

Legislative Assembly of Alberta

Title: **Thursday, June 21, 1990 8:00 p.m.**
Date: 90/06/21

[The House resumed at 8 p.m.]

[Mr. Speaker in the Chair]

head: Introduction of Special Guests

MR. SPEAKER: The Member for Smoky River.

MR. PASZKOWSKI: Thank you, Mr. Speaker. It's my pleasure and privilege tonight to introduce a very special person from our constituency, a person who's been quite involved in the education field and the church field, and a very diligent worker in the community. At this time I'd like the House to recognize Marie Buck, and to recognize her in the usual fashion.

Thank you.

**head: Government Bills and Orders
Third Reading****Bill 46
Legal Profession Act**

MR. STEWART: Mr. Speaker, on behalf of the hon. Member for Banff-Cochrane I would like to move third reading of Bill 46.

Motion carried; Bill 46 read a third time.

**Bill 10
Small Power Research and Development
Amendment Act, 1990**

MR. BRADLEY: Mr. Speaker, I move third reading of Bill 10, the Small Power Research and Development Amendment Act, 1990.

MR. SPEAKER: The Member for West Yellowhead.

MR. DOYLE: Mr. Speaker, I just want to say that this new Act, the Small Power Research and Development Amendment Act, 1990, has the full support of the Official Opposition, and I compliment the government on bringing this Act in. Surely now there will be more funding for such projects as the much-needed development of geothermal throughout our province.

[Motion carried; Bill 10 read a third time]

**Bill 17
Municipal District of Badlands No. 7
Incorporation Act**

MR. SCHUMACHER: Mr. Speaker, I move third reading of Bill 17, Municipal District of Badlands No. 7 Incorporation Act.

[Motion carried; Bill 17 read a third time]

**Bill 19
Financial Consumers Act**

MR. ANDERSON: Mr. Speaker, I am pleased to move third reading of Bill 19, the Financial Consumers Act.

MR. SPEAKER: The Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. I've got to say I'm rather disappointed in Bill 19 in some ways. We will be voting for it on this side. Nonetheless, the Member for Edmonton-Strathcona and myself and the Member for Calgary-Buffalo put forward a number of suggested amendments, and in spite of the minister's protestations that he took it all very seriously and thanked us very much for our valuable input and went around and around that theme every time he stood to his feet, he really didn't make any substantive changes that took into account a number of very serious amendments that were put forward from our side.

The Member for Edmonton-Strathcona particularly put forward a battery of amendments to do with the very essence of what this Bill is about: the idea of what a financial planner is and what financial planning means. The minister dismissed those as not being practical and not workable. It seems to me that his reasons were not adequate, that in fact a financial planner is anybody who holds himself out to be a financial planner and should, therefore, be subject to the Act. It should not depend on whether or not he is able to sell a product. If he purports to be a seller of a product, that should be good enough. The Act should apply to what he says to people and what he tells them. And something similar in the argument about financial planning. Again, financial planning should not mean that you have to sit down and do a whole financial plan for somebody and organize all of their portfolio in a number of different areas; any one specific area should be enough.

So the amendment suggested by my colleague from Edmonton-Strathcona made a fair amount of sense. We put those arguments forward and went around them and back and forth a number of times. Again, the minister stands up and tells us how good it is to have our valuable input, et cetera, et cetera, and then in effect totally dismissed the rationale and the arguments.

From my personal point of view I still find sections 5, 6, 7, and 8, where it deals with the consumer responsibility, to be totally unacceptable. The Member for Edmonton-Strathcona again had an amendment here that would have at least gone some way to meet our objections. I maintain that these sections more or less blame the victim, or at least if one victim is different than another in terms of their ability to look after themselves and to ask the right questions, they will somehow get treated differently. The very slight amendment that the minister made to section 7 didn't help matters any. In fact, if anything it made it worse. What was there before in section 7 was: "Failure by a consumer to fulfill the responsibilities referred to in this Division is to be taken into account"; now he says: "can be considered". So it means that a judge or an arbitrator might not necessarily bother to take into account the fact that one person is less understanding of what they're getting into and therefore it's excusable for them not to ask the right questions, whereas another person who's supposedly a sophisticated investor should have known enough to ask the right questions. Either you've got to reject the premise entirely, this idea of blaming the consumer, and get rid of all those things altogether, or else stick with those things but allow for that kind of difference; not even allow for it:

specify that the arbitrator or the judge shall take into account those kinds of differences. Instead of that, the minister turns it into, "Well, they may allow for those differences if they wish," making it sort of optional for the arbitrator or the judge.

So although the Bill goes some direction in helping to protect consumers in this province . . . And I do appreciate the fact that it's in plain language; I think that is an excellent start in the right direction for making financial sellers and financial planners accountable to ordinary people who try to buy these various financial products.

I guess I would also like to say that this Bill is not before its time. Here in Alberta the government has gone through a very tough 10 years in the financial industry. We've seen the demise of an incredible number of financial institutions, particularly mortgage companies: Abacus, Dial, Principal, North West Trust. We know the litany of numbers of companies that have gone bankrupt. The government was not able, it seemed, to regulate those industries in such a way that the consumers would be protected and would know that those companies were in trouble, so a lot of people, trusting the government to do the regulatory job, had put an incredible amount of money into about a dozen companies in this province that have since gone bankrupt.

That sort of came to a head in the '84, '85, '86 period, and the government has taken four years to get around to doing anything about it. In fact, we just now have the Loan and Trust Corporations Act coming in this year, although there was an Act ready last year, and why that wasn't improved and moved ahead with by last fall or certainly by this spring, I'm not quite sure. I guess judging by the size of the Bill, the minister had to take it back and add a lot to it. I hope, as one gets a better chance to look at it, that that was because of contacts between this government and governments in the other provinces and the federal government so that the legislation will be co-ordinated across this nation. As we move into this globalized economy that everybody talks about – and it's amazing how we have foreign investors hanging over our head and worrying about Meech Lake, so that if Meech Lake doesn't pass, then the dollar is going to go down, or if Meech Lake does pass, the dollar will stand fast, and so on. It's incredible, the degree to which we have to cater to this global market in the financial industries. But in any case, it's time that this government got to this point.

I would say Bill 19 has some merit, but it also is not as good as it could be because the government was not prepared to listen to members on this side of the House.

[Motion carried; Bill 19 read a third time]

Bill 20

Consumption Tax Statutes Amendment Act, 1990

MR. JOHNSTON: Mr. Speaker, on this first day of summer in 1990 I move Bill 20, Consumption Tax Statutes Amendment Act, 1990.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Yes, Mr. Speaker. I have a couple of questions hanging over from second reading and Committee of the Whole that the minister has not dealt with, and I would just like to remind him: particularly the hotel tax. I pointed out to him how the hotel tax has caused hotels not only to pay the 5 percent to the government, as is what the Bill is about, and that's fair enough, but since most people pay with credit cards, it has also meant that the hotel owners pay an extra surcharge

to the credit card companies. So the credit card companies are a beneficiary of this tax in a way that I'm sure was totally unintended by this government.

A particular hotel owner in my riding, in fact, brought this question forward a number of times in letters to the Treasurer and to myself. I corresponded with him and with the Treasurer, and I asked him questions about this at second reading; I was not here, I believe, for Committee of the Whole. So I was expecting that the Treasurer might stand up and tell us a little bit about what, if anything, he intends to do about that fact. It's not really right that the Treasurer's tax of 5 percent on hotel rooms should cause hoteliers to pay an extra tax over and above that to the credit card companies. The credit card companies, in fact, get something of a windfall for no reason whatsoever except that the Provincial Treasurer decided to tax the sale of hotel rooms to consumers at 5 percent, the reason being, of course, for those of you that maybe didn't hear it last time, that most rooms are paid by credit card and there's a 2 percent surcharge which hoteliers pay to credit card companies for handling that business.

So the credit card companies are getting an extra 2 percent on that 5 percent that was really not intended, which is quite a lot of money. It's thousands of dollars for an ordinary hotel over the course of a year and, in fact, is far more than the Treasurer, who is giving the hoteliers I believe something like \$25 a month to help pay the costs of collection – it just doesn't come anywhere near covering that other part of it. There is the cost of the bookwork that has to be done and that the hoteliers sort of expect to have to do. The Treasurer has made some provision for that, but there is no provision for this 2 percent surtax on the 5 percent that hotels are paying to the credit card companies. I know that sounds like a small amount of money. It does actually – and I've seen the numbers – amount to several thousands of dollars for any normal hotel in this province.

Mr. Speaker, I also want to just say that we on this side of the House will not be supporting this Bill because of the first section of it, the fuel tax part. The Treasurer has raised the fuel tax for the people of Alberta from 5 cents to 7 cents. Of course they promised no new taxes in the last election, so we don't believe that they should be granted this right to tax the farmers and the people of this province on that particular score.

The tobacco tax: I've got to say that I don't have much sympathy with the people that have to pay a few cents more for cigarettes. They should not be smoking anyway, as the Member for Calgary-Buffalo pointed out in his Bill this afternoon.

So, Mr. Speaker, we on this side of the House will not be supporting this particular Bill, but I would appreciate it if the Treasurer would take the time to explain what he's doing, if anything, or if he intends to do anything about the problem of the hotel owners in this province.

MR. SPEAKER: Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Speaker. We're not going to support this legislation either. I've constantly remonstrated with the Provincial Treasurer with respect to his fiscal measures which are regressive and punitive and hit the low-income individual with far greater impact than the well-to-do, which is the exact opposite of what fiscal policies in any humane society should be directed towards doing. I've spoken at length on that issue; I've given examples. This Bill is, particularly with respect to the fuel taxes, right within the heartland of that. I don't have those concerns, of course, with respect to the smoking tax.

I have suggested to the minister that a major omission in his policies both in this legislation and elsewhere is the absence of any tax credits to compensate low-income people for the heavy burden that has been visited on them. The federal government, with all of their failings – and there are many – at least recognizes that need and has a scheme to rebate some of the sales taxes. Similarly, as the minister has said, although he has rebate provisions which would enable him to provide rebates to hospitals, municipalities, and school boards, he has indicated that that is in no way intended. We find it totally unacceptable for the government to be passing along their financial problems to the other lower levels in the same way as they complain about the federal government passing on federal problems to the province. The levels of increase in taxes through fuel tax and otherwise on these lower levels of government in many instances exceed the amount of grant increase for this year. They're in worse shape in total when the fiscal package is taken into account than they otherwise would be. We think that is just unacceptable, Mr. Speaker, and we're certainly not going to support it.

MR. SPEAKER: The Provincial Treasurer, summation.

MR. JOHNSTON: Mr. Speaker, the Consumption Tax Statutes Amendment Act, 1990, is an Act which on a very specific basis focuses on several areas which are left to the discretion of the consumer and which in fact have a wider and broader message than just a question of a user regressive tax. We have talked already about the impact of this tax on tobacco usage. Those people who oppose this legislation are in favour of more smoking; ergo, those people who are opposed to the taxation on fuel use deny the importance of energy conservation – clearly, Mr. Speaker – and those people who deny the importance of this tax only have one clear alternative.

REV. ROBERTS: Tax condoms.

MR. JOHNSTON: I'm sure the opposition party, my colleague from Edmonton-Centre, would like to tax condoms, and I want that to be on the record. I'm sure it's on the record. As my colleague the Minister of Education would say: good news.

AN HON. MEMBER: A rubber tax.

MR. JOHNSTON: They would strike to the heart of our synthetic rubber industry. The petrochemical industry would be lost.

AN HON. MEMBER: That's stretching it.

MR. JOHNSTON: Mr. Speaker, you can hear the spurious kinds of arguments which would be put in place by the very careful and finely tuned way in which we are trying to balance our budget.

Now, Mr. Speaker, there's only one other alternative, and this province, this government has attempted to deny that possibility. We have pushed back as much as possible the need for a general sales tax. We in this government are opposed to a broad-based retail sales tax. We've done our best, Mr. Speaker. We've worked as hard as we could. We've had to go to a user tax in some cases. We're trying to balance the budget, trying to be equal and fair-handed across the board. But there's only one alternative. Those people who oppose this very limited amount of consumer tax are talking about only one thing: they are

talking about the alternative; they're in favour of the alternative. I want the record to show clearly that they're in favour of that alternative, Mr. Speaker, and that is a broadly based retail sales tax. Let those who are in favour of a retail sales tax stand at a vote against this legislation. Those people who deny this small bit of taxation, those people who support the alternative position – that is, the broad-based retail sales tax – oppose it. Stand up. Be counted. Get on the record, Alex.

Mr. Speaker, I move third reading of Bill 20, Consumption Tax Statutes Amendment Act, 1990.

[An hon. member rose]

MR. SPEAKER: Take your place, hon. member. [interjections] Take your place. The Chair clearly said it was the Treasurer in summation on third reading.

The hon. Provincial Treasurer . . . [interjection] I'm sure hon. members don't want to tax the patience of the House. Bad.

The hon. Provincial Treasurer has moved third reading of Bill 20, Consumption Tax Statutes Amendment Act, 1990. Those in favour of third reading, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Carried.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Black	Gesell	Orman
Bogle	Hyland	Paszowski
Bradley	Isley	Payne
Calahasen	Johnston	Schumacher
Cardinal	Kowalski	Severtson
Cherry	Lund	Shrake
Day	Mirosh	Speaker, R.
Dinning	Moore	Stewart
Drobot	Musgrove	Tannas
Elliott	Nelson	Thurber
Elzinga	Oldring	Zarusky
Fischer		

Against the motion:

Barrett	Ewasiuk	Mjolsness
Bruseker	Gibeault	Pashak
Chumir	McEachern	Roberts
Doyle	McInnis	Wickman

Totals:	Aye – 34	Noes – 12
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[Motion carried; Bill 20 read a third time]

Bill 22

Agricultural Development Amendment Act, 1990

MR. ISLEY: Mr. Speaker, I move third reading of Bill 22, the Agricultural Development Amendment Act, 1990.

MR. HYLAND: Mr. Speaker, if I can make a few short comments on Bill 22. During debate on the Bill, I made reference to the Alberta Cattle Commission being responsible for vendor financing proposals. In reality what the Cattle Commission proposed was something called production credit, patterned much after vendor financing. It's been brought to my attention that Unifarm actually used the name "vendor financing proposal" in 1984. I was part of the debate on both occasions, and I mixed the two terms up. I'd like to correct the record on that.*

Thank you.

MR. SPEAKER: Is the minister prepared to give a 30-minute summation or something?

HON. MEMBERS: Question.

[Motion carried; Bill 22 read a third time]

Bill 24

Mines and Minerals Amendment Act, 1990

MRS. BLACK: Mr. Speaker, I'm pleased to move third reading of Bill 24, the Mines and Minerals Amendment Act, 1990.

MR. SPEAKER: Calgary-Forest Lawn.

MR. PASHAK: Thank you, Mr. Speaker. At second reading I indicated that I support the principle of this Bill. For a long time lease/rental rates were set at a relatively low figure, and that persisted over decades. This Bill will empower the minister to raise those rates, and I think that's fine.

However, I just had two concerns that I raised at second reading, and I wonder if the minister would perhaps care to address those concerns now. One is that I think the Bill was introduced with very little if no consultation with the industry, and as a practice I think that's somewhat regrettable. Perhaps the minister could tell us whether in fact he did consult with the industry and what kind of cross section of that industry he consulted with.

The second is that I think a lot of companies were caught by surprise, particularly small Canadian oil companies, and for some of the smaller companies this is a significant component of their budget. They made commitments on the basis that these lease/rental rates would stay in existence for an indefinite number of years. So some of them were caught by surprise and put into a difficult financial position, and I wondered if the minister took that into account when he introduced this Bill.

MR. ORMAN: Mr. Speaker, allow me on behalf of the Member for Calgary-Foothills to answer the question. I think it's fair that I answer it in that I was the one who was involved in those consultations.

First, let me say with regard to measures that are taxation measures or much like taxation measures, as is increase of rental rates, that the Provincial Treasurer and I along with our cabinet and caucus discussed the potential of discussing this issue with the industry, and in that it was part of the Provincial Treasurer's Budget Address, we felt that it would be inappropriate to flag any change in the rental rates in any other way than in the Budget Address itself.

It's a difficult area. I can say that over the year prior to the budget coming down, we had discussed rental rates as options.

I'm not sure how many would say, "Yeah, go ahead; it's a great idea," and support you a hundred percent. I can tell the hon. Member for Calgary-Forest Lawn, Mr. Speaker, that I have had no calls in my office from small producers, but I've had calls from big producers. I believe that with a company such as Amoco, as an example, it's a difference of about a million dollars a year in that they're such a big leaseholder. It's a small percentage and a small number for medium-sized and small-sized companies, Mr. Speaker.

I recognize the concern expressed for the second time by the Member for Calgary-Forest Lawn. However, it was part of the measures we discussed as a balance, and I think it was accepted by the industry. We moved to a price sensitive ARTC, which is much more significant than the rental increase in terms of an offset, particularly making that program a five-year program, which allows them to do their energy banking in a more long-term way. So we had to strike a balance. We thought about it, but we thought it would be inappropriate. I appreciate the representation, Mr. Speaker.

MR. CHUMIR: Mr. Speaker, if I might ask a question of the minister with respect to that. Our caucus will be supporting the legislation, but the increase in rental rates from \$2.50 per hectare to \$3.50 a hectare moves the rental rates beyond the level which is deductible for provincial income tax purposes. Only \$2.50 a hectare, if I recall correctly, is deductible. I'm wondering whether the minister has dealt with the federal government with respect to the potential deductibility of the extra dollar from federal tax, and if there have not been any consultations, will the minister or the Provincial Treasurer be taking that matter up with the federal government?

MR. SPEAKER: Summation, Member for Calgary-Foothills?

HON. MEMBERS: Question.

MR. SPEAKER: Thank you. There's a call for the question. The minister will have to respond on a confidential basis outside the House since this is third reading.

[Motion carried; Bill 24 read a third time]

Bill 25

Alberta Income Tax Amendment Act, 1990

MR. JOHNSTON: Mr. Speaker, I move third reading of Bill 25, Alberta Income Tax Amendment Act, 1990.

MR. SPEAKER: The Member for Edmonton-Kingsway.

MR. McEACHERN: Yes, Mr. Speaker. We will be supporting Bill 25 on the assumption that the Treasurer said that it's basically bringing Alberta's tax laws in line with the federal and in fact replacing large sections of the provincial Act with sections of the federal Act.

I did in second reading, however, ask the Treasurer about this weighted average on these royalty rebates. I don't recall that he actually took very much time to explain just how that was going to work. It is an idea that I believe has been mentioned a few times before, but I don't think he gave us as full an explanation as he might have. I wonder if he would take some time to do that now.

*see page 1531, right col., para. 3 and 4

HON. MEMBERS: Question.

MR. SPEAKER: There's a call for the question.

[Motion carried; Bill 25 read a third time]

Bill 47

Alcohol and Drug Abuse Amendment Act, 1990

MR. NELSON: Mr. Speaker, I move third reading of Bill 47, Alcohol and Drug Abuse Amendment Act, 1990.

MR. SPEAKER: The Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Speaker. This Bill has gone through second reading, committee, and come to third reading now. You know, you really have to ask the question. I mean, here the Premier of the province a year and a half ago said: we're going to take \$200 million to set up a family life and drug abuse foundation. Now, we've got AADAC doing admirable work, an admirable job, and we've amended it now to give it more effective use of its own resources, yet nothing has been said about the family life and drug abuse foundation and how it's going to relate to AADAC.

Now, I hate to keep harping on this, but certainly \$200 million is, you know, no picnic, and we need to know how this new allocation of money for this new initiative of the Premier – apparently it's gone through the provincewide hearing process and is sitting on the desk of the Minister of Health. I don't know if the chairman of AADAC in summation would like to say how his portfolio over that at AADAC and all the people that he's dealing with in terms of the treatment of people who have drug and alcohol abuse difficulties, how those treatment programs are going to be affected by the research, education, and treatment programs of the new family life and drug abuse foundation.

Clearly, there's either a mixed message here or not a well-thought-out policy development by this government on a very crucial issue for Albertans in this day and age. Yet we continue to let this Bill just sort of slip through second reading and now third reading, and these questions are not addressed. The Minister of Health said a month ago that she'd let us know soon how this was going to work out in terms of some coherent policy, but we're all left wanting on this question. I think something's going on, and we smell a kind of a bad rat here, Mr. Speaker. I think this member here, the chairman of AADAC, should really, if he does know what's going on, maybe come clean and say how AADAC is going to interact with this new foundation. Albertans need to know. We've asked the question, and it behooves members of government to come clean on this one sooner than later.

Thank you.

HON. MEMBERS: Question.

MR. SPEAKER: Call for the question. Calgary-McCall, summation?

[Motion carried; Bill 47 read a third time]

head: Government Motions

16. Moved by Mr. Johnston:

Be it resolved that the Assembly, pursuant to section 6(4.1) of the Alberta Heritage Savings Trust Fund Act, authorize

for the fiscal year ending March 31, 1991, the making of investments under section 6(1)(c) of that Act in

- (1) the Alberta Agricultural Development Corporation in an amount not to exceed \$40,000,000 in aggregate,
- (2) the Alberta Mortgage and Housing Corporation in an amount not to exceed \$103,000,000 in aggregate, and
- (3) the Alberta Opportunity Company in an amount not to exceed \$28,000,000 in aggregate.

MR. JOHNSTON: Mr. Speaker, I'm pleased to move Motion 16. This motion provides the resources for three very important institutions funded by the Heritage Savings Trust Fund to provide much needed resources to assist in agriculture, housing, and small business development. The record of these three institutions has, in fact, affected in a profound way the operations of these entities. These corporations are very phenomenal success stories for the province of Alberta. They have advanced the cause of the very major economic initiative of agriculture, they provide the housing initiatives to the Alberta Mortgage and Housing Corporation, administered by my colleague the Minister of Municipal Affairs, and in fact have provided major assistance to small business through the Alberta Opportunity Company.

Every year, Mr. Speaker, the government proposes this motion, which is part of the way in which the Legislative Assembly through its checks and balances controls the expenditures of the Heritage Savings Trust Fund. Every year the government must come forward with a resolution which asks and requests money from the Heritage Savings Trust Fund to support these very meaningful and worthy initiatives as outlined by these three agencies of the government of Alberta, agencies which touch a variety of people, which further the initiatives of this government, initiatives, I think, serving all Albertans, and moreover, Mr. Speaker, initiatives which I think diversify this economy in a variety of ways, providing jobs, opportunities, new investment, and bringing to the forefront the strengths which are common in this province, common in agriculture, in construction, and certainly through the small business sector of this province. It's an important part of our plan that responds to the requests and the demands of the small business sectors of this province, and I think it's an important initiative of this government to use the Heritage Savings Trust Fund for these purposes.

So, Mr. Speaker, I would certainly move the full acceptance and endorsement of initiatives in agriculture, housing, and small business by all Members of this Legislative Assembly.

MR. SPEAKER: Edmonton-Centre.

REV. ROBERTS: Mr. Speaker, thank you. A few questions we'd just like to put with respect to this allocation. I have a particular interest in the Alberta Mortgage and Housing Corporation allocation of this amount. I know the minister responsible for AMHC has given certain commitments to social housing as being an area of real targeted need, whether it's for people with disabilities or certain elderly or people who may want to live in some co-operative housing in the inner city: a variety of initiatives in the social housing field. I think we very much support him in that.

I was at the opening of the YWCA's new project in Edmonton-Centre constituency, where they've used some AMHC money, trust fund derived, to put together some housing for single moms: terrific units up there, Mr. Speaker. You won't believe the kind of terrific housing and support, some counseling and help, child care, and interaction that can go on to meet a really terrific need in that way.

Now, much more needs to be done in this regard, I would submit. We had the question raised today about certain initiatives for people with disabilities in terms of their housing needs. It's fine to have the Treasurer say tonight, "We want to allocate moneys from the trust fund." I would particularly like to focus on this and would hope that the verbal commitment and some of the initiatives that the Minister of Municipal Affairs has taken in this regard might be followed up now that he has this extra cash to help him.

I think other members might have some comments as well.

MR. R. SPEAKER: Mr. Speaker, I'd like to comment and to indicate to the hon. member that I certainly appreciate the comments and the support. One of the focuses that we are trying to hone a bit better in the Alberta Mortgage and Housing Corporation is with regards to social housing, with a special emphasis on persons in need – that's one – and, secondly, also focus on the inner cities of both Edmonton and Calgary.

What we've tried to do with the Alberta Mortgage and Housing Corporation is co-ordinate the work with the agencies. One of the problems that we found as I walked through the inner city of Edmonton and also the inner city of Calgary with Mayor Duerr was that many of the agencies had a lot of aspirations and hopes with regards to what government dollars could do in assisting them to meet some of those very basic needs in the community. As we had them together and they discussed the issues, I noted that often some of the individuals, the very committed, tremendous volunteers, I'm sure getting few dollar rewards for the many, many hours they put in in these communities – often one agency was not completely aware of what the other one was doing. So we're trying to formalize that to some extent so that we use the dollars we will have to the best possible extent and prioritize the needs not by what we think or I think as the minister or AMHC thinks is the priority of expenditure, but the priority will evolve out of that community liaison or co-ordination that we're going to put in place.

In Calgary I've asked the MLA for Calgary-Bow to act as the co-ordinator or the liaison person for the agencies in Calgary. We've got that in place. We've had preliminary discussion with the hon. member, and she's going to chair the agency committee, not only agencies of government but also agencies of the community, in a set of informal conversations that establish the priority of expenditures for the inner city of Calgary. In Edmonton we haven't brought it to that level of organization whereby we've involved one of the government members, but the agencies in Edmonton are co-ordinating it to a greater extent, and we're able to work with them, particularly such persons that work very closely with the people in those areas.

I just wanted to mention, Mr. Speaker, that we're doing that. This refocus of AMHC has certainly been accepted in those communities, and we hope that we can meet the aspirations of not only the people helping others but those in need in those respective areas.

MR. SPEAKER: Edmonton-Whitemud.

MR. WICKMAN: Yes, Mr. Speaker, I want to echo a few comments pertaining to the expenditure of these dollars by Alberta Mortgage and Housing Corporation. The Member for Edmonton-Centre focused to a degree on some of the concerns that I intended to raise, and that is when we talk in terms of this new direction of Alberta Mortgage and Housing Corporation and the expenditure of these dollars with a focus on social housing, housing in the areas that are hardest hit, such as Boyle

Street and such, and housing for disadvantaged persons, such as senior citizens and persons with disabilities.

I think – and again the Member for Edmonton-Centre touched on it – we had a classic example today during question period when we saw an instance of housing being built, housing being encouraged to be built, good housing, co-operative housing; that is, to suit people that need specific types of housing. I commend the involvement of Alberta Mortgage and Housing for that type of housing, but I would urge that minister to look at it from a comprehensive point of view, and even though he is not the minister responsible for the other components of that housing, I think there's an obligation when we develop that type of housing that there be some communication with the other ministers to ensure that the complete package is built. Here we have an instance where unfortunately a good deed was done, some housing is going to be developed, and it's now questionable as to whether that housing is going to be occupied because the total commitment that was required by the provincial government wasn't made. I would hope that the minister of housing, when he's looking at these types of expenditures, can somehow incorporate that whole philosophy within his programming.

Maybe the minister would like the opportunity to comment on those particular points.

MR. SPEAKER: Calgary-Forest Lawn.

MR. PASHAK: Thank you, Mr. Speaker. I'd like to speak against the motion. Undoubtedly some of these expenditures do serve the interests of some Albertans and are worth while, but there's so much impropriety associated with some of these spendings that I think that unless we had some opportunity for proper review of these agencies, in the meantime I have no confidence that the government is spending this money wisely or well. I can refer to the fact that a number of senior executives in the Alberta Mortgage and Housing Corporation had to be replaced lately. I don't know why that came about, but it certainly would seem to indicate that something was amiss there.

As well, I recall one other significant incident that came before the Heritage Savings Trust Fund committee where a farm that I think was owned by a relative of one of the cabinet ministers was foreclosed on by Alberta Agricultural Development Corporation. It was then sold to a third party at much lower than the value of the previously existing mortgage, and then it was sold back to the original landholder at a much reduced value.

Well, all you need are a few incidents like that, and public confidence is shaken, not just in the government but in politicians generally. If we'd embrace that measure that I introduced earlier this afternoon to have an effective Public Accounts Committee scrutinizing department expenditures like these, perhaps we wouldn't get into these problems.

So I'd ask hon. members to vote against the motion.

MR. CHUMIR: Mr. Speaker, I just want to make a couple of brief comments about this, firstly with respect to the Alberta Mortgage and Housing Corporation financing and the housing problems in this province. I'm pleased to hear from the minister that there is going to be some focus on social housing, and I'm pleased to hear that he is consulting with municipalities and that there is going to be some setting of real priorities on a local basis. It sounds to me like things are somewhat under control, and I'd like to congratulate the minister in that regard.

What really concerns me is that I just sense an overall inadequacy of funding going into this particular area, particularly the realm of dealing with those with low incomes. So many programs that this government funds, and I'm thinking right now of the mortgage interest shielding and the first owner program, are ones which provide assistance to Alberta's rich, poor, average income, or whatever, and in many instances it's only people who tend to be in the upper echelons who are able to take advantage of them. Perhaps upper echelons is a bit overstated. It's only those who have enough wherewithal to be able to buy a house or own a house or whatever. So many individuals are excluded from that, particularly renters. They really have been overlooked.

To be fair, the rental crisis has swept over the province very, very quickly, but I've just sensed a neglect of that area by the government and by governments in general. I know that the federal government has been asleep at the switch. They've abandoned rights they had with respect to limited dividend housing, which provided very restricted rentals. I am aware of that in depth, and for no reason whatsoever they relinquished contractual rights that they had with borrowers which would have required rentals to remain low. Just in general my sense is that the governments have wanted to get out of that area so badly that they've had their blinkers on. Now there is some real need, particularly when you look at the very regressive fiscal measures of the Provincial Treasurer, who is providing us with such wonderful ammunition. We're able to knock a few of them over the wall with great ease, because the numbers speak for themselves.

So I would like to perhaps hear from the minister what he might envisage . . .

MR. JOHNSTON: This is not third reading.

MR. CHUMIR: This is a motion; wake up.

. . . in the way of specific programs for the average individual, the low-income individual, particularly with respect to rental units, which have been so badly neglected. When I say the average individual, I know there is some focus and due focus and attention being given to the handicapped. There are many needs in that area. It's excellent that those are being looked after, but perhaps we might just hear about a bit broader perspective on how much of this money is in fact going to be going into low-income programs and what kind of dent this makes.

MR. JOHNSTON: This isn't question period.

MR. CHUMIR: No, it isn't question period, and that's why maybe we'll get some answers. I get a chance now to direct a question to . . .

MR. SPEAKER: Through the Chair, please.

MR. CHUMIR: Mr. Speaker, I'm now going to get a chance to direct a question to a minister who may answer my questions as opposed to the Provincial Treasurer.

MR. SPEAKER: Thank you.

The Member for Edmonton-Kingsway.

MR. McEACHERN: Mr. Speaker, thank you. I know the Treasurer would have been disappointed if I hadn't gotten up to

speak to this motion. Every year we have this little go-around, and this year's not going to be any different, I assure him.

I'd like to say, first, that the money that goes into these three Crown corporations has a worthy cause, that the ideas behind spending money in these areas are good in every case. The Alberta Mortgage and Housing Corporation does a certain amount of funding of seniors' residences and low-cost housing for people that need help with housing, and we're in favour of those kinds of programs, Mr. Speaker, but we're not in favour of this motion, and I will explain why in a moment.

The AADC is in the business of lending money to farmers, and that's a hard thing to argue against, and I have no intentions of doing so. I believe that the Agricultural Development Corporation serves a useful purpose, as does the Alberta Opportunity Company. Now, I will say that they both seem to be a little slow sometimes in getting around to fulfilling the needs of some of the people that apply to them, and sometimes by the time they get around to giving them the money or offering to give them money, the people have given up and shut down and gone and done something else, because they're sometimes so bureaucratic and so slow.

As we've always said, both the AADC and AOC should really have been put under the Treasury Branches. If the government really wanted to have them as sort of independent agencies, then they should have turned it over to the Treasury Branches and let them administer it and then it would have been – well, almost at arm's length, anyway. We do know the Treasurer has the Treasury Branches under his thumb. I'm not sure that would have been all independent, but more independent of government than they are now, and that would have been a good move.

Well, Mr. Speaker, we're being asked to agree to renew some debentures – in other words, money from the heritage trust fund – to these three Crown corporations. I think a lot of members here probably don't, at least from the reaction we get when we discuss this every year, understand just exactly what's going on here with this manipulation of money. The government wants to give the Agricultural Development Corporation \$40 million from the heritage trust fund. In return, the Agricultural Development Corporation will give them a debenture, a piece of paper that says, "We owe you and we'll pay you interest on this \$40 million." Now, they may not cash in the \$40 million straightaway over the course of the year. It may be a little less than \$40 million. That would be the Treasurer's top estimate of what AADC will be seeking out of the heritage trust fund this year. For Alberta Mortgage and Housing Corporation it's \$103 million and for the Alberta Opportunity Company \$28 million, a total of some \$171 million I believe that amounts to.

Well, Mr. Speaker, every year the Treasurer comes before this House and asks for something in the neighbourhood of \$200 million, sometimes \$300 million, for these three Crown corporations. Of course, he needs the money because these three Crown corporations lose money every year, and they have to have that money in order to pay out the old debentures so they can pay the ones back to the heritage trust fund that have come due. That's one of the things that goes on. Now, oftentimes there isn't even then enough money because these corporations are losing money, so the Treasurer gives these three Crown corporations outright grants. That's out of the General Revenue Fund, usually around a couple of hundred million dollars for the three of them; it varies from year to year. Then on top of that he allows these three Crown corporations to do something that no private enterprise company or corporation would be allowed to do: he allows them to carry debts on their books. The Alberta Mortgage and Housing Corporation has some \$600 million of

debt that it's carrying on its books, the Agricultural Development Corporation around \$100 million, and I've forgotten the number – it's much smaller, of course – for the AOC, which is very small potatoes compared to the other two.

Now, the Agricultural Development Corporation, Mr. Speaker, has just over a billion dollars of heritage trust fund money as of December 31, 1989. The Alberta Mortgage and Housing Corporation has almost \$3 billion, \$2.971 billion as of December 31, 1989, and the Alberta Opportunity Company has \$167 million of heritage trust fund money. Now, it isn't that one minds using the heritage trust fund for different things, but the way particularly Alberta Mortgage and Housing operates – well, it is administered out of the department; it really should be funded out of the department too. The minister really should come before this Assembly every year and in his estimates indicate how much money Alberta Mortgage and Housing needs. It should be put forward in the estimates and passed by this House so that the cost of those housing programs will be right there, right up front, instead of doing this little charade of trying to claim that Alberta Mortgage and Housing makes money every year and pays its debentures to the heritage trust fund so that the heritage trust fund can claim that the earnings of the heritage fund get paid into the general revenue account, and we get this nice little circle of money going around and around.

The same is true for the other two as well, the way the circle works. The Treasurer takes money out of his left pocket, subsidizes the Crown corporations; the Crown corporations pay their debts to the heritage trust fund; the Treasurer brags about how much money the heritage trust fund makes: you know, 10 percent this year, 14 percent. Whatever he thinks it is, he brags about it. One and a quarter billion dollars in 1988-89 that the heritage trust fund contributed to the general revenues of the province: well, of that 1 and a quarter billion dollars that he bragged about last year, about \$450 million of it came out of these three Crown corporations which we know have been losing money since 1981. So to kid the people of Alberta that somehow the heritage trust fund is invested in a way that's making good money for them really doesn't make a lot of sense. You know, there is about \$8 billion of the heritage trust fund that is making money, but of the \$12.3 billion in what the Treasurer likes to call financial assets, just over \$4 billion is in these three Crown corporations. For the Treasurer to try to claim and brag to the people of Alberta that, "Look, we get this 1 and a quarter billion dollars from the heritage trust fund," when it's really closer to about \$800 million that we get out of the heritage trust fund, doesn't really make a lot of sense.

The Treasurer wonders why I told him that his debt servicing costs were equivalent to the heritage trust fund earnings. In fact I guess I would say that they've exceeded it when you take this into account. I mean, he estimated his debt servicing costs would be just over \$965 million in the year we're currently in, and I suggested he was a couple of hundred million dollars light, which would put the debt servicing costs at around the 1 and a quarter billion dollars that he's claiming the heritage trust fund makes. In fact, if you consider that that 1 and a quarter billion dollars is really an inflated figure supported by gifts from the Treasury and supported by more gifts from the heritage trust fund in terms of capital loans from the heritage trust fund to these Crown corporations, and considering that those Crown corporations are allowed to carry a bigger and bigger debt each year on their books, then you've got to say that that 1 and a quarter billion dollars really should be about \$800 million. So already our debt servicing costs are exceeding our revenue income from the heritage trust fund. Mr. Speaker, that charade,

that going around and around, is what we object to, and the Treasurer, if he expects this side of the House to agree to these kinds of debentures from the heritage trust fund, is going to have to suddenly find some way of accounting in a straightforward and honest way so that the people of Alberta don't get kidded about how much money the heritage trust fund is making for them.

The Treasurer has a knack for using the figures in such a way as to make it sound like, "Well, yeah; these guys are making money," and everybody knows they're not. Alberta Mortgage and Housing particularly got itself into a very bad mess, and one of the things that I really resented about the way things have gone in the last three or four years, particularly between '86 and '89: the government changed the minister of housing about every six months or every year. We had about three or four different ministers in a very short time. By the time the minister started to find out a little about what was going on in Alberta Mortgage and Housing, they were shifted out of that portfolio, and considering the mess they were in . . .

I remember distinctly the present minister in charge of Alberta Mortgage and Housing when he was in the opposition asking some very hard-nosed questions. In fact, in one particular year, I believe the Attorney General was the minister at that time, and he sat there and wouldn't believe there was a problem. The Member for Calgary-Buffalo and myself asked him several questions; he went around and around these questions, and he denied and denied and denied there was any problem until finally the Member for Stony Plain, who was a Conservative at that time, and the Member for Little Bow got through to the minister that there was a problem there. "Oh." He sort of sat back. This took two hours, to convince him there was a problem with Alberta Mortgage and Housing when the rest of the world knew there was. We all knew that the government overinvested in lands all over Alberta during the boom in '79, '80, '81 and built up an incredible portfolio of lands, hoping to sell a lot of them as industrial parks to a lot of small towns because there was going to be such a big boom in this province. When the boom didn't come through, they found themselves to be the biggest landowners in the province and a lot of those lands not worth what they'd paid for them. It was, Mr. Speaker, if I may say, an incredible boondoggle, as the debts that the Alberta Mortgage and Housing has stacked up show.

The present minister I do believe has some understanding of the problems of Alberta Mortgage and Housing, and I hope he's going to be able to get on top of it and sort them out. I do appreciate the kinds of programs that Alberta Mortgage and Housing runs, and I want to make that perfectly clear. The Treasurer will get up at the end of this and tell us how we don't like these programs and we're voting against important programs and that sort of thing. If he would just change his accounting for the programs, we'd be quite happy to vote in favour of these kinds of programs. It's the manner in which he tries to pass off that these Crown corporations are making money when they're not that we are objecting to when we vote against these programs. I wish the Minister of Municipal Affairs well in sorting out the mess that he has inherited from 10 years of incredible mismanagement of that particular Crown corporation, I guess the only word is, on the part of this government. I hope that he not only gets the mess sorted out but that he carries on with important social programs in housing for the people of Alberta.

The Treasurer, Mr. Speaker, also likes to tell us that because these companies are making money, according to his way of looking at it, we on this side of the House should be supporting them and that they are good programs, and I want to just make

it very clear once again that we're not against the programs. If the AADC and AOC were put under the care of the Treasury Branches, we think they would do better. The government has chosen to set up separate administrations; so be it. We think those are important programs. On the AOC, by the way, I wanted to mention that they are getting into some venture capital for small companies, a few thousand dollars or a few tens of thousands of dollars for small companies, and if a government is going to interfere in the economy, as all governments seem to do – including this one more than most – then that's the place and the right place to interfere. You help small, new businesses get started; that is, if you're going to have government involved in business. That's perhaps even the only place the government should be putting money, except perhaps for an odd major project where the government's influence or help may be needed if they have a particular object in mind. But by and large the degree to which this government has let itself get involved in middle-sized companies in trying to make companies competitive in that international market that we seem to be moving into – I find that they get themselves into more trouble than they do good work. All you have to do is think of GSR, the Pocklington thing, giving money to Cargill, and that sort of problem that they got themselves into.

The AADC – certainly farm people in this province need all the help they can get, and to the extent that AADC is somewhat helpful, even if they're not going to be under the Treasury Branches as we think they should be, at least we think that the program is worth while and that they should continue. Again, what I object to is putting money into them on the assumption that they are a money-making investment for the heritage trust fund. You know, you put the money in and call it an investment and then take back the money with a percentage of interest added and say, "Look; this company's making money for us." Well, these three Crown corporations are not making the money. The Treasurer is having to take the money out of his left pocket and put it into the company so they can pay their bills to the heritage trust fund, and then the Treasurer brags about how much money we're getting from the heritage trust fund.

So, Mr. Speaker, it's that circular kind of process. You know, it's not unlike what the CCB directors did when they got themselves in trouble. If a private company did this, they'd be up for some kind of fraud or something. I'm not quite sure what the term would be, but it certainly would be illegal for a private company to try to pull off this kind of manipulation. I guess one can't say there's anything in a legal sense wrong with what the Treasurer does, because he's totally responsible for the heritage trust fund and he's totally responsible for the general revenue account. The problem I have with it is twofold. One, it's an accounting nightmare and quite, quite ridiculous, and two, it lies to the people of Alberta in a sense because it tells them, "Hey, look what the heritage trust fund is earning," when in fact it's not earning that much. That's what bothers me.

So we on this side of the House will once again deny the Treasurer our support for this requisition of money from the heritage trust fund. He can get up and rail about us being Marxist-Leninists and not knowing anything about the economy all he likes, but what we do know is that the way he's accounting for this is a shysterish way of doing it and not acceptable, and we're not going to be a party to it. If he wants our support for these kinds of programs, then he needs to revise the way these programs are funded, bring them back under the departments, and ask for them in the budget estimates the same as for other programs of the government.

MR. SPEAKER: Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Speaker. I would like to address a few remarks to Motion 16, particularly given that the Provincial Treasurer indicates he doesn't feel he should be answering questions about this because – and I think I quote him accurately – he says: "This isn't question period." Well, I suppose it's a good thing in one way, for the posing of questions. As the Member for Calgary-Buffalo goes, at least you don't have the chorus over here hollering "Question," and you don't have interventions as frequently.

But it does seem more than a little bit appropriate that questions should be raised about an investment of \$171 million from the Heritage Savings Trust Fund. This category of investment in the Heritage Savings Trust Fund, the Alberta investment division, for the information of members, is investments which . . . in the opinion of the Legislative Assembly as expressed in a resolution of the Assembly,

- (i) will yield a reasonable [rate of] return or profit to the Trust Fund, and
- (ii) will tend to strengthen or diversify the economy of Alberta;

Well, I certainly think there has been no proof offered that the investments in the Agricultural Development Corporation, the Alberta Mortgage and Housing Corporation, or the Alberta Opportunity Company, for that matter, have earned anything that might be considered a reasonable return on investment. In fact, I don't think it's that type of expenditure at all. I think there's some question as to whether this resolution is legal within the meaning of the Heritage Savings Trust Fund Act, and that's a type of question that perhaps should be addressed by this Assembly before we casually on a Thursday evening allow the government another \$171 million to play with in terms of these three ventures.

This division of the Heritage Savings Trust Fund is becoming like a lot of elements of the public finances of the province of Alberta. We're starting to get more pockets and more socks and more mattress holes than a 19th century miser; you know, there's a bit of money stuffed here and a bit of money there. What it does, really, is to make the public finances of the province extremely difficult for average Albertans to understand; in fact, difficult for people who attempt to understand these things and explain them to people for a living, difficult for members of the Assembly to comprehend, difficult for people in the news media, and I daresay even for people in the accounting profession. That serves the political interests of government in some ways, but it doesn't serve the interests of this Legislative Assembly and the people who sent us here.

You know, it's in the history of Parliament that Parliament became important only after the power of the purse was wrenched away from the king and the administration. Well, today, of course, we don't have a king, but Her Majesty's affairs as the Crown in the province of Alberta are run by the government, the people who occupy the Treasury benches over there. That's what makes them different from other members here. That's the Crown, and that's who the tug-of-war is with in the modern day. It's between the government and the Assembly. You know, Parliament didn't have a lot of clout until the purse strings were taken away, because the king's representatives always found a way to interpret the law such that they could do almost anything they wanted to do, and since they controlled the administration of justice, there weren't too many people who would challenge that. But they found there was a problem when

it came time to seek access to the purse strings, and that's when Parliament had its day.

We're moving in altogether the wrong direction in the province of Alberta in the way the Heritage Savings Trust Fund is managed. I mean, the Heritage Savings Trust Fund is definitely taxpayers' money that was allocated there for a purpose which I would argue and have argued and will argue has not been served. The stated purpose of the Heritage Savings Trust Fund has not been achieved in the province of Alberta, so you do have to quarrel as to whether the whole operation has been successful. You know, the Heritage Savings Trust Fund is tax money; it's just in a different pocket with a different name, and it falls under a different Act. Therefore, we get by way of a request for \$171 million a fairly bland and, I would say, almost condescending statement at the outset saying, "Well, farms are important in Alberta, and darned if housing isn't important too, and the same for small business," and therefore we should all be prepared to support the investment of \$171 million, which may, given the track record of these agencies, actually turn out to be an expenditure rather than an investment. So many Tory investments turn out to be expenditures when it's all added up at the end. Again, there's just no evidence to suggest that any of this investment will yield a reasonable return or profit to the trust fund, because that's not the history of these agencies. So I think the members for Calgary-Buffalo and Edmonton-Kingsway are absolutely correct to require some explanation.

It's not as if everything that's ever happened in these agencies is beyond question and beyond reproach. It just so happens, for example, that some people who managed to get in on the ground floor of the elk ranching industry, which is in the process of being rammed through this House under closure, were able to do so qualifying for government-assisted loans that not everyone in the industry was aware of. It just so happens that Alberta Mortgage and Housing was involved in land development schemes that didn't quite pan out, and a lot of property has been held at a loss by municipal taxpayers. Some of it, for example, in the municipality of Drayton Valley became the site for the Pelican Spruce Mills, not because that was the sensible place to locate an oriented strandboard mill – because it so happens it dumps soot and ash and other material all over the town, causing bronchial problems and other health problems. It was simply a matter that AMHC enticed the municipality to acquire this property on the speculation that there would be housing built there, and the municipality was stuck with it and thought the easy way out was to attract industrial development there. Since we don't have environmental impact assessments in cases like that, no one thought through the fact that that plant could be equally successful from an economic point of view and make as great a contribution to the economy of Drayton Valley were it 10 kilometres out of town rather than being right in the middle of town where it can rain soot and ash down.

There's \$171 million in resolution 16. As my colleague from Edmonton-Kingsway says, there's no budget speech that outlines the plans of the government for this expenditure. There's no budget debate in which we can debate and analyze the fiscal policy of the government, the priorities of the government in relation to this. There's no Bill; there's no first reading, second reading, and committee, followed by third reading and Royal Assent. There's just a statement at the beginning of a debate on a Thursday evening, indicating that yes, farming is important, as is housing and small business. Well, farming, small business, and housing are important, and 171 million taxpayers' dollars are important too, and that's why these things are worthy of a debate, a full and frank one. I think the member is quite correct

to suggest that members should not agree to this motion until such time as we can have a proper accounting of these funds.

MR. JOHNSTON: Mr. Speaker, on a point of order.

MR. SPEAKER: All right; what's the point of order?

MR. JOHNSTON: Mr. Speaker, if my memory is accurate, the Member for Edmonton-Kingsway used the word "shyster" in referring to the government.

MR. McINNIS: He said "shysterish."

MR. JOHNSTON: Shysterish, shyster, shystee, shyster.

Mr. Speaker, the word "shyster" was used in comments by the Member for Edmonton-Kingsway, referring to the government's policy with respect to expenditure of money. I draw your attention to 491, which states very clearly "that language used in the House should be temperate and worthy of the place in which it is spoken." Moreover, Mr. Speaker . . .

MR. SPEAKER: Forgive me, Provincial Treasurer. Perhaps I could have someone find the hon. Member for Edmonton-Kingsway to come back to the Chamber, and then I . . .

MR. JOHNSTON: That could be difficult.

MR. WOLOSHYN: Now, that isn't inflammatory?

MR. McINNIS: Well, it's certainly worthy of the member who spoke it.

MR. SPEAKER: Thank you. Just hold it, folks.

The Chair will recognize the Treasurer when the member comes back. The Member for Calgary-North West, in the meantime. [interjection] Thank you, Edmonton-Jasper Place.

MR. BRUSEKER: Thank you, Mr. Speaker. I too would like to enter the debate and make a few comments with respect to Motion 16 before the House today. While I agree that many of the intended aims of these corporations are in fact very worthy aims, I have some concerns with the way they have operated in the past and some concerns, in fact, about the way they may be operating in the future.

With respect to the Alberta Agricultural Development Corporation, some \$40 million is being requested here. It was not that long ago that MLAs had the opportunity to meet with the food processors of Alberta, and they impacted upon us their message that it's very important for Alberta industry and agricultural industries in general to diversify the economy by creating new jobs and new industries. Yet when we look at the track record of the government in agricultural diversification with respect to meat packing plants around the province, we see a less than exemplary track record. We recently had an announcement by the Minister of Agriculture that the ADC will be involved with the new development of a company called Westcan Malting in the town of 'Ailex' or Alix, however you pronounce it, in central Alberta.

AN HON. MEMBER: Alix.

MR. BRUSEKER: Alix; thank you. I have no problem with the concept of developing a malting plant, but I guess my concerns there: we were having some \$9 million of provincial

money being expended, \$5 million via a loan, \$4 million in additional expenditures from this government in the purchase of shares for this company, yet it seems the details that were being provided by this government and the Minister of Agriculture are rather sketchy details. Yet we are being asked today to support a motion that would allocate another \$40 million to the Agricultural Development Corporation, and we may see future loans that operate as they have in the past, and as this one seems to be operating, with relatively few details being provided. So I have some concerns there.

My understanding with what's happened in the past is that the government has subsidized all meat packing plants. I'm wondering if they're going to do the same kind of thing with all malting companies. We have Canada Malting that has been in the province for a number of years and that as far as I'm aware is not operating at full capacity and in fact could increase their capacity. Now we're looking at throwing \$9 million into a new venture that will create competition and may end up with both of these companies being on rather unstable financial footing. Mr. Speaker, it seems to me to be absolutely foolish to create instability for the markets. If I could be convinced by the government, either the Treasurer or the Minister of Agriculture, that in fact there is a demand and there is a need and the jobs will be significant long-term jobs, then I would be most pleased to support this. But so far I haven't been convinced of that, and I don't see that kind of information coming forward, so I do have some concerns about the Agricultural Development Corporation getting another \$40 million.

Having said that, I do agree that we do need to diversify our economy, and I agree with the Agriculture minister that we do need to develop the agricultural side of things, and I believe that that is an area where there is great potential. But I am not convinced, given the past track record and the information we have regarding Westcan, that in fact this is the best route to go. So I find it very difficult to support that particular section of Motion 16.

With respect to the Alberta Opportunity Company, again the concept here is to support small businesses to the tune of some \$28 million. Mr. Speaker, we've all heard that small businesses are the backbone of diversifying the economy. On a per job created basis, small business creates more jobs than large business does, so clearly the support for small business is a sentiment with which we all can agree. But when we take a look at the balance sheet of the Alberta Opportunity Company, as is published for us in the public accounts, we look to the figures for last year, 1989: a grant from the province of Alberta for the assistance of small business, \$11.8 million; net loss for the year, just under \$7 million. That's a rather poor ratio when we see almost \$12 million being given and the Alberta Opportunity Company loses more than half of that. Close to 60 percent of that amount is lost. We look at the 1988 year: again, almost \$12 million. The net loss is significantly smaller that year. It's only – and I say this tongue firmly planted in cheek – \$3 million. But then we look a little closer and see there's an additional \$1.6 million in grant that was also given to the Alberta Opportunity Company, which more realistically brings the total loss there to be a little higher.

My concern with the Alberta Opportunity Company, Mr. Speaker, is that we're being asked to support \$28 million for small business and we have a motion before us that simply says, "Give me 28 million bucks, trust me, and I'll spend it the right way." Well, we have no way of knowing how that \$28 million is going to be spent. Is it going to be eaten up with long-distance phone calls? It is going to be eaten up in administration

charges? How much of that \$28 million is actually going to get into the hands of those small businesses that need it?

Mr. Speaker, we're being asked to support this without being given any kind of breakdown. We've had this motion on the Order Paper. The Provincial Treasurer spoke to the motion for perhaps 10 minutes, and that's the direction we're being given. On the basis of his best wishes and assurances, we're being asked to support the expenditure of \$171 million of Heritage Savings Trust Fund money. I find that very difficult. I believe that this process is inappropriate. To have a motion before the House, as we have today, asking us to support expending this kind of money without having the same kind of debate and information provided during regular budget debate I think is highly inappropriate. For that reason, I'm afraid I will not be able to support Motion 16.

MR. SPEAKER: Thank you.

Point of order, Provincial Treasurer.

MR. JOHNSTON: Mr. Speaker, now that the Member for Edmonton-Kingsway can hear my arguments, I would suggest that the word "shyster," which I believe he used in reference to the government's position on this resolution for expenditures on the Heritage Savings Trust Fund, is in fact inappropriate. On the most common language that's used here in the Legislative Assembly, where we believe there should be some common denominator of reasonableness, a modicum of conduct has always been accepted.

I point specifically to the very general discretionary sections which say that we have to be very careful of the language we use here. It must be worthy of the place in which we speak. It should not be used to inflame debate or to in fact mislead those people who may be reading the legislative record. Specifically, 491, Mr. Speaker, speaks in a general sense, and as well 486 of *Beauchesne* says clearly that it's up to the Speaker to judge that those words should be carefully chosen. I also refer to the Standing Orders, 23(j) in particular, where the member, in my view at least, has used "abusive or insulting language of a nature likely to create disorder."

The word "shyster" is a very pejorative word. This word is generally conceived to mean someone who is in fact of a guilty mind in terms of breaking the law, in terms of defrauding, in terms of irregularly misleading people. It has a very pejorative meaning. I would not want to go on to say that it has any professional connotation. I'm sure my colleagues here would condemn me for that. Mr. Speaker, there's no doubt that this word in fact is inflammatory, can engender the kind of disorder which the member obviously is trying to trigger by his inflamed rhetoric. It's not the kind of language which is suitable for this House. Given the general references that I have cited, given the modicum of decorum which is maintained in this House by yourself, Mr. Speaker, I have to submit that this word is clearly out of order.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Yes, Mr. Speaker. The Treasurer surely jests. I mean, I can't believe that he stood there so long with such a straight face and said all those things he just said. He's the guy that got up a minute ago and said if we voted against Bill 20 we were in favour of a sales tax. Well, we can speak for ourselves. We don't need him to tell us what we're in favour of, and we can explain our motives.

As to the word "shyster," I did not use it, Mr. Speaker. I said it's a shysterish way in which this government accounts for heritage trust fund investments in these three Crown corporations, so it's a general statement about the way in which the government does this. It wasn't a specific reference to the poor and sensitive Treasurer who can't . . . I'm sorry, but I've just got to laugh, Mr. Speaker. This Treasurer is not at all serious; he's just filling in space. But that's fine. We've got lots of time too.

MR. SPEAKER: The Chair has had to send for the Blues to see exactly what the phrase was, so the matter will be dealt with later – later tonight or later tomorrow morning.

Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I'm pleased to enter the debate on Motion 16, in which the Legislature's being asked, by way of almost an afterthought to the entire budget process, a sum total of approximately \$171 million, almost as if the Provincial Treasurer forgot about these Crown corporations. But really that would be unfair, because the reason this is coming forward to the Legislature in the form of a resolution I think comes back basically to the original design when the Alberta Heritage Savings Trust Fund was established many years ago.

I think the trust fund was designed with a certain political intention in mind, Mr. Speaker, and that was that it provide maximum political opportunities to the government and minimize the number of political liabilities the government would have to suffer under in the event that difficulties or problems might arise with the administration of the trust fund. We find that, for example, the vast majority of the investments under the Heritage Savings Trust Fund receive no legislative scrutiny prior to those investments being made. So it gives the Legislature a minimum amount of opportunity to influence the direction of the heritage trust fund and a maximum amount of discretion into the hands of the government.

Now, the government it seems was sensitive to those criticisms in the past and so as an afterthought – because it's not really required under the Act, perhaps, in the same way of coming to the Legislature for a supply vote – they've opted instead to put a motion on the Order Paper, a resolution, so to speak, which I guess has the effect of expressing the Legislative Assembly's wish or desire and thereby the appropriation is then undertaken by the cabinet. But you know, Mr. Speaker, the fact is that this trust fund – and especially the three votes or the three amounts in front of us – receives such little scrutiny and has traditionally in the past has created some major problems for the fund. I think the government should really take the opportunity to consider the concerns that are raised here tonight, to perhaps go back and redesign their process of coming to the Legislature and asking for greater legislative scrutiny before they make investments through this fund.

[Mr. Severtson in the Chair]

I think that if, for example, we were to compare the rate of return from the Alberta Heritage Savings Trust Fund to that, say, enjoyed by the Alaska fund, we'd find there are two quite different philosophies motivating them and, as a result, two quite different ways of management and two quite different rates of return. In Alaska they don't see it as being a fund to meet the capital requirements of their legislative corporations. As I understand it, they see it more as a very large mutual fund that's administered on behalf of the residents of Alaska, and they pay

a dividend each year to their citizens providing they qualify, whereas in Alberta we use this as a source of capital funding. Other Legislatures in other provinces who also have similar Crown corporations provide capital investments, but they don't have a Heritage Savings Trust Fund in order to do it. So I guess the unique thing in Alberta is that we have a source of funding in the form of a Heritage Savings Trust Fund, and we have to justify the fund to the rest of Canada because they think we're so exceedingly wealthy because of the size of that fund.

[Mr. Speaker in the Chair]

The problem though, Mr. Speaker, is that because these corporations and these investments really don't get significant legislative review, the cabinet in the past has tended to look at investments through the trust fund in a somewhat – perhaps "cavalier" is too strong a word. But it's really beyond the scrutiny of the Legislature. They don't have to come and debate in the Legislature and get approval ahead of time; they can simply make whatever investments they want. They may have to account for it briefly at some future meeting of the heritage trust fund legislative committee, but beyond that there's really no effective way of determining whether these corporations are meeting their mandate or whether the investments generally are meeting the requirements of the Act or the objectives of the public interest.

Mr. Speaker, just to show you how little we have in front of us, we have the sum total of a request in the resolution, and the only supporting documentation I've been able to find is a 1990 budget address in the form of an appendix at the back of that document. Here is what it says:

The Heritage Fund will also be investing a total of \$171 million in three of Alberta's Crown corporations . . . A total of \$40 million . . . in Alberta Agricultural Development Corporation to help foster a profitable agrifood sector in Alberta.

Then AMHC is referred to, "to provide affordable housing for senior citizens, the hard-to-house and low income families." And finally, "Alberta Opportunity Company . . . loans to small Alberta businesses." That is the sum total of all that is provided to the Legislature in order to evaluate this request.

Then, of course, if we look at what was asked for last year compared to what was actually expended, we find, for example, that the Alberta Agricultural Development Corporation requested \$42 million a year ago and ended up using only \$12 million of that. So \$30 million wasn't made use of even though it was requested from the Legislature. Alberta Mortgage and Housing Corporation requested \$115 million yet only expended \$80 million. The Alberta Opportunity Company: \$39 million and expended \$32.5 million. So here was a request of a year ago, almost \$220 million and close to – well, my arithmetic isn't particularly . . . Close to 30-some percent of it was not taken advantage of, which is perhaps prudent management. I'm not going to criticize that necessarily on the face of it, but I wonder what there was about the budgeting a year ago that they would be so far out between their estimate and what they were forecast to have spent just as recently as last March. If they are that far out, perhaps the amount of money requested here is far in excess of what's going to be required this year.

So none of this is brought to the Legislature, no reports are provided, which is perhaps par for the course, but I would have liked to have somebody say that last year the economy was down or we needed the money elsewhere or the need wasn't there or vacancy rates were up or small businesses weren't asking for the money. Some explanation could be quite legitimate, but none

of that's provided. So I ask myself – for the sake of rounding up the figures – if they had invested only \$125 million in the last fiscal year, what's the justification for \$171 million in this resolution today? Is it that they want to have a nice big cushy amount to play with in the event that on the basis of some whim part way through the fiscal year, if the spirit happens to move them, they can spend this money? Is that the reason they're asking for it? Or do they genuinely have the projects, do they genuinely have the need to actually make use of that funding? None of these answers are ever provided. At least, Mr. Speaker, if it had been brought to us in the form of a supply vote, we could have seen some breakdowns on these figures. We could have had the ministers responsible perhaps make some of these comments during estimates debate. But none of that obtains in this situation, basically because it comes in the form of a perfunctory type of resolution, seemingly cobbled together and brought forward for our consideration at the end of the budgeting process.

Mr. Speaker, I do have a particular concern with the operation of the Alberta Opportunity Company. Perhaps this resolution does have one advantage for me this evening in that I'm able to at least place on the record a particular concern with the way funds provided to the Alberta Opportunity Company appear to be administered. I had the opportunity to sit down and speak with a small businessman in Calgary-Mountain View who has developed a piece of technology. He has a number of units on order in Japan; he's got a number of units on order in southeast Asia. What pleasantly surprised me: he even had a number of units on order from Taiwan, which I thought was great, because it seems that most of the trade between Canada and Taiwan is with us importing their technology. In this situation we have a bright individual in a small operation in northeast Calgary who's putting together world-class technology that the people in Taiwan are hoping they can make use of. Now, this man has reached the end of his financing and his own personal resources, and so about a year ago, in June of 1989, with some of these orders in hand, he went to the Alberta Opportunity Company in order to request a \$50,000 loan to help him with the cost of developing this technology further and putting in place the systems to get the technology assembled and shipped. So he went to the AOC. They gave him some forms, gave him a bit of information, and away he went. He filled out the forms, did what he thought was required, sent it in, and then, Mr. Speaker, it got sent back again. They said they needed this information or that information or they needed this report or that report or this verification or that verification. Then, after he'd gone through all that, they said to him, "You need a business plan and you required it months ago, and we're holding this up until we get that."

Well, Mr. Speaker, he finally got approval in late December of 1989, and even having gotten approval, he had to wait virtually another two months before the funds actually arrived in his bank account, where he could make use of them for the intentions he had applied for. Now, I was pleased that he got the loan, but I wasn't pleased to learn that it cost him \$15,000 in administrative costs to apply for a \$50,000 loan from the Alberta Opportunity Company. By the time he had worked out his accountant fees, his lawyer fees, running around, and all the other work, the consulting fees and so on that he needed to fulfill, he figured at the end of the day, at the end of February 1990, that it just had not been worth his while to go through all that rigmarole.

Now, he had no objection, Mr. Speaker, to providing any of the information that was requested by the Alberta Opportunity

Company. But what he would have liked was back in June of 1989, when he went into the Alberta Opportunity Company, to have been given a piece of paper with a checklist on it that said, "Dear Applicant, be forewarned before the money is approved; if approved, you will have to provide the following information or documentation to support your loan application" and then a list of what all these requirements would be. He said at that point he could have made a decision whether to proceed or not proceed, and then he also would have known what kind of work and effort he would have to go into in order to proceed, if that's what his decision would be. Then he wouldn't have to be spinning his wheels and going back and back and back because the initial application with the initial information was not adequate. He could have known what was adequate at the start. He could have prepared the information so it would have met the requirements. It would have minimized his frustration, it would have minimized the bureaucracy at the Alberta Opportunity Company, and both the Opportunity Company and this individual could have had a much more satisfactory process. Furthermore, it would have shortened the time for the approvals. Had he had that money earlier, he could have started putting that money to work for the intention and purpose it was designed, and that was to finance the growth of his business and finance the exports of a valuable product in this province.

So I would hope the minister responsible for economic development and trade would make a point of perhaps saying to the board of that company, "Could you have a look at some of the information and pamphlets and brochures that you provide to prospective applicants to ensure that those who are coming forward aren't put through this kind of frustrating process." I want to emphasize that I don't think anyone is objecting in any way, shape, or form to AOC requiring that information from prospective applicants. It's good, prudent business sense. It's good, prudent lending policy. No one minds that, and no one criticizes them for it. It's simply that it could be done in a much more constructive and helpful way for prospective applicants.

Mr. Speaker, I also have a particular concern with Alberta Mortgage and Housing Corporation. I had a couple of instances brought to my attention as an MLA in Calgary where individuals who are tenants in AMHC properties have been given notices to vacate, which in some cases they feel are unjustified, no reasons having been given to them in any way. They simply get these notices and out they go. Now, I don't intend to get into the details of the individual cases, and I'm one who always recognizes that in any instance there are probably at least two sides to each story. But I know that the Minister of Consumer and Corporate Affairs recently had an advisory committee reviewing the Alberta Landlord and Tenant Act. They did a good review, went around the province. They've made a number of recommendations for changes in the Act. I see from that, for example, a whole section in the Landlord and Tenant Act regarding the giving of notices to vacate – the advisory committee has recommended to the minister that the new legislation require that reasons be given to tenants by landlords in the event that the landlord wants them to go. That is, a valid reason has to be given. A landlord can't be capricious or flippant or vindictive in his relationships with an individual tenant by simply asking them to go if he doesn't like some one thing or something they've done. So a list of reasons has been given in that report as being valid, and it's recommended that the Act be changed.

I would like to make a suggestion that the Alberta Mortgage and Housing Corporation as a board examine very carefully those recommendations and, in the interim, before the minister or the government brings forward legislation, they voluntarily

adopt some of those recommendations as an interim measure. Mr. Speaker, I think this would have a couple of beneficial effects. One of them would be that the government could get some firsthand experience in whether these policies are workable in practice, and it would be a way of the government perhaps even trying out legislation before the actual legislation is brought forward. If it were simply administered as a policy of the housing corporation, evaluate it, and perhaps after a period of six months, for example, the corporation could report to the Minister of Consumer and Corporate Affairs and say, "This wording is problematic" or "This policy is problematic" or "It worked beautifully." Based on that experience, the minister could take that into account before proposing legislation to his cabinet colleagues or his caucus colleagues and on into the Legislature. It's a proposal that I would hope might result in perhaps happier tenant/landlord relations. I haven't sensed that there's a major problem in any way, shape, or form. But when you have a portfolio of properties such as AMHC has all over the province and the experience they have, there are times when these problems arise perhaps to the detriment, in some cases, of the tenants of properties owned by this corporation.

So it's just a suggestion, Mr. Speaker. I hope the minister will take it seriously and give it some thought. I know that he himself has responded to some of the concerns that have been raised in the whole landlord and tenant area. I think he understands what a few of the limitations are in the existing Act, and this might be a way of bringing us closer to a better piece of legislation more in keeping with the 1990s.

So, Mr. Speaker, in summary, some major concerns, basically in the way that the appropriation is brought before us, the lack of information, the general lack of scrutiny that is afforded to the Legislature over the operations of the Heritage Savings Trust Fund generally. In the case of two of the Crown corporations, two individual concerns that I'd like to place on the record in the hopes that in the next few months, before next year's appropriation is requested, the appropriate ministers, responsible ministers, will take those seriously. I hope that these suggestions and problems that I've raised will lead to better, more efficient administration of those Crown corporations.

Thank you, Mr. Speaker.

MR. SPEAKER: Thank you.

Question? [interjection] The Member for Edmonton-Kingsway has already spoken. All right. This is on the point of order, hon. member?

MR. McEACHERN: On the point of order, Mr. Speaker.

MR. SPEAKER: Thank you.

MR. McEACHERN: Yeah, I'll withdraw the word "shysterish" way of doing something, but you must understand that it's a very difficult thing to do to find a word that describes this manipulation that the Treasurer makes. I think he would do himself more credit to stand up and rebut the arguments that I put forward and the description of what he's doing that I put forward rather than worrying about the use of some word. We noticed that on the other side of the House when somebody used the word "hypocrite" the other day, then the Deputy Speaker said that was okay.

MR. SPEAKER: Thank you, hon. member. Hon. member. [interjections] Hon. member. The other thing was dealt with

the other day, please. Have you now finished your withdrawal before we get in any deeper? Is that to be the case?

MR. McEACHERN: Well, I've just lost the context here that might have also excused it, but I've already withdrawn the word, so . . .

MR. SPEAKER: Thank you, hon. member.

Now back to Motion 16. Is there a call for the question? No. The Member for Vegreville.

MR. FOX: Thank you. I'd just like to speak to the motion proposed by the hon. Provincial Treasurer that this Legislature grant \$40 million in aggregate to the . . .

MR. SPEAKER: Hon. member, I hesitate to interrupt, but I just heard a comment from the side over here that "shyster" is borderline. I feel constrained, therefore, to read from the dictionary. A shyster is a "person without professional honour." To me that is not borderline.

MR. McEACHERN: Shysterish.

MR. SPEAKER: Same difference, hon. member. [interjection] Hon. member, it's the same difference. Vegreville, please.

MR. McEACHERN: Mr. Speaker, on that . . .

MR. SPEAKER: Order please. [interjection] Order please. The Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. In making comments to the motion before us, whether or not we agree with the granting of some \$40 million to the Provincial Treasurer to spend on the Agricultural Development Corporation and some \$103 million to the Alberta Mortgage and Housing Corporation and \$28 million in aggregate to the Alberta Opportunity Company, I think it's important for us to consider the Treasurer's record in terms of handling money. Quite frankly, it's not been very good.

Now, I'm the first to admit that these three provincial organizations have noble objectives. The Agricultural Development Corporation has as its purpose the lending of money to farmers in the province of Alberta, principally beginning farmers and young farmers. That's a noble cause, one that sometimes doesn't always work out to be that noble in practice given the kind of administration that this government imposes on ADC, but certainly the purpose is worthy of support and, as well, the ADC's role in providing lending assistance on occasion to companies involved in agriculture and companies involved in diversification.

A couple of recent noteworthy examples, I guess. The minister's announcement of lending money to a company involved in the processing of waxy barley in southern Alberta. The minister would remember that we in this part of the opposition weren't critical of that initiative, recognizing that it's part of the mandate of ADC to provide lending assistance to companies that diversify and further process. As well, some money announced recently to Westcan Malting to develop a plant for malting barley in Alix, Alberta: again something that fits within the mandate of the ADC. So the purpose is noble, to be sure, but I think it's the record of the Provincial Treasurer that we have to examine before giving him permission to go out and handle that money.

The Alberta Mortgage and Housing Corporation. Again, certainly the purpose of the corporation is relatively benign. They've involved themselves with a number of worthwhile seniors housing projects in the province. They've involved themselves in programs to help people get housing when they didn't have opportunities through other methods. I think that's a purpose worthy of support, but again the Provincial Treasurer's record is what gives me concern, Mr. Speaker.

The same would have to be said of the Alberta Opportunity Company. Again, perhaps of the three that is the one arm of government that has not done a very good job at all in living up to its mandate, from my point of view. The stated purpose, providing lending assistance to people wanting to develop business and diversify the economy in the province of Alberta, is a noble one, Mr. Speaker, and a purpose that we certainly support. However, I think we need to look at the Provincial Treasurer's record again.

In terms of the Agricultural Development Corporation, the ADC has developed a reputation in rural Alberta as a lending agency with some of the most restrictive lending practices, some of the most mean-spirited and narrow interpretations of the law when it comes to failure, when people's farm plans aren't going as well as they should, people faced with foreclosure and bankruptcy. Often the lending agent most difficult to deal with of all has been the ADC. I submit that that's not a result of the approach taken by the people who work for ADC. They're following the instructions of their Tory masters who draft the policy that they're supposed to follow.

In terms of the Alberta Mortgage and Housing Corporation, I would like to know what the minister's plans are for the corporation. There's been a number of references made to possible privatization of different arms of AMHC, although the minister tried to use some different terms the other day: it's not really privatization; we just want to turn various functions over to other people. I'm not sure what he meant by that, but I would hope that he'd be able to elaborate a little more for us. I mean, we're being asked to approve the further investment in the Alberta Mortgage and Housing Corporation of some \$103 million here today. I think before we can make that decision wisely, we need to have a full and clear explanation from the Minister of Municipal Affairs about what the government's plans are, and not the sort of explanation that he gives in regards to the mortgage interest shielding program, where, you know: we're going to deal with it, but we're going to deal with it when it's perhaps a little easier to deal with or when perhaps some divine inspiration will tell us what to do with it.

In terms of the Alberta Opportunity Company, I'd be more than happy to agree to this \$28 million further investment if I could be assured that the AOC was going to be a more thoughtful and more aggressive lender when it comes to developing small business opportunities, especially in parts of the province outside the major cities.

There's a company, Mr. Speaker, the owner of which has come to me and asked for some assistance. He's got some very good plans. He's a very innovative person. The company is called KDS Industries. He has plans to manufacture something called dust-check filters, filters that are disposable, made out of recycled product, very cheap to buy, and yet very effective. They're just installed on the air outlets in homes and do a very good job of filtering the air. Anyway, he has a well-developed business plan, potential markets worldwide for this product. He has had considerable contact with people in the Department of Economic Development and Trade and, I suggest, has received a sympathetic ear from the minister in that regard but needs to

get some seed money so that he can develop a mold, have some samples of this product, and then get commitments for orders down the road. Some of the companies that want to buy his product need to see it before they agree to buy it, including plants up at Fort McMurray. They're willing to buy these filters because they recognize that having that very expensive equipment they have operating up there in dust-free environments would prolong the life of the equipment and be a very worthwhile investment. But, anyway, he's not able to get to step two because he's not been able to get to step one, and his contact with the AOC, quite frankly, was not very encouraging.

I read a letter from one of the people involved at AOC in response to his request. Quite frankly, it sounded like the official responding to this gentleman's request had not even done a complete examination of the request before him, hadn't looked at the business plan, hadn't looked at the government's own assessment of the kind of business opportunities that exist in heating and air conditioning equipment, and as a result turned down the request for some \$75,000, which is certainly a modest sum of money when compared to the millions that we see going out to various large business enterprises, perhaps business enterprises that don't need any provincial money. They seem to be able to get it. Whether it's Cargill or Peter Pocklington, they get the money.

I'd like to see the AOC become a more aggressive and more thoughtful lender, especially in areas in rural Alberta, because there are a number of enterprising entrepreneurs, people with good ideas who want to create jobs, who want to develop businesses out there that may only employ two or three people, or in the case of this company, the employment opportunities are much greater for KDS Industries. But many of the people that come to my office in Vegreville looking for lending assistance from the AOC are bringing forward plans to create two or three jobs in communities, and I suggest they're not getting the kind of help that they need. Their plans don't seem to be ambitious enough, or maybe they're too solid to catch the eye of this supposedly business-minded government.

So I'd like to suggest to the Provincial Treasurer that if he somehow is fortunate enough to have this vote pass the House and does get that money, that he personally use his substantial business acumen to direct the AOC to be a little bit more positive force in terms of developing business, creating jobs, in rural Alberta.

But, in total, Mr. Speaker, when I look at the motion . . . It's not broken down for us; we're not voting on parts one, two, and three. We're voting on the whole ball of wax here, that pursuant to a certain section of the Heritage Savings Trust Fund, we provide this money to the Provincial Treasurer to make these investments. I'd have to say that I'm not willing to vote in favour of that motion because the Provincial Treasurer's record in terms of making assessments of how much money is needed has not been very good. His budgeting – in fact, he was asking the Leader of the Official Opposition to do his budgeting for him yesterday. I might suggest that if the Leader of the Official Opposition did it, the province would be immeasurably better off, Mr. Speaker, because we'd have accurate revenue projections. We'd have realistic revenue forecasts based on real conditions, not on the political needs of the governing party. We would as well, I suggest, not have an 11 and a half billion dollar deficit. So I just have to say that based on the Provincial Treasurer's record, his batting average isn't very good whether we're looking at revenue projections or budget control. I personally don't think that granting him this money is a par-

ticularly good idea because he's not going to spend it in the best possible way.

In summation, I would say that I think the stated objectives of these three arms of government, the ADC, the AMHC, and the AOC, are good ones and ones that we support. It's just that we don't have any faith in this Treasurer or this government to handle the money that's granted to them in a prudent and responsible and careful way, Mr. Speaker, and I'm going to vote against the motion.

MR. SPEAKER: Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. I just wanted to rise and make a few comments on Motion 16, and I'd particularly like to make reference to item (2), "the Alberta Mortgage and Housing Corporation in an amount not to exceed \$103,000,000." While I think I can agree that there is a need for investing with Alberta Mortgage and Housing Corporation, I too, like most other speakers have stated this evening, am concerned that there is no breakdown as to really how this money is intended to be spent. I appreciate that presumably one may make an assumption that the money is going to be spent on development for seniors or people hard to house and some subsidized housing. I do want to make a comment that there is a significant need for the development of housing, particularly for the large part of the population in this province who are renters and who have been forgotten by this government in terms of making sure that there is housing available that is affordable and is, of course, of adequate and proper standards. It is quite clear that the public sector is not prepared to get involved in social housing, and I can appreciate and understand their resistance to it. Therefore, I think the responsibility then lies very heavily on the shoulders of this government and through the agency of the Alberta Mortgage and Housing Corporation.

Now, the corporation has been restructured of late, and while I'm not sure that that restructuring is going to resolve all the problems that presumably were there – and I'm not sure what the problem was – I think the corporation, like many businesses in the late '70s, got involved with the boom situation, made the assumption that the boom was never going to end, and laid out a great deal of money or made commitments for a great deal of money in the province at various locations. Of course, when the recession hit, they, like the business community, were caught in a predicament in terms of not being able to continue to finance it. In fact, the money they lent – they had to repossess homes and businesses because of, I suppose at that time, not prudent investments.

I have a major concern. Through the rumour mill I've been advised that there are still large rental facilities, particularly in the city of Edmonton, two or three that owe a great deal in arrears to the Alberta Mortgage and Housing Corporation, and it appears that the corporation might well be making decisions to rescue these facilities with large, large sums of money. It would concern me that money that is being dedicated from the heritage trust fund, which is money that was supposedly put away for a rainy day for the needs of the citizens of this province, might well be spent in a rescue mission of a large property management company who, through its own mismanagement, now finds itself in arrears to the corporation and requires a bailout from this corporation. I hope that that's not the case, but the rumours seem to be quite persistent, and I think the evidence and the source of my information would be that it's quite accurate.

The need for seniors accommodations. I think one recognizes that it's a growing concern. I think everyone is predicting that the gray wave is on and that there is going to be a continual demand for seniors accommodation. Now, I was going to make a suggestion to the minister that in development of these facilities, presuming we're going to be using heritage trust fund money for these lodges and apartments for seniors, that consideration be given to providing more units for couples. It seems to be that many seniors, when they do go into a lodge, would prefer to go as a couple. They're finding that there are just not sufficient facilities in the lodges that would accommodate two people as a couple and, as a result, have to live separately in single apartments. This appears to be an oversight, I think, in planning by the corporation, and I think this needs to be addressed.

There are the hard to house, of course, and those that are in fact homeless in our communities throughout the province. That issue needs to be addressed, and there are agencies who are willing and able to get involved in assisting this group of individuals, these people who, because of circumstances perhaps quite often beyond their control, find themselves in this situation.

I would hope, and I think we are all requesting, that when an allotment of such an amount is being awarded to the corporation, at least we have some indication as to where and how this money is going to be spent. And because it is not, because it incorporates all three corporations at one time, I will have to join with my colleagues in the Official Opposition in suggesting that while the intent might well be good, I think under the circumstances of the way this motion is before us, it becomes very difficult to support. As a result, I will not be supporting it.

[Mr. Deputy Speaker in the Chair]

MR. JOHNSTON: Mr. Speaker, I only want to speak very briefly with respect to closing this motion on behalf of the government and touch very briefly on what are the more substantive issues as opposed to some of the rhetoric which has been raised here.

First of all, Mr. Speaker, members have talked repeatedly about the lack of information which has been provided to the Legislative Assembly in support of this resolution which calls for the expenditure of some \$171 million worth of advances. These advances from the heritage fund to the various corporations, contrary to the comments made by many, are in fact provided in appendix D of the public document called 1990 Budget Address. Now, Mr. Speaker, I could have gone on and said that all members should be well familiar with this information base because it is provided. Now, these members have been here for five years. I think it's unnecessary for me to recount time and time again where the information is found. If they look very carefully at appendix D, they'll find clearly presented here all the money which is in fact requested by the Legislature today under this resolution requesting the money for these three major objectives. On top of that, it's clear – and I again have to repeat what I have said time and time again – that there is very strict and careful accounting for this appropriation. Again, contrary to what the opposition members say about this issue in terms of the process, I must correct the record, because there have been so many misleading statements as to the appropriateness of the accounting process that we cannot allow it to continue. First of all, Mr. Speaker . . .

MR. McEACHERN: A point of order, Mr. Speaker.

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

MR. McEACHERN: Point 49 . . . whatever. He just used the word "misleading." "Misleading" should be withdrawn.

MR. DEPUTY SPEAKER: Hon. member, the citation . . . [interjections] Order please. The rules say that an hon. member can't say that another one intentionally misled or is misleading. There is nothing in the rules that says that — statements in general are not misleading when they're talked to the generic or the whole body. It's applied to individuals, hon. member.

MR. JOHNSTON: So, Mr. Speaker, I think it's important that we put on the record what in fact the legislative process is that controls the expenditure from the Heritage Savings Trust Fund with respect to a variety of items which I think further the economic and social objectives of this government and the province of Alberta.

First of all, Mr. Speaker, we have today — and I'll start with the discussion already under way — an appropriation resolution which provides for the expenditure of the money, the transfer of the dollars from the heritage fund to the three agencies, and that of course requires this resolution and debate. Now, from time to time we have extensive discussion about the appropriateness of the expenditure. From time to time we have extensive discussion under this resolution about the way in which the funds flow. There's always a question about whether or not there's some second agenda for these dollars, but I must say that that is not really the issue, that is not the intention of this resolution. This resolution provides the opportunity for the Legislative Assembly to appropriate those dollars, which is consistent with the parliamentary tradition, long founded and long based in this Legislative Assembly as well.

Secondly, Mr. Speaker, we have something called an investment committee, and this investment committee requires the actual transfer of the money, once the appropriation is provided by the Legislative Assembly. The investment committee essentially is replicated by the cabinet, elected representatives of this province, people who go out every four to five years and ask the people for their support, and do in fact, in the case of the Conservative Party, form the government and have the support of the people of this province, with the responsibility of allocating the dollars through the investment committee to the various agencies. That's the second level of control. It's a very appropriate level and must be a factor in the process.

Thirdly, Mr. Speaker, the accounts are tabled in the Legislative Assembly. Standing Order 58 of our own Standing Orders calls that those statements must be provided here. There's a certain time frame that's called upon for the government to make those statements available. We do that, and of course then debate takes place at the fourth level; that is, among the Heritage Savings Trust Fund committee chaired by my colleague from Cardston. That committee has the opportunity to review the information, to ask of the ministers explanations for the expenditures, and to do whatever else it may want to do with respect to the review, critique, analysis, and questioning of what it is that takes place within the Heritage Savings Trust Fund.

So, Mr. Speaker, on top of that this Legislative Assembly, in the Standing Orders again, has 12 full days to debate the appropriations: 12 full days. Now, what did the opposition do this time? Was it one day? Was it two days? Standing Orders

provides for 12 full days, and here they are, trying to make a case for debate under the resolution when they've already given up 10 or 12 full days of debate in this Assembly, when in fact the full question, the full appropriation of the Heritage Savings Trust Fund could be considered. So let it not be said that we're avoiding the opportunity of providing information. Make sure that the record is clear that 12 full days of debate on the Heritage Savings Trust Fund appropriations are provided by the Standing Orders, and the opposition didn't even use it, couldn't even come up with debate, didn't understand the process. And now they come here to say to us that they haven't got information. Talk about the questions that the people of Alberta ask. The people of Alberta know full well that these people don't understand at all what's happening with respect to the way in which the appropriations take place, don't respect the Standing Orders of this Legislative Assembly, and in fact they're the first ones to step outside and say there's not full accounting. Well, that's absolutely nonsense, Mr. Speaker, absolutely nonsense.

Now, Mr. Speaker, there are a variety of ways in which the full information is provided. We do our utmost to ensure that information is given to all Members of the Legislative Assembly. The people of Alberta understand the importance attached to the Heritage Savings Trust Fund. They're very proud of it, very proud of the record. They know agriculture, housing, small business: that's the heartbeat of Alberta right there, those three areas. This group across the way time after time after time wants to oppose the appropriation by this Legislative Assembly for these worthy and important objectives and purposes. Now, I like it when these women and gentlemen across the way oppose it.

I can recall during the last election standing in good old Lethbridge and the opposition folks up there, the NDP, saying, you know, "We're in favour of this." I said: "Hold it; hold it. Five years in a row, the NDP opposition has opposed the priorities of housing, agriculture, and small business development — five years in a row."

AN HON. MEMBER: Shame on you.

MR. JOHNSTON: Well, that's what my friends in Lethbridge said, I'll tell you, "Shame on you, boys; shame on you." That's what they said, Mr. Speaker. The NDP in the south will never rise, I can assure you. Anyone who opposes this kind of good-intentioned investment by the province of Alberta through the Heritage Savings Trust Fund surely must be chagrined by the record they have established here, Mr. Speaker: consistent opposition to these clear, important objectives.

[Mr. Speaker in the Chair]

Mr. Speaker, I like it when they oppose it. I like it. Their record is clear. That's why they're the small, vocal minority. That's why they're the doom-and-gloom boys. That's why they don't understand the way in which the market system operates, Mr. Speaker. Frankly, they don't want to see diversification take place. They have no pride in this province. They don't sense the need that is the spirit of the Heritage Savings Trust Fund. They're out of sync. They're right out of sync, and that's where they're going to stay. That's where I like them, and that's where they deserve to be.

Mr. Speaker, on this midsummer day night, 1990, I move that this resolution be passed.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Those in favour of Motion 16, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Carried.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Black	Gesell	Orman
Bradley	Hyland	Paszkowski
Calahasen	Isley	Payne
Cardinal	Johnston	Schumacher
Cherry	Kowalski	Severtson
Day	Lund	Shrake
Dinning	Main	Speaker, R.
Drobot	Mirosh	Stewart
Elliott	Moore	Tannas
Fischer	Musgrove	Thurber
Fjordbotten	Nelson	Zarusky
Fowler		

Against the motion:

Bruseker	Gagnon	McInnis
Chumir	Gibeault	Pashak
Doyle	Hawkesworth	Wickman
Ewasiuk	Hewes	Woloshyn
Fox	McEachern	

Totals:	Ayes – 34	Noes – 14
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[Motion carried]

head: **Government Bills and Orders**
Third Reading
(continued)

Bill 28
Victims' Programs Assistance Act

MR. SPEAKER: Solicitor General.

MR. FOWLER: Thank you, Mr. Speaker. At this time I'm pleased to move third reading of Bill 28, being the Victims' Programs Assistance Act.

[Motion carried; Bill 28 read a third time]

Bill 42
Liquor Control Amendment Act, 1990

MR. SPEAKER: Solicitor General.

MR. FOWLER: Thank you, Mr. Speaker. I'm pleased to rise and move third reading of Bill 42, being the Liquor Control Amendment Act, 1990.

MR. SPEAKER: For third reading, the Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. I'm going to speak against the motion for third reading of this Bill. As with other Bills that the government has handed in to the Assembly at the eleventh hour, handed in without consultation with the people who are most primarily affected, handed in expecting acquiescence by the opposition, this Bill is flawed and constitutes little more than a power grab.

Mr. Speaker, in several sections throughout this Bill you will see that powers are either being given over to or explained in greater detail or enhanced to cabinet. I don't think cabinet runs the government, Mr. Speaker. I don't think the cabinet has the monopoly on wisdom that it pretends to have. I worry every time I see a Bill like this that does nothing but give more power to cabinet, because it's another step away from the democratic process. It's another step towards a few people deciding the fate of a lot of people in a way that is done from behind closed doors.

I believe there's a hidden agenda here, Mr. Speaker, and I never did get the Solicitor General to talk directly about this issue. But the hidden agenda I believe is there is ultimately the challenge to and then the privatization of ALCB stores. Well, what a foolish pursuit that would be. The ALCB stores are the money-makers for the province. It isn't their wholesale operation that's making them money; it's their retail operation. And even if they chose to maintain through public control the wholesale operation, in the long run what they will do, because of the variance in hours that will be allowed for the private liquor stores out of the backs of hotels, is set up an artificial form of competition, one which will have the effect of reducing demand at a liquor store to the point where they will say that these stores are no longer economically viable. Instead, they will propose a more American system of liquor distribution. They may even go through a stage of keeping in the public domain the warehousing business until they can claim that that, too, should be subject to competition and, once it is, declare that the public operation of the distribution is not efficient.

[Mr. Deputy Speaker in the Chair]

But, you know, these guys will give in to ideology every time, Mr. Speaker. All they can think about is how they can enhance business opportunities for their friends. Now, I admit, some times, in the cases of certain small business, those people that they're going to help are not their friends. Those are people that have been turned down for other business opportunities through agencies like that we just debated, such as the Alberta Opportunity Company. Those are the people, Mr. Speaker, who don't support the Conservatives anymore, those who got that type of experience. So I don't even know where they think they're going to get the votes from.

The bottom line, Mr. Speaker, the real bottom line, is that their ideology is not just about helping out their business buddies', it is also about attempts to defeat the collective bargaining process. As everybody knows, the workers who work for the ALCB are members of the Alberta Union of Provincial Employees, and they benefit, as do one-third of the workers in this province, from a process which is barely legal, let me argue – just barely legal – under our laws for collective bargaining. And that's what they don't like. It's okay to give the Peter Pocklington of the world 50, 100 million bucks. It's okay to let the Cormies of the world run businesses under such loose

regulations that the Alberta government is on the hook for hundreds of millions of dollars. That's okay. But, boy, if it comes to spending a nickel on a fair settlement contract for workers, oh man, you have hit the wall on this one. I think that even though they will never acknowledge that that's what this is about, that is indeed what this Bill is about.

Now, if they form the government after the next election – and I do doubt it very much, Mr. Speaker. But should that happen and should they attempt to make even worse the worse than Alabama labour laws that now govern Alberta, that is the point at which I think they might start to admit what's really going on here. I don't think they'll do it beforehand. For all I know, Mr. Speaker, some of them might not even recognize that. I suspect there's got to be one or two either good-hearted or naive people in cabinet, but I think most know exactly what's going on here.

Now, Mr. Speaker, I'd like to point out another section of the Bill that has been approved in principle by the Assembly but has not been addressed adequately, and that is the section which gives over to cabinet the power to determine the types of entertainment and dancing on licensed premises. Now, I have already raised with the Assembly my speculation that within a matter of years licensed premises and gambling premises will be allowed to be one and the same. I believe we are moving into the Americanization of liquor sales and consumption patterns; in other words, liquor culture.

I understand that somebody finally realized what's going on with this power grab for cabinet and also understood that what this means is that cabinet will have the power to control the types of entertainment and dancing permitted in licensed premises. Well, probably they already have had this power, I'd like to point out, and probably they've already had some other powers, but they were so poorly written that they were skating on thin ice. That, by the way, is the reason that they have not proceeded to establish the first of the classifications that is the ALCB plan for the off-sales in various hotels and bars.

Someone pointed out, I think quite astutely, that if these guys are so worried about nudity in bars, why aren't they equally worried about nudity and, worse yet, pornography that is completely uncontrolled in the video rental market? I think that's a valid point, Mr. Speaker. What they're really saying is that they're going to draw the line at some types of live pornography, but boy, if you want to get your rocks off watching a dirty movie, you go right ahead regardless of your age. [interjections] Well, that's what this is about. I think the contrast is very apt. If you want to do this, I think that what you have to do is be consistent, Mr. Speaker. If you want to say that pornography is vile, that it degrades women, that in some ways it degrades men, and it certainly degrades sexuality, then fine; that's a good statement. I agree wholeheartedly, and I have never even seen pornography on video and I've never even been to a strip joint like the kind that's going to be controlled. But I can imagine, Mr. Speaker. And I say fine; if you want to do one, then take some more measures and start taking active measures to keep video and film pornography out of the hands of youngsters. That's the first step. But then you're into another contradiction. If you have to be 18 years old to go on the licensed premises and consume on the premises and watch the strippers who may bare it all and you want to protect them against this immorality or what you decide must be pornography in the live version, then you might also consider that you'd want to take a similar step when it comes to protecting adults against video or film pornography. But they're not doing that, Mr. Speaker. That leaves wide a really big issue.

I think it's too big an issue to address under the provisions of this Bill. I'd point out the contradiction though. And I also wonder, you know, how it is that the lewd connotation of what is euphemistically called exotic dancing is going to be made better by the application of a couple or three two-square-inch pasties. I mean, I just don't get it. I think that what's going on here is that the government is saying we hear you to the people who are really criticizing about pornography in general, and then taking a specific measure that doesn't address the issue as a whole, and I think the government needs to take this issue a lot more seriously than it has.

Now, Mr. Speaker, back to the gambling argument that I made. I wonder how it is that these guys are going to accommodate the Americanization of liquor consumption and culture in Alberta, which is inevitably the result of this Bill, and then at the same time say that you can't bare it all in one of these places. You know, they're going to have to make up their minds. I think they're in a very contradictory position. What I suspect is that they're pandering to a few people they believe are very right-wing and are vote swingable on one issue. But they're wrong, because the people who object to stripping in bars also object to a lot of other forms of pornography, and until they're willing to take those steps, they're going to find that this is probably an error. Similarly, Mr. Speaker, the ones who object to gambling and drinking in the same premises at the same time are the people who are also saying that they don't want to see the stripping in bars. If this government has any intention of promoting gambling in bars or lounges or permanent facilities such as casino facilities – in other words, to license those facilities – they'd better get their act together. They're in a deeply contradictory position with this Bill, and I don't think that one tiny measure is going to correct that contradiction.

Well, finally, Mr. Speaker, I think this is going to be known as an antiworkers Bill, and the workers of Alberta and especially the members of AUPE are not going to be duped by this, because a year or two years from now, without making such a fuss about it, what will happen is there'll be the odd shop closing down here or there in small-town Alberta. What will happen is there's going to be lounges in the cities clamouring for licences so that you can go half a block or a block and see those big blinking neon signs, you know, advertising cocktails: on- and off-site consumption. That's what these guys are promoting, and every time they do that they're not enhancing business opportunities; in fact, they're going to be setting up their friends for a major type of competition that isn't going to be healthy for any of them, and in the long run they're going to lose to control of not only a profitable but a systematic distribution approach to liquor sales in Alberta. The workers are not going to be happy, and ultimately neither are the consumers, because you know what happens then? The prices go up, but the money isn't going into the Alberta government coffers for its general purposes. No; it's going to go in the pockets of their friends instead. Many of those business types don't pay any taxes, as you know, especially the larger ones.

So this Bill does not meet with my approval or the approval of the Official Opposition on those and other counts, Mr. Speaker. To sum up, the power grab is indicative of: a scared government that has developed a bunker mentality and plans to conduct an increasing amount of its business from behind closed doors without scrutiny and without a democratic form of debate; the plan to Americanize the culture of alcohol sales and consumption in Alberta; the plan, I believe, to promote gambling and drinking on the same site; the plan to shut down

profit-making liquor stores so that some of their friends can have access to the money that otherwise goes into programs that are for the public good; and, ultimately, the plan to crush workers' rights. If they can diminish the number of workers in this province who are union members from, say, 29 percent to 27 percent, then 26 and 24, by cracker, they'll do it. They are ideologically bound in that direction. I think this Bill is another vehicle to that end.

For those reasons, Mr. Speaker, I oppose third reading of this Bill.

MR. MAIN: Mr. Speaker, I'm just rising to support my colleague's motion for third reading here, to set the record straight, and to perhaps draw the attention of members to the paranoia of the Member for Edmonton-Highlands who is drawing up agendas that exist only in her mind, certainly not in the minds of the government.

I just want to correct the record on a number of issues that she raised that touch slightly on the Department of Culture and Multiculturalism, and that's the rating of films and videotapes. The hon. member again – and has got quite a reputation for this – in condemning a good idea by suggesting that somehow it's a bad idea, that it doesn't sweep in everything that she would like to do in one idea, doesn't recognize the fact that while she agrees with the move to do something about offensive displays in public, while she may or may not agree with that, somehow sweeps a whole range of other issues in. I'm surprised she didn't sweep in oil spills and some environmental degradation to all of this as well.

But on the matter of X-rated videotapes, Mr. Speaker, it's clear that there are laws in this land – federal laws, the Criminal Code – under which, depending on a successful prosecution or not, charges could be laid. The Attorney General does handle public complaints, inquiries of all kinds through the police department. If the member is aware of a situation that she feels should be prosecuted, then she should phone the police and lay a complaint. But to somehow suggest that the Bill that deals with a small amendment to the Liquor Control Act is somehow responsible or not responsible or somehow connected to X-rated videotapes is beyond me. There are laws controlling the importation of these videotapes into Canada; Canada Customs has rules and regulations for these things. There's a pornography inspection division of Revenue Canada Customs. There are also other authorities: Canada Post, CRTC. Some local municipalities have established bylaws respecting the sale and distribution of videotapes of all kinds to minors.

I would suggest that the hon. Member for Edmonton-Highlands, when she's not off on her paranoid pursuit of what she believes may be going on in the mind of somebody, should get the facts before she makes the outlandish arguments that she does.

Therefore, getting back to the point of the Bill, which the hon. Solicitor General has so ably described during second reading, during committee study, and now is asking the Legislature to agree with in third reading, I think if we'd focus clearly on what it stands for, what it says, members will agree that the motion has merit.

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

MR. CHUMIR: Thank you, Mr. Speaker. We have somewhat mixed feelings about this Bill. Most of it is in fact quite good and long overdue legislation. There is a long overdue streamlin-

ing of the structure and process of liquor licensing which has long been of concern to licensees and which licensees are quite pleased to see. We are very supportive of that aspect of the legislation, and we might say that constitutes the bulk of the Act. The legislation sets up, for example, an advisory council for input on regulatory issues by licensees and, indeed, by general members of the public. There's representation on this committee from licensees and others. That is an excellent mechanism. An independent appeal council is established for the first time, making the appeal process independent of the Liquor Control Board: again, a positive initiative. The board itself has been expanded, with the intention, I understand, of allowing panels to sit in different parts of the province so that licensees and others dealing with the board will no longer have to come to Edmonton, or Mecca, as it may be, and that is positive. There are a number of other, less significant items that we would be supportive of.

However, we do have some concerns. We don't have the same concerns with respect to the impact of this piece of legislation on off-sales because, as we noted in debate on second reading, our understanding is that off-sales are already permitted. That's why beer is allowed to be sold at the present time. We consider that issue, important as it may be and of concern as it may be to different constituencies, to be a red herring insofar as this piece of legislation is concerned.

We do have a great concern about the expanded use of regulations with respect to entertainment in bars. Now, I must state that upon my initial review of this legislation and the previous Act, I was under the impression that the power to regulate entertainment existed in the previous legislation through section 52(2)(j). I was, I discovered belatedly, mistaken in that regard. I thought that the minister was of that impression as well, and I had confirmed that with him. However, the latest information – and perhaps the minister might see fit to confirm this and to clarify it in his concluding comments – I have from members of the legal profession who work in this area is that the existing section is in fact not strong enough to enable the minister to take the steps that he has publicly announced and that the broadened provisions in the regulations do in fact effectuate a significant substantive change in the powers of the minister.

Now, that being said, it raises a different dimension to the legislation than what I had initially perceived. Dealing with that dimension, I can in fact concede some need for regulation of the scope of entertainment in the bar scene. There is an obvious need to control the extremes. I don't need to define them in a public discussion of some of the extremes, and all agree that some limits are necessary. However, the issue being mooted is not the extremes; the issue being mooted relates to nudity, the simple exhibition of the human body, without more, by adults and viewed by adults. When you deal with that issue, you move into the very difficult area where civil liberties and public morality collide directly. Now, when the government wants to deal with these areas of simple nudity – and not the extremes to which I alluded, but simple nudity – it seems to me that it should be straightforward and bring forward to this Legislature for debate the exact regulations which it proposes as part of the Bill. It shouldn't be announcing what it is thinking of doing and maybe implementing in press conferences and in the corridors and leaving us here to speculate as to exactly what it is that the minister has in mind with these broadened regulations, which may be properly used but, on the other hand, may be used in a way that is very destructive and a very bad precedent for our civil liberties.

Now, my own personal view on this matter, Mr. Speaker, comes down on the civil liberties side. I believe that adults should make up their own minds when it comes to simple nudity without more. Once you start with pasties and G-strings, is the next step to require bikinis and then the old style bathing suits? Where's the dividing line, and who decides? The things we really should be worrying about, in my view, are not simple nudity and display of the human form. What we really have to do is deal with the excesses of violence and human degradation that are so often seen. Indeed, if there are members of this government who are so concerned about the young women who are involved in these activities – and I think we all have to express some concern – then there are so many other initiatives that this government would be well advised to take with respect to . . . [interjections] What's the problem?

MR. DEPUTY SPEAKER: Order. [interjections] Order please. Order.

MR. CHUMIR: These guys are . . . Take a Valium. Why don't you deal with the real problems of our young women?

Now, many other members of this House will undoubtedly have different views on this issue, and undoubtedly some share the particular views that I have. I would like to see us have an opportunity to debate in a straightforward way specific proposals as to what the government intends in this regard. Who knows? Perhaps I might be persuaded that the stated intentions of the minister in this regard are quite proper. I somehow have the gravest of doubt, but who knows? On the other hand, I might persuade the minister and other members of the House.

[Mr. Jonson in the Chair]

We should also, I believe, Mr. Speaker, ensure that before any form of regulation with respect to entertainment in these establishments takes place, all members of the public have an opportunity to discuss and present their views both pro and con, not just members of this Legislature but the community as a whole. So the procedure by which the Solicitor General makes coy announcements as to what the cabinet may or may not do at the urging of some of the members of the caucus, but I'm sure not all members of the caucus, is just unacceptable.

I should note that we also have a constitutional obstacle to government regulation in this area. Once we get into the area of morality, as appears to be the case, we enter into a realm where the federal government has jurisdiction under its constitutional responsibility for criminal law power. However, should the government find some mechanism, some way of phrasing its actions which gets around this particular conundrum of potential unconstitutionality, what we really have to do is look down the line to the future and what implications this has for other elements of expression in the community. What, for example, is there to stop the provincial government from exhibiting its distaste for nude paintings, for nude statues, for some forms of literature? These are elements which should be dealt with, Mr. Speaker, under a uniform body of criminal law so as to reflect the rights and freedoms of all Canadians.

There is also the issue, of course, of the Charter of Rights, an issue which will have to be faced by this government if and when it proceeds to do anything. So this isn't an easy area. There are many, including myself, who have mixed feelings about bar entertainment and what is or is not proper. But our own particular views and tastes and predilections are one thing, and the larger issues of civil liberties and the boundaries of proper

regulation merit open and precise debate. So the bottom line is that we should have the regulations before us; there should be an open debate. We're very much opposed to the way in which the government is going about this issue. However, when we look at the legislation as a whole, when we look at the fact that there is no need for the government to misuse this regulation, that there is a role for regulation, there's no need for the government to misuse it, it can make proper use of it, on balance we've decided we're going to support the legislation as a whole but very, very strongly urge the government not to bring forward any major changes of the nature that it has been proposing without bringing those regulations before this Legislature and without allowing all concerned members of the public to have the fullest range of input before the decision is finalized.

MR. McINNIS: Well, Mr. Speaker, Bill 42 is a mixture of good and bad, no question about it. The advertised purpose of the Bill is to modernize the administration of liquor in the province. It's sort of a review that takes place every decade or so, and I appreciate that a great deal of work has gone into a substantial Bill like this by quite a number of people over a period of time. I was certainly pleased to congratulate the Solicitor General about certain elements of it in second reading, in particular that portion of section 61 which makes the liquor licensees responsible for making sure that the laws of this province and this country are upheld within their establishments. There are instances where illegal activities are condoned and indeed profited from by licence holders, and the police are often powerless to deal with it because the licensees have not been responsible in the way that they will be under this particular section.

But also within that section we find the authority of the cabinet to define any entertainment, game, sport, or other activity as an unlawful activity, to give it the same status of unlawful activity. That to me gives the cabinet the authority to make substantive law, and that makes this a very unfortunate type of legislation. You know, Mr. Speaker, in the second reading debate the government tried to tell us that we shouldn't debate the question of off-sales of hard liquor under this Bill because it really isn't in the Bill; it's part of the regulations. I'm not sure that's something to be proud of either, because there are too many things in this legislation which are part of the regulations or part of something that's going to be decided by the government.

The Solicitor General, who will ultimately be recommending these new rules to the cabinet, is not directly accountable for the rules that he puts forward. At the time he ran for the Legislative Assembly, he didn't know that he would be the Solicitor General. He didn't even know that he'd be elected for sure. But even, you know, presuming that he figured his chances were good, he still didn't know he'd be the Solicitor General, and I'll bet he didn't come forward and talk to the people about what he was going to do in the field of dancing or what he was going to do in the field of any other sort of entertainment. We could speculate here all night – maybe we will – about what type of sport the government may decide from time to time can't take place in licensed premises or what type of entertainment, what type of game, or, indeed, what other activity. I mean, it's very sweeping, broad powers that the government wants from this Legislature in this Bill that they add "or other activity" just in case something else comes along. Maybe they could ban the reading of books. Maybe they could ban the making of

speeches. I mean, who was to know what might be banned under this particular section?

But it did come out in the news media. It did come out that, indeed, the true intent of this section was to ban stripping in bars. It came out not in second reading debate, certainly not in the government news release. It went out through the ACN network all over the province that that was the scope and intention of Bill 42.

MR. BOGLE: It came out in committee. Read the record.

[Mr. Speaker in the Chair]

MR. McINNIS: Well, the Member for Taber-Warner suggested it came out in committee. I had a phone call from a licensee in my riding who was told by officials of the liquor board long before the Bill came before committee that that's exactly what was going to happen and that this Bill was the device by which it was going to be done. So it has been talked about by people in the ALCB that this thing has been planned for some period of time. It's just that the government didn't choose to reveal its intention at the time the Bill was introduced for first reading in the Assembly, and it didn't at the time second reading came forward. It didn't get into the news media until – well, obviously, someone talked to somebody in the news media, but that was coincidental to the proceedings, and it's coincidental to the proceedings of this Legislative Assembly.

I happen to think that whenever government wants the ability to give people the right to set up in business and then the right to take that away, businesspeople in the community should be concerned about that. I think they will be, and I think they are. You know, if you get licensed by the ALCB to operate a certain kind of business and invest your money in that type of business and operate it according to the law, businesspeople don't expect that government will come along and take your business away tomorrow morning. They don't expect that. But that's exactly the type of legislation that's before this Assembly today. It's the type of legislation that gives government the right to take away somebody's business, no questions asked, in fact without any compensation whatever, in the name of what they might refer to as community standards.

It seems to me quite appropriate that members of this Legislature should be involved in a debate about what community standards are. There are all kinds of different people who have opinions about community standards, but it just so happens that there are only 83 of us who have to face the electors every time we have a general election and have judgment passed upon our view of what community standards are. That's how the community thinks they keep the government honest and on track.

But when the government comes forward and they introduce legislation giving themselves the sweeping authority to either outlaw or change the business . . . You know, the Solicitor General said in the news media that he thinks this type of dancing is perfectly all right as long as there are pasties and G-strings involved. I'm not sure that accurately reflects the concern that people have about that industry. I'm not sure that people who are upset with the industry are going to be particularly satisfied that if you cut out a little bit of garment and stick it here and stick it there, it may sit well with the sensibilities of some members of the government who are involved in making regulations. I'm not certain that people who have concerns about exploitation of women, of exploitation of

sexuality, and the context in which alcohol is involved in all that will be satisfied with that type of measure.

But who is to say what type of debate will take place prior to regulations being brought in? Who is to say whether they'll be well thought out or not? I know that many times in the past different governments at different levels have tried various avenues to write a community standard for the type of behaviour that people who are involved in this industry can do, only to find that someone's clever enough to think of some way around it and have the equivalent sort of activity happen anyway.

So I think a very valid point has been made by several members in the debate that this type of decision is important enough to our society that we have to get it out from behind the closed doors of cabinet, where who knows what type of considerations are made. I think businesspeople will want to get out from under a situation in which their investment can be worthless overnight on account of a regulation being changed. That's very clearly one of the things that comes with giving regulations to define any entertainment – a "game, sport or other activity" – as unlawful under regulation. Regulations are supposed to be a delegated authority from the Assembly to determine the administrative procedure for carrying out law. That's what regulations are supposed to be. But this is law-making authority. It's not administrative; it's substantive in terms of making up new illegalities under the legislation, under the regulations, under what would become the revised section 95 of the Act. So I think there's a certain amount of contempt for the process involved in the way this legislation has been brought forward, in the fact that obviously discussions of this took place at the liquor board and possibly in the government caucus prior to the introduction of this Bill, but none of those bodies were in a position or felt they were in a position to bring that forward prior to at least the first two stages of process on this legislation.

I think businesspeople who express frustration over the way the liquor board operates perhaps have more reasons to be frustrated right now. Under this legislation we're going to have liquor outlets in hotels for the sale of hard liquor. Now, many of the hotels have been enticed to establish cold beer stores under liquor board regulations. Those cold beer stores provide fairly effective competition to ALCB outlets. Why, Mr. Speaker? Because they all get a 10 percent discount on the beer they buy from the liquor board. The liquor board grants to them a 10 percent discount so they can sell at the same price as the liquor board store, only they sell cold beer. Now, that obviously has an impact on the operation of the ALCB, and again it's something that wasn't brought to this Legislative Assembly. It was just done within the confines.

Now, we go the next step and say, "All right, you hotel owners will have the right to sell liquor too." My understanding is that they're not offering a 10 percent discount or any type of discount at all, that they will have to buy at the same price everybody else buys, but that could change too. But they're not allowed to use the cold beer stores they've just invested a whole bunch of money to build. They have to be, under liquor board regulations, a separate building from the tavern. At least I'm told that under the proposal under this Bill liquor stores within hotels have to be back in the main building. So there has to be new investment in some new facility within the building in order to accommodate that.

Then you go the next step of taking away from some of them the type of operation which is going to be made illegal under the regulations of section 61 of the Bill. They'll have to make a new investment in trying to convert those facilities into something else that can pay its way, otherwise they'll have to lay off the

staff, which means perhaps creating a cabaret or some other type of facility. Maybe that's a good thing too. You know, all of this must be good for the construction industry, if nothing else, because the liquor board decides this facility has to be built outside, that one has to be built inside, this one has to be torn down or changed or altered in some way to correspond to the new regulations. And who knows what they'll dream up next week or next month or next year. Another member within the government caucus will find something else going on in taverns that they think is objectionable, take it to caucus, and talk to the Solicitor General. He'll go to the cabinet and you'll have a new set of rules. The businesspeople will have to tear out what they've got already and do it all over again.

I say, Mr. Speaker, that's no way to run a peanut stand and certainly no way to run a government.

MR. SPEAKER: The Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Speaker. I just wanted to address a few comments in third reading of this Bill. I guess representing as I do a downtown riding here, where there are indeed a lot of hotel outlets and bars and the rest where liquor is consumed in great consumption and also sold by a number of people as a commercial venture, it seems that as I've talked to a few of them in just the last couple of weeks, they seem to be a bit more concerned about the cost of beer. That's going to be a problem after the GST goes through, in terms of their loss of profits on that side.

I think one of the interesting things that's been difficult for this minister and I guess all of us in the Assembly is a real dreadful irony that has been discussed already here. It is sort of the top cop of the province on one hand liberalizing the liquor laws and then on the other hand trying to get tough with drunk drivers and all the rest or, as I cited earlier, not just the work of AADAC but the new \$200 million family life and drug abuse foundation. You know, if we look at alcohol as being a very addictive drug for many people, it's really tough. I think a lot of Albertans and a lot of my constituents are really getting some mixed messages here with respect to what the government policy is. I mean, it's clear that in terms of revenues from the sale of liquor this province makes quite a bit of money; much more, I would submit, than they spend in terms of the treatment of people who have different addictions and alcohol abuse.

But one of the points that was raised with me is how another irony is that the government still seems to want to hold on to some of the very draconian Sacred views of alcohol as a very evil thing in and of itself, so much so that here we have this free-enterprise Tory government across the way continuing to have a Bill that talks about liquor control. It would suggest to me that even that name should be changed. It should be maybe just the liquor board instead of the Liquor Control Board. I think there's some merit in that. I mean, what's the point in talking about liquor control as though we don't trust the people out there and the whole business of the sales are, as we have through this Bill, something that needs to be controlled? Now, we get accused of, you know, socialist state control as something that we might want to engage in, but clearly there is still a very deep element of this government wanting to have real controls on the sale of liquor and the rest.

I would submit to the minister, although I know it's a difficult matter, that he would do well, despite third reading of this Bill and its passage, to have some public hearings, to have some public education, to have some input from Albertans with respect to their views on alcohol and on the sale of liquor in this

province, not just through ALCB but through the bars and through the hotels and the whole matter.

You know, I think there's still a sense we have, with the former chairman of the ALCB being a very good Tory and being up in St. Albert, that there's still this cosy arrangement about things happening through the back door, with these mixed messages, and with a lot of concern now about the nude dancing and all the rest. I would just like in my comments here, Mr. Speaker, to challenge this minister over the next few years to really search out the views of Albertans with respect to alcohol and to do so in more of an educational way. People need to know that it's not there to be controlled; it's not something in and of itself that's evil, that has to be controlled.

How do we as a society grapple with the various ranges of options with respect to liquor and alcohol? I think we might well be surprised that our province, increasingly depopulating and increasingly urbanized . . . Certainly, as my colleagues have argued, in terms of the Americanization, as one who has myself lived in the U.S., you can go down to the corner grocery store and buy any manner of liquor that you want. Just sort of look in various jurisdictions as to what has gone on and really find a much better sense of the overall policy for Albertans. There are just too many questions left unanswered, too many issues being raised here, too many mixed messages being sent out by this government, and I think not a good enough opportunity for Albertans to have their say with respect to this Bill. Again, they seem to want to try to ram it through.

The hoteliers I've spoken to want to have more input. A lot of people want to have more input with this very serious issue. I don't know whether it's through the Public Affairs Committee of this Legislature or through the minister's own offices that he could and should have some kind of way that people out there say, "Well, how restrictive, how liberal, how controlling, how educational?" How much is individual responsibility? How much of it is a societal responsibility? How much do we want to tax it, to just engender revenues for the Treasurer, as opposed to how much do we want to use it . . . I think it's in the state of New York, in fact, in which 1 percent of all revenues from liquor sales goes to addiction research and counseling — 1 percent. I think there's a message in there that there's got to be some connection here.

So there's a variety of more creative, more contemporary, more democratically arrived at sets of policy here that I think we need to get on about. As it is, we have a number of issues that are just sort of left dangling — and again the irony of the minister trying to open up some things on one hand and then close down on drunk drivers on the other hand and the carnage that represents. So, Mr. Speaker, as I say, it will get third reading, but I think for the long range, if we want to have a healthy future for our children in this province and we want them growing up in a world where they have a good, educated sense about the proper use of alcohol and its consumption and how that can be a part of a creative, healthy life-style and not sort of fall into substance and alcohol abuse and all the rest of it . . . So there are a lot of mixed messages, but a lot of work could be done by this minister notwithstanding the Bill before us tonight.

Thank you.

MR. FOX: Mr. Speaker, I'm pleased to have an opportunity to speak on Bill 42, the Liquor Control Amendment Act, in third reading. A couple of comments at the outset. I do believe that in his first year in office the minister has established a good reputation for being open and honest about his intentions with

the people of Alberta and taking a fairly aggressive stand on some important issues. I think he wears the reputation well, and certainly I wouldn't want to be the one to tangle with the self-described 275 pounds of muscle and brawn. But there are a couple of things here that challenge my perception of the hon. Solicitor General, because there are a couple of things surrounding the passage of this Bill that I think indicate a lack of due regard for public input.

[Mr. Jonson in the Chair]

Certainly the tandem announcement about the intended extension of off-sales to hotels and towns that don't have liquor stores for hard liquor and wine and six months hence the extension of that same provision to hotels and towns that do have liquor stores but less than 20,000 people, and then a year from now virtually every hotel in the province of Alberta having the opportunity to sell hard liquor and wine in addition to the beer they can already sell off-sales, is something that is to be interpreted as a major shift in policy by the government and something that was done without any opportunity for input. The minister and his government must have listened to the formidable lobby of the Alberta Hotel Association, the legitimate businesspeople who have seen their opportunities diminish in some areas and are up against it in terms of making a living and providing employment for the people who work there. I acknowledge that. The minister listened to them, they said they needed these changes to make their operations more profitable, and he acceded to those wishes.

I don't think, however, that adequate consideration was given to the opinions of other people in the province, and I can assure the hon. minister that in my travels through the constituency talking to people about that, I didn't find more than I could count on one hand who were in favour of that extra off-sale privilege, feeling that there really isn't any legitimate case to be made for lack of access to alcohol in the province of Alberta. We have a system that's developed over time, maybe different from the system in place in other provinces, indeed in other countries, but a system nonetheless that, if anything, is too generous in its providing access to alcohol. People seem to express concerns more about the excessive use and abuse of alcohol and not the access to it. So I wish that the Solicitor General would have solicited in general the opinions of Albertans on this issue before proceeding with it, because I think it's an important issue and one on which a number of people in the province would have expressed opinions, and they certainly would have been opinions different from the ones embodied in the changes in direction by the government.

The other thing that has challenged my perception of the hon. minister's reputation is the thing that will come into effect after this Bill is passed, by virtue of the fact that some broader scope in exercising powers is given to the minister so that firmer regulation of stripping and nude or lewd dancing in hotels – I think again that this is something that's really piqued the interest of Albertans. A lot of people have opinions either from the civil libertarian point of view or from a more restrictive point of view, people wanting to impose their sense of values and morals on others, and it's something that ought to have had some debate.

Now, in the context of this Bill per se we're not debating whether or not nude dancing is appropriate or in what forms it's appropriate or where it ought to be done. However, it's a direct outcome of this Bill, Mr. Speaker, because the minister has indicated very clearly that some of the powers that he's asking for in this Bill and some that will be granted him when this Bill

passes – because indeed it's going to pass sometime during this session. He's made it very clear that he wants to use those powers to impose some fairly stiff regulations on the kinds of entertainment that take place in bars and hotels and lounges in the province of Alberta.

I can't be sure, Mr. Speaker. The minister is the Solicitor General right now, and I think he usually makes clear his intent, and I appreciate his frank approach to that sort of thing. I'd have to say that in most cases I trust decisions like that in his hands, but he's not always going to be the Solicitor General. There may be a cabinet shuffle. There may be movements in and out of cabinet. There will definitely be a change of government. I worry about passing laws that give sweeping powers to certain individuals or groups of individuals, without the opportunity for scrutiny and input, because I can't be assured that these powers, as broad as they are, would always be in the hands of someone as benign and thoughtful as the Solicitor General. So I'm concerned about that, Mr. Speaker.

I want to say, you know, we're not debating nude dancing in this Bill. However, the Bill gives the minister powers to at least attempt to regulate that sort of activity, recognizing that those attempts may be subject to challenge through the courts in terms of Charter challenges and things like that and certainly will be the subject of much opposition from certain quarters in Alberta, again either from people who feel that this is a legitimate activity and they enjoy it and want to do it and others who, though they may be offended by nude dancing, are also offended by the fact that government would try and legislate morality.

I just want to bring to the minister's attention a couple of letters that I've received from constituents of mine. Evan and Millie Riemer of Vegreville wrote to me expressing their deep concern about the demoralizing effect of strip shows in licensed bars in the province. As well, Mr. Joe and Mrs. Edith Kauffman of Toftfield, Alberta, wanted to register their strong opposition to strip shows in bars in Alberta. They also advocate that the minister should raise the legal drinking age and cut down on drinking. I want to bring that to the minister's attention because this is the kind of feedback I'm getting from my constituents in that regard. I think there's strong argument to be made for not granting these powers to the minister, even though I concur with his broad purpose of trying to limit activities that certainly don't enhance anyone's quality of life.

But I think, Mr. Speaker, the case has to be made for people's freedom of choice. In the case of bars, people go in there of their own free will. As offensive as the activity may be to some, adults make the choice to go in there; adults make the choice to work there. And whether we think it's wholesome or not, it's very difficult to start to legislate that kind of activity. As much as we may want to do it, we have to think through the consequences of that sort of thing, and I think there's a legitimate fear being expressed by some people that legislating that kind of morality, trying to limit that sort of activity in bars in a very arbitrary way, will drive the activity underground. You know, it's a form of so-called entertainment that's fairly well established in the province. There are people who want to provide it, people who want to make money doing it, and people who want to view it, and I would suggest that banning it in regulation is not the most effective way to deal with it.

I think if we want to deal with this in an effective way, Provincial Treasurer, we ought to look at the kinds of things that lead people to engage in a livelihood like that. What would compel a woman, or indeed a man, to make his or her living stripping? I suggest that it's got to be viewed in many ways as an economic issue. Are we as a society doing enough to provide

legitimate economic opportunity for women, especially young women? I think the answer to that would be no. I think we have to realize that attempting to limit nude dancing through the provisions of this Bill in many ways is merely attacking the symptom of the problem and not the root of the problem. So I would hope that the minister would consider that.

I'm not sure what other activities he intends to limit through these broad powers that he seeks through this Bill. He's mentioned a few of them, and I'd like to know if there are any more that he's contemplating, because I think he's got a difficult task before him.

There are some other things that give me great concern about this Bill. It refers again to a motion on the Order Paper that's been on the Order Paper in one form or another, sponsored by the hon. Member for Redwater-Andrew, advocating that several changes be made to the Liquor Control Act to allow certain things. Some of them, in fact, are accomplished by this Bill. The changes are provided in this Bill. I worry about the other ones, because the Member for Redwater-Andrew has advocated "privatization of the retail and warehousing operations of the Alberta Liquor Control Board." I'd like to know if this is something the minister is contemplating and something that he intends to do through regulation. Then I'd like to challenge him to have the political courage to put it in the Bill so it can be debated before they do something like this.

The Member for Redwater-Andrew seeks a "reduction of the regulatory powers of the ALCB and expansion of permitted off-sales by hotels to include liquor and wine." Well, that was accomplished through regulation already existing. It wasn't debated in this Legislature. It would have been debated if we'd had a chance to get to Motion 280 of the Member for Redwater-Andrew, but alas, the government didn't think it had sufficient priority to put it higher on their list, and it would be debated sometime next year at this rate. But it's too late, because the changes have already been made. I'm suggesting, Mr. Minister, that there are number of powers that you seek through this Bill, a number of changes that you've already made in regulation that deal with things that should receive full and open debate not only in this Legislature but, indeed, in the province.

A lot of the things we do in this Assembly don't interest people. A lot of the decisions we make are about things that people in their day-to-day lives aren't particularly concerned with, and they send us here to make those decisions for them. But there are some areas, some issues that we deal with, that people are keenly interested in, and I would suggest that changes to the Liquor Control Amendment Act dealing with extended off-sales to hotels in small towns is something that people are keenly interested in. I would suggest that the extension of powers to the minister so that he can regulate the kind of entertainment that goes on in bars is something that people are keenly interested in and would like to have the opportunity to debate, but it's being denied them, Mr. Speaker. In fact, it's being denied us by the broad powers that the minister seeks in this regard, and I'm very concerned about that. I do have to give the minister some credit in the Bill. I think there are some positive things in there. I wish it had spent a little more time on the drawing board, and perhaps the minister, having listened to the thoughtful input, will come back with some further changes to the Act next year.

I think the establishment of an alcoholic beverages advisory committee of nine members is likely a positive move. It establishes a liaison between the board, soon to be the corporation, and people involved in the industry. I would like to see the membership of the committee include some people who are

involved in groups that advocate for the safe and responsible use of alcohol, not just the people who advocate greater use of alcohol or the sale of alcohol. I think that would be a responsible sort of thing to do, but I think that change would have to be viewed as generally a positive sort of thing, as well as the relaxing of some of the restrictions that limited the number of licensed premises in municipalities. The relaxing of the special permit provisions, I think, is generally to be viewed as a positive thing, enabling people to get permits from the Liquor Control Board to have certain types of functions or community licences – you know, when people can prove time and time again that they act responsibly, that the functions they're responsible for come off in a positive way, I think their responsible behaviour needs to be recognized. I think the Bill is doing that, and I think it's a positive thing in that regard.

[Mr. Moore in the Chair]

That being said, Mr. Speaker, I think there are too many deficiencies in the Bill. I don't like the process of something being done sort of after the fact. Many of the changes that the minister contemplates or talks about were already made in regulations and will be made in the future through regulations, and both of those processes deny the Members of this Legislative Assembly and, indeed, the people of Alberta the opportunity for legitimate public debate. I would think that if there ever was a Bill presented in this Legislature that the government should append with regulations prior to bringing it to us, it's this one. The government has often accepted recommendations that regulations ought to be presented to the Legislature along with the Bill so that we can see what they intend to do with the powers granted them. I don't know if the government has ever done it. It's recognized as a common, progressive practice in a lot of other Legislatures, but then a lot of other Legislatures don't bring in closure at the drop of a hat, Mr. Speaker, and deny legitimate debate on Bills, you know, that affect the province in a number of ways. I think it would have been prudent for the minister to bring forward the regulations, let us see exactly what he's planning to do with the powers he is seeking in this Bill, and then we'd be able to assess in a more thorough way the merits or lack thereof of Bill 42.

[Mr. Speaker in the Chair]

That being said, I'm going to have to vote against it, because I think in spite of the positive moves in the Bill, there are too many flaws, too many broad extensions of power to not only ministers now but ministers in the future, and that concerns me, Mr. Speaker.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. This Bill gives the minister and the cabinet a lot of power to decide who can and who cannot sell liquor, and I guess I'm concerned that we would allow too many outlets for liquor. Now, I think from the minister's comments that he was talking about giving it to hotels, but I would remind the House that there was a motion before this House by the Member for Calgary-McCall that we extend liquor sales even to stores like 7-Eleven stores. I can't imagine why he picked that, but to corner groceries: absolutely shameful.

MR. SPEAKER: Point of order, Calgary-McCall.

MR. NELSON: Mr. Speaker, I would like to remind the member that it was not I who recommended that. It was another member who has ceased to be here at the present time. I would ask the member to correct . . .

MS BARRETT: What's your citation?

MR. SPEAKER: It's a matter of accuracy.

MR. NELSON: It is inaccurate.

MR. McEACHERN: There was no citation on his point of order. I remember distinctly him speaking in favour of that motion, and I thought it was his. If it wasn't, I'm sorry.

In any case, he definitely spoke in favour of it, and I would remind the whole House of one of the lighter moments and one of the best moments, actually, that this House has had. I use the story quite a lot in talking to people around the riding to show that we aren't always sort of stuffy and sober in here. In speaking to that motion, the Member for St. Paul put forward a little story, which some of you will remember, but there are a lot of new members in the House, and I think it's appropriate at this time. So if you don't mind, Mr. Speaker, I'll just repeat it. It's a fairly short little poem, and it was excellent. It goes something like this:

'Twas in the month of November, I well remember,
When I staggered down the street in drunken pride.
But my knees were all aflutter, and I fell into the gutter,
And a pig came and lay down by my side.
A comely lass came walking by, and said,
"You can tell a man who boozes by the company he chooses."
The pig got up and slowly walked away.

Mr. Speaker, [we don't need any more] liquor outlets in the province.
And he sat down. He got a good cheer. It was excellent.

AN HON. MEMBER: Brilliant.

MR. McEACHERN: Yes, it was very excellent. Some of those lines I'd known before, but I didn't know the whole poem and later did find it, actually, in a book of rhymes sent to me by a friend from England, and I've certainly enjoyed that story since.

But it's not just a story. It does illustrate a concern I have, and that's why I rose to speak. I don't think we need a lot more liquor outlets in this province, and I don't think that you should pass out liquor from very many outlets other than ALCB stores. I guess I'd have to admit that in a community that just doesn't have an ALCB store and might have some other reputable businessman that could handle it for a time, it's okay, but it does seem to me that we should not be promoting the sale of alcohol and not making it all that readily available or too easy for people to have.

I'm reminded of a policeman that came to the school I was teaching at in Calgary. We were talking about drug problems. That was the big thing in the late '60s. A lot of people were pressing him to say: wasn't it a good idea and shouldn't we make the sale of marijuana legal? Everybody kept pointing out that smoking marijuana was no more of a bother or a problem than people drinking alcohol. Finally, after a certain number of these kinds of questions, he said, "Look; what we as policemen need in this society is another problem equal to the alcohol problem just like we need another hole in our heads." So the more we make liquor easily and readily available and the more we promote that the good life demands that you've got to be drinking all the time, like these beer ads we see on television,

the more you – you know, alcohol isn't associated particularly with sports and the good life. To some extent it is, but it's more often associated with the homicide statistics, the wife battering statistics, the number of kids that are molested statistics, and the number of people that are mugged in the park sort of statistics. That's what alcohol in many cases leads to far too often.

So, Mr. Speaker, I'm not suggesting that we can go back to the ideas they tried back in the '20s of prohibition or anything. Certainly that doesn't work. You just end up with a lot of moonshine that is medically harmful besides being an intoxicant. So nobody's suggesting that we turn into a bunch of prudes and say that nobody can drink alcohol, but I do just caution the minister and the cabinet that when they're taking all this power unto themselves to decide who shall be allowed to sell alcohol, there are all those questions that my colleagues from Edmonton-Jasper Place and Vegreville were raising about who gets the licences and who doesn't and on what terms. I guess the cabinet's going to decide that in secret and make the regulations or change the regulations as they please. It does seem to me that a general public discussion about that on a broader scale might be in order before a Bill like this is passed.

It seems to me that this idea of advertising the good life on television is something that might be looked at. I don't see why we don't stop that. It's a false impression that we give to everybody that somehow if you're going to celebrate something, you have to have some alcohol to help celebrate, and it's not true. You can have a good celebration, you can have a good party, without alcohol or with very little alcohol available, and most people certainly don't need that idea promoted, for our young people to think that that's the way to go: boy, that's really living; boy, have a cool one. You know, somehow that's real cool, to have a cool one. It's nonsense. It's certainly not good for the athletes, who are usually the ones they sort of target. It's certainly not good for our young people. In some cases it's as harmful or more harmful than smoking, which certainly we've all learned to discourage.

I think we should be discouraging the use of alcohol to a certain extent too. Ultimately I'm civil libertarian enough to say that people should be able to make up their own minds, but promoting that as the good life and making it readily and easily available and having somebody's livelihood dependent on the sale of it and then allowing them to promote it so that they've got sort of a vested interest in convincing people that they should come in and drink their alcohol in large quantities is not the way to go. Of course, I'm aware that there are some rules about the proprietors of the various taverns, bars, lounges, and that sort of thing having some responsibility for the level of intoxication of their clients when they leave, but I don't think we've really come to grips with that in this country the way they have in Europe. There don't seem to be the same social and legal implications to say to the tavern owner: you are responsible for the shape of your patrons when they leave.

AN HON. MEMBER: A bunch of malarkey.

MR. McEACHERN: No, it's not. Somebody said it's a bunch of malarkey, and it's not. You do have rules already in this society about after a certain amount of time drinking beer, you're supposed to eat something before you drink more. So we do have some recognition of it in this society.

What we tend to do, however, I think, is not take that responsibility seriously enough, so we end up letting people stagger out onto the streets in fairly large numbers on any given evening, particularly on Friday and Saturday nights, and leave the

police to cope with what comes out of it. The results, of course, are car accidents and fights and a certain number of – well, we've already had 14 homicides this year in the city of Edmonton. Most of the time when you hear about a homicide or a severe car accident where somebody's killed, at least a high percentage of the time, alcohol is involved. So we know that we get a tremendous amount of extra policing costs. We know that the more you have easy access and the high living sort of idea that everybody can go out on a Saturday night and drink until they're blind drunk and that's all okay – as long as you promote that way of life and way of looking at things, you then end up having high social costs and high policing costs and high court costs for murder cases and that sort of thing.

What I say to the Solicitor General is that the cabinet had best use their new-taken powers in this Bill rather carefully. They should be listening to the people of Alberta, and they should be listening to things like my colleague from Edmonton-Highlands, who raised questions about linking the sale of alcohol with gambling and strip joints. That needs a discussion too. I don't claim to have any easy answers on that, so I'm not going to take a lot of time to talk about it, but it does seem to me that perhaps communities need to be brought into this, not only the general community but also the people involved in the business. We need to look at that in some detail and put that under public scrutiny before we pass a Bill of this sort.

MR. SPEAKER: The Solicitor General.

MR. FOWLER: Thank you, Mr. Speaker. I only want to respond very shortly to two specific matters. Considerable has been made of privatization because of this Bill. I've repeatedly indicated that this Bill has no connection with privatization whatsoever. If privatization were to come about, we have all of the authority and power necessary under the Act that exists today. So I think we have a bit of a red herring here and a record created in *Hansard* that can be mailed out to certain union members for their reading and whatnot, that they are supposedly being properly protected. But I assure you, such is not the case.

I thank the members opposite, most particularly the Member for Calgary-Buffalo, who, while I sat here and listened to him, put forward a suggestion that I will accept under advisement, and that is that a study or a group or a committee look at some of these regulations that may come about as a result of this Bill. Of course, it struck me immediately that the advisory council is being put in place, and there should be no reason at all why I shouldn't be ready to ask that advisory council to do whatever it may feel necessary, to conduct whatever hearings or investigatory work they may do to advise me on any issue that's involved in the new Act. I think that, as I indicated, I'll be pleased to take that under advisement and see what we can do.

Finally, Mr. Speaker, I am not in the business of regulating the moralities of this province. There's a Criminal Code in this country, which was referred to by the hon. minister of culture, and that is exactly the control in effect over things that are of a moral or a lewd nature. Again, I acknowledge the words of the Member for Calgary-Buffalo, and that is that I am concerned – and I think every Albertan is concerned and I think every member opposite is concerned or should be concerned – about the extremes that are occurring. I'm concerned about the degradation of the human person out there, not only the performers but the viewers as well, and I think any time we take and rob the dignity of people, we take away from the people and

the way of life generally. I'm not at all concerned about the body beautiful of the opposite gender being viewed, but I am concerned and I know that they would be concerned if they were fully aware of what was occurring in some of the beverage rooms of this province.

With that I thank the members opposite for their input into this debate on third reading.

HON. MEMBERS: Question.

[Motion carried; Bill 42 read a third time]

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

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

[Mr. Jonson in the Chair]

MR. DEPUTY CHAIRMAN: Order in the committee, please.

Bill 23 **Agricultural Statutes Amendment Act, 1990**

MR. DEPUTY CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to this Bill?
Hon. Minister of Agriculture. [interjections]

MR. FOX: The minister has amendments; let him introduce them.

MR. ISLEY: Thank you, Member for Vegreville. I just wanted to share with the House, Mr. Chairman, that there were House amendments circulated on May 16. The amendments are all dealing with the Weed Control Act, very straightforward: substituting "person designated by the city clerk" for "city clerk" to accommodate some of our cities, clarifying a reference to the Minister of Municipal Affairs, changing a date on an appeal, again to reach a compromise between urban and rural municipalities.

With those comments I'll listen for any other comments or questions.

[Motion on amendments carried]

[The sections of Bill 23 agreed to]

[Title and preamble agreed to]

MR. ISLEY: Mr. Chairman, I move that Bill 23 be reported.

[Motion carried]

Bill 26 **Utility Companies Income Tax** **Rebates Amendment Act, 1990**

MR. DEPUTY CHAIRMAN: There is an amendment in the name of the Member for West Yellowhead. We all have the amendment before us.

The Member for Edmonton-Jasper Place.

MR. McINNIS: Mr. Chairman, can the Chair advise how much time I have left? [interjections] Well, let's start another clock: a fresh start.

Mr. Chairman, by way of information for the members, the amendment before us adds a new section following section 2. This legislation, of course, arises out of the budget. It's part of the tax grab of the Treasurer, the one who was part of the government that said there would be no new taxes brought in during the coming term of office. Well, of course, this is a new tax. It's a brand new tax, and it's one that will cause power customers in the province of Alberta to remit another \$95 million annually to the Treasury. Previous to the introduction of Bill 26 the Treasury rebated income taxes collected on privately owned public utilities in order to put essentially private and public power customers on the same footing, and this Bill ends this practice, in fact discriminates against customers of privately owned utilities as compared with publicly owned utilities, but, of course, we don't have – well, I guess we do have some publicly owned utilities in the province of Alberta.

The amendment suggests that this matter should be sent to the Public Utilities Board so that the board can have an opportunity to hold hearings on this matter and report to the government, which would then table the report in the Legislative Assembly. The idea put forward by my colleague representing West Yellowhead is that the Assembly would have an opportunity to review the report of the Public Utilities Board. Of course, the second part of the amendment is that the Bill itself would not be proclaimed until at least 30 days after that report has been received.

As we adjourned debate, I was explaining to members that the Public Utilities Board has a responsibility in our province under legislation to determine rates and rate structure, and there is obviously some question in this House as to whether it's reasonable for the provincial government to extract another \$95 million from the pockets of power customers in the province of Alberta. But even if you accept the logic of the government argument on that point, there's still a very important point of how this \$95 million is to be built into the rate structure. I think that's the point to which this amendment is directed. There are power rates and then there are power rates: there are different ways you can build. Traditionally utilities have operated throughout the world on a model that reflects the marginal cost of production. The rate generally drops as you consume more power: a small power customer will pay a higher rate; a large power customer will pay a lower rate. Now, it's been brought to the attention of the world by a great many people that this has the effect of rewarding large consumers of power and penalizing smaller customers. That, of course, from an energy conservation point of view makes very little sense. In fact, I would say it makes no sense at all.

Mr. Chairman, I'm having trouble hearing myself. I hope that other members don't have that same difficulty. Maybe they're in a little better position to hear than I am.

MR. DEPUTY CHAIRMAN: Order.

MR. McINNIS: One of the problems we face in the province of Alberta is that most of our electrical energy is generated, at least at the margin, by the combustion of coal. I don't think it's any secret to members of this Assembly that when you burn coal, you give off a lot of carbon dioxide, also some sulphur dioxide, perhaps some nitrous oxides and some volatile oxides as well: all greenhouse gases. The greenhouse gases, of course, are those that tend to make for the retention of heat within the

atmosphere. There is a buildup of heat inside the ozone layer, caused in part by the thinning of the ozone layer because more ultraviolet rays get through the ozone layer and there they heat up the greenhouse gases and that heat is retained within the atmosphere. We call that phenomenon global warming. Unfortunately for us in the province of Alberta, all of the electricity we produce at the margin is done through the combustion of some fossil fuel, almost all of it coal.

We've had recently a controversy between the two primary regulatory agencies in the electrical energy field over the Genesee power plant. The Public Utilities Board referred to in the amendment authorized Edmonton Power to proceed with construction of the Genesee plant. The Energy Resources Conservation Board came along and said, "We don't think the electricity from that project is needed at the present time," and they wouldn't commission it; they wouldn't allow it to be built into the rate base. Well, that caused Edmonton Power to have to continue to pay the capital costs of building that plant without the revenue to support it. Now, I'm sure you can see, Mr. Chairman, that the way the system operates provides incentives and encouragement for the various utilities to get as much physical plant as they can onstream, because then their rate base increases in size, and of course their income is related to their rate base and the assets. It's a return on investment type of formula, so the more capital investment you have, the more return you make. Similarly, sales of electricity are needed in order to justify facilities. So, for example, a utility like Edmonton Power, which has Genesee constructed – their economic health and perhaps even their financial solvency depends in some sense on selling that electricity.

Well, there are many things that utilities are doing to reduce the total demand for electricity, especially during peak periods. Agencies such as the Public Utilities Board referred to in the amendment have taken it upon themselves to find various ways that they could try to discourage consumption, particularly during peak periods. A tremendous amount of work has been done in the regulatory area alone in terms of devising incentives and schemes whereby customers can be encouraged to engage in practices which result in less demand, particularly at peak periods. For example – I believe I mentioned it briefly in passing – B.C. Hydro has a program I believe is called power smart, which among other things pays people in private residences – they'll come and pick up any old refrigerator you have and pay a \$50 cash sum to the owner of that refrigerator, and haul it away for free. Now, for a lot of people that's a disposal problem that would cost them money to get rid of an item like...

MR. DEPUTY CHAIRMAN: Hon. member, order please. Order. I realize that you do occasionally refer to the Public Utilities Board, but, hon. member, would you please speak on the amendment?

MR. McINNIS: Do you have the same amendment I have, Mr. Chairman? It's the amendment to Bill 26, adding 2.1 after section 2. Well, this amendment says, Mr. Chairman, that this matter should go to the Public Utilities Board for their advice regarding how a \$95 million rate increase should be implemented, and I was simply giving the Chair an example of how one utility – it happens to be a neighbouring province – is applying the rate structure in order to reduce the demand for electricity.

I believe that if the \$95 million rate increase that the Treasury intends to impose upon Albertans through Bill 26 were referred

to the Public Utilities Board, they would have an opportunity to examine some creative alternatives to simply adding, you know, whatever they . . . I mean, the simple mathematics is to take the total number of kilowatt hours sold and divide it into \$95 million. You get X number of cents per kilowatt hour, and you slap that on every bill. I suggest that unless this Assembly takes some type of action, that's exactly what's going to happen under Bill 26. Therefore, my colleague has come to the rescue of this government and said, "Wait a minute; let's see if we can't do this right." Well, who best to determine what's the best way to implement this particular rate increase, if it's approved of course by the Legislative Assembly? I'm arguing that the Public Utilities Board is well situated to do that, because they would be able to research some of the regulatory technologies which are being employed.

I'm not talking for the moment about the actual [inaudible] technology. The vehicles for saving energy are primarily energy efficiency built into different products. For example, another program that many utilities are into is subsidizing large commercial operators if they will install more energy-efficient electrical motors. A lot of electricity consumed in industrial operations is consumed by electric motors, and many of them are inefficient in design. I would suggest, Mr. Chairman, that over the last two or three years there have been revolutionary changes in the design of industrial electric motors. What is needed in order to get those into plants where they will reduce the demand for electricity, reduce the amount of carbon dioxide that we put in the atmosphere, and reduce the need for all of this capital expansion within the system, which also adds to the cost of electricity in the final analysis – we should be looking through a mechanism such as the amendment before us on Bill 26 to try to build some incentives into the system to reduce the amount of electricity.

I'll tell you one thing, Mr. Chairman, and you should remember this: the cheapest energy we will ever find from here on in is the energy that we don't waste. If we can capture the energy that we're presently wasting, throwing away on nothing, and reallocate it to a productive purpose, that is the cheapest energy we'll find. It's cheaper than building more Genesee power plants to burn more coal and create more greenhouse gases. It's cheaper than finding new oil and natural gas. It's cheaper than developing oil sands. It's cheaper than new hydro, cheaper than nuclear power in very many ways, cheaper than alternative forms of energy. The cheapest power you're going to find is through energy conservation, and an amendment to Bill 26 such as the one put forward by my colleague – in fact, Mr. Chairman, this very amendment gives this Assembly the opportunity to kick-start that process.

Several government agencies co-operated in Alberta as recently as two weeks ago to bring a world-renowned energy conservation expert into the province of Alberta, an individual by the name of Amory Lovins. I had the opportunity to meet with Mr. Lovins when he was in town. His schedule was such that the only time we could meet was at 6:30 in the morning, but we took advantage of that opportunity. He explained to us and left a lot of material for those present about the exciting technology which has become available over the last couple of years for just pure energy efficiency. One of the things utilities are into in the United States is marketing energy savings. They will actually go in and pay people in cash to become more energy efficient, and it's worth their while to do that because they can then acquire the power at the cost of energy efficiency. The financial cost of energy efficiency, Mr. Chairman, believe it or not, is actually cheaper than the cost of producing new

energy. Somehow we have to get not just the message through but we have to get the economics of that through directly to the power customer. Who better to do that than the Public Utilities Board of the province of Alberta, because they have access to the information and they, in fact, end up setting the rate structure for our various private utilities that operate in the province of Alberta?

The state of Vermont in the United States buys electricity from the province of Quebec. They're not real happy with the prices currently being offered, so they've suggest to Hydro-Québec: "Let's make a deal. We'll come into your factories, and we'll retrofit them. We'll make them energy efficient, and we'll buy the power from you at what it costs us to retrofit your industries." If they are successful in getting that operation going, they're going to buy the cheapest power you can buy anywhere around. It's gotten to the point where there's a lot of entrepreneurial activity around this, and I'm sure this government would appreciate an opportunity to create a new avenue of entrepreneurship. There are people who are trading in futures markets in energy savings. It's an interesting concept, and it's one that seems to work relatively well. What they're doing is buying into the ability of various utility systems and various power customers to cut down on their needs of electricity, and they're selling that: that future energy which is available through the application of currently available energy efficient technology.

If we submit the subject matter of Bill 26, or at least the key substantive measure, which is indirectly a \$95 million increase in the cost of power to the Public Utilities Board, I believe they would then have the opportunity to come back to the Assembly, to the Provincial Treasurer with the report which would have an extremely useful role in setting the entire direction of our utilities systems in the future. This particular amendment will allow that to happen, and for that reason and for the sake of all of our futures in this province, I urge hon. members to support the amendment before the committee at the moment.

MR. DEPUTY CHAIRMAN: The Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I'd like to just make a few comments in support of the amendment before us this evening in regards to Bill 26 requesting that the Public Utilities Board hold public hearings. I think if there's one thing that's become obvious in recent days, it's that Albertans are only now beginning to get a true picture of what the implications of this change are going to mean in terms of higher power bills, whether it be for individuals, whether it be for businesses, or whomever. Those that consume electrical energy are going to see significant increases in their power bills. As they become aware of that, Mr. Chairman, they become very concerned, to the point that they start to contact members of the Assembly and start sending letters and, furthermore, start circulating the information throughout the province and informing more and more people. I think what's happening here is that the government is proceeding with a policy that I think is mistaken, and I think the reason we're beginning to get a response from the grass roots is that as soon as people hear about this change in government policy, they realize the impact it's going to have; they can see at a glance that it's a significant impact and a serious one.

What this implies to me, Mr. Chairman, is that the government is rushing into an area which I don't think has been fully considered, properly considered and may, in fact, I think be a major mistake. So as a result of my concern, the concern of my

colleague from West Yellowhead, we're suggesting that the government refer this matter to the Public Utilities Board to hold public hearings in order to allow these people a forum at which they can bring forward the concerns they have about what the impact may be on their community, on the business generators in their area, upon the consumers in their jurisdiction, and for any of the parties that may be subject to this increase. After all, Mr. Chairman, I know that the power utilities themselves will simply recover this lost rebate or whatever through higher rates. It will simply be passed on to the end consumer. It's not going to be absorbed along the way, so the final consumers are the ones that are going to be hit with these price increases.

The reason that this is serious, Mr. Chairman, is for this reason. The utilities in neighbouring provinces are publicly owned. Where this problem arises is that by being Crown corporations, they're exempt from certain payments, certain tax costs which are applicable in the case of the Alberta producers. So what this rebate scheme, in brief, has tended to do or tried to do in the past is equalize the net cost to the consumer, the end user of the energy, to ensure that there's sort of a level playing field here between the consumers of Alberta and the consumers in Saskatchewan, Manitoba, Ontario, or British Columbia. It is intended to establish sort of a level playing field, if you want to hear me coin a new phrase, Mr. Chairman. So that being the intent of the rebate program, to ensure that Alberta consumers are on more or less the same pricing basis, costing basis, as our neighbours in the other provinces, what is going to happen, then, by removing the income tax rebates will be to give a competitive disadvantage to Albertans and a comparative advantage to consumers in our neighbouring provinces.

You know, I've watched this government in the last years go out of their way to compete with neighbouring provinces to buy business into this province. For example, they spent 4 million bucks in giving a grant to Cargill to establish a plant down in High River . . .

MR. DEPUTY CHAIRMAN: Order, hon. member. Order. Please address the amendment that's before us. The Chair notes that you've drifted now somewhat away from the amendment.

MR. HAWKESWORTH: Well, Mr. Chairman, I'm certainly headed towards the point, and I'm sure you were listening carefully when I was talking about a comparative competitive advantage for Alberta consumers. I'm just making the point that this government has gone out of its way to spend taxpayers' money to bring businesses to this province, and I was just in the process of reciting one example of that.

In case the members think I'm somehow making it up, one that pops into my head is this Cargill plant in High River. Now, they've located in the province, and what's going to happen if power bills are going to go up by 4 or 4 and a half percent? The cost of business goes up to that consumer. They're a consumer just as much as the person who flicks on the night-light at home in their bedroom. They're all consumers, but in some cases, you know, they're in a competitive environment, and if you're going to be placing on Alberta businesses an extra burden, it's not going to be giving our producers, our businesses, and our people in this province a helping hand. So, on one hand, this government is proud, I guess, of making big announcements about all the work they're doing and all the stuff and the money they're giving away in order to attract companies to this province, and here, on the other hand, with another policy they're working to undermine or defeat the first one.

For example, this new magnesium plant in southern Alberta: I don't know what kind of electrical power consumption it's going to have. It would seem to me that with the kind of manufacturing process that they're getting into, it's going to have a significant demand on electrical power. We've gone to great pains in this province, especially the people of High River, who've done an excellent job in going out, beating the bushes, and getting that company to locate in Alberta for a number of reasons, the comparative advantages that Alberta offers. Now that it's just about to go into production, all of a sudden along comes the Provincial Treasurer and says, "Oh, by the way, power rates are going to be 4 or 4 and a half percent higher than they are in other provinces because the private producing electrical power companies in this province pay corporate taxes, income taxes, which now will not be rebated." By paying those taxes, they pay taxes which our neighbouring Crown corporations in other provinces don't. So there's where the rates are higher between one province and the other, and it's one that perhaps is going to be absorbed by businesses. It'll certainly have to be absorbed, but it just increases the costs of doing business, so it's going to have an economic impact.

The problem that we've identified here, Mr. Chairman, is that there's no forum by which any of these groups can come forward and say to the decision-makers, "This is what this policy change is going to mean for us." Now, I've recited a couple of examples in my comments this evening. It's all speculation on my part. I don't know the processes of those businesses well enough to be able to speak with full assurance that this is going to have a major impact or not, but that's the purpose in having public hearings. It provides an opportunity for people to come forward, discuss a policy change. They can lay out their facts and figures. They can do their analyses. They can show what the impact's going to be. They can tell the decision-makers it means this or that or the other thing for our expansion plans or other plans that we may have in our province. Then that board can review that evidence, they can cross-examine it, they can see that it's valid, and then on the basis of that make their own determinations and recommendations, which could then come back to this Legislative Assembly.

This is not an issue to be taken lightly, Mr. Chairman, because as has already been pointed out by other members of this Assembly, when this policy was being proposed originally, as I recall, by the Liberal government in Ottawa some years ago, the outcry was significant, it was spontaneous, and it was loud. People were angry and people organized and people worked hard to protect their interests, to prevent this from happening. I guess they must have figured that with the Conservatives supporting them on that issue at the time and opposing the move by the Liberal government – perhaps they understood that this Conservative government would never abandon them or double-cross them or let them down and bring in the same kind of policy that the Liberals themselves were pursuing. So perhaps that's the reason they haven't been paying that much close attention, and it's only now that it's beginning to dawn on them what, in fact, this government is up to.

So I think to myself, Mr. Chairman, if there was that kind of response just, oh, six, seven, eight – I guess it must have been eight or nine – years ago, I wouldn't see that things would have changed that much in the intervening time, and people would be every bit as concerned now as they would have been then; in fact, perhaps even more so at the present time because many of these businesses are also looking to having to absorb other federal tax changes in 1991, especially the goods and services tax. For them to be hit with this on top of that I think would

probably cause them a substantial concern, a great deal of concern, yet there's no forum provided to them to bring forward their concerns, to bring forward their analysis or their difficulties with this Bill.

Now, I guess the other scenario that might develop in this instance, Mr. Chairman, is quite simply that a public hearing could be held by the Public Utilities Board and nobody could show up, and if that's the case, in the unlikely instance that were to happen, obviously then the kind of proposal that is being brought forward in Bill 26 would not have any strong public opposition, and it could proceed. Even if the public hearing were held and there was a very, very strong outcry, the provincial government could proceed in either event. The other thing that a public hearing would do is that the Public Utilities Board could review this and decide whether a blanket rebate would be appropriate, or perhaps some different rebate policy might be appropriate instead. I could think of an instance where perhaps to encourage certain kinds of energy production and discourage other kinds, this rebate system could be administered on some other basis than on an income tax basis. Perhaps it could be rebated for hydro production but not coal production. I don't know. Those are maybe remote possibilities as well, but once you're looking at the rebate policy, perhaps there are all kinds of alternatives that could be explored. It's simply a matter of allowing the forum to exist, allowing the avenue to exist, by which people can speak out.

I would just in summary, Mr. Chairman, come back to the point that I made at the outset, that as the news of Bill 26 starts to percolate throughout the community, throughout the province, as people learn about it, they become very alarmed and very concerned to the point that they are starting to write letters, mount a serious letter-writing campaign. I'm simply saying to the provincial government that if you want to present people with a fait accompli, you can do that, I suppose, but it would seem to be more prudent if you were to recognize the concern that's out there, the opposition that's out there, in some cases perhaps the fear of what these price changes are going to mean for local business and local industry. It might be prudent of you to provide the forum and allow those people to step forward with those concerns where they can be properly examined and properly reviewed. The failure to do that, I think, is going to be a major mistake. I think it's going to perpetuate or create a problem that is going to demand recognition or resolution down the road.

As well, Mr. Chairman, the fact that this Premier promised Albertans that taxes would not go up – they're going to see this very much as a tax-related move by the provincial government, that it's very much tax based. It's a policy change that's going to take a lot of money out of their pockets. It's something that violates a promise that was given, and for the government to move in such a way without offering a public hearing or any kind of forum for people to raise their concerns, voice their concerns, I think is wrong-headed. It's going to backfire. It's going to lose support for the government in areas all over the province, where people are going to be hard hurt, and when they see that their business community is stepping forward to say that these increased costs of production are hurting them badly, the government's going to have a lot to answer for. If they had simply provided the forum, the opportunity for people to step forward, when criticism comes they can always say as a way of deflecting criticism: "Well, were you there when the opportunity was provided for you to bring your opposition forward? Did you step forward and make your concerns known when you had the

opportunity?" If people realize that they didn't take an opportunity to make their opposition known, well, most people say, "Well, I guess I do share some of the responsibility here," and usually their opposition dissipates.

But when government moves ahead the way it is, doesn't give people an opportunity to express their concerns, and people see that the process has denied them a fair hearing, they react angrily. We've seen the way people feel about the Meech Lake accord and the process of adopting that. It took some time for them to realize what was happening with the Meech Lake accord, and as the time went by, the anger built over the fact that they didn't have the opportunity to express their reservations or opposition. In this case, Mr. Chairman, I predict that there may be a similar response by Albertans, where they'll say, "You didn't give us an opportunity; there was no public hearing, no way that we could make our opposition known."

I just think that the government would be well advised to accept this amendment, set Bill 26 aside. Let's come back to it five or six months from now after it's been reviewed, after people have had a chance to digest its implications, prepare their briefs, step forward, bring forward their evidence. Then we can look at it in the light of that information and subsequent events.

I just say to the Provincial Treasurer and the government that I think we're giving you good counsel here. I know you'll reject it; I could guess at that, but I guess hope also springs eternal, Mr. Chairman, and perhaps after reviewing my remarks, people will see the wisdom or the good judgment in proceeding with a public hearing before the Public Utilities Board. At least I can hope, and at least I've got my concerns on the record so that at some future time when people ask, "Well, where were the New Democrats when the provincial government took this money out of my pocket on the electrical charges," I'll be able to say that we gave the government good advice. We tried to speak up for Albertans. We tried to provide them the democratic forum, the proper and legitimate forum for them to step forward with their concerns, and we can point to this amendment tonight and point to it with pride.

This has been the important role that the Public Utilities Board has traditionally offered over the years, to allow people to come forward and address them, review the rates, review the cost of production, and hold that up under cross-examination as a court of review. We just believe that it's the appropriate body. They do have the expertise; they do have the skills; they have the experience, the background. They know the electrical generating system in the province. They know what the implications are. They have the resource people to organize and carry out this kind of public hearing. I have full confidence that they are the appropriate body that this should be referred to, and I have full confidence that they would carry out a thorough review, a fair review, a good opportunity for people all over the province that want to step forward to make their concerns known. The intervenors that would come forward: they know how to accommodate that kind of public input and to make recommendations in the public interest.

So I'm confident, Mr. Chairman, that the recommendation before us is a good one, a valid one, and a wise one. I would hope that the government would take the advice offered to them and adopt this amendment.

MR. DEPUTY CHAIRMAN: Before recognizing the Member for West Yellowhead . . .

MR. DOYLE: Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Just a moment, please; I said "before." Order please.

I would remind hon. members that even in committee one is supposed to resume their seat within a reasonable period of time.

West Yellowhead.

MR. DOYLE: Thank you, Mr. Chairman. I stand up to speak, of course, in favour of my motion, the one that could salvage this Treasurer from decimating the pockets of Albertans. As someone said once before, they're going to empty these things soon.

MR. JOHNSTON: This is the "exuberant" tax.

MR. DOYLE: I think you remember that, Mr. Treasurer. [interjections] Not really.

I would say, Mr. Chairman, that I think, as the Member for Calgary-Mountain View said, that it does give an opportunity for this government to wait just a little while and have some hearings around the province, allow the Public Utilities Board to hold these hearings prior to December 31, 1990, report back to the Treasurer or the government as to their findings. If I could refresh the minds of some of these members who perhaps know very little about the Public Utilities Income Tax Transfer Act, as the Treasurer himself said in introducing the Bill, "This is a . . . simple piece of legislation," and later, in part, "Therefore, it's hard to isolate specifically what will happen."

It appears irresponsible to propose Legislation without any idea of the impact on the consumer, particularly so if it is indeed a simple piece of Legislation.

A further quote from the same introduction: "Fortunately, this is a short Act, because the principles are very simple."

The principles are indeed very simple, cut the support to the municipalities and in effect increase the tax of each consumer of utilities in Alberta.

That letter was written to an MLA whom I have great respect for in this Chamber, the member from High River, and it was signed by the mayor of High River, His Worship Eldon Couey. I have several letters from around the province from municipalities on the effect that this legislation is going to have upon municipalities, upon farmers, and upon the small business people and industry in this province.

Mr. Chairman, public hearings should be held in large industrial areas. I mentioned the other day, and I'll say it again, that the plant in Whitecourt was encouraged to use electrical apparatus to assist in the protection of the environment. They installed those to help us protect our environment. If public hearings were held in that area or anywhere nearby, I'm sure they would speak to the hearings because they suggested to me that their rates just this first year, because of the cancellation of the Public Utilities Income Tax Transfer Act, will be in excess of \$500,000. That's a large bite out of the budget of a major industry.

Mr. Chairman, as you held hearings throughout the province, basically every municipality, I'm sure, would come forward. As they have their budgets already set, they do not want the cancellation of this tax, especially after the Treasurer and the Premier both said that there would be no increase in income taxes. What do they do? They discontinue the Public Utilities Income Tax Transfer Act. [interjections] If it's not an income tax, hon. member, I don't know what you would call it. It's income tax that the corporations pay to the government and that the government has been returning since 1947, when in Ottawa a federal Bill was brought in to protect those people in private

utilities from those of provincial utilities. In several provinces: like Quebec, we have Hydro-Québec; in Ontario, Ontario Hydro; New Brunswick, the New Brunswick Power commission, I believe. Those are government-owned utilities, Mr. Chairman. So this Act was brought in to protect the consumers from private utilities and make the rates equal with those from government utilities.

Mr. Chairman, this cancellation of income tax is going to be a stab in the back for any community that wants to invite an industry to settle in their community. It'll force them to look at other provinces where they are protected under the Public Utilities Income Tax Transfer Act. This government is taking steps and this Treasurer is taking steps to deter industry and development in the province of Alberta. Municipalities that have recreational facilities will have no other opportunity but to close down those facilities or limit the hours of use because of the extra cost of electricity. This, Mr. Chairman, comes right on the back of the GST that this government's done very little about. They sat back and watched their federal cousins in Ottawa bring in the GST, did nothing about it, and now they put it on the backs of Albertans or rob them of some \$95 million in one clean sweep of the Treasurer's pen.

Mr. Chairman, the farmers across this province depend highly on electricity. They use it for their welders, for keeping their vehicles warm in the winter, heating their homes, even chicken coops. They use electricity for virtually every movement they have on their farms. In southern Alberta the irrigation pumps – I had the opportunity, and I'm sure if they had this public hearing in southern Alberta, the irrigation farmers would come forward and make their petitions to the public utilities. Many installations we made in southern Alberta were in many kilowatts of need on a six-month basis: in the Taber-Warner country the sugar beet plants; those people in the Taber area that store potatoes in other areas that need refrigeration for high use. Those farmers, Mr. Chairman, will be hard struck by this grab of income tax right on the backs of every senior citizen in this province, every volunteer organization in this province. This government now has the opportunity to have these hearings throughout the province, take the advice of the Official Opposition and no way this year take one more dime from the taxpayers of Alberta in regards to the income tax transfer Act.

Municipalities, schools, hospitals, and all other business, and all individuals in Alberta in the near future are going to come down on this government like they never did before. Mr. Chairman, they're starting to realize now that the backbenchers of this government and in fact the frontbenchers care little about every taxpayer in Alberta.

Mr. Chairman, this fall this government will know how the municipalities feel when the communities bring their resolutions to the AUMA. Some of those resolutions, Mr. Chairman, are requests for this government, and there'll be no problem with them holding off on this tax until after the AUMA and the MD and IDs have had their conventions, the hospital boards, the school boards, all those other groups that meet throughout the fall in Alberta. But the municipalities feel very strongly against this grab from their taxpayers. Councillors in this province and mayors are getting more and more concerned about how they can run again, how they can be elected again because of this constant grab from the provincial government on the backs of the municipal governments. The only way municipal governments have to recover this tax is to pass the burden on to their local people. School board requisitions have gone up. Grants in lieu of taxes have been cut. The local taxpayer is going to be bankrupt if this government doesn't quit passing the buck onto

them. Ninety five million dollars is a lot of money out of the taxpayers of Alberta, and I can't in any way see why they would use such a tax grab to come down on the backs of normal Albertans. Enough is enough, Mr. Chairman.

I think if the government would have their public hearings and wait until, at least, the AUMA meets and see how this resolution comes out:

Whereas the recent decision by the Alberta Government to eliminate the provincial portion of the Alberta . . . income tax . . . is a discriminatory action; and

Whereas the original intent of the income tax rebate program was to provide customers of privately-owned utilities (which pay taxes) equitable treatment to customers of government-owned utilities (which do not pay taxes); and

Whereas utility companies in Alberta pass the rebate back to consumers; the effect of the elimination is a selective tax on customers of privately-owned utilities

Now therefore be it resolved that the Alberta Urban Municipalities Association request the government of Alberta to reverse their decision to eliminate the provincial portion of the . . . income tax rebate announced in the March 22, 1990 Provincial Budget.

Mr. Chairman, this is a clear signal to this government that municipalities are no longer standing for their antics of grabbing money wherever they can, cutting them off from their fair share of grants in lieu of taxes, and cutting such programs as the CRC and other recreational programs that they depended on for so many years.

The town of Gleichen, Mr. Chairman, says that

The Public Utilities Income Tax Transfer Act was enacted to overcome the discrimination against customers and areas within Canada served by investor-owned electric and gas utilities which pay income taxes compared with customers and areas served by government-owned utilities which do not pay income taxes.

In Alberta where income taxes are rebated fully, a freeze imposes a selective tax on customers served by investor-owned electric and gas utilities. Our energy bills will increase by the amount of income taxes not rebated. Significant inequity will arise between Albertans served by investor-owned utilities and others served by government-owned utilities.

The inequitable treatment of customers of investor-owned utilities will be further exaggerated when the Goods and Services Tax is applied to our bills.

Council of the Town of Gleichen respectfully urges your government to reverse its intention to freeze the income tax rebate. That letter was signed by Marguerite Sabko, municipal administrator of the town of Gleichen.

Mr. Chairman, I have scads of letters and phone calls from throughout this province in regards to . . .

MR. DINNING: Read them.

MR. DOYLE: I haven't got enough time in my 30-minute allotment, hon. Minister of Education.

The people are requesting that the government take one more look at this tax. Do not bring it in. Give us some time. Give them time to submit their reports to you. This amendment allows that. But I cannot impress enough on you, Mr. Chairman, or this government how much this tax is going to defer industries from settling in the province of Alberta.

On this, Mr. Chairman, I will take a break and wait for the minister's response when he returns.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Jasper Place.

MR. McINNIS: I don't know about you, Mr. Chairman, but I'm shocked the minister isn't here to hear this debate. If you guys want legislation by exhaustion, you should . . .

MR. DOYLE: He's in the doorway. You can see him.

MR. McINNIS: You try closure, a bit of legislation by exhaustion. You guys don't know which way you're going.

MR. DOYLE: You can see him, but he won't come in.

MR. McINNIS: Anyway, you want to stay here all night . . .

MR. DEPUTY CHAIRMAN: Order please. Do you wish to speak, hon. member?

MR. McINNIS: Pardon me?

MR. DEPUTY CHAIRMAN: Would you like to speak on the matter before the House?

MR. McINNIS: That's what I was doing before, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Please proceed.

MR. McINNIS: I would like to provide the House with some more detail of some of the very exciting things that are being undertaken by enlightened jurisdictions in the field of energy pricing. I think the amendment before us today gives the opportunity for this province to begin to get involved in a very exciting development towards solving energy problems, solving pollution problems. It all begins with a political initiative. I'm absolutely delighted that my colleague representing the West Yellowhead constituency has brought this initiative forward. He's going to get us going in the right direction.

You know, it's commonly believed that solving the problem of global warming is a very expensive proposition. In fact, what most people know about it is that the amount of carbon that we burn in the atmosphere, which according to most linear projections of the econometric models would double over the next few decades, will in fact have to be cut in half. That's the solution to the global warming problem.

Now, it might surprise you, Mr. Chairman, to learn that not only is this technically feasible, but it doesn't have to be an extremely expensive proposition. In fact, it can be an enormously profitable proposition, provided legislators and planners, people who are involved in the supply of energy, are prepared to take some initiative at the present time, prepared to make some decisions. I believe that my colleague's initiative to refer the subject matter of Bill 26 to the Public Utilities Board in fact is exactly such a positive step.

Improving energy production can save the world I think somewhere in the neighbourhood of about a trillion dollars a year. We're not talking small bits of money, Mr. Chairman. Now, the provincial government appears to be interested in one thing only in the context of Bill 26, and that's acquiring another \$96 million for the Treasury on an annual basis. But my colleague is saying to this Assembly, and I fully support him, that we have to look at saving the use of energy but especially the use of fossil fuels to create energy. The type of savings that I'm talking about, in the neighbourhood of a trillion dollars a year, is equivalent to the total amount spent on military budgets by governments everywhere around the world. I know that many

of the members will be absolutely fascinated to hear some of these statistics, Mr. Chairman.

If you look, for example, at a study that was published in 1981 under the title of *Least-Cost Energy: Solving the CO₂ Problem*, before the term global warming was on the tip of most people's tongues, before there was very much talk about the greenhouse effect. It's a study of the west German economy in 1973 which documented the potential to save about three-quarters of the energy used by the west German economy in that year, which was at that time the most heavily industrialized economy in the world. That was the reason that particular economy was chosen. So if one extrapolates from a demonstrated savings of three-quarters of energy used in the most industrialized economy in the world, you could imagine a world in the next century in which 8 billion people live on our planet, much beyond what the doom and gloom people tend to believe is possible on our planet, with a gross world product which is fivefold what it is today, with increases in the standard of living in developing countries that rival the standard of living in the more developed countries. That's the type of economic performance which is possible through the more efficient use of energy.

So I think we in this Assembly should set our aims high, and my colleague is suggesting we can begin that process by referring this grubby little \$95 million revenue grab off to the Public Utilities Board so they can have a look at some of the things that we can be doing and we ought to be doing right here. For example, if you look at something as simple as the problem of lighting. Did you know, Mr. Chairman, that a single 18-watt compact fluorescent lamp which produces the same light as a 75-watt incandescent lamp, the type that most of us use in our homes and you'll find at the roof of this very legislative Chamber – how many of them are burnt out, hon. member? Anyway, a single 18-watt compact fluorescent lamp will burn for approximately 13 times as long as the incandescent bulb, and over its 10,000-hour lifetime will avoid the emission . . .

MR. DEPUTY CHAIRMAN: Hon. member, order please. Order please. I would ask the hon. member to come back to the amendment and also to please be reminded of the reference to repetition under Standing Order 23(c). This particular theme has been – and I was just looking at the *Hansard* – raised several times before. Please proceed.

MR. McINNIS: Thank you, Mr. Chairman. As I was saying, a single 18-watt compact fluorescent lamp compared with a 75-watt conventional light bulb – I was pointing out to the Chair for the first time that that lamp will last you 13 times as long, but more importantly what it will do is save the equivalent of a ton of carbon dioxide in the atmosphere. Now, carbon dioxide, as I explained earlier, is the chief culprit in global warming, the greenhouse effect, which chiefly accounts for the fact that the average temperature of the earth's surface has increased by more than one degree Celsius over the past two decades and for the pretty solidly backed conjecture by such agencies as the Alberta Research Council that we're committed to another six to eight degrees of global warming. Just by a simple substitution of one type of light bulb for another you can save one ton of carbon dioxide gas. Now, that's the type of initiative that utility systems around the world are looking at moving towards in our day and age, and today we're saying through the amendment to Bill 26 . . .

MR. HORSMAN: If you'd sat down, you would save another ton of carbon dioxide gas.

MR. McINNIS: You're a riot, Mr. Deputy Premier. An absolute riot.

So you can save a ton of carbon dioxide, yet far from costing extra, that lamp will save you \$20 worth of ordinary light bulbs over that 10,000-hour nominal lifetime, and with the installation labour plus \$20 to \$30 worth of utility fuel the savings is far more than the \$5 to \$8 production cost, which translates to a \$12 to \$18 retail price. So we've got a lamp that admittedly is more expensive to buy, but it saves all kinds of electricity, it saves the additional production cost, it saves having to burn fossil fuel, and it helps to save our planet. Where's the problem? The problem's simple, Mr. Chairman. Most people are not prepared to pay the \$12 to \$18 up front for this light bulb compared to the commonly available incandescent type of bulb, which is so unreliable in the course of this Assembly. Several of them have burnt out right on the very roof of this legislative Chamber.

Now, I think this particular example illustrates the wider theme quite nicely, which is that although we have all kinds of problems, the commonly assumed negative cost of solving the global warming problem in fact can actually be seen to be a benefit. In this example you can see that it's possible to save money. You just have to get over that hurdle to begin with, and that's where we're stuck in the province of Alberta. We're in the mode of earlier this century and the last century where things continue pretty much the way they are. There's a linear expansion of the system. We're forever adding more power plants. We're getting into these disputes over who's going to build the next one, how they're going to be paid for, rather than dealing with the problem of how we can discover the fun and the profit that is there in solving global warming if we adopt some very simple and reasonable basic policies.

Now, I referred briefly in my remarks earlier to the power-smart program of B.C. Hydro in our neighbouring province of British Columbia. I mentioned the one particular initiative in buying back old refrigerators, but did you know, Mr. Chairman, that that utility also offers a \$50 incentive to promote the purchase of energy-efficient refrigerators, that is, which save up to 50 percent of the energy consumed by a conventional refrigerator? Now, I believe the amendment before us will give to the Public Utilities Board, in the context of examining how this \$95 million whack is going to be picked up by the taxpayers, an opportunity to examine this particular initiative.

MR. DEPUTY CHAIRMAN: Order, hon. member. The Chair has been quite patient, I believe, but I fail to see how hearings by the Public Utilities Board into an amendment to section 3 of the Act is in any way related to your recent remarks. Previously, I also cautioned you about repetition, and I could refer you to *Hansard* of June 18, 1990, to support my contention. Now, please get back to the amendment.

MR. McINNIS: Point of order.

MR. DEPUTY CHAIRMAN: Yes.

MR. McINNIS: I believe the reference that you just gave was to an entirely different program which has to do with buying back old refrigerators. Well, I'm talking about a program where you give an incentive to people buying new refrigerators.

MR. DEPUTY CHAIRMAN: Order please. Order please. The Chair has asked you to proceed on the amendment.

MR. McINNIS: Thank you, Mr. Chairman. As I was saying, these are two entirely different programs. I do appreciate that the Chair pays careful attention and was able to identify that the subject of refrigerators was mentioned.

MR. DEPUTY CHAIRMAN: Please proceed. [interjections] Order please. The Chair has made comment and asked you to come to order in terms of being on the amendment. Please proceed with that.

MR. McINNIS: Thank you, Mr. Chairman. Perhaps I should read the amendment so that the Chair can be aware of how it fits into the context of my remarks. It says that "The Public Utilities Board" and not the Provincial Treasurer will "hold public hearings into the provisions of section 3 and shall submit a report" for this Legislative Assembly. I am pointing to the Assembly merely a few examples of some of the types of initiatives that the Public Utilities Board would be able to report on.

Another very successful initiative is the installation of hot water heater jackets, installing jackets around hot water heaters in order to save electricity. Well, in the province of British Columbia – the member scoffs – they've installed 32,500 such blankets free of charge. Now, why you might ask, would a public utility be installing jackets on water heaters free of charge? Well, it is because they have a government in that province, which is not ideologically dissimilar to this one, that has the common sense to allow their regulatory agencies to examine the very best way for the utilities to gather the revenue that they require in order to pay their expenses and pay their taxes and, of course, pay the \$95 million which Bill 26 will impose upon the ratepayers of the province of Alberta.

They have a program called the quality-plus home, which is jointly operated by B.C. Hydro and the Canadian Home Builders' Association, to develop and promote higher standards of energy efficiency for new home construction. New home construction is an area where we can make tremendous gains in energy efficiency without having to retrofit. Now, all it takes is a matter of having the utility funded to work co-operatively with home builders in order to achieve those higher standards. There are at the present time 120 different building contractors in British Columbia listed as qualified quality-plus builders, and that gives them . . . There's no money that changes hands, but builders want to be part of this quality-plus program because it's an excellent marketing device for them. There's also, of course, the energy education program which they're involved in.

But I think the really exciting savings are not so much in the home front as in the commercial sector, because recall, Mr. Chairman, that much of the inefficiency in the system comes from the fact that large industrial commercial users qualify for a lower rate than do residential users. So they're able to waste energy at a lower marginal cost. In that they have, for example, the energy efficient lighting program which helps commercial customers convert to energy efficient lighting, such as the example I mentioned earlier, with rebates that range from 25 cents for each energy-saving lamp to \$500 per kilowatt hour reduction for high-intensity discharge systems. Now, that's a really interesting approach to have large industrial consumers identify the actual number of kilowatt hours that they save through their initiatives and reward them directly per kilowatt hour saved. Well, it's radical only in the sense of the way . . .

MR. DEPUTY CHAIRMAN: Order, hon. member. We have heard several times about the energy efficiency of different types

of light bulbs. Please add something new, relevant to the amendment, or I will go on to the next speaker.

MR. McINNIS: Mr. Chairman, I'm having a little difficulty understanding your point. You don't want to hear any more about energy efficiency? [interjections] Well, I'm not the one who's conducting legislation by exhaustion here. It's this government that is. If you're bored, go have a cup of coffee, but this is entirely relevant to the amendment. My colleague has put forward an amendment to Bill 26 which gives this government an opportunity to contribute to resolving the global warming problem, to probably reduce the cost of energy to Albertans, and the Chair doesn't appear to be interested in hearing about it. I'm sorry, but in fact it is exactly germane to the point.

MR. DEPUTY CHAIRMAN: Hon. member. Hon. member. Hon. member, order. Order.

The Member for West Yellowhead. You're next.

MR. McINNIS: Point of order, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Point of order, Edmonton-Jasper Place?

MR. McINNIS: I would like an explanation from the Chair why I've been ruled out of order.

MR. DEPUTY CHAIRMAN: All right. In regard to that point of order, Edmonton-Jasper Place.

MR. McINNIS: Well, I do have a point of order under *Beauchesne* 459. I assume that somehow the fact that the Chair has recognized another person to speak is that you're making some ruling having to do with relevance and repetition. I would like the ruling explained, please.

MR. DEPUTY CHAIRMAN: Hon. member, the Chair had admonished you with respect to the Chair's direction regarding repetition, and in the view of the Chair that continued. Also, I think it is well established as a rule of this Assembly that it is not proper to reflect upon the Chair. Therefore, given that the warning had been given and that other item was added, I move to the Member for West Yellowhead.

West Yellowhead.

MR. DOYLE: Mr. Chairman, thank you for recognizing me. I wasn't on my feet or made no indication I was indeed going to rise once more, but it's my pleasure to bring to the attention of the Assembly that these cuts in the income tax rebates or the public utilities income tax transfer Act by this government and by that Treasurer, who has now found a back seat, are going to cost the citizens of Edmonton or those power consumers of Edmonton some \$14 million, and the TransAlta utilities customers are expecting to have increases on their power bills in the amount of at least \$42,000. Other than that, Mr. Chairman, we have Alberta Power, which is owned of course by one Mr. Southern, who is a great friend of certain members of this government. You're even to hit his poor companies for some \$29 million. All those companies will have no other alternative; because of the guarantees they have from the government to earn so much on their investment, they can just pass this on to the customer and indeed will be passing it on to the customer.

The municipalities, the power companies, and the consumers are using just a guesstimate at the time depending on how much

power they use, of course. It's going to be somewhere between a 5 percent and 8 percent increase in their power bills. The direct loss to TransAlta Utilities could be in excess of \$50 million and for Alberta Power and Canadian Utilities could be in excess of \$35 million, and through the EEMA program – some members may be aware that's the energy marketing agency that was established by this government to protect rural consumers and to equalize rates in rural Alberta. Because of that cost-sharing pool, the city of Edmonton has to pick up more than it normally would if they did not have EEMA in place.

So I just wanted to bring those few remarks to the Legislature, and I'll be waiting to hear a response from the Treasurer.

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

MR. CHUMIR: Thank you, Mr. Chairman. I'm rising in support of the amendment. This is an amendment, of course, to the Utility Companies Income Tax Rebates Amendment Act, which eliminates the income tax rebate on utility taxes. Now, I am and will remain totally, irredeemably, irretrievably, and adamantly opposed to this legislation. It has a number of defects, one of which is that it is a regressive tax. It imposes a tax on utility charges. This impacts the poor much more severely than it does higher income individuals. Secondly, it also impacts business very significantly at a time when we're trying to encourage business in Alberta and particularly manufacturing enterprises. The result of this initiative is that the cost of doing business is increased significantly in Alberta and puts us at a competitive disadvantage with provinces which have publicly owned utilities and which do not pay income tax at all. This rebate, of course, was part of a scheme which was to put Alberta utility rates on a par with rates in those other provinces, and that has now been breached.

The third concern is that this sets a very bad precedent and example for the federal government, which has just announced a freeze in respect of its rebate of the income tax it imposes on utility rates, and what kind of lesson is it going to derive when it sees the provincial government deciding that privately owned utility rates should be subject to income tax and that the province is moving to keep 100 percent of the income taxes which it levies? What lesson is the federal government, which is starving for revenue, going to derive from that in future? The lesson they're going to derive is that they should move on and scoop more of those taxes for itself, rather than continuing to rebate them to a province which does not respect that principle.

I am supportive of the amendment. I support it, I must say, as a second-best initiative, second only to punting this whole Bill

into the South Saskatchewan River, where it should sink out of sight forever. So I say to the Provincial Treasurer, wherever he may be: stop this legislation. Think about it. If you think about it, you'll dump it. And I apologize for speaking so long.

MR. DEPUTY CHAIRMAN: The Member for Red Deer-North.

MR. DAY: Thank you, Mr. Chairman. I'd like to say that the debate tonight has been insightful, but I can't. Given that and given the hour, I would beg leave to adjourn debate.

MR. DEPUTY CHAIRMAN: Having heard the motion to adjourn debate, all those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY CHAIRMAN: Carried.
Deputy Government House Leader.

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. SPEAKER: Order please.
Ponoka-Rimbey.

MR. JONSON: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills. The committee reports Bill 23 with some amendments, and reports progress on Bill 26.

Mr. Speaker, 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. SPEAKER: Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

[At 1:34 a.m. on Friday the House adjourned to 10 a.m.]