to thank the minister. I did have to use half a cup of turpentine on his hind end to get him going, but it was nice to get him up answering questions. Thank you.

MR. DEPUTY CHAIRMAN: Ready for the question?

HON. MEMBERS: Question.

[The sections *of* Bill 22 as amended agreed to]

[Title and preamble agreed to]

MR. ISLEY: Mr. Chairman, I move that Bill 22 be reported.

[Motion carried]

MR. DEPUTY CHAIRMAN: I would like to comment before going on to the next Bill that the House is reasonably orderly at the present time. Let's try and keep it that way. I think the committee has been unreasonably noisy lately.

The Member for Calgary-Foothills.

Bill 24
Mines and Minerals Amendment Act, 1990

MRS. BLACK: Thank you, Mr. Chairman. As stated in second reading of Bill 24, the Mines and Minerals Amendment Act, 1990, basically there were three changes proposed which would allow for an increase in most mineral agreement rental rates; secondly, for a clarification of the definition of "exploration" and "exploration equipment" and to provide a clear interpretation for complementary regulations; and thirdly, several housekeeping amendments, which would include a clarification of the minister's powers to reinstate mineral agreements that have been canceled, forfeited, or surrendered, a clarification of what is or what is not considered by the minister to be mineral rights trespass, an extension of the period for prosecution for the trespass to five years . . .

MR. DEPUTY CHAIRMAN: Order please, Minister of Recreation and Parks and the Member for Vegreville.

MRS. BLACK: . . . and finally a clarification that any security notices or builders' liens registered on an agreement prior to the surrender, cancelation, or forfeiture are still valid after reinstatement. The industry today, Mr. Chairman, is complex enough without having ambiguity within the legislation. These amendments to the Act are necessary for the protection of the public's interests as well as to provide the industry with more flexibility while conducting its operations.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for West Yellowhead.

MR. DOYLE: Thank you, Mr. Chairman. I listened the best I could with the noise that was in the House.

I appreciate the housecleaning that the member is trying to do with this particular Act. I just wanted to make it very clear that I'll be watching very closely in my area – a great percentage of the people of West Yellowhead are employed in the coal industry and in the mining industry – that one particular expansion will not go ahead, and that is in the Cadomin area, where they are proposing a major expansion of that mine. But I appreciate that the member is doing this housecleaning to this particular Act.

MR. DEPUTY CHAIRMAN: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you. It's just the question that I don't believe the Minister of Energy answered when he was explaining the Bill the other day, so maybe the hon. member sponsoring the Bill could. I was trying to find out, hon. member, if there is such a thing as a coal gas lease. It's fairly new, but it should be covered, and what is the charge for that? When I read what's defined here, I can see a coal lease and I can see a mineral lease, and of course there are gas leases and oil leases. But now that technology has got so that they can pump the water out of an underground coal seam and then allow the gas to start coming in, which is pure methane, I think the government should be prepared to grant those. I'm just wondering how you would treat a coal gas lease.

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

MR. McEACHERN: Yes. Thank you, Mr. Chairman. Just a comment. On Monday I had asked the Minister of Energy if he could give us a copy of the regulations, because I gather the rates are set in the regulations now rather than in the Bill. He had indicated that yes, he would, but I think he now is trying to tell me that the new regulations aren't ready yet. I guess I can understand that, although in some ways I don't. If one is going to introduce a Bill in which information previously given in the old Bill – and then, you know, there are some amendments that then put a lot of that information into the new regulations, then it would seem to me incumbent upon the government to produce those new regulations at the same time they introduce the Bill so that we can see what the changes are in some detail, if most of the information turns out to be in the regulations.

So I'm really sorry that they're proceeding at this rate with this Bill without having the regulations here to show us. Of course, it's not the first time they've done that, and there is a tendency on the part of the government to shift a lot of stuff into regulations because that's less prominently displayed for the population; it's harder to get hold of. Often when we ask for regulations, we don't even get answers. At least I did in this case. But why aren't the new regulations ready, and why aren't they here so that we can debate them with the Bill?

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

MR. SIGURDSON: Thank you, Mr. Chairman. The other day when the minister introduced the Bill for second reading on behalf of the Member for Calgary-Foothills, he hoped that we would distinguish the difference between him and the member. Well, not only do we distinguish the difference; we appreciate the difference.

But I do want to ask one question, and that's with respect to the leasing of certain agreements. There have been certain rental agreements, and while the change that was announced in the Budget Address is not a significant amount of increase for large companies, for some of the smaller companies it may be a significant increase in their cost on these lease/rental agreements. My colleague from Calgary-Forest Lawn asked the other day whether or not there would be any grandfathering of some of those lease/rental agreements in with this change, and I just hoped we might have some clarification for those smaller firms that have those activities.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Chairman. The Member for Westlock-Sturgeon asked a question with regard to the coal bed methane gas, and it is, in fact, produced from conventional oil and gas leases. So it would be separate.

The Member for Edmonton-Kingsway asked if the regulations would be available, and they certainly will be once the Bill is passed, and I will undertake to see that you receive a copy of the regulations once they're available.

The Member for Edmonton-Belmont asked a question about grandfathering, and no, there's no intention to grandfather anyone with regards to the rental increases in this Act.

MR. DEPUTY CHAIRMAN: Are you ready for the question?

HON. MEMBERS: Question.

[The sections of Bill 24 agreed to]

[Title and preamble agreed to]

MRS. BLACK: Mr. Chairman, I move that the Bill be reported.

[Motion carried]

MR. GOGO: Mr. Chairman, I move the committee rise and report.

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. JONSON: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills. The committee reports the following Bill: Bill 24. The committee reports the following Bills with some amendments: Bills 10, 16, 18, and 22. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

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

HON. MEMBERS: Aye.

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

head: Government Bills and Orders
Second Reading

Bill 23
Agricultural Statutes Amendment Act, 1990

[Debate adjourned May 30: Mr. Fox speaking]

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

MR. FOX: Thank you, Mr. Speaker. I'm pleased to offer some thoughts about Bill 23, Agricultural Statutes Amendment Act, 1990, in second reading.

One of the Acts being amended by this Bill is the Hail and Crop Insurance Act, and I'd like to express my disappointment with the work done by the provincial government in one respect on the Hail and Crop Insurance Act, and that's in respect to the funding arrangement with the federal government. To remind hon. members, all-risk crop insurance has in the past been funded by a formula that saw the farmers paying 50 percent of the premiums, the federal government paying 50 percent of the premiums, and the sponsoring province paying 100 percent of the cost of administration. Now, the Minister of Agriculture went down to Ottawa or the Minister of Agriculture from Ottawa came to Edmonton – I'm not sure which – and they renegotiated a funding agreement for all-risk crop insurance which now sees the two levels of government sharing half the premiums. The farmers now pay half the premiums, as they did before, and the provincial and federal governments each pay a quarter of the premiums, and the provincial and federal governments each pay half the costs of administration.

Now, if hon. members look through their budget estimates, they will see that in terms of the province picking up some of the federal government's share of funding premiums, it adds I think about $40 million to our costs, and *in* terms of them picking up half of the costs of administration, it reduces our costs on that portion of the budget by about $5 million. So there's an extra impact on the provincial budget of some $35.1 million. I think it's a poor arrangement, Mr. Speaker, because it doesn't do a blessed thing for the farmers.

I suggested during debate on the budget estimates of the Minister of Agriculture – and I'll raise the concern here again – that what he should have attempted to achieve or tried to secure on behalf of farmers is a funding arrangement similar to that which is in place for tripartite stabilization programs; that is, one-third/one-third/one-third, where the farmers pay a third of the premiums and the provincial government pays a third and the federal government pays a third. I submit that would have been an arrangement consistent with other arrangements between the two levels of government and producers – in other words, a tripartite arrangement – and it would have lowered the costs for farmers. At the same time as hopefully making some improvements to the delivery of crop insurance, it would have lowered the cost for farmers, and the two levels of government could have shared the cost of administration, as they are doing under the new arrangement.

I think that would have been better for farmers, and it would have come at a time, Mr. Speaker, when farm incomes are predicted in the province of Alberta to drop by about 50 percent in this year. The main cause for that projected decline in net farm income is the situation that exists in the grain and oilseed sector. So this kind of improvement that I'm suggesting, the kind of improvement that the Minister of Agriculture here failed to achieve, would have been a direct benefit to the sector most hard-hit by the downturn in the agricultural economy; that is, the grain and oilseed sector.

But instead of going to Ottawa and fighting for that kind of good arrangement, what do we have, Mr. Speaker? We have a government bragging in their throne speech about a major new commitment to agriculture. Agriculture, after all, is one of their number one priorities, so they have a major new commitment to agriculture, $35.1 million to fund crop insurance. Well, big deal. That doesn't do a thing for farmers, doesn't put a penny in the pockets of grain producers in the province of Alberta. It's merely a testimony to the weak-kneed approach of this government when negotiating things with their federal cousins in Ottawa. For them to try and pretend that that's an indication of their commitment and their record of success with agriculture is a sham.

To compound that sham, we have this Minister of Agriculture suggesting and his cohort in Ottawa accepting that this $35.1 million should somehow be accepted in the new farm aid program, that it should be considered new money put on the table to address the income situation that confronts Alberta farmers in the 1990 year. That's absolutely ludicrous. The reason this program was conceived is because the government realized that net farm incomes in Alberta were going to decline by about 50 percent. So they decided that all things considered – and by that I mean existing provincial assistance programs, whether it be on the input side or the expense side – net farm income is still projected to drop by about 50 percent.

So we need to do something to address that, not just to shore up the incomes of individual farmers but to make sure that the rural economy is not impacted very severely by that sort of thing. So the federal government said, "Our figuring indicates that the shortfall in the province of Alberta is about $180 million," Mr. Speaker. That's what their estimate is. They say, "We're going to put in 50 percent; we want the provincial government to put in 50 percent." I bring that to the attention of the Minister of Agriculture, and he says, "We're already doing it; we're spending $35.1 million on crop insurance." That's a laughable assertion, because that $35 million does not put one penny into the pockets of grain farmers in the province of Alberta. It's not new money put on the table to address the income shortfall projected for 1990. It's merely an indication of what poor negotiators these guys are when they deal with their federal cousins in Ottawa, and I really regret that the minister caved in in that regard. Bad enough that they caved in, but worse than that, they have to go and sort of compound this charade with the farmers of Alberta, telling them that there's a new $35 million commitment to farming in the province of Alberta, that they're somehow out there contributing to this farm aid program by putting $35 million into crop insurance. It's a shame; it really is a shame, and it's a little bit of deception that I intend to see they don't get away with.

I've suggested, Mr. Speaker, that if the government wanted to really live up to the commitment they've made in this farm aid program and match the federal commitment with real money – match that commitment – then they should take that $35 million out of the formula and come up with something else. The best way to do it*:* reinstate the 2 cents a litre benefit on farm fuel that the Provincial Treasurer took away in this March 22 budget. What would that do for farmers in the province of Alberta? It would put $20 million into their pockets, $20 million without them having to apply for it, $20 million that is targeted to the sector most affected.

DR. WEST: Where does the money come from?

MR. FOX: The Minister of Recreation and Parks is wondering where the money is coming from. You're already claiming that you're spending $35.1 million. I'm suggesting that in the formula you replace that with $20 million.

MR. ADY: You say we're not spending the $35 million? Prove that.

MR. FOX: The reason that this government is spending the $35 million is because they agreed to accept some of the funding responsibility of the federal government for crop insurance, not because they wanted to do anything more for farmers. It doesn't

do anything more for farmers. It means that one level of government has off-loaded some of its responsibility to another level of government. It's not assistance to farmers, and the Member for Cardston should be aware of that.

So I want to make those comments and make them loud and clear on the record so that the members opposite understand that they may have pulled the wool over some people's eyes with this farm aid program, claiming that their $35.1 million contribution to crop insurance funding is direct assistance to farmers, but they haven't pulled the wool over the eyes of the people in the Official Opposition.

Other aspects of the Bill here, Mr. Speaker. It is a fairly straightforward piece of legislation, a housekeeping Bill. The amendments to the Livestock and Livestock Products Act removed some dollar limits on amounts that can be invested from the fund, either in lands or debentures, and puts those limits in regulations. We don't see what the regulations are, and perhaps the minister might tell us in his closing comments what the regulations establish in terms of limits. Is that going to be subject to change? Perhaps he might also tell members of the Assembly what the fund does. What happens with the fund? What's the money invested for? Why does it generate return, and who does what with the money? Maybe he'd include that in his comments. The amendments to the Weed Control Act as well seem to be relatively straightforward and certainly appear to us to be housekeeping in nature.

It's our intention to support Bill 23 at second reading. Thank you.

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

MR. TAYLOR: Thank you, Mr. Speaker. I would be remiss if I didn't get up to comment on the principle of the Bill and also to express support for the hon. Member for Vegreville's attack. He was right on. Occasionally I have a little trouble with him, but this time he has learned his lessons at my knee well. Consequently, all I can say is a loud amen as far as he went, in spite of the heckling from the hon. Minister of Recreation and Parks. It consistently shows that he is better at working at the wrong end of animals than his knowledge in general in agriculture. Pardon me, Mr. Speaker. He looks so stunned I almost feel like I should apologize to him, but I won't.

But let's go on in the Hail and Crop Insurance Act. The hon. Member for Vegreville pointed out that we wanted more protection out of the Act, and what we got was a cop-out by the federal and provincial governments to try to cut down their contributions, although the provincial government kept . . .

MR. DEPUTY SPEAKER: Order please, hon. member. The Chair is remiss in not reminding the hon. member that he has forgotten that he participated in this debate yesterday and, therefore, according to the rules is really not entitled to participate again today.

MR. TAYLOR: Mr. Speaker, you have a better memory that I thought you had.

MR. DEPUTY SPEAKER: Is there any other member who has not participated in the debate on second reading on Bill 23 that would like to participate?

Are you ready for the question?

HON. MEMBERS: Question.

[Motion carried; Bill 23 read a second time]

Bill 47
Alcohol and Drug Abuse Amendment Act, 1990

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

MR. NELSON: Thank you, Mr. Speaker. I'd like to move second reading of Bill 47, the Alcohol and Drug Abuse Amendment Act, 1990.

Mr. Speaker, very briefly, there are two items in this Bill that are somewhat significant. The first one is that we wish to change our Act to identify the fact that AADAC is an agent of the Crown. Basically, the reason for that is that we have a trust fund we administer, the fund receives moneys from various people through donations, and Revenue Canada will not accept a tax receipt for these donations because in our legislation we don't identify the fact that we are a agent of the Crown. We wish to change it so that in fact happens, so these people can have their tax receipts.

The second major item, Mr. Speaker, is the change of the name of our chief executive officer to chief executive director rather than executive director. The reason for that is that we have two or three executive directors within the organization of AADAC and we wish to identify the chief executive officer separate from the other directors within the organization.

Basically, Mr. Speaker, that's fairly straightforward and that's the matter of the Act.

MR. DEPUTY SPEAKER: Is the Assembly ready for the question?

HON. MEMBERS: Question.

[Motion carried; Bill 47 read a second time]

Bill 32
Irrigation Amendment Act, 1990

MR. MUSGROVE: Mr. Speaker, it's my privilege tonight to move second reading of Bill 32.

There are several amendments to the Irrigation Act, the first one being that irrigation districts are presently restricted to the activities of delivering irrigation water to farmers. The amendment will allow them to get involved in other things with the irrigation district for the benefit of the general public, the province, and, of course, the irrigation district. Some examples are that some irrigation districts would like to get involved in lakeshore development. Now, it could be argued that that is not in line with what irrigation districts should be doing. However, there is another concern irrigation districts have: they must have control of the level of a lake. In other words, it is an irrigation lake, and if they must draw down the lake during the summer for irrigation purposes, they must have the authority to be able to do that without being contested by lakeshore development. It's not as simple as moving into some other activity in that they first have to have a ministerial agreement, there has to be an order in council, and then they must develop another company that is not part of the irrigation district, and that company will be what gets involved in other activities. So it's not really a simple operation, and it takes a lot of approval before they can get into any other activities.

The second amendment to the Act, Mr. Speaker, has to do with voters. Presently, anyone whose name is on the water role is allowed to vote in an election for an irrigation board. The amendment will allow only one vote per parcel or for one or more parcels if a person happens to have several parcels in his name. The reason that amendment is there is that there have been reasonably small parcels of land with up to 20 or more names on the parcel and therefore on the water role, and it was felt to be unfair that those people could, in fact, change an election. There is a downside to that, and that is that presently there are a lot of titles with a man's and wife's name on them, and now only the man or the wife, one or the other, will be allowed to vote in an election for directors.

One other amendment is that presently a board of directors is the final authority on anything that happens to a water user and there isn't any appeal, and the amendment will set up an appeal panel. Any single water user that feels he has been unduly affected by policy or bylaws of a board of directors of an irrigation district has a right to appeal to a tribunal. The decision will be final and binding on both the irrigation district and, of course, the individual appealing. This will consist of a chairman and four other persons, and two of them will be members of the Irrigation Council of Alberta, which is reasonably consistent because the Irrigation Council does have authority over irrigation districts.

AN HON. MEMBER: Question?

MR. MUSGROVE: No, no.

There's a change in the penalties for people that cause problems within irrigation canals. The penalty presently is at $200, and the amendment will set the penalty at $2,000. There are also some changes in the penalty for a person that orders irrigation water and then doesn't use it properly. There'll be an increase in the penalty for that. The final part of it is that presently any charges made by an irrigation district for the use of water have to be approved through the Water Resources Act, and this amendment sets out that it does not need to be approved by the Water Resources Act. But that does not apply to any parties that are presently in court. Those will not be subject to this amendment.

Mr. Speaker, I move second reading of Bill 32.

MR. DEPUTY SPEAKER: The hon. Member for Taber-Warner.

MR. BOGLE: Thank you, Mr. Speaker. I'd like to add a few comments to those made by the hon. Member for Bow Valley, the sponsor of this Bill. As indicated by my colleague, the primary activities mentioned are dealing with a request by a number of irrigation districts that will allow those districts, under a set of regulations, to become involved in activities other than the management of water for irrigation purposes.

As was mentioned by the member, there has been a request by one district in his own area for a lakeshore development. The Member for Cardston along with the hon. Member for Cypress-Redcliff and I have met with the board of directors from the St. Mary, Taber, and Raymond irrigation districts, all of whom have certain drop structures on the main canal which lend themselves very nicely to small power production. Under the present Act they're unable to get involved in that activity. Based on the regulations we've reviewed, there would be a set of steps which could be initiated, either by the district, if it wished to be the body involved in the activity, or if it was to be farmed out to another company or a joint venture, the same set of criteria would be applied to ensure that the water users would first of all be satisfied and vote for the activity and then go through a number of steps to ensure that it's economically sound and viable. It would go through the Irrigation Council and, finally, to the minister. That is in keeping with the requests which have been made and, at the same time, builds in the safeguards which are necessary, because if there were a shortfall in the activity, that, of course, would fall back on the water users of the irrigation district, not on the general taxpayers in the province or anyone else.

The hon. member mentioned the clarification in the voting rights procedure, and I think that will certainly help in clarifying a small but very important area.

The last thing I wanted to comment on – I wasn't going to get into the penalties; I think those have been covered by the sponsor of the Bill – is the irrigation appeal tribunal. Most citizens in the province have the opportunity now to appeal a decision made by a local body. Whether we're speaking of a town or village council or a county council, a school board, a hospital board, there's someone else you can go to other than the courts in a strictly legal sense. If you're a member of an irrigation district, a water user within an irrigation district, and you take your case back to the board and the board reaffirms their original position, unless you've got a legal case that you can take to the courts, that's if, there's no appeal beyond the board. That seemed to us to be an inequity in our system, given the fact that there are appeals in all the other local government bodies I mentioned previously.

A number of citizens have raised this concern with various MLAs over time, and I'm extremely pleased that this Bill will correct that anomaly. It ensures through the makeup of the tribunal that there's adequate input from the Irrigation Council. The Irrigation Council is made up of a combination of farmers and others interested in water management, individuals with a considerable amount of expertise. I believe that as long as the makeup of the board is handled with great sensitivity – and I'm sure it will be – coupled with the provisions in the Act and those which will follow through in the regulations, this will go a long way in satisfying a shortfall that's been in our current legislation. So I would certainly like to recommend to members of the Assembly that we support the efforts made by the hon. Member for Bow Valley in this important legislation.

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

MR. TAYLOR: Thank you very much, Mr. Speaker.

AN HON. MEMBER: Getting hoarse, Nick?

MR. TAYLOR: Yeah, it looks like it, although I have some questions or worries or cautions that I'd like to express. First of all, I would congratulate the hon. Member for Bow Valley for the work he's done, particularly clarifying the voting rights and the appeal process. I guess it's always a possibility that the appointed tribunal might be more political than judgmental, but I guess that's a risk you take in a democracy at any time.

I wanted to touch on two little things. One is: who decides really what a body of water is and what the body of water can be used for? In other words, I gather this irrigation panel will be able to decide what bodies of water can be used for. I'm a little concerned there, because it seemed to open up the door to take irrigation away from the number one spot. What little

experience I've had around the world as an engineer is that I've often seen bodies of water or ditches or flumes or pipelines that started out to be all for agriculture but through the years gradually got displaced because population and industrial development went up and became more important. So I'm just wondering how you decide what body of water can be used for what other activity – maybe a little more explanation of that one, if he gets a chance to close debate.

The second area is with respect to meters. This is an old argument that I've had with the hon. member for some time. Now, my argument is not that meters would save as much water as maybe we'd like to think – after all, the city of Calgary has been trying to install meters for years. The city of Edmonton has meters. If you talk to any Calgarian, they will tell you that they never use any more water than necessary, so they don't need meters. But the fact of the matter is that Calgarians use damn near double or more the amount of water per capita than Edmonton, and I don't think it's because they're cleaner. They seem to smell the same, Mr. Speaker, when you pass them. The fact that they use more water seems to have destroyed their hockey playing ability. But nevertheless, meters do work in the cities in cutting back water use. Why would not the same happen in the rural areas?

But let's suppose it doesn't cut back. The hon. member has informed me that if you paid by metered water, the irrigation districts in a wet year would go broke because they wouldn't be selling any water. Of course, I think the way the utility companies get around that in a warm winter is charge you a basic amount for the gas whether you use it or not, a sort of minimum level.

But the big argument for meters, in my opinion, has been that if there's one problem irrigationists have in Alberta it is convincing the rest of the taxpayers – and there are a lot more nonirrigationists then there are irrigationists – that they should spend huge sums. They go into hundreds of millions of dollars to put irrigation in. In other words, there's a PR job that needs to be done, a good PR job, and meters would do a lot towards that PR because that's one of the first attacks they make. Now, I know you can argue that it won't do any good, it won't save any money, and it may be expensive, but there are cheap meters. But I think for the PR reasons alone, it's probably worth while.

Then we add to it what the hon. Member for Taber-Warner just added, and this concerns me a bit. We're now going to manufacture electricity from the drop here and there through the irrigation system. That sounds good if you say it fast. But can you see an irrigation board now, selling electricity, getting a little money, making the payment a little easier? Water isn't metered, so why not let the damn thing run by there, generate a lot more electricity even if the farmer isn't using it? In other words, if the fall is just where the farmer is using the water, I'll agree. You can't let the water run by because you'd flood him out and he'd feel that he was back in Noah's time again. Nevertheless, if the fall is on a main ditch somewhere where the water can go running by or can go past the land, here again I'm not too sure – if you're going to see whether you're manufacturing electricity efficiently or not, I think you need meters. So I come back to the meter argument again: one for the PR reason; secondly, now that you're going to introduce the manufacture of power into the whole equation to try to defray some costs of irrigation, I think it becomes even more so.

Lastly, while I'm on generating power, I get a little concerned about that too, but I guess the amount you're going to generate here, Mr. Speaker, is probably not enough to warp the minds and the economy of any particular county council. But I operated for some years in Egypt, and one of the startling things there was to watch the Aswan dam, with every bit of water at one time being used for agriculture, go to where no water was used for agriculture in the course of 20 years because power generation became more and more important. They couldn't allow it to be cut down; they couldn't allow it to be cut off. It was easy to tell the farmer to get by with a little less water this year, a little less water the year following, so eventually in 20 years for practical purposes nearly all the water was being used to keep their power generation for aluminum and other industries going rather than for irrigation. So I hope with this idea of generating a little power in the irrigation system, you don't end up, if you remember the movie with Mickey Mouse and the sorcerer's apprentice, so busy running generators that you forget about irrigating.

Thanks.

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

MR. ADY: Thank you, Mr. Speaker. I'd just like to make some comments on a couple of points in this Bill. Inasmuch as I have six irrigation districts out of the total of 13 in the province in my constituency, they do have a considerable impact on the districts that are in my constituency.

First of all, I'd like to make some comments about the amendment that will allow power generation or diversification by the irrigation districts. To date they've been limited in that power, and this Bill gives them an opportunity to do some additional things that will generate some revenue. Mr. Speaker, I believe the initiative behind the irrigation districts wanting to do this is that they've come to realize by a very clear signal from the government that there is limited funding for irrigation, that there will not always be money flowing for rehabilitation of their headworks and main ditches and canals, and even the amount of funding that goes to them now perhaps does fulfill all their needs. So this opens the door for them to use some energy that is flowing by, not being utilized. They can harness it and subsidize their revenue into the irrigation districts and hopefully carry more of their own weight in their annual costs. I think it will be beneficial to them, although there are only three districts presently. One of them in my constituency, the Raymond Irrigation District, has indicated some interest in utilizing this new opportunity. I think there is potential in one or two other districts, where they would have a sufficient drop to install an electric generator or power generation system.

I'd just like to comment on one of the issues the Member for Westlock-Sturgeon brought forward, having to do with metering. He had a concern that an irrigation district might be prone to let the irrigation water run for an excessive time or an excessive amount so that they could generate electricity. Well, let me assure you that that isn't likely to happen, because there are some other costs involved with running water, and they would perhaps far outweigh any amount that could be generated through the generation of electricity. So unless they're actually irrigating land, I'm confident that it would not be feasible. If they did run some extra water, all of these drops are on the main canals and are directed either to a reservoir or back into a main watercourse. So there isn't a great deal of harm that would be done, but by the same token the economics would not cause them to run that water just to generate electricity.

The other thing that I'm really supportive of and glad to see in this Act is the appeal tribunal. When we have rural irrigation districts, I think all of us can understand that everyone within a district knows everyone else, and this appeal tribunal assures

everyone that they have an opportunity to be dealt with without prejudice. If they get into difficulty with the board through a personality conflict, they have an alternative as opposed to having the board as the last word. So I think this is certainly something that we've needed in the Irrigation Act for some time, and I'm glad to see the member bring that in to be incorporated into the Act.

Thank you.

AN HON. MEMBER: Question.

MR. DEPUTY SPEAKER: Is the Assembly ready for the question?

The hon. Member for Bow Valley, to wind up debate.

MR. MUSGROVE: Mr. Speaker, there were a couple of questions by the hon. Member for Westlock-Sturgeon. One of them was to define a water body. Of course, in the Act,

> If the board wishes to
>
> (a) use a body of water or a water course or ditch that is owned or under the administration of the board . . .

Now, in irrigation districts, unless otherwise defined, all water is under the administration of the board. So there's really not a problem with defining the water body.

He mentioned meters, and of course the hon. member and I have discussed this before. Certainly there's a debate that could go on for some time, but briefly there's fairly good control over the amount of water that a certain farmer uses during a year for irrigation purposes. In other words, in irrigation districts, wherever their diversion takes place off the river, that is monitored daily. Actually, you can go here to our own Department of the Environment and find out what was happening a half hour ago from any diversion out of a river in Alberta to an irrigation district. Those irrigation districts also monitor the water as it's divided into irrigation canals, where it's distributed. Of course, your ditch rider is the person that delivers the water to the irrigation farmer. He sets the hour and the day that person starts taking water, and he sets the hour and the day that person quits using water. The amount is taken down in the logbook, so it's fairly close to the amount of water that's being used. Now, because of canal pressures this water could change a small bit, but it's fairly close, whereas he was comparing how we should because the cities have to use water meters.

Also, I have to say that in the drainage spillways in all irrigation districts, every so many miles there's a monitor every day of how much water is going down that spill. In the cities I'm sure that the sewers are not monitored daily, for one thing. Now, maybe the city intake is monitored daily and maybe it isn't. I suspect that the pumps kick on when the pressure goes down and they kick off when they've got lots of pressure. So I don't believe there is as good monitoring done on a city water system as there is in an irrigation district. Where sprinkler irrigation is used, you know what the capacity of your pump is, so it's not very hard to tell how much water that pump has used, because it is logged when the pump is turned on and it's logged when it's taken off.

Now, just a bit of discussion about the generators in the ditches. Certainly irrigation districts, it is my belief, are not out to make a lot of dollars by generating electricity and selling it into the grid system. It will be treated the same as the small power generators organization, who are using wind generation. It will be sold into the grid and then bought back out of the grid or used back out of the grid at the same price. But irrigation districts have a potential of generating enough power for their own use. When I say their own use, that's for the operation of some of their headgates and some of the pumps that are necessary to pump water within the irrigation districts. There are a couple of places in Alberta where the irrigation districts now have only pressure pumps for sprinkler irrigation. There's one particular place that I know of in southern Alberta where there are 10,000 acres that are irrigated. The irrigation district owns the pumps; they pressure a line. The irrigation farmer, when he finishes seeding his crop, just tells the ditch rider, "I'm ready to start my sprinkler." It costs him nothing for capital equipment, but he does pay for that through his water rate. Those are the types of things where the irrigation districts can buy that power back out of the grid and get their advantage out of it. They don't use power in the wintertime, and of course there'll be no water run in the wintertime. Therefore, they're not in competition with the general generation of power.

Mr. Speaker, I think that answered all the questions that were asked, and I call for the question.

[Motion carried; Bill 32 read a second time]

Bill 27
Advanced Education Statutes Amendment Act, 1990

MR. GOGO: Thank you, Mr. Speaker. I'm very pleased indeed to move second reading of Bill 27, the Advanced Education Statutes Amendment Act, 1990.

Mr. Speaker, in beginning to address second reading, I think it's interesting to recap in a very brief way the very unique system we have in this province as it applies to the postsecondary system. I think the uniqueness of having – and I can't resist it – 29 institutions with a budget exceeding $1 billion is not only a sign of success, but it indeed points out the great pride that Albertans have always had with regard to education. Perhaps it was never more important, really, than this year, International Literacy Year. It points out the great differences between our institutions, yet at the same time realizing the common goal of offering an opportunity to all adult Albertans with regard to education, training, and perhaps research in given institutions.

Whether you go to Fairview in the north to their community college, Medicine Hat in the south, the University of Calgary, the University of Lethbridge, the University of Alberta, Athabasca U, the technical institutes like NAIT and SAIT, Grant MacEwan, Mount Royal, or the very unique Lakeland College, we have an extremely unique situation with regard to our postsecondary system. I've heard hon. members representing different constituencies make reference to their own institution, as to how special they are, and I agree that they're special. I also am reminded that the special Olympics, for certain people who are disadvantaged in our society and can't cope, are special. So one has to be extremely careful when using the terms "special" or "unique" or "premier institution." I think, Mr. Speaker, one has to look through the eye of the beholder as to the services they offer Albertans. And what is so important to us in 1990, I believe, is to understand not only the fact that we've had dramatic growth in the system over the years, but we've experienced in recent years periods in terms of economic activity that have in many ways resulted in unique changes to our educational system.

I'm very grateful, Mr. Speaker, that the board-governed institutions are comprised of citizens who are prepared to serve their communities by serving on the boards of governors, serving

in the senates, to see that the institutions indeed perform their primary roles. Their roles are, first and foremost, education, training, and in some cases research, but above all to serve their community. I would remind hon. members that the community they serve today is not within a 10-block radius of their institution. The community that they serve today is an integral part of the entire province. If you're taking animal sciences at Fairview, it's a unique institution with a unique program, but it offers services to adults all over this province.

It's interesting and I think important, Mr. Speaker, just to take a moment and sketch very briefly the history and the growth of our postsecondary system. The department was formed in 1972, which is some 18 years ago, and if one looks back at that time, you find there were 21 institutions as opposed to 29, serving some 47,000 Albertans with a budget of slightly less that $150 million. Here we are today, and frankly, although we've had in some people's view a rapid growth in population, some hon. members will recall that this has not always been consistent. We look today at the latest figures we have: in 1988, in terms of enrollments, some 112,000 adults involved in credit programs. That's not counting the other half million Albertans who are served by the 85 further education councils, by the dozens and dozens of tutors who take the time and trouble to deliver programs in the remotest parts of this province, or the five consortia that serve all Alberta through their credit programs. But we've grown, Mr. Speaker, to a budget of some $922 million in 1988, and today it exceeds a billion dollars.

But there have been changes, Mr. Speaker, and that's what this Bill is doing: Bill 27 is addressing some of these changes. Many of us don't like to think of it, but Alberta went through a period shortly after '82 when our population over a four-year period dropped by over 105,000 people. That obviously had some impact because the uniqueness of our institutions, unlike other jurisdictions, is that we give block funding to our postsecondary system. Other provinces tend to have a per student funding arrangement: the more students you have, the more money you have. We've been through that, and when we went through this period of decreasing by 105,000 population, the institutions were saying, "For heaven's sakes, we've got to have a better system of funding." So instead of using the per student funding, we went to a block funding system, where institutions, if a program was block funded, then really had virtually total authority as to how to utilize those funds once the programs were approved, with no provision at all for when there was a reduction.

Now, Mr. Speaker, the Bill before us tonight, Bill 27, is an omnibus Bill dealing with, really, six statutes . . .

MS BARRETT: It is ominous; that's true.

MR. GOGO: The hon. Member for Edmonton-Highlands has difficulty with the language, Mr. Speaker.

It's an omnibus Bill dealing with six statutes, and I'd like to go through the Bill so hon. members have an opportunity of seeing what the proposals are. I then want to dwell on some particularly significant sections of the Bill.

We're dealing, Mr. Speaker, with the Banff Centre; the Colleges Act; private vocational schools – there's some 104 private vocational schools in this province, a very important element in our postsecondary system – the Students Loan Guarantee Act; the Technical Institutes Act, including NAIT and SAIT; and the Universities Act.

Now, Mr. Speaker, there are some provisions which are common to all the institutions, and I'll refer to them as I go through the statute. First of all, dealing with the Banff Centre – and I'll go through this fairly quickly. I would hope that hon. members who have questions during second reading can either pose them or wait for committee study. One of the uniquenesses is because institutions have attracted trust funds from a variety of sources. There's provision within these statutes for dealing with pooled trust funds, so if they wish to allocate revenue from those trust funds, there's authority to divide that. I don't think that's controversial at all.

Section 17(1) I'd like to speak about at some length later, Mr. Speaker, because it deals with what many people believe is the gist of the Bill; that is, for the minister to be able to manage the orderly growth of the system and to have some responsibility when it comes to any reduction in programs or termination of programs.

Within the Banff Centre Act, Mr. Speaker, is provision whereby the board can delegate responsibility to executive officers. It also provides, similar to what is now existing in the universities of Alberta, protection known as liability protection for decisions of boards of governors. Banff Centre, for example, to this day has to purchase insurance annually to protect its volunteer board members with regard to any decisions it makes. This will simply put this on par with the universities.

An item that's drawn a great deal of attention in the past year or two which is currently under review – I've ordered a review on the student tuition fee question. In each of the statutes before us – that is, the four institutions – in this case section 32: "The [Cabinet] may make regulations respecting tuition fees and prescribing which fees constitute tuition fees." I draw hon. members' attention, Mr. Speaker, to the fact that the student association at the U of A took some exception to fees that were levied at the university and took it to court. The court made a ruling saying that it was within the jurisdiction but that the minister should clarify what is meant by tuition and ancillary fees. That is why that amendment is before us.

In addition, Mr. Speaker, there's provision whereby an interim governing authority could be established in the event that a new college or new institution is established. I would caution hon. members that it's not the intent to establish a new college or institution at the present time.

Section 9.1 of the Colleges Act, Mr. Speaker, deals with the ability of a college to control and manage its own affairs.

There has been a common criticism in the past with regard to some of the institutions not being able to invest *in* the consolidated cash investment fund of the government. It has been observed by the Auditor General, and that is why that proposal whereby a college may use the consolidated investment fund of the province is before members of the Assembly in this Bill.

I would point out that many of those matters before us tonight in this Bill are at the request of the institutions to make it easier for the institutions. Let us make no mistake: this minister is primarily concerned with the students of this province, and I have confidence in the boards of governors of our institutions and our vocational centres that they, too, have as their objective serving the student. That is why it's important, I think, to accommodate where possible the institutions who wish to be able to govern effectively, efficiently, and co-operatively with their faculties.

One of the difficulties that's been identified amongst some of our institutions is the whole question of labour negotiations, Mr. Speaker, so within section 21 we're providing for a dispute resolution mechanism where faculty or staff of a board-governed institution have difficulties. We're making that provision at the request of the institution. With the board-governed institutions,

under section 23(1) again we're providing liability protection for the boards so that when they make decisions, they are equal to the universities in terms of liability.

Sections 33(1) and 33(2), Mr. Speaker, deal again with the whole question of the minister being able to manage and ensure that there's orderly growth in the system and a proposal by an institution to reduce, delete, or transfer programs, which I'll speak on at some length later.

The private vocational schools, frankly, need addressing at this point in time, and I'd like to take a few minutes so that hon. members will understand what the issues are. As I mentioned, there are some 105 institutions in the province in terms of the private vocational schools, some of them extremely well known, others not particularly well known. Alberta College has existed since 1903, one of the longest serving private vocational colleges or institutions in the province. But we've had some difficulty, Mr. Speaker, with private vocational schools where the expectation of a student, either reading an ad in the newspaper or listening on the television, enrolled in a program and ran into difficulties. Frankly, our student loan fund experiences its highest default rate from private vocational school students, which I don't believe is a great surprise to too many members.

So, Mr. Speaker, what we've done under the vocational schools Act is to classify individual schools. They qualify either as a class A vocational school or a class B, the difference being that to become a class A and qualify for the Alberta student loan program, which is essential to students who wish to attend, they must qualify through a track record. That track record consists of matters such as the following: if someone enrolls in that program, they must be entitled to be able to complete the program in terms of the vocational school having physical space, physical program, adequate premises, qualified people, and whereby if a student graduates, receives a diploma or receives a certificate, in fact that person can become employed. Well, our experience in the past has been such that many enrolled in various vocational schools were not able to complete for a host of reasons, some of which: the financial condition of the institution wasn't able to complete a program, a lease ran out, a company went bankrupt, and so on. So we've classified these under class A and class B primarily to protect the student.

The members reading the Bill will see that the director of the private vocational school has powers which might be viewed as very extensive. The director, for example, can ensure that a vocational school, once licensed – and it must be licensed every second year – either maintains a certain standard or, in effect, they go out of business after adequate warning. They can issue a stop order. In effect the director of vocational schools can cause them to cease operations through a whole host of ways, such as: examining their financial records, inspecting their premises, insisting on the qualifications of their instructors, if there's an adverse rate of student loan defaults, if employment can't be achieved for these students. I think, quite frankly, it's a fair system. The director may appear to have many powers, but I would point out that any vocational school that feels they've been unjustly dealt with can appeal to the vocational schools council, a council of citizens, and if they're unhappy with that, Mr. Speaker, they can always, in our democratic system of government, apply to the Court of Queen's Bench.

I would point out to hon. members that because there are so many changes with the vocational schools, it requires a substantial amount of the Bill. However, the principles I've outlined are, as I said, I think necessary to ensure that the students of this province who attend these institutions have a reasonable chance of completion, a reasonable chance of success, and certainly a reasonable chance of employment.

The Students Loan Guarantee Act, Mr. Speaker, makes some amendments to that area of importance. One is where the certificates issued can be done through a delegation of authority. They don't require the minister's signature. In addition, we're requesting the increase of the students' loan guarantee amount from $150 million to $250 million. The present state of the loan guarantees is at about $135 million to $137 million. If, for example, the Legislature opted not to sit until next year, it could well happen that with the new school year coming up, the amount could exceed $150 million, and that's why we're requesting now that that amount be increased to $250 million. I would point out that we presently have in total loans outstanding, probably some $210 million to $212 million.

Dealing with the technical institutes, Mr. Speaker – and I don't want to rush this because I think members are entitled to the explanations – we have the five consortia that I had made reference to. There is provision in the Technical Institutes Act whereby a technical institute like NAIT or SAIT can be the administrative agent or administrative head for a consortium similar to the colleges.

On page 23, Mr. Chairman, section 12.1 again gives provision of liability protection for the board of governors of the institution and its employees. Section 12.2 of the Technical Institutes Act provides – not that this is going to happen – that in the event the Lieutenant Governor in Council wishes to see that a board of a technical institute is dissolved, what would happen, for example, by way of distribution of assets, distribution of student liabilities or student assets, and so on.

Sections 25(1) and 25(2) of the Technical Institutes Act are very similar to the ones I've already quoted in terms of managing orderly growth, and section 37.1 deals with tuition fees.

We now come to the Universities Act. Again, the pooled trust fund authority in order that they're able to deal with trust funds is accommodated in this Bill at the request of the institution. I would point out that nothing in this Act in any way would alter the terms of a trust set up by a donor towards one of our institutions. At the request of the institution we made provision with regard to the selection of a chancellor, the composition of the committee, and, where there is a graduate student program, how they can choose a member who would serve. And in the event there is not a formal organization, the members themselves could choose one.

There's also a provision at the request of the University of Alberta, something that's similar to the colleges system but yet to exist in the universities, with the exception of Athabasca U. That is, where a university requests a nonacademic staff member to serve on the board of governors, at the request of the institution the minister may indeed appoint that person to the board of governors.

To protect the credibility of issuing of degrees, Mr. Chairman, section 53 deals with who can and who cannot issue degrees, and there's a special provision in section 53(3) which deals with university transfer programs, something that seven of our colleges have. They, in fact, may be able to advertise the university factor.

We then, Mr. Speaker, come to sections 67(1) and 67(2), which are applicable to: the Banff Centre, 17(2); the colleges, section 33(2); technical institutes, 25(2); and, as I've mentioned, section 67(2) in the Universities Act. I'd like to dwell for some length on that because that seems to have attracted most of the interest. Of the 29 institutions, we've had comments from three of the four universities to the effect that many feel there is an

encroachment in terms of their jurisdiction. I'd like to address that specific section, dealing first of all with the definitions.

I would ask hon. members to look at page 29 of their Bill under sections 67(1), 67(2). I would point out that the adjoining pages, as members know, explain the existing legislation on the right-hand side; the left-hand side is the proposed legislation. Section 67 has really been in that Act for some 24 years: 1966 was when it was put there. I quote very quickly under section 67. "The Minister may require each university to submit to him any reports and other information he requires." Having been there for 24 years, obviously that can't be an issue for anybody.

It goes on to say

> the Minister may . . .
> (b) regulate and prohibit
> (i) the extension, expansion or establishment of any service, facility or program of study by a university or a private college designated under [such a section] . . .

That's for a degree-issuing institution like Camrose Lutheran College.

> . . . so as to reduce or avoid an undesirable or unnecessary duplication of a similar service, facility or program of study, and
> (ii) the establishment of a new school . . .

That, Mr. Speaker, has been there for some 24 years.

The proposal before us this evening in this Bill: section 67(l)(a) is identical; 67(l)(b), to allow the minister to "ensure the orderly growth and development of the postsecondary educational system by . . ." Sub (i) is the same. Sub (ii), "regulating the establishment of a new school," is the same.

> It seems that the issue that has people disturbed is 67(2): A proposal of a university or a private college designated under section 64.5 to reduce, delete or transfer a program of study shall be submitted to the Minister in the form prescribed by the Minister and the Minister may approve or refuse to approve the proposal.

That, Mr. Speaker, is the matter I wish to dwell on for the next short while.

It's important to understand the definitions. Under 67(2), and I quote, "a proposal of a university" by definition includes those matters normally within a board's decision-making purview; for example, quotas and entrance requirements. It would not include those day-to-day operating decisions such as the number of sections, timetabling, and the like. There is no intent for the minister to become involved in that.

Secondly is the "program of study." I believe it's very important to understand what we mean by that. If it's a university, Mr. Speaker, a program of study means the provision to a number of students of a cluster or a set of credit courses leading to a degree. If it doesn't lead to a degree, by our definition it's not a program of study. That term has had a long history in the Department of Advanced Education in fulfilling its responsibilities to regulate growth. I would point out to hon. members that a "program of study" does not refer to individual courses or sections.

The next one, Mr. Speaker, is the word "reduce," which seemed to attract a great deal of attention. Its definition: to reduce a program of study means a significant period-to-period reduction, as a result of a board proposal, in the number of possible full-time equivalent students in a program of study. This could occur, for example, in the introduction of a quota below historic and moment levels, reduction in a quota or the budget allocated to a program of study, or more stringent entrance requirements, or to reduce the number of program credits required to obtain a degree or credential. When I make reference to "program of study": if a university, it's a degree; if it's a technical institute, it could be a diploma; if it's a college, it could be a certificate or a diploma.

The last two definitions, Mr. Speaker. The word "delete," which is referred to in section 67(2), means the removal of a program of study from an institution's roster of programs either for a term-certain period or for an indefinite period of time consistent with maintaining the health of the entire system in accordance with a document called Guidelines for System Development, that I'll quote from. Those conditions under which deletions and reductions are implemented must meet with the minister's approval. Finally, the definition of "transfer" is the movement of a program of study from one institution to another. The conditions for transfer will include consideration of mandate and resource allocation as well as regional and provincial demand.

Mr. Speaker, it was some time ago, 1987 I believe, when the minister of the day had meetings with the various institutions, and as a result what was known as a consultative forum developed, which today is known as Guidelines for System Development. In that are pointed out the principles involved with the whole postsecondary system in Alberta, and I'd like to quote those principles. First of all, number one is access. Hon. members are aware that I've said many, many times as minister that my priority with students has been access and quality of education. I believe our postsecondary system, being funded 90 percent by the taxpayer, has a responsibility to see that the wishes of Albertans are lived up to, and one of those is access.

> The government of Alberta is committed to providing access to [the whole] post-secondary educational opportunities which respond to current and future needs as much as is possible within the resources made available.

This is the systems guidelines document I am referring to.

> Since they are the agencies closest to the actual delivery of educational services, post-secondary institutions play the major role in identifying changes required in order to maintain the currency and appropriateness of their offerings.

The other two principles, Mr. Speaker, that I wish to speak on at some length are: number one, autonomy and accountability by the minister on the one hand and the institutions on the other, and secondly, planning, whereby institutions and the department are expected to plan for the long term to best serve the interests of Albertans.

Mr. Speaker, having spoken for approximately, I think, the time that I'm allowed to, I would simply like to end there and continue on when we return to the second reading of Bills.

With that, Mr. Speaker, I would beg leave to adjourn debate.

MR. DEPUTY SPEAKER: Having heard the motion of the hon. Minister of Advanced Education that the debate be adjourned, all those in favour please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Carried.

[At 10:28 p.m. the House adjourned to Friday at 10 a.m.]