

Legislative Assembly of Alberta

Title: **Thursday, June 28, 1990 8:00 p.m.**

Date: 90/06/28

[The House resumed at 8 p.m.]

[Mr. Speaker in the Chair]

head: **Government Motions**

14. Moved by Mr. Horsman:

Be it resolved that the interim report and recommendations contained therein, presented to the Assembly on March 21, 1990, by the Select Special Committee on Electoral Boundaries, appointed pursuant to Motion 14 passed by this Assembly on August 15, 1989, be now received and concurred in.

Moved by Mrs. Hewes that the motion be amended by striking out "be now received and concurred in" and substituting "be referred back to the committee with an instruction to amend it with a proposal to complete its public hearings and make a final report by submitting its report to the Speaker, with a copy to all MLAs, by July 31, 1990."

[Adjourned debate May 17: Mr. Hyland]

MR. SPEAKER: Cypress-Redcliff.

MR. HYLAND: Thank you, Mr. Speaker. If memory serves me right – and it was a number of days ago we were talking on this motion – I think I was debating the amendment on the motion rather than the motion itself. Mr. Speaker, being as I want to speak on the main motion, I would encourage all members to defeat the amendment, and then we can get back to the motion as presented by the Government House Leader.

Thank you.

SOME HON. MEMBERS: Question.

MR. SPEAKER: There's a call for the question.
The Leader of the Opposition.

MR. MARTIN: Yes, Mr. Speaker. I take it that we are voting on Motion 14, and I would say that this is an improvement . . . We're not yet?

MR. HORSMAN: A point of order.

MR. MARTIN: Sure. Thank you.

MR. HORSMAN: Mr. Speaker, I urge the vote on the previous amendment moved by the hon. Member for Edmonton-Gold Bar.

MR. SPEAKER: The Chair understands all hon. members' confusion with this, because it has been a few hours since we debated this.

There's a call for the question with respect to the amendment as proposed by Edmonton-Gold Bar.

HON. MEMBERS: Question.

MR. SPEAKER: All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The matter fails.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Barrett	Gibeault	Martin
Chumir	Hawkesworth	McInnis
Doyle	Hewes	Mitchell

Against the motion:

Adair	Fischer	Moore
Ady	Fjordbotten	Musgrove
Betkowski	Gesell	Nelson
Black	Gogo	Orman
Bradley	Horsman	Paszkowski
Calahasen	Hyland	Payne
Cardinal	Isley	Schumacher
Cherry	Johnston	Tannas
Clegg	Jonson	Thurber
Day	Kowalski	Trynchy
Dinning	Laing, B.	West
Drobot	Lund	Zarusky
Elzinga	McCoy	

Totals: Ayes – 9 Noes – 38

[Motion on amendment lost]

MR. HORSMAN: Mr. Speaker, I'd like to move an amendment to the motion. Copies have been circulated. It contains the following; that Motion 14 be amended as follows: following the words "concurred in" add

and if the Assembly is not sitting when the final report of the committee is completed, the committee shall make it public by delivering a copy to Mr. Speaker and all members of the Assembly and subsequently releasing it to the general public.

Mr. Speaker, I'd like to point out that in making an amendment to a motion seeking concurrence in the report of the select special committee, this motion is in order with respect to *Beauchesne* 892, which provides that "the terms of reference of a committee cannot be altered by amendments to a motion to concur in a committee report," and this is a procedural motion relative to what the committee may do in terms of its deliberations.

Once it has completed its report, it is normal for a committee not to make that report public until the Legislature is in session. But in view of the importance of this particular matter and in view of the importance of having public understanding of the work that the committee will have carried out, it was deemed advisable, after consultation with the House leaders of both the Official Opposition and the Liberal Party – and I may say I am indebted to the representations made to me on this matter by the hon. Member for Calgary-Buffalo – that this particular type

of change to the custom we felt was important and necessary. Therefore, it's my view that in moving this amendment, it will remove some of the concerns that had been expressed by members of the opposition relative to the intentions of the government with respect to the work of this particular committee.

I'm not going to repeat the remarks I made on May 17, when I introduced the motion, but it is clearly the intention of the government to see the committee, hopefully – the government does not control the committee – have a report for us which will have a Charter-proof electoral boundaries redistribution procedure in place so that we may then move on to the appointment of whatever that committee may recommend by way of a replacement to the current process for redistribution. We are not prejudging the work of the committee. We are, indeed, expecting it to carry out its deliberations over the ensuing months between now and the fall sitting, which I have already guaranteed, so that we may proceed with this matter.

I think all hon. members are aware of the nature of the motion, and I appreciate the consultation and agreement that's been arrived at with respect to this particular amendment.

HON. MEMBERS: Question.

[Motion on amendment carried]

MR. SPEAKER: The main motion, as amended.
Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Speaker. The main motion before us is to receive and concur in the report of the committee, which was dated March 20 and tabled in the Legislative Assembly, I believe, on that date. You'll recall, Mr. Speaker, that when this matter came up in August last year, some of us expressed the concern that the procedure adopted by the government might very well delay and frustrate the objective of reforming electoral boundaries to try to achieve what the British Columbia Supreme Court calls "relative equality" among the various voters of the province. The situation today, of course, is that relative equality does not apply. Relative inequality applies, and we all appear to be, so far as the public is concerned, united in the desire to reform that. When I explained to some of my constituents what process the government had adopted, somebody said, "Oh, you mean they've appointed a committee to study what kind of a committee they're going to have." I thought about that, and I guess I had to agree that that was more or less the procedure that was in place. To which the reply was, "Well, this sounds like something the government would do."

Now, unfortunately, in this matter the courts lack remedies dealing with maldistribution of electoral boundaries, and that's the point behind which a government intent upon keeping an ill-distributed set of electoral ridings can hide, because the courts have been very reluctant and would be very reluctant to throw out electoral boundaries, because in so doing they would be throwing out a Legislative Assembly. Can you imagine any court unseating every Member of the Legislative Assembly? That in itself seems like a preposterous thing to suggest that a court might do. Then they would have the added problem of having to make a fair electoral boundary system, and I believe no court in Canada is likely to sit down and draw lines on a map. I think the judiciary in Canada would be loath in the extreme to get involved in that type of an exercise. Therefore, they put the matter back in the hands of the Legislative Assembly.

We have a process here today, but the process is a never ending one. For those of us who said that the object might be delay, it hardly seems a surprise that we come back with a report that says we have to delay the consideration of the committee to study the committee even further. I think the end result of all of that is that the government may very well intend that another election be held on the old boundaries. They can say, in the face of the Charter challenge: well, we have a process in place to deal with this. I can see the government lawyers there arguing that, saying: "The Assembly is acting. They've appointed a committee and the committee has held hearings, and they've got more hearings they're going to hold." Indeed, when that process ends, the end result of it is without any question the appointment of another committee, or in this case a commission.

My understanding is, and in fairness, the commission would have to hold not one but at least two sets of hearings: one set of hearings to determine a preliminary set of boundaries and another to receive reaction on those boundaries. At least that's the way electoral reform commissions have operated in the past: you have an interim report, followed by a public input process, and a final report. Well, the end result of all of that delay is that we could very well pass the time when it's possible in the administrative sense to conclude all of the machinery to get the new riding boundaries in place, because it's not enough simply to set up a commission. The job's not done then. The commission has an interim report, a final report, and then the Assembly has to be convened to act upon that report and legislate boundaries. Then, and only then, can the Chief Electoral Officer begin to subdivide those divisions into polling districts, and only when you have polling districts can they commence the job of enumeration, and only when the enumeration is done can voters lists be published and an election take place on the boundaries. Anywhere along there an election may be called, and it may be impossible.

In fact, unless something happens, it seems to me quite likely that the Chief Electoral Officer will be required to hold an enumeration on the old boundaries in about September of 1991, and it would be, at best, a waste of money to have that accomplished when this process, which appears to be going nowhere fast, is spinning its wheels. At worst, that of course would require that yet another election be held on the old and admittedly unfair boundaries, and if members don't think the existing boundaries are unfair, why did they vote to set up a committee to review it?

So for that reason I think we have to try to focus all this effort on a deadline, on achieving something rather than continuing with the endless task of committees studying what kind of committee they want to recommend to this larger committee. I think we have to put a time frame on it. Assurances were sought from the government. Well, the only assurance that was actually offered last summer when this committee was set up was that the committee would report in this spring session. That commitment has resulted in the report before us today, which is, in effect, a commitment that it will come forth in the fall. I have about as much faith in other commitments as I do in the one that the report was supposed to come back in this particular session.

For that reason I would like to move an amendment. The amendment is by way of referring back on one of the existing instructions of the committee. It doesn't add any new instructions; therefore, it does not suffer any problem under *Beauchesne* 892. It simply states – and I have copies available; I think they're ready to be circulated – that the motion is amended by striking all of the words after "that" and substituting

this House regrets that the Select Special Standing Committee on Electoral Boundaries has been unable to complete its consideration of the appropriateness of the provisions of the Electoral Boundaries Commission Act and that it directs the committee to prepare a recommended timetable for the completion of the process leading to the commencement of enumeration on the new electoral boundaries not later than September 15, 1991.

MR. SPEAKER: The Chair has reviewed it and regards it as being in order.

Government House Leader.

MR. HORSMAN: Mr. Speaker, I have serious question as to whether or not this is in order pursuant to 892. The terms of reference of the committee are very clear, and what this would purport to do is add to the terms of reference of the committee a requirement that it complete a "process leading to the commencement of enumeration on the new electoral boundaries not later than September 15, 1991." Mr. Speaker, in my humble opinion, that is adding to the terms of reference of the committee, which was established last year. The terms of reference are entitled (a) to (g), and in it the committee was asked to consider the appropriateness of the provisions of the Electoral Boundaries Commission Act in particular and a number of other items.

What this would do, in my view, from a procedural point of view is add to that particular term of reference a requirement that the "process leading to the commencement of enumeration on the new electoral boundaries be completed not later than September 15, 1991." That, in my view, is out of order pursuant to *Beauchesne* 892. I would submit that therefore the amendment is out of order on that ground.

MR. McINNIS: A point of order.

MR. SPEAKER: On the point of order.

MR. McINNIS: This has been checked out very thoroughly, and I believe the mistake that the Deputy Premier is making is confusing . . .

MR. DAY: What's the citation?

MR. McINNIS: *Beauchesne* 892.

MR. DAY: Try again.

MR. McINNIS: Try again? *Beauchesne* 892 refers to not adding to the terms of reference of a committee, and very clearly this motion is to direct the committee to do its job under item (a) of the terms of reference of the committee. It's simply a direction to the committee to get on with it so that this process can be brought to a conclusion rather than a never ending song of love, Mr. Speaker.

MR. SPEAKER: Well, unfortunately, hon. members, the House stands adjourned for five minutes.

[The House adjourned from 8:25 p.m. to 8:35 p.m.]

MR. SPEAKER: Hon. members, the amendment as proposed by Edmonton-Jasper Place called for this unusual procedure of having to adjourn the House.

There are a number of references that need to be made. *Beauchesne* 892 applies to some degree. However, *Beauchesne* 896(1) and (2) also apply, and in fact probably have precedence. This is under the general heading "Recommittal of the Report with Instructions":

896 (1) When the motion to concur is moved, the House may refer the report back to the committee for further consideration or with instructions to amend it in any respect.

(2) The procedure for referring a report back to a committee has been to do so by proposing an amendment to the motion for concurrence.

The matter also is dealt with in *Erskine May*, page 652, which reads:

Recommittal of reports. The report of a select committee may be recommitted in whole or in part to the committee, or it may be recommitted and the order of reference amended . . .

The effect of recommitting a report is to undo all that has previously been done in the House with reference to the report, and to throw back the subject into the hands of the committee for revision or completion, or for whatever other purpose the recommitment may be ordered; though, of course, it does not impose upon the committee any obligation to go again over the whole matter, or to re-examine the witnesses already fully and properly examined.

And a bit further:

. . . the committee is to gather from the sense of the House in such proceedings what method it is to pursue.

Examination of the amendment shows that it really is not changing the original reference to the committee in terms of its mandate but is dealing with the matter of a timetable. The subamendment is in order.

Edmonton-Jasper Place.

MR. McINNIS: Thank you very much, Mr. Speaker. It's a very simple matter. We're simply saying to the committee: let's get on with the job; you have a job to do; we want you to do it, but we want you to do it in such a way that we can have these new, fairer boundaries in place before the people of Alberta next go to the polls.

Now, I recognize that it is possible under some far-fetched scenarios that an election might be called at any given time. That's the nature of our system. But looking at the normal history of electoral mandates in the province of Alberta dating back in my memory, which extends to about the middle 1960s, generally there has been this two-year time period available to make changes in boundaries and to commence the process of enumeration. That really is the critical date from which one has to work backward in terms of making this electoral reform process work to achieve the intended goal; that is, to achieve electoral fairness in time for the next election.

I think members should recall, in assessing their position on this amendment, that this Assembly interrupted the normal process of redistribution after every second election in order to insert this new committee in the process. This amendment would mandate the committee to get us back on track so that we can achieve the kind of turnover that usually takes place when we're doing a redistribution. You don't do a redistribution every election; generally it's every second election in Alberta.

So it's a simple matter of saying to the committee: let's get on with the job, and let's see that it's done in time for the next election. I believe this really does put on the spot the sincerity of the government. If the government is indeed sincere about reforming the process in time for the next election, then this is the way to do it. If, on the other hand, they're hoping to stall the matter and try to give the courts the impression that progress is being made, when in fact it's not, then of course the

avenue will be to defeat the amendment. I suggest it would be a mistake to do that.

Now, having said that, the courts would be loath to intervene and to order changes in electoral boundaries and overturn elections. I don't think we can sit here and say that it's impossible. It may very well happen, in which case there is a risk, and I think that risk would be entirely on the shoulders of the government were it to refuse this amendment.

MR. HYLAND: Mr. Speaker, I beg leave to adjourn debate.

MR. SPEAKER: There's a call for the question to adjourn the debate. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The matter carries.

head: **Private Bills**
Committee of the Whole

[Mr. Schumacher in the Chair]

Bill Pr. 1
Sisters of Charity of Providence of
High Prairie Amendment Act, 1990

MR. CHAIRMAN: Are there any comments, amendments, or questions to be offered with respect to this Bill?

[Title and preamble agreed to]

[The sections of Bill Pr. 1 agreed to]

MRS. BLACK: Mr. Chairman, I move that Bill Pr. 1, Sisters of Charity of Providence of High Prairie Amendment Act, 1990, be reported.

[Motion carried]

Bill Pr. 2
Edmonton Research and Development Park
Authority Amendment Act, 1990

MR. CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to this Bill?

SOME HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill Pr. 2 agreed to]

MR. ZARUSKY: Mr. Chairman, I move Bill Pr. 2, Edmonton Research and Development Park Authority Amendment Act, 1990, be reported.

[Motion carried]

Bill Pr. 4
Canada West Insurance Company
Amendment Act, 1990

[Title and preamble agreed to]

[The sections of Bill Pr. 4 agreed to]

MR. CHAIRMAN: The hon. Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you. I move that Bill Pr. 4, Canada West Insurance Company Amendment Act, 1990, be reported.

[Motion carried]

Bill Pr. 6
Alberta Wheat Pool Amendment Act, 1990

MR. CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to this Bill?

SOME HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill Pr. 6 agreed to]

MR. HYLAND: Mr. Chairman, on behalf of the Member for Grande Prairie I'd like to move that Bill Pr. 6, Alberta Wheat Pool Amendment Act, 1990, be reported.

[Motion carried]

Bill Pr. 7
St. Therese Hospital (Grey Nuns)
of St. Paul Amendment Act, 1990

MR. CHAIRMAN: Are there any questions, amendments, or comments to be made with respect to this Bill?

SOME HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill Pr. 7 agreed to]

MR. DROBOT: I move that Bill Pr. 7, St. Therese Hospital (Grey Nuns) of St. Paul Amendment Act, 1990, be reported.

[Motion carried]

Bill Pr. 9
Young Men's Christian Association
Tax Exemption Amendment Act, 1990

MR. CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to this Bill?

SOME HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill Pr. 9 agreed to]

MR. CHAIRMAN: The hon. Member for Clover Bar.

MR. GESELL: Thank you, Mr. Chairman. I would move that Bill Pr. 9, Young Men's Christian Association Tax Exemption Amendment Act, 1990, be reported.

[Motion carried]

Bill Pr. 11
The Campbell McLaurin Foundation for Hearing
Deficiencies Amendment Act, 1990

MR. CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to this Bill?

AN HON. MEMBER: Question.

[Title and preamble agreed to]

[The sections of Bill Pr. 11 agreed to]

MRS. BLACK: Mr. Chairman, I move that Bill Pr. 11, The Campbell McLaurin Foundation for Hearing Deficiencies Amendment Act, 1990, now be reported.

[Motion carried]

head: Government Bills and Orders
Committee of the Whole

Bill 30
Alberta Corporate Income Tax Amendment Act, 1990

MR. CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to this Bill?

The hon. Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I'm pleased to be able to make a few comments tonight in committee reading of Bill 30.

Mr. Chairman, this Bill implements a number of the proposals the Provincial Treasurer made on budget night, earlier this year. The first part of the Act has to do with, among other things, reducing the small business deduction. It alters the royalty tax credit. Then on page 38, starting at section 93, a new part is added regarding the financial institutions capital tax.

Mr. Chairman, as I went back through the Budget Address from the Provincial Treasurer from last March, I was interested to read, for example, that on pages 14 and 15 of his address, we And that the cost to small business as a result of the deduction change is going to make a difference of \$15 million. Then, also on page 15, the Provincial Treasurer estimates that the royalty tax credit in the form of reducing tax expenditures is going to save the provincial budget another \$85 million. Then on page 24 of the budget this new tax, the 2 percent tax on the capital of financial institutions, is going to raise \$40 million.

So what we have in front of us, Mr. Chairman, is a Bill that's going to improve the financial situation from the Provincial Treasurer's point of view by about \$140 million a year. Well, I would just like to say that a couple of these changes, the royalty tax credit and the capital tax, were proposals that we had proposed the minister examine and change some time ago. In fact, the Provincial Treasurer thought that the capital tax was a terrible thing when I first suggested it a year ago, and I'm

pleased to see that the change has been made by introducing a whole new section to the Act to provide for the 2 percent capital tax.

The royalty tax credit, Mr. Chairman, from what I understand of the sections of the Bill, the sections that are being repealed and the changes that are being made, is going to eliminate what has been euphemistically referred to as double dipping, whereby under the original legislation there was not a restriction on the ability of subsidiaries of companies to be incorporated and also qualify for the royalty tax credit. So we witnessed in this province a number of companies setting up subsidiary organizations and being able to qualify for the royalty tax credit. By making the changes in the legislation in Bill 30, that loophole is closed, is filled in, is eliminated, thereby saving some of that money for the provincial Treasury.

I was interested that in the Provincial Treasurer's Budget Address, when he estimated \$85 million would be the savings under this program, he also indicated that "we will still provide oil and gas producers with about \$300 million in benefits, most of which will flow to small producers." Well, Mr. Chairman, \$85 million out of a total of, I guess, \$385 million equates to approximately a quarter of the entire program. Just taking the figures that the Provincial Treasurer gave to us, another way of stating it would be that changing the legislation along the lines that the Provincial Treasurer is doing tonight is going to reduce the program by about a quarter.

I don't know whether it would be fair to speculate, but based on that information, when we have an entire program, a quarter of which has been spent on the basis of loopholes in the legislation, that's a fairly alarming amount of money. If we were to project this \$85 million backwards over the several years of the program and multiply that \$85 million in each of those years, we realize that a significant amount of money has been forgone as a result of this program and the way the legislation was originally drafted. So on one hand, I have to say to the Provincial Treasurer that it's good that the change is being made, but I have to also say that it's about time and none too soon and it should have been done a long time ago. So it's a bit little, much too late. But it does make the system fairer, and we have to be thankful for that, that at least it was done this particular year.

I also see that the 2 percent tax on the capital of financial institutions now brings us into line with a number of the other provinces in Canada. As far as I can see we were one of the last ones to get on board here. It's been an untapped source of revenue for the province, and given our deficit, it's a small amount, I suppose, by comparison to the total, but it's certainly a step in the right direction.

Mr. Chairman, having made those comments, closing the loophole in the royalty tax credit and now a tax on big eastern financial institutions, particularly the wealthy banks and the trust companies, I thought it provided an appropriate opportunity for me to sort of inform the Provincial Treasurer of a little research that I have had a volunteer researcher conduct on my behalf over the last couple of months. Sometime ago in this session of the Legislature the Provincial Treasurer in question period quoted Robbie Robertson. "Hey, take a picture of this" was the quote that he used, Mr. Chairman. If the Provincial Treasurer's memory isn't particularly good, let me remind him that that particular phrase came from the song *Somewhere Down The Crazy River*, and one of the other lines in that song, which I found it interesting that the Provincial Treasurer didn't quote from, one of the lines at the end of the first verse is: she said, hang the rich.

Now, I know that there are some religious groups that want to censor the lyrics of some of the rock groups because they feel that the lyrics badly or poorly influence the youth of our country, and I can see what might happen if they ever find out, by reading *Hansard* for tonight, that the Provincial Treasurer listens to Robbie Robertson, particularly that song, and ends up bringing in legislation subsequently which adds another \$140 million to the tax burdens of the well-to-do in this province. They will be confirmed in their view and belief that listening to rock music really can distort one's philosophy and viewpoint and will renew their efforts to ensure that censorship is much more fervently pursued in the interests of protecting the youth of this country.

Mr. Chairman, I just think it appropriate at this point also to make an observation of how this tax system is hopefully going to become more fair as a result of the legislation the Provincial Treasurer is bringing forward tonight. I just refer to the most recent report of the Auditor General for the financial year ended in 1989, and I was interested in looking at the source of taxes and the percentage on a per capita basis. The Auditor General has a little bar graph that's a very revealing picture of really how the tax system has become skewed towards reliance on the individual taxpayer. In 1988-89, 61 percent of all the taxes collected by this Provincial Treasurer came from individuals; \$841, if it were divided by each and every single Albertan in that year. The fuel, tobacco, and other sources of taxation is a 21 percent figure, and that's \$292.

But here's the kicker: corporate taxes accounted for only 18 percent of the total tax take by the Provincial Treasurer, a grand total of only \$242 per capita. Now, it's not clear to me whether this is net revenue after incentive costs, after the royalty tax credit is reduced or deducted from that amount, or whether that's the gross amount without taking the royalty tax credit into account. But it stayed fairly stable over the last three fiscal years in the auditor's report. It was 18 percent in the Fiscal year 1986-87; it was 17 percent in the fiscal year 1987-88. So it's hovered at that 18, 17 percent mark for the last three years, whereas the personal income tax take has varied from a high of 72 percent in 1986 and a low of 61 percent in the fiscal year of 1988-89.

So, Mr. Chairman, the fact that in the Bill tonight the Provincial Treasurer is seeking legislative approval to increase the corporate tax take by about \$140 million will go to some extent, to some degree, in making the tax system somewhat more fair, although when you compare the \$140 million to the other tax initiatives he's taken this particular session, the actual result may be that the province is even further behind than they were in the fiscal year of 1988-89, for which figures are most recently available. By the time you take into account the vehicle licence increases, the increases to the medicare payments, the deductions to the electrical rebates, and so on, it may actually end up that individual Albertans are going to be providing a bigger proportion on an individual basis to the tax take of the Provincial Treasurer, even with this \$140 million increase.

The one point that I'd like to re-emphasize — I said it at second reading, Mr. Chairman, and I'd like to reiterate it — has to do with page 5 of the Bill. Page 5 of Bill 30 makes reference to the small business deduction for reducing the percentage of tax payable by small business from 10 percent to 9 percent. This is one that is going to cost, based on the Provincial Treasurer's estimate, something in the order of \$15 million out of the pockets of small business this year. I imagine small business is going to say, "To some extent we're prepared to shoulder our fair share," but I have to say that with the GST coming, with the changes in the economy, it's the small business sector that is the

most vulnerable, and this is not one of those changes in the Act that we're particularly greeting with any sort of enthusiasm or any kind of warmth. The Provincial Treasurer may well find that the projected increase of \$15 million as a result of this change may be offset by some of the other changes going on in the economy, and in fact the \$15 million from some small businesses may be what they decide is the last straw and just one of those additional costs of doing business that drive them out of business. So it's not a change that we are enthused about or want to see or support necessarily, but I guess we'll have to take the Provincial Treasurer's reassurances that it is an amount they're prepared or able to absorb as part of the costs of doing business.

In summary, Mr. Chairman, the changes made by and large are a move in the right direction. We feel they're a bit too little too late, but better late than never, and I believe will to some extent result in moving the tax system in the direction of greater fairness. There's nothing in the legislation, for example, to introduce a minimum corporate tax, which is a proposal we have made in the past. We've even looked to the American example, the American experience, where that was part of the changes that they made to their tax system recently, and it seems to me it's a change that requires some action by the Provincial Treasurer as well. It's not easy being the Provincial Treasurer with a \$2 billion a year budget deficit, and if I were the Provincial Treasurer, I'd be looking everywhere I could.

MR. JOHNSTON: It's \$600 million. It just went down.

MR. HAWKESWORTH: Well, I don't know whether Mr. Wilson has helped the Provincial Treasurer out yet with stabilization payments. I know that was a big part of his promise to bring in an \$800 million budget deficit this year. He did, after all, ask for legislative approval to increase the ceiling by another \$2 billion; that Bill has just recently gone through the Legislature.

So if I were in his shoes, I would certainly be looking at ways to find extra revenue in a way that's as fair as possible to all Albertans, and given the kinds of information contained in the Auditor General's report and given the tax grab the federal government is going to take out of the pockets of individual taxpayers through the goods and services tax beginning in the next year, provided the Liberal Senate doesn't stop the Bill, it would seem to me that the tax field and the openings for the Provincial Treasurer to look for extra revenue are being foreclosed as far as ordinary Albertans are concerned. As well, he's got the constraints placed on him by the Premier, who said that taxes would not increase, and he has to be cognizant of that promise, made in full-page ads in newspapers across the province.

This proposal in front of us, Mr. Chairman, is . . . [interjection] I take it that some members are saying that they hadn't heard these comments before. If I heard them correctly, they were encouraging me to continue on, if I understood what I heard over here.

Mr. Chairman, the Provincial Treasurer has other ways, other areas that he could look at. I'm sorry that Bill 30 doesn't include a provision to implement a minimum corporate tax to eliminate some of the loopholes that presently exist. Perhaps that's another project for another time. I'm sure the Provincial Treasurer will blast such a proposal rhetorically to the heavens, but it seems to me the higher he blasts our proposals rhetorically, the more likely they are to be adopted at some time down the road. So I don't take his rhetoric to heart; what encourages me

are his actions. I'm pleased to say that I had a small part to play in encouraging the Provincial Treasurer to move in the direction of incorporating the capital tax in Bill 30, and perhaps we'll get a similar reception on some of the other proposals that we make from time to time.

So for the moment, Mr. Chairman, thank you for the opportunity to address some of Bill 30, and I look forward to the debate as it carries on later.

MR. CHAIRMAN: Thank you.

The hon. Member for Calgary-Buffalo.

MR. CHUMIR: Thank you, Mr. Chairman. Just a few comments on this Bill. Some of the highlights are that it's a nice job of tracking the federal Income Tax Act; there are a couple of nifty cases of retroactive taxation – contrary to the best Conservative philosophy, but what else is new? – and of course another example of the round of massive tax increases for which this Provincial Treasurer is being known continentwide and will go down in history as exemplifying. This time, of course, it's noteworthy that the tax grab is on the corporate sector instead of individuals earning \$15,000 to \$20,000 per year. However, they're going to continue to get theirs as well.

The one area that I did want to question the minister on related to the expiry of the manufacturers' tax deduction, which had been in place for five years for manufacturers and processors and expired as of March 31 of '90. We've had very little discussion on that in the House so far during this session, notwithstanding the length thereof. I'd be appreciative if perhaps the minister might comment somewhat on his assessment of the impact of the removal of that exemption upon our manufacturing and processing sector. As we all know, we're trying very hard to create economic diversity and develop a manufacturing sector. A tax exemption, of course, is very helpful. Apparently the minister has received advice and has acted on the advice that this \$85 million is not all that beneficial to that sector and that it's better off in the public Treasury than it is with those companies. That may very well be. I don't have that information available, and indeed the question that I wanted to ask is: why has that been withdrawn at this point of time?

We know that the manufacturing sector is under some pressure now; for example, from increasing electricity rates. We've just today heard about the concerns of Stelco steel, who are facing a 35 percent increase in their electricity rates, of which 4.4 percent relates to the dumping of the utility tax rebate and 1.1 percent relates to the federal government's freezing of its income tax rebate. So these factors are coalescing along with other factors. I would appreciate if perhaps the minister might give his thinking with respect to the whole context in which we are going to be facing development of a manufacturing and processing sector in this province.

Those are my comments. I said pretty well what I had intended to say with respect to this Bill at second reading, and I won't dwell any longer.

MR. CHAIRMAN: The hon. Leader of the Opposition.

MR. MARTIN: Thank you, Mr. Chairman. I won't give my budget speech again. I'm sure the Provincial Treasurer would enjoy it, but I do want to comment because the Treasurer likes to go back and, he says, quote *Hansard*. He very selectively quotes *Hansard* when he says that I was predicting \$10 a barrel.

What I said, and he knows full well, is that some analysts were predicting \$10 a barrel. There is quite a difference.

I also remember from last year, Mr. Chairman, that when we advocated a very similar measure to what he's talking about, financial institutions capital tax . . . I remember asking questions in question period, and the Treasurer – as he's prone to do: emit rhetoric – called it socialist and confiscatory and had all sorts of names when I suggested the similar thing to what he's talking about today. So my question to the Treasurer: does that mean now that he is a socialist and he's following confiscatory policies because he's brought in a similar measure to what we were talking about? That's what I remember back in question period.

But certainly it's a small step in the right direction, and whenever this government makes a small step in the right direction, it is certainly going to get our support on a Bill like this.

MR. JOHNSTON: Mr. Chairman, I won't take much time to delve into the rhetoric, either mine or yours. I'll try to be as focused as I can.

First of all, this is a fairly comprehensive tax change on the corporate side which follows from our policy of trying to be fair and evenhanded and looking for revenue sources across a broad range of opportunities with the intention of balancing the budget. In particular, the ARTC, which is a fairly lucrative program as a revenue offset for the oil and gas sector and which I think has stimulated a lot of development particularly on behalf of the small driller and activity player in Alberta, has worked. But it was time, given the forecast for oil prices, to move away from it and allow us to deal with the revenue offsets, and we did just that. As a matter of fact, we expect the benefits to flow to the province. The net benefits to the province will in fact be higher than we forecasted already because the price of oil, contrary to what my colleague from Edmonton-Norwood may say, has been in fact high through the first half of 1990 since this was put in place, and therefore the ARTC benefits going back to them are less because of the way in which this program was designed. We had to go to the point of dealing with the double-dipping so you cannot expand the royalty tax credit to companies who simply spawn other companies to get the benefit from it. That will end in 1992, and I think these are reasonable ways in which we can garner some revenue.

Now, specifically, while it is true that my colleague from Calgary-Mountain View knows a lot of ways to increase taxation – he's also added to his list such taxation sources as capital taxes, which would tax senior citizens' homes, and other kinds of sales taxes which are in fact part of their profile – we're not going to follow that objective, I can assure you. But we listened to the opposition, and in the case of the capital tax on financial institutions I did disagree with it last year but didn't see a whole lot of response from the large corporations, so as a revenue source we looked at it. But when the bankers call us, I'll tell them it was the NDP opposition across the way, and don't ever contribute to their campaign because look what they do, eh? Ha, ha, ha. [interjections] Well, you won't be disappointed then. But I know the socialist opposition would have gone higher; it would have been more confiscatory in their tax regime, but we've been somewhat reasonable in balancing our approach.

With respect to the small business tax, yes, we increased it. I've commented on this before. It's still the lowest small business tax rate in Canada, and we intend to hold it. As my colleague the Minister of Energy indicated before, the large corporation rate is in fact the second lowest only to B.C., which

has a small interval adjustment, but generally our large corporation rate is the lowest. Therefore, we can deal with the manufacturing tax, which simply is allowed to sunset as of March 31, 1990. The manufacturing tax credit, outside of the adjustments that the federal government put in place – I'll come back to those for a minute – essentially applies to large corporations in Alberta at the present time. Therefore, it really isn't of much benefit to spark any new manufacturing rounds at the lower level. In fact, the federal government reduced in 1986 its manufacturing adjustment as it applied to the oil and gas sector and as to restaurants, for example, and in some cases we are following that recommendation. We don't see a whole lot of assistance from that tax, but I can assure you that we'll continue to review it, because as I've indicated before, the corporate tax side is the one area where the province can use its own levers, set its own policy, and it shows up in tax form as well.

So I think, Mr. Chairman, those are the broad issues that have been outlined: ARTC, corporate tax rates, tax on financial institutions. I think this is part of the equity in our taxing profile, which will generate more dollars for the province, which will allow us to balance the budget sooner.

MR. CHAIRMAN: Thank you.

[Title and preamble agreed to]

[The sections of Bill 30 agreed to]

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

[Motion carried]

Bill 26
Utility Companies Income Tax
Rebates Amendment Act, 1990

MR. CHAIRMAN: The hon. Member for West Yellowhead.

MR. DOYLE: Yes, Mr. Chairman. In speaking to my amendment to Bill 26 of June 18, 1990, the Utility Companies Income Tax Rebates Amendment Act, 1990, I would like to see this Act amended in that the following is added after section 2:

The Public Utilities Board shall, prior to December 31, 1990 hold public hearings into the provisions of section 3 and shall submit a report on the hearings to the Provincial Treasurer who shall table it at the earliest opportunity in the Legislative Assembly, and B:

Section 2 commences on Proclamation which shall not be earlier than 30 days following the tabling of a report by the Provincial Treasurer under section 2.1.

Mr. Chairman, I touched briefly before on the reason for the Public Utilities Income Tax Transfer Act, having worked in the electrical industry, mainly in the consumer services and as a lineman since, for some 25 years. I understand this Act quite clearly because as I was a boy in 1947 – and I'm sure the Treasurer was a young man at that time, probably in accounting, and certainly should have understood in his early life in accounting the reason why the Public Utilities Income Tax Act was brought in in 1947. It was to protect the private power consumers from high rates in comparison to the power companies owned by government.

In Ontario, of course, Ontario Hydro owned then and owns now the power company. Saskatchewan had Saskatchewan Power; in Manitoba, Manitoba Hydro; in British Columbia, B.C. Hydro. Those companies did not have to pay the income tax,

and the federal Treasurer of the day, Mr. Chairman, saw the need, in order to keep equal rates across Canada, to bring in the Public Utilities Income Tax Transfer Act. The provincial government of the day followed suit and since that time carried on with returning the income tax charged to private companies the same way that the federal government did.

Now this Treasurer seems to have a loss of memory since his young manhood as to why these rates were able to be kept low in the province of Alberta. Mr. Chairman, the hon. Minister of Energy related today that the rates of the power companies in Alberta were as low as any in Canada. He's fairly close on that, but once the GST comes in, that this government did very little to fight, and the addition of another multistage tax increase, which is the Public Utilities Income Tax Transfer Act cuts: both of those together will cause our power rates to jump somewhere between 20 and 30 percent. Between 4 and 8 percent can be attributed directly to the public utilities income tax transfer cuts.

For many years, Mr. Chairman, I traveled through rural Alberta as a serviceman with TransAlta in Lac La Biche-Athabasca, in the Hughenden and Hardisty area, in the Taber-Warner area, in the Crowsnest Pass, and most recently in the West Yellowhead area. [interjection] I have covered Alberta quite thoroughly and walked a good many miles of it, hon. member, keeping probably both your power on and other members' of this Assembly. I at no time saw you out there doing any physical work and very little mental work, hon. member.

Mr. Chairman, to the amendment. In phone calls from Millar Western at Whitecourt . . . They installed very positive electrical arcers and other modern equipment to protect the environment in the province of Alberta. They did that because the government and the Members of this Legislative Assembly insisted that we protect the environment in Alberta. Their power bills at Millar Western in Whitecourt run somewhere around \$2 million a year because of this extra equipment that they had to install. Their words to me were that their increase in power rates would be some \$500,000. This, after we insisted that they put in the environmentally protective equipment to assist us in cleaning up our rivers and our air, is an awful slap in the face to big industry. This morning, of course, this is what's going to happen right here. We're going to kill industry not only in Edmonton, but we're going to kill industry in all of Alberta.

The power rates are one of the key things that industry looks at before they move into a province. Many of the companies in the past have decided to come to Alberta because of fair rates, and they felt they had a guarantee of those rates. But with Bill 26 coming in and totally eliminating the income tax rebates to the power companies and at the same time allowing the companies to have a return of some 15 percent on their money invested – that alone, Mr. Chairman, is going to cause industry to look other places. We're almost neck and neck now with B.C. Hydro as far as equal costs of power. If we look across the world even, Alberta is almost equal to Sweden and France and somewhat below Australia. So they might not only look for another province, but they might even look for another country to settle in if we cannot stop putting higher rates on the consumers of energy in this province.

In my lifetime as a serviceman with the power companies many customers asked why this income tax rebate was there. So I have had many occasions to explain it to people at their doorsteps or at their kitchen tables or on their farms or in their industries. At one point the rebate was 18.75 of their total power bill, and that was a great incentive for people to add not only more environmentally safe things but things that would

cause their vehicles to start in the cold weather, warm their chicken coops, and other energy efficient things that they could buy with the savings of the amount they were allowed under the income tax rebate.

Mr. Chairman, this amendment will certainly allow the Public Utilities Board to travel throughout Alberta and listen to people, listen to industries, listen to small business, listen to the farmers, and listen especially to the municipalities, who are going to be tremendously hard struck by this. The municipalities have skating rinks, curling clubs, swimming pools, and many, many other facilities. They have no other way to collect this extra cost of electricity except to go to the local taxpayers. I see this government day after day, week after week passing down the costs that they should be collecting on to the local municipal councils. I think enough is enough. This government should be ashamed of what they're doing with the income tax rebates. It's going to hit every person in this province that turns on a light switch, or even many of these people here who plug in a coffeepot regularly.

Mr. Chairman, as recently as this morning I had a letter from the mayor of Bow Island that says, "The Council of the Town of Bow Island . . ." [interjections] Hon. Member for Westlock-Sturgeon, I see you recognize your homeland.

MR. TAYLOR: We use windchargers down there.

MR. DOYLE: In regards to Bill 26, Utility Companies Income Tax Rebates,

The Council of . . . Bow Island has unanimously resolved to being opposed to Bill 26.

We feel that the taxing of investor owned utilities is unfair and discriminatory to the ultimate customers, who end up paying more than customers of public owned utilities.

. . . ways or means could be found to charge public utility customers the same amount as . . . investor owned utilities.

Mr. Chairman, I've tabled many letters in this Legislature, and I have many more to table. There's no way that this government should be turning their backs on the municipalities in this province and causing the local taxpayers to pick up the costs which the provincial government should be picking up. This has been a very fair thing to the power companies and to the people of Alberta, and in no way could I support this particular Bill. [interjections] Yes, I'm speaking on the amendment, the amendment to Bill 26.

If in fact the amendment is accepted, Mr. Chairman, I would perhaps change my mind on which way I would be voting on this particular Bill. But Stelco this morning – after phone calls over the last few days, the managers decided to put out a press release. I'm sure all hon. members have had the opportunity to review that. If they haven't, I can certainly supply them with a copy. It was an open letter by the general manager of Stelco steel, Edmonton, Mr. Jim Lepp. This is a clear sign that if this Public Utilities Income Tax Transfer Act is allowed to be changed, the industry is not only going to stop moving in but they're going to start moving out of the province of Alberta.

Mr. Chairman, if this amendment is accepted, it would give time for this government to understand what they're actually doing to the farmers of this province, small businesses, who are going to have to pass on their charges. Restaurants, for instance: if their power bill goes up by some 5 percent because of this and because of the other multistage tax increase, the GST, that this government has done nothing about, these restaurants are going to have to raise their costs or close their doors. Motels and hotels are going to be struck. The clothing industry, the automotive industry, small malls and large malls,

every single person in this province that uses electricity are going to be struck and many businesses will have no alternative but to cut staff or close their doors. Perhaps the government feels it's better to put people on welfare than to assist industries, small businesses, and municipalities with fair electrical rates.

I listened very closely to the Minister of Energy today when he tried to say that these rates are as low as they are anywhere in Canada. He was very close. They are just about par with two other provinces. But, Mr. Chairman, as soon as the Public Utilities Income Tax Transfer Act is eliminated, he'll find out what the rates are going to be in the province of Alberta. When his friends in Ottawa bring in the GST, he's going to find out that there are going to be increases in some areas of around 30 percent.

Of course EEMA, the Electrical Energy Marketing Agency, was set up some years ago to equalize rates, Mr. Chairman. The purpose, of course, was to reduce the disparity of electric power generation and transmission costs throughout the province. EEMA buys electricity from the generating utilities and sells it back to them at an average price.

AN HON. MEMBER: He doesn't know what he's talking about.

MR. DOYLE: I do so, hon. minister, know what I'm talking about. I don't see why any members of the Conservative Party don't have guts enough to stand up and speak for the people of Alberta. Why don't they get up and say something? It's affecting every power consumer in this province.

MR. CHAIRMAN: Order please. The hon. member knows that the word he used is unparliamentary, and he should withdraw it.

MR. DOYLE: Mr. Chairman, I will withdraw that statement – the one word.

Why do they not stand up for the people of . . .

MR. CHAIRMAN: While the Chair has the hon. member's attention, the Chair would respectfully request the hon. member to stay a little closer to the amendment he has proposed to the committee.

MR. DOYLE: Thank you, Mr. Chairman.

AN HON. MEMBER: He hasn't read it.

MR. DOYLE: The hon. member suggested I haven't read it. Obviously he wasn't listening when I did read it, not the first time but the second time.

Mr. Chairman, under this amendment the PUB would have the opportunity to go around the province and listen to Albertans. Even these people here that sit and do nothing for the people of Alberta could have the opportunity to speak to the PUB.

But I want to talk about EEMA just a little bit, Mr. Chairman. The purchase price that's . . .

MR. CHAIRMAN: Order please. Could the hon. member relate EEMA to the amendment he's proposed?

MR. DOYLE: Mr. Chairman, because of EEMA, TransAlta customers have to pay higher rates in comparison to some other people in the province. The added on cost will cost more

because of EEMA. Because of EEMA, Edmonton Power will lose some \$14 million in the public utilities transfer Act, and Alberta Power will lose somewhere around \$28 million.

MR. CHAIRMAN: The Chair understands what the hon. member said, but for the benefit of the Chair at least, could the hon. member relate what he said about the effect of EEMA and how his amendment would militate against what he says is going to happen?

MR. DOYLE: Mr. Chairman, I'm pointing out how this amendment would give the people that are covered by EEMA the opportunity to speak to the PUB board. This amendment would also give time for this government to wake up and realize that as rates increase across the province, rates also increase to hospitals, and those hospital boards would have the opportunity to speak to the PUB. The school boards – it is going to just grossly affect school boards. They may have to close down evenings or leave a certain number of lights off or pay heavily to install more energy-efficient equipment. The amendment will give all those people the time to stand before the PUB and express their concerns, because their concerns are there. Also, the farmers throughout Alberta would have the opportunity to go before the PUB and explain the extra costs they can no longer afford. They may not be able to dry their grain. They may not be able to heat their poultry facilities. They may not be able to stay in the farming business if the government insists on increasing power rates by this large amount.

Well, Mr. Chairman, in summation, I would like hon. members to support this amendment and give the people of Alberta the opportunity to discuss this matter with the Public Utilities Board.

MR. CHAIRMAN: The hon. Member for Calgary-Forest Lawn.

MR. PASHAK: Thank you very much, Mr. Chairman. I rise in support of this amendment. This amendment calls for public hearings, and I think there's a powerful argument that could be advanced in support of public hearings. In the Alberta case we don't own our public utility companies, and I think it's possible to make an argument that public utilities are in effect essential public services – and they're monopolies. In this province the public utility companies get a guaranteed rate of return that's in excess of 10 percent, not of their revenue but of their deemed assets, which is a substantial rate of return.

[Mr. Jonson in the Chair]

AN HON. MEMBER: How long are you going, Barry?

MR. PASHAK: Oh, just for a few minutes. I just want to make a couple of sagacious points, if I can get to them.

AN HON. MEMBER: Sagacious? Spell it.

MR. PASHAK: S-a-g-a-c-i-o-u-s. Does that help?

MR. DEPUTY CHAIRMAN: Please proceed, hon. member.

MR. PASHAK: One of our concerns, of course, is that given the fact that TransAlta and other important utility companies in Alberta are in private hands, it means that taxes have to be paid on the profits these companies earn. If they were in public hands, of course, taxes would not have to be paid. These

companies have had rebates that have come out of the public purse, which has allowed these benefits to be passed on to people that are customers of these companies, that have allowed companies that are provided utilities through the province to compete in some kind of effective way. But if these rebates are not transmitted to these companies, it puts all these companies at a competitive disadvantage.

There's a second point that I think has to be made. That is that in Alberta, of course, we've established something called a heritage trust fund, and that trust fund has a certain number of assets. Other provinces and the federal government look at Alberta and say, "Alberta has all of these deemed assets," and they're treating us as if we're a lot wealthier than we really are. It affects the federal government's position with respect to transfer payments. Whereas the reality of the matter is that there are a lot of other provinces that have equivalent deemed assets because they own their own utility companies. Because they own those utility companies, they don't have to pay taxes on how those companies operate, which again puts Alberta companies at a disadvantage.

This whole issue is so complex, Mr. Chairman, that I think we should spend a great deal of time looking at this before we proceed with the kinds of measures that are advocated in Bill 26. I think what our member is proposing is eminently reasonable. That is, we spend a few months assessing the situation and hearing from the public before we pass such a piece of legislation.

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

MR. CHUMIR: Thank you, Mr. Chairman. The Alberta Liberal caucus very strongly opposes this legislation, the Utility Companies Income Tax Rebates Amendment Act. We're supporting the amendment. We find this to be an extremely bad piece of legislation. It's taxation legislation which hits and impacts in the wrong places in the wrong way and does not serve the public interest. It's a tax on utility consumers, and it has a number of very serious drawbacks.

Firstly, to the extent that it hits residential consumers, it impacts low-income individuals more severely than it does high-income individuals. It's regressive and defective in that regard. Secondly, it impacts industry in the worst way, and by the worst way I mean that it increases taxes. It doesn't come out of profits, but it adds to costs. How does this help this province, which needs diversity and diversification in industry so badly? How does it help this province to diversify? In fact, it doesn't help us to diversify, it goes in exactly the wrong direction. Low energy is one of the few assets this province has. We're to heck and gone away from the mainstream in terms of markets. We've got additional transportation costs; we've got disadvantages that can't be addressed. But electricity is one of the things we have that's very cheap.

Now, you saw today the concerns of one business enterprise, Stelco steel, which was so concerned that it put a full-page ad in the local newspaper. Its concerns were with respect to a potential 35 percent increase in its power bills. Now, admittedly the bulk of that increase relates to causes other than this legislation. But this legislation is going to result in 4.4 percent of that tax increase, and the freeze on the federal tax rebate in respect of utilities was to account for 1.1 percent. So that's 5 and a half percent just at this time.

We have to keep in mind that Alberta is one of the few provinces that has any privately owned utilities. Almost all of

the competition in every province is dealing with utilities which are publicly owned and don't pay income tax. This province is now moving to tax one of the major assets that we have, and income tax is being imposed on that advantage which is not being faced by other provinces. It makes absolutely no sense.

Thirdly, it impacts our municipalities and other institutions – hospitals, school boards – which are paying utilities. In principle what it does is exactly what the provincial government is complaining the federal government is doing with transfer payments: it passes the province's problems on to another level of government. It's in keeping with increases in fuel taxes and medicare fees. Now taxes on utilities are impacting these other bodies.

Fourth, though, and perhaps the most important, is the impact that this is going to have in the long haul on the federal government. We've seen that the federal government is now thinking of the income tax. It's concerned about the money it rebates to the provinces. That's why it's freezing its rebate. It's stopped rebating. The growth is going. The tax is not going to be going back to the provinces; it's staying in the federal coffers. So it's now starting, with all its problems, to eye the tax on the few private utilities that exist as a source of revenue.

Well, how can this province go to Ottawa and argue with them and say, "You shouldn't be taxing our utilities because you're discriminating against the few privately owned utilities in this country while at the same time you don't tax publicly owned utilities"? How can we go and argue with them and tell them not to tax these utilities when we have adopted the principle of taxation? We've said it's all right to go and tax them. I mean, this is very shortsighted. You've given up the argument. They're looking for a source of revenue. We're one of the few provinces that have these private utilities, and it seems to me that of all things a Conservative government should be directed towards protecting the concept of private industry, if that's what you believe in. Instead you're moving in exactly the wrong direction. If you think we've got a benefit in power rates now, wait until the federal government continues its freeze and then starts to dip and increase its proportion, reduces the amount it pays back and perhaps starts to fully tax these private utility companies. You'll quickly find any benefits that we have in respect of reasonable power rates disappearing extremely quickly.

So, Mr. Chairman, in a nutshell, this is a very expensive way for this provincial government to be raising \$95 million. It needs to rethink this, to study and listen a lot more closely, before it proceeds. The legislation should be gotten rid of and thrown out, but if it isn't ready to do it now, as we are, then let it look at this a little bit more closely. Take a little bit more time and talk to some people, look at the impact, and think a little more closely about the impact it's going to have on the philosophy of the federal government before you proceed with it.

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

MR. HAWKESWORTH: Thank you, Mr. Chairman. I rise to speak in support of the amendment proposed by the hon. Member for West Yellowhead that the Public Utilities Board be directed to hold public hearings into this legislation and present a report.

Mr. Chairman, it's an excellent amendment, because really what the member is saying is that there has been no public forum provided in order for people to step forward and explain what the impact of this legislation is going to mean for them in

their everyday lives. We see, for example, that today one of the largest electrical consumers in the province, certainly one of the largest in the city of Edmonton, because there's no public forum, no public hearing process to review this Bill, has had to go to the expensive alternative of taking out a full-page advertisement in the *Edmonton Journal* in order to communicate and convey the seriousness of this particular change in provincial policy. There is no forum provided for them. For example, they talk about how it will mean a significant increase in their expenses and puts in doubt the future of 570 direct jobs and many more indirect jobs here in the city of Edmonton. This Bill is only one element, but of all the policy changes being pursued by the provincial government, they're estimating the increase in their electrical costs is going to be somewhere in the order of 35.6 percent, which they term devastating. Now, if it's having that kind of impact on this particular company to the extent that they have to step forward and take out ads in the newspaper, what other people, what other individuals, what other organizations and corporations are there in the province that are going to be similarly impacted, and where is the opportunity for them to step forward and tell their story and thereby hopefully keep the provincial government from making a tragic mistake? That's really what this is all about.

Let's not underestimate that this impact on behalf of the government of Alberta in Bill 26 may very well have an impact on the federal government. I'll give you a concrete example, Mr. Chairman. It was in February of this year that the federal Finance minister, Mr. Wilson, announced that the federal government would put a freeze on the amount of rebate they would channel back to the province. Now, that means that effectively over time with inflation the percentage of the rebate will gradually diminish. That is, it's a sort of flat figure, and with the cost-of-living increases, inflationary increases, over that period of time, if inflation goes up 5 percent or 10 percent, the true value of that rebate will decrease accordingly. Well, I'm informed that TransAlta Utilities arranged to meet with the federal Finance minister to express their concerns in private, to go and lobby the federal minister to say this is going to create a big problem for us. But the day they went to Ottawa our Provincial Treasurer announced that he was eliminating the provincial rebate. Now, what does that do to a company's lobbying strategy? The day they go to talk to the federal minister about a policy he's pursuing, their own provincial minister back in Edmonton is announcing that they're going to be eliminating the provincial rebate totally. The Provincial Treasurer didn't talk about freezing the rebate. Bill 26 doesn't talk about freezing the rebate; it's talking about eliminating a rebate altogether. So the provincial action went far further, much more draconian than the federal proposal. You can imagine what that does to the ability of the company to persuade the federal government to change their attitude when they can't even get the Provincial Treasurer in their own province to pursue a similar policy – in fact it's doing something 10, 20 times worse.

Now, let's not forget, Mr. Chairman, that the federal tax rates are about three times those of the provincial tax rates when it comes to utilities.

AN HON. MEMBER: It's twice.

MR. HAWKESWORTH: I'm informed it's twice. I guess two out of three dollars goes to the federal as opposed to the provincial. But you just work that out. If the Provincial Treasurer was accurate in his Budget Address which he gave in

this Assembly back in March, he said that this change will increase revenue by approximately \$95 million. Well, just for the sake of argument, round that up to \$100 million just to put these figures into some perspective. The federal rate on top of that would equate to somewhere in the order of \$300 million in total, and if the provincial government is eliminating its tax rebate, what the heck are they going to do if the federal government adopts exactly the same policy by the precedents being set through Bill 26?

So, Mr. Chairman, these policy changes not only in reality have some significant changes but are opening the door to perhaps some even more drastic changes down the road, and at no point has anyone provided an opportunity to allow the public to step forward and make presentations on what these kinds of changes are going to mean for them and for their competitive position. What this change potentially can do is move Alberta from having a very favourable situation with regard to rebates to making us in fact amongst the very worst, and then by comparison to our neighbours in British Columbia, Manitoba, Saskatchewan and even in Ontario, where their utilities don't have to pay income tax, competitively our price increases can go up dramatically.

Now, Mr. Chairman, I just did a little bit of calculation from some financial reports provided by TransAlta Utilities. For the year ended December 31, 1989, the gross revenue from operations of TransAlta Utilities as far as their electric generation was concerned was \$955 million. As well, from a fact sheet – that's a brochure TransAlta distributes – if I can find the figure, I believe 72 percent of all electrical generation in the province is supplied through TransAlta Utilities. TransAlta produces 72 percent of the electric energy consumed in Alberta. So if \$955 million equals 72 percent of the amount of energy consumed in Alberta, then \$95 million of that figure represents somewhere in the order of 7 to 8 percent. These again are rough calculations, but what else have I got to go on, Mr. Chairman? There've been no public hearings established in order to review the impact of what these figures might mean for utility users, and therefore I'm left in the situation of having to make these shirtsleeve estimates.

Now, if we take a 7 percent increase directly as a result of this particular legislation, that could have a significant amount of impact. There is no one that has been able to step forward and explain what that is going to mean to them. In fact, just to give members of the Assembly some idea of what's going to happen with electrical costs in this province, I understand a recent TransAlta employee publication outlined expected rate increases in 1999, some of them due to Bill 26, others due to the GST and other factors as well. We see in that, for example, as I understand some of those estimates, that residential consumption costs are going to go up almost a third, farms over 20 percent, irrigation close to 40 percent, and typical commercial users somewhere in the order of 17 percent. Of course, here in the *Edmonton Journal* today a major consumer of electricity is stating that they're expecting almost a 36 percent increase in their costs. Well, we've got to be very, very worried when government policy is making changes like that without warning, without any input, without any opportunity for feedback, without any understanding of what that means on the ground for the day-to-day activities of those customers. Without an opportunity provided for those people to step forward, major mistakes can be made.

What I'd like to do, Mr. Chairman, is highlight some of the other users of electricity in this province and identify some other users that haven't been provided an opportunity to step forward.

I phoned the city of Calgary electric system this morning just to ask them: what is the impact of this going to be? They're very concerned about it, like other municipalities in the province. I don't know whether they've expressed their frustration to the Provincial Treasurer or not, but they certainly are quite concerned. They buy wholesale from TransAlta, so of the 33 percent of customer energy used from TransAlta, much of that is going to the city of Calgary, again a major player in the province, a significant consumer of electricity.

Here's number five, the fifth largest consumer of electricity in the city of Calgary: Toronto Dominion Square, a major shopping, office, commercial, and retail complex in downtown Calgary. Number four, the fourth largest consumer of electricity in Calgary: the Petro-Canada building, all the offices and the office users; not just Petro-Canada itself but the other tenants of that particular building.

This has to be of concern, Mr. Chairman: the third largest consumer of electricity in the city of Calgary, Western Canada Steel. Again, the fact that they're number three in Calgary – and I see that a steel company in Edmonton has taken out full-page ads – indicates to me that there may be another problem looming in the city of Calgary which just hasn't come to the forefront and been made as public because they haven't yet chosen to go to the press themselves as Stelco in Edmonton has done. But it seems to me that when the third largest consumer of electricity in Alberta's largest city is a steel company and when one of the largest consumers in Alberta's second largest city, in Edmonton, is also a steel company, we've got to be very, very concerned about the manufacturing sector of our economy here in this province. After all, if we want to talk about diversification of our economy, manufacturing has got to be a major sector of concern. The fact that at least in the case of Stelco a lot of it is based on recycling – the source of the raw product is recycled steel – that is a significant actor in our province.

We notice that recent statistics for Canada as a whole are that the economy is performing very, very poorly in the manufacturing sector. There are jobs being lost all across Canada in the manufacturing sector. Whether that's due to free trade or other factors, it's not up to me tonight to make that analysis. What I'm saying is that when you have major employers in this province in the manufacturing sector, in a diversified sector of our economy, being hit hard by a government policy, they should at least have the right and the opportunity to step forward before the Public Utilities Board and state their case prior to the government making a move of this magnitude.

The number two user in the city of Calgary, the second largest user of electricity, is the University of Calgary, Mr. Chairman. Now, we have had all kinds of concerns expressed to us as MLAs from that city in recent years about the operating costs of the university and how provincial grants have not been keeping up with the institutional inflationary costs that they're forced to cope with. Here we have a situation where the province of Alberta, by changing its tax rebate policy, is going to eliminate the rebate to users of electricity. What is the impact going to be on Calgary's number two consumer of electricity? The fact that it's a provincially funded institution has to have some concern to this Provincial Treasurer, and it ought to have some concern to the Minister of Advanced Education. But no opportunity is provided for the University of Calgary to come forward in a public arena and tell us what this is going to mean to its operating budget.

In fact, you know, it's gotten so bad for postsecondary institutions in this province that some of them have announced

eliminations of programs and changes to program offerings to their students. Why, it's even gotten to the point that the Minister of Advanced Education is bringing forward Bill 27, numerically the one after this one, that he's going to take unto himself the right to direct . . .

MR. DEPUTY CHAIRMAN: Order please. The Chair is listening carefully, and that debate is now drifting off the amendment.

MR. HAWKESWORTH: Well, Mr. Chairman, the point I'm trying to make is that the crisis of educational financing of postsecondary institutions has gotten so bad that the Minister of Advanced Education wants to have residual powers to decide what programs will and will not be offered in postsecondary institutions. What I'm saying is that by this change of policy in Bill 26, they're not solving the problem; they're just exacerbating the problem of postsecondary institutions in meeting their budgets. There is no way that any of these postsecondary institutions have been provided the opportunity or the forum to step forward and state to the Public Utilities Board what this increase in their operating costs is going to mean. What does it mean in millions of dollars or hundreds of thousands of dollars to the University of Calgary? They are number two in Alberta's largest city as a consumer of electricity. It's going to have an impact, and with budgets being so tight that postsecondary institutions are contemplating eliminating programs, it's been of such concern that they might do that that the provincial government, another minister, has brought in legislation to give him the power to overturn decisions of these postsecondary institution boards.

It seems to me that the direction this government is taking in responding to the postsecondary financing crisis is exactly the wrong one. Rather than taking unto themselves the power to direct budgeting and program offerings at these postsecondary institutions, what this government should do is set up a public hearing through the Public Utilities Board in order to allow these postsecondary institutions to step forward and give us some information about what the impact of this is going to mean. Because it's going to end up, Mr. Chairman, if the crisis is going to get worse in the University of Calgary and other postsecondary institutions, that the provincial government's going to have to take money out of their own pocket and provide increases to the University of Calgary to offset increases mandated by changes through Bill 26. It's going to come out of one pocket, you know, to go into the other pocket. So I don't know, the net savings to the province of Alberta and the Provincial Treasurer may not be nearly as great as he thinks it's going to be.

Now, I know that all hon. members have just been hanging on what might be the number one user of electricity in the city of Calgary. I know that I've gone through four of the top five. I've gone number five, number four, number three, and number two. Number one is the city of Calgary, Mr. Chairman. The number one consumer of electricity in the city of Calgary is the city itself. In fact, the bulk of its consumption is the street lighting system in that city. This is indicative of what is going on in the situation for other municipalities in this province as well. What it means is that indirectly Bill 26 is just shifting the tax burden onto the backs of the local property tax payer or the local citizens, in that these increased costs are going to have to be passed on in some way or another to the citizens at the local level. So whether the government takes money out of their pockets as direct consumers of electrical energy in what they use

in their own homes, or whether they take it out of their pockets as citizens of the corporate municipality in which they reside, this money is going to be coming out of the pockets of people at the local level. None of those citizens has the opportunity to step forward. And the city of Calgary, on their behalf as their elected representatives at the local level who most understand this particular impact – they're not being provided an opportunity to step forward and present any of this information to a hearing of the Public Utilities Board. None of that's being provided.

You know, again a lot of what I've had to state tonight is just surmising from the sketchy information that's available to me in the few days and the few hours I have had to do this kind of research. But none of these people have the opportunity on their own behalf to collect this information and step forward and present it to an independent hearing by the Public Utilities Board and explain what it's going to mean at that local level to those individuals and to those companies.

You know, Mr. Chairman, we've got to be very, very concerned. When we're going to take all of this money out of the pockets of electrical consumers, it's going to put them into a situation that is going to make it less competitive for our businesses, it's going to take money out of the pockets of individuals, and it's going to have a negative impact on our local governments and on our publicly-funded institutions. None of this is understood by government, or if it is, I can't believe they would so blithely proceed without at least trying to find out: are there some ways that these changes could be mitigated; are there some ways they could be altered in order to ease a transition; are there other ways the situation could be dealt with so it's more fair to everybody concerned? None of those questions has been asked. No one's been given the mandate to review this in any way and to determine some of these questions and perhaps put forward some alternatives that the provincial government could pursue that would make their policies more acceptable and better for all Albertans.

Everything I've said is just going to be compounded all that much more, Mr. Chairman, if the federal government moves to eliminate its rebate as well. That's going to have at least double the effect of anything the provincial government is going to do tonight. And by not providing a forum, what's the message that the provincial government is sending to the federal government? They're saying, "We're prepared to bring in a policy that negatively affects in a severe way our own citizens here in Alberta." So the federal government looks at that and says: "Aha. We can move in the same direction, and the provincial government will be powerless to protest." In every way – morally, ethically, politically – they will be in no position to cast stones at the federal government when, after all, they will have been the ones to have sinned themselves in the first place. So, you know, there won't be any way for them to be able to speak out on behalf of Alberta or protect Alberta's interests should the federal government take exactly the same action that the provincial government is taking here in Bill 26.

It would seem only prudent to me politically then, Mr. Chairman, that it would be wise for the provincial government to establish some kind of a hearing process in order to allow people to step forward and put the case so that they would then have ammunition themselves if the federal government were ever to move in this way themselves in the coming fiscal year or some year down the road. It's just politically expedient, it would seem to me, for the provincial government to adopt the amendment that the hon. member has brought forward, because that would also then allow the mandate to be given to the Public Utilities Board to look at the entire rebate system, not just the direct

impact of Bill 26 but to examine the entire federal rebate system as it might apply to Alberta users and Alberta utilities so that we get an idea of the cumulative impact that might present itself if the federal government were to move in that direction.

So it's just out of an abundance of caution that we're telling the Provincial Treasurer tonight: you may think you're going to get a lot of money out of this, you may think you're going to get a hundred million dollars a year as a result of this change in Bill 26, but you're going to hurt Albertans and you're going to open the door and pave the way for the federal government to take exactly the same action themselves. Should they do that, if that were ever to happen, the pain that's being inflicted on Albertans with Bill 26 is going to be duplicated or triplicated. And at no time would there be an opportunity for people to come before the Public Utilities Board and say, "Hey, you better have some idea of what a doubling or whatever of the tax rate by the elimination of the rebate system is going to mean to us."

MR. DEPUTY CHAIRMAN: Ready for the question on the amendment? Oh, the Member for Westlock-Sturgeon.

MR. TAYLOR: I just wanted to touch a bit, Mr. Chairman, on the effects on agriculture and possibly recount a bit of my experience. I first got interested in politics 30 or 40 years ago, and it was on the public power issue at that time. The NDP would have been very proud of me. I was out pacing the province back and forth advocating public power. One of the big arguments we made at that time, in the late '40s, was that we would avoid taxation.

This is rather intriguing, that today we're still talking about the same issue only on opposite sides of the question. I must confess that the utility companies through the years have had a much longer memory than a politician's, and for all my years in politics I've never been successful in trying to get much of a donation out of a utility company. They would always quote my speeches, back in the late '40s and early '50s, about what I said about nationalizing the power companies.

So now to see the Conservative Party, the home of free enterprise supposedly, come out and recommend what is going to destroy the private power companies or investor owned power companies is indeed amazing. There's an old Bible saying: "they know not what they do." Mind you, maybe they do, and I think it's up to the Treasurer and the Minister of Energy. If they have some secret plan that I don't understand, then go ahead.

I could take a minute, Mr. Chairman, and point out, for instance, that 52 percent of the power generated in Canada from investor owned utilities is generated in Alberta – 52 percent. It goes as high as 54 percent. So privately owned power companies or investor owned power companies are an Alberta phenomenon. They're nowhere else in Canada; a few of them in Nova Scotia. When I see the hon. Minister of Recreation and Parks, who won't even treat the right leg on a cow, or the left leg, I should say, supporting legislation like this, I can't understand what's going on. I can see that if he wanted to destroy the privately owned power companies, yes, you've done a wonderful job of it. But here you are arguing about privatizing one utility company to an investor owned utility company, the telephone company, and over here you're setting in motion the nationalization of the power companies, because the only reason tax rebates were put in was to stop the wholesale – and I'll give you a bit of history lesson.

[Mr. Schumacher in the Chair]

B.C. Power was privately owned. Quebec power was privately owned. They disappeared under Lesage and Bennett, because the federal government started to tax privately owned utility companies. They disappeared. So Alberta went down there, and the Alberta utility companies said: "Hey, what's going on? We're the only province now that has a majority of our power generated by private users. Take the tax off." "Okay," the federal government said. "All right; all right. You've always been a rather right-wing province. We might win a few more seats out there. We will go ahead and rebate the taxes back for private power companies." It was a sensible thing because . . . A farmer buys power today to run his irrigation system or the farmer buys natural gas even. Natural gas power rates are set by the competitiveness of electric power, so consequently if you boost the price of electric power to a farmer, you boost the price of natural gas, because the two are tied together. Why should gas undersell electric power by just that much? So the power rates go up. Farmers are then put at a competitive disadvantage because Saskatchewan has a publicly owned power company; Manitoba has publicly owned power; British Columbia has publicly owned power. So what in the dickens do you expect an Alberta farmer to be doing?

Here's the minister and the Treasurer bragging about giving back a few cents a litre on his fuel, but they turn around and goose the farmer – I think that's all right, Mr. Chairman; it just depends how high you jump – by taking the electric power . . .

MR. CHAIRMAN: Just for the record, hon. member, there has been a ruling that "goose" is . . .

MR. TAYLOR: "Goose" is out, is it?

MR. CHAIRMAN: . . . in that context unparliamentary. I'd ask the hon. member to . . .

MR. TAYLOR: Let's put it this way: no matter what they do, they're going to have to duck when they go out to the farmers to try to explain this.

But my argument is that what they've done here has really hurt the agricultural sector. What's also been mentioned is that because the federal government under the request of Albertans back about 15 years ago decided to rebate the tax, the federal government is now going to have on their books a tax rebate going back 52 percent to one province. Now, if you don't think that the federal government will use that opportunity – they've just pulled it in Newfoundland with Hibernia. Here is little old Alberta, safe old Alberta: you know, you can always run an election; it doesn't mind; we've got no brain, don't know what they're talking about, just sheep, might even be a sheep in sheep's clothing that runs on a Tory ticket and gets elected. So why should they worry about cutting off the rebate? It'll be a nice, handy \$80 million to \$100 million a year that the federal government can pick up.

So we have set in motion something here that I think the Provincial Treasurer really should be thinking about. I can't imagine him – because he's a fairly shrewd character. As a general rule, you know, he's a real Nijinsky when it comes to handling finance and pinning him down. Now, why they would decide to tell the people of Alberta, and particularly the farmers in the agricultural area that use a great deal of energy, that their rates are going to be higher than their neighbouring provinces, on a competitive basis, is beyond me. The Minister of Energy will say, "Well, we've got the lowest power rates in Canada." Well, doesn't he realize – any farmer can tell him – that when

you're weaning the little pigs or weaning anything, when you have a certain amount of power at a certain price, you attract certain industries. You've attracted some steel industry, you've attracted certain types of pumping industry, and then you change the power rate. I don't give a darn if you were giving power away for a nickel a megawatt. The point is that you soon, within 10 years, establish a lot of industry that needs that nickel a megawatt to keep going. You started it; now you're going to turn around and say: "No, no. We're going to take our power back."

Because you've got to remember other things. Alberta is a long ways from – it's a landlocked economy. Many of our farmers are competing because our best land is close to our major cities, with developers to pay for the capital cost of land, so power rates should be low. You know, Mr. Chairman, it's just an absolute mystery to me why Albertans consuming 52 percent of the power generated in Canada from investor owned utilities would suddenly decide that they're going to kill the power companies. It amazes me, too, because there's always been a symbiotic relationship between . . . I think, or at least I used to think in the opposition when I saw rows and tables bought for the Premier's dinner, that when I was leader I'd be goldarned lucky if I got in the front door. They might give me \$50 and tell me to buzz off. I think "buzz off is all right. But certainly the utility companies – I don't know what goes on – have had a love affair with this government. They thought you were wonderful, and all of a sudden now you're booting it.

Now, I must confess, when I rise today, that I am not breaking my heart over Alberta Power, Calgary Power, Canada Northwest gas. But what bothers me is that this tax holdback now is going to be flowing through to the consumers of these companies, and this is the worst part of it; this is the silly part. Because when those power rates go up and the attendant competitive gas rates go up, what we have done then is put an economic disadvantage on Alberta farmers and Alberta agricultural producers plus some others that the other neighbouring provinces do not have. Add to that the fact that the federal government, with the lead given by the hon. Treasurer here, is certainly going to use that as a way to get in. Why wouldn't you? If you were Mr. Wilson, as a federal Treasurer trying to pay down debts you would look at them and say: "Alberta? Alberta, the province that asked us to rebate?" After all, they remember that. Read your books, Mr. Treasurer and Mr. Minister of Energy. The Alberta government asked and put the pressure on, were the main leaders in getting electrical energy costs rebated back to consumers. Suddenly you turn around and decide "I'm going to put my third share in my pocket." Well, the feds have twice as much that they're holding on to, so I think you can rest assured that within a year you'll see it.

Mr. Chairman, I think the hon. Minister of Recreation and Parks wishes to ask me a question. Is it all right if I give him permission to do so? Okay, go ahead and ask a question.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Apparently there's no question, hon. member.

MR. TAYLOR: The questions are like a lot of his policies: there's just nothing to them.

Anyhow, I think I've hammered home the point enough, but I wanted to tell you about the utility warfare in Alberta. I wanted to tell you about the fact that at one time we talked about nationalizing the power companies. We saw the Social

Credit and then the Conservatives go to Ottawa, beg on their hands and knees that the private power companies – as I mentioned, making up more than half the power in Canada, manufactured right here – should not be taxed. Then they turn around and pull such an act of skulduggery, pocketing their share of the total tax, which is one third, but that means that the feds have twice as much tax. I think that has to be one of the greatest acts of infamy that I've seen any government do. It's so bad, in fact, that I don't think they think it's infamy. I don't think our Provincial Treasurer or the Minister of Energy have read through just what kind of signal this semaphores to the federal government.

Thank you very much.

MR. CHAIRMAN: The hon. the Leader of the opposition.

MR. MARTIN: Thank you, Mr. Chairman. Now, the purpose of the amendment is to make time for especially a lot of groups all over this province that are waking up to what's happening with this particular Bill. We're getting calls and letters from all over Alberta from municipal governments, from other public institutions, and certainly we're well aware of how the private sector feels about this particular Bill.

Now, I go back, and it was rather interesting, Mr. Chairman, what this government said. When they brought in the budget, the Treasurer sat there proudly and said: no new taxes; no new taxes. Well, the only thing they didn't tax was income tax. I guess that's what they meant. But they said, no new taxes. Then we had not only this tax that we're talking about under Bill 26, which is going to come out of people's pockets, we had the health tax; we had the motor vehicle tax; we had the various sin taxes. In fact, they found more ways to tax individuals than we thought possible. Whether they want to call it a tax or not, the ultimate result is the same: it comes out of your pocket. As the saying goes, if it quacks like a duck, it is a duck. The reality is that this is just another way to go at average people.

Now, surely the Treasurer must recognize that this is regressive. It is going to be hard not only on individuals, not only on public institutions, as already well alluded to, but certainly on the private sector. Today in question period we raised, as has already been mentioned, Stelco. It's quite a step for them to go through and take out full-page ads, you know, complaining. As I said, I understand – and this brings us to why we want it to the Public Utilities Board – that some of the things they're talking about haven't come about yet. But there's a 21.8 percent increase under review by the Public Utilities Board that has to do with nonpeak hours, so it would affect them, and the rate increase of 83 percent.

What we are saying, Mr. Chairman, very clearly to the government: those measures are before the PUB now, and that's going to be extremely hard on the private sector, and specifically the Stelco recycling plant in a very tough market. Why not, then, take this rate increase, which is another over 5 percent, and put it to the Public Utilities Board so they can take a look at the overall impact? Because there is a major impact going to occur in this province.

There are better ways to tax than this particular Bill. We've mentioned it many, many times to this Treasurer. You know, the Minister of Energy got up today and said we have the lowest rates. Well, there are very few advantages that this province has. We don't have the population; we're a long ways away from the markets. The only advantage we do have – the Member for Calgary-*Buffalo* is right – is that we used to have low rates. So

it's irrelevant to compare us to Ontario or to parts of the United States. It's frankly irrelevant.

Now, Mr. Chairman, the other point I was trying to make to the Minister of Energy today is that Saskatchewan is moving the other way. Whether they're slightly ahead or slightly below is still important. Their public utilities for industrial users will be reduced by 20 to 30 percent.

AN HON. MEMBER: They're double now.

MR. MARTIN: That's right. But they're coming down this way, and we're going up the other way. So that big advantage we had is less of an advantage now, and that may make some difference.

The point I wanted to make is that that's the advantage we have: relatively low rates. I admit that that's the case for industrial users, but it's less of an advantage now. What Stelco is trying to say is that small advantage they have, when you take all the other things the PUB may come up with, may drive them out of business. This is an especially important industry in terms of the future because it's a recycling industry. We understand that the Minister of the Environment keeps saying: it's coming, it's coming, it's coming; he's going to set up an recycling industry. Well then, why not target some of these things? Why not target them? It's not only the private sector. They've already spoken out. But in terms of the municipalities all over the province they're complaining about this. We're getting letters from all over the province, Mr. Chairman, worried about this. The end result is this: it's not only the individual; if they're going to stay in business, they're going to have to pass it on to the consumers who probably can't afford it. Again, another way of taxing individuals.

What we're saying very clearly here with this amendment: okay, if you believe you're right, let's stop; take this to the PUB, because they'd be maybe making some other decisions: the 21.8 percent nonpeak hours; 8.3 percent. All these things are going to have an impact on private industry. So if the PUB is going to rule on that end of it – we don't know how they're going to rule, but they could maybe not go the maximum but at least, you know, bring in some increases; that's certainly been the case more often than not – what about this 5.5 percent then? Shouldn't that be taken into consideration when you go to the PUB? All we're saying is: are we in such a hurry that we couldn't do that with this particular Bill? This is why I suggest, in view of the other things that are occurring, that this makes sense. I would have thought you would be worried about killing the golden goose. You know, we've heard that from the opposite side many, many times, Mr. Chairman. So contrary to what the government says, they could even at this particular time deal with this amendment and look at what is happening in Saskatchewan. They're going the opposite direction in terms of their public power: for industrials they were higher, but for individual public power they are lower.

I just say to the Treasurer that this is an inappropriate tax; it's not a good tax, Mr. Chairman. It shouldn't be, especially from the Treasurer that talks about free enterprise. As already mentioned, this is not going to be a tax on Stelco in terms of the profits they make. It's going to be a tax . . .

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

MR. MARTIN: . . . in terms of their input. It just doesn't make sense.

I would suggest to the Treasurer that no matter how he wants to call it, no matter what he wants to say that there were no new

taxes, this is just another of a myriad of taxes that were there, we think a very regressive tax, and one that is going to hurt the economy badly. I'm surprised if the Treasurer hasn't been getting telephone calls and letters from municipalities especially, because they're certainly writing us. I think in this case we should stop and listen and give them some time to make their case about this particular tax to the PUB. What would be wrong with that, especially in view of the fact that the PUB is going to be ruling on other rate increases, as I've already mentioned?

Mr. Chairman, just in conclusion, it's highly unlikely that the government's going to listen. I understand that. I wish they would, but I really suggest to the Treasurer that this is a very inappropriate tax for the times we're in. Whether they're going to do it now or not, if they'd taken this – what? – \$95 million that they need to balance the books, we could certainly give him other suggestions there to collect that \$95 million. He knows what I'm talking about. We gave him some suggestions last year, and he took a small bite, as mentioned, with the financial institutions. Maybe next year he will come and see me before he does his budget, and we'll avoid making these mistakes that we're inevitably going to make. What are we going to say? I know they're putting the best case on it, and the Minister of Energy is right about that. But I think they have a serious problem if you look at the steel industry, and I think the minister of economic development knows that. I don't think they're bluffing too much when they say they're facing real problems with that market. This may be just enough. I hope the PUB doesn't, you know, rule against them. That is significant, because it's a recycling industry, the wave of the future, and it's significant because I believe it's 550 jobs that we can ill afford to lose in his riding – and a number of people live there – and in my riding. So I think when people are desperate enough to do this, the government should listen.

It's also coming to us from municipalities, elected governments right across this province. I don't know if the government would be prepared to listen at this late date. I guess I for one would be awfully surprised if they did, but I'll stand up and praise the Treasurer if he'll accept our amendment. I will stand up here and go on for 10 minutes and tell the whole Assembly what a wonderful guy he is.

MR. FOX: Buy him supper.

MR. MARTIN: Yeah, I'll even buy him supper if he will do that. So there's an offer hopefully he can't refuse, Mr. Chairman.

Anyway, just to conclude, Mr. Chairman, I think the case has been made. We think it's a logical case, and I wish the government would listen and bring this to the PUB.

MR. CHAIRMAN: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I'd like to express my support for the amendment as proposed by my hon. colleague the Member for West Yellowhead. I think it would be perhaps foolhardy of me to offer the Provincial Treasurer a supper were he to accept our amendment, because that might prove a disincentive in my case. But given the offer just made by the Leader of the Official Opposition, I'm sure the Treasurer is pondering it.

I find the whole process used to bring Bill 26 before this Assembly to be offensive in the extreme, Mr. Chairman. It's not unlike the process that we've seen with so many other pieces of legislation: introduced and rammed through the Legislature this

session by this government. It's something that has been done with little or no consultation with the affected groups or affected individuals. It's something that has been done, I submit, with very little consideration or analysis of the impact on communities in Alberta or different groups in Alberta, different industries in Alberta or, indeed, different individual consumers. It was done in haste, a Bill introduced late in the session without much opportunity for scrutiny, and a government stonewalling and unwilling to listen to reason, unwilling to accept such reasonable proposals as the amendment made by the Member for West Yellowhead. Certainly public hearings and the Public Utilities Board process is a reasonable one and one that this government should embrace and welcome.

No, I think what we see here is, again, something that has as its motive not the thoughtful economic needs of the province, not the long-term developmental needs of regions of the province but the narrow, political needs of the Provincial Treasurer to pretend that he's balancing his budget. We've seen that trend through and through ever since this session began. The Provincial Treasurer has used a lot of fiscal sleight of hand, I think, to come up with the budget, to come up with figures. He wanted to be able to convince Albertans that he was reducing the deficit in this year by \$1 billion. I think he felt he needed to do that so that his leader could parade that around their little convention in Calgary showing that they're being fiscally responsible.

There are a number of things that he had to plug into that formula to make it work, a number of different plays on the Ouija board to make it work. One was the imaginary \$21 a barrel price for oil. Another was the yet to be realized, never to be seen, stabilization payments from the federal government, and another was the revenue generated by this Bill 26 tax grab, without any consultation with affected groups or people impacted by the decision. The Treasurer needed a few more dollars to put into this formula, so he brought Bill 26 before the Legislature, done again after a promise made not very long ago by the Premier to the people of Alberta – you'll remember it well, Mr. Chairman, during the election of 1989 – the only way taxes will go in this province is down. It's almost like George Bush. Do you remember him saying, "Read my lips"? Now, he's raising taxes. It's lucky for him no one could read his lips. Nobody can understand what comes out of his lips, much less read them.

Here we have another case where the Premier made a promise 15 months ago, and now the Provincial Treasurer comes along and breaks it for him. We get the Minister of Agriculture being the apologist, the spin doctor from Bonnyville, who has to come out and say: "Well, what he really meant was no income taxes. We're going to increase all kinds of other taxes, consumption taxes of various sorts, but what he really meant was income taxes." Like the game ranching issue, Mr. Chairman. I won't go into that, because we'll have a chance to debate that later. But the amendment we're debating here, that the proposals made in this Bill be referred to the Public Utilities Board, I think is a reasonable one. It's been conceived in haste. It's been conceived with the wrong motive, I think, and it's going to have an impact. It's going to have a very dramatic and negative impact on people in this province wherever they live, whatever they do.

My colleague the Leader of the Official Opposition stated in a very eloquent way the situation confronted by a major employer in the city of Edmonton: Stelco, a company who feels so punished by a number of things that are impacting on their power rates.

MR. GESELL: They're in the county of Strathcona, to begin with.

MR. FOX: It's good that the Leader of the Official Opposition has to stick up for businesses in the county of Strathcona. We're interested in employment, and it would be nice to see the Member for Clover Bar stick up for businesses in his community, and perhaps he'll have that opportunity.

Anyway, they're a major employer. I suspect a number of them live in the city of Edmonton and work at Stelco. The Leader of the Official Opposition raised it in question period today. Here's a company that is feeling like there's almost a conspiracy against them, that power rates are being increased in a number of ways, and one of them is the impact of Bill 26. I bet you that's an employer in the province of Alberta that wishes they had the opportunity to go to the Public Utilities Board and make representation, get intervenor status. They'll be happy that the Member for West Yellowhead proposed this amendment. They'll congratulate the Provincial Treasurer if he accepts it, because they want a chance to make their case, to have their day in court, and to try and convince the government that the provisions of Bill 26 are unnecessary and punitive.

My colleague for West Yellowhead has already referred to the number of letters that he's received from municipalities. Certainly there've been a lot of them, and I've had a few too, Mr. Chairman. I got a letter the other day from the mayor of the town of Tofield. Here's a community of some 1,600 people about 40 miles from Edmonton, a lovely community. They've really been doing a lot to try and improve the services available to people and the municipal infrastructure, recognizing that small-town Alberta has a difficult time ahead. They've got a tough row to hoe. What they want to do is make sure they've got services in their community that are attractive to people, make sure they can offer people adequate education and adequate recreational facilities so that people will be encouraged to move out of the major cities, come to rural Alberta, and try and build their futures. Tofield, I submit, is doing a very good job of that, and I'm the first to admit that there have been a number of government programs that have helped in that regard, in terms of providing some of those facilities, and the people out there appreciate it. But they see this as a backward step, as a punitive measure too. Because, like my colleague the Member for Calgary-Mountain View pointed out when he was talking about all of the power users in the city of Calgary who are the largest power users, when he got down to the number one on the list, it turned out to be the city of Calgary. That's certainly the case, I would submit, in most municipalities – well, perhaps every municipality in the province of Alberta. In the case of the town of Tofield they're not unlike other small towns and villages in the province. They try and operate a curling rink and a skating rink and there's some talk about perhaps a swimming pool in the future, street lights – you know, all kinds of things that the town has to provide power for – and that money comes out of the pockets of the ratepayers.

The same situation in Viking; the same situation in towns wherever you are in the province of Alberta: they're large consumers of electricity, and the effect of Bill 26 is going to be a negative one on them. Another move that's come along – sort of a post municipal budgeting procedure. These people weren't notified of these changes, they didn't have a chance to express their concern about these changes, they've been denied the opportunity for input into these decisions, and that's why we need to pass this amendment tonight: so that we can assure the people of the province of Alberta that their concerns are going

to be heard, their views will be considered, and that the government's going to listen. [interjection]

I'd be prepared to take the Member for Clover Bar's advice and sit down and call a vote on it if I heard even one member of their caucus stand up and express support for this amendment. But I haven't heard them. They've been silent on this Bill, as on so many, Mr. Chairman. So we think we're going to have to talk a little longer, present a few more reasoned arguments, give some more information to the members of the government side in order to convince them, because they're reasonable people, the people on the other side. The hon. Minister of Economic Development and Trade is a reasonable man, and I know that if he hears it long enough and loud enough, he's going to come to his senses and support our amendment on Bill 26.

This was done after municipalities had prepared their budgets, after they'd determined what their mill rates needed to be in order to generate enough revenue to operate the services on behalf of their ratepayers and residents. They were promised a bit of an increase in municipal grants: 3 percent, I believe, was the level of grant increase announced by the government in January. Perhaps someone will correct me if it was 3 and a half.

MR. DINNING: Three and a half.

MR. FOX: Three and a half. Do I have four? Four and a half? No. A 3 and a half increase – thanks, Minister of Education – in the grants approved to municipalities, and that caused them to make certain assumptions like perhaps they'd have 3 and a half percent more to spend over the previous year. Not enough to cover the effects of inflation, not enough perhaps to offer reasonable increases in wages to their employees, not enough to undertake anything bold and new in the way of projects, but an increase nonetheless. And what do they find? Bill 26 comes along and takes a chunk out of that, Mr. Chairman, and I think the process is unacceptable. Before the provincial government comes along and undermines the municipal government partners in Alberta, they should have the courtesy of consultation and submission of the whole thing to the Public Utilities Board so we can have a decent public hearing, grant intervenor status to certain people so that they can make presentations on that issue and in that regard.

Perhaps I wouldn't be so offended by the provisions of Bill 26 and the process of Bill 26 if it was an isolated incident, but in fact it's not, Mr. Chairman.

MR. JOHNSTON: It's not?

MR. FOX: No, it's not, Provincial Treasurer. It has to be taken into consideration along with the cuts to grants in lieu of taxes made from the provincial government.

MR. JOHNSTON: Really?

MR. FOX: I'm surprised you don't know about these things. I would have thought that as the Treasurer you had a better handle on this sort of process.

But that's another example of sort of off-loading of the provincial government's budget woes onto the municipal governments, saying, you know: "We're having trouble. The Treasurer's inexperienced. He's not doing a very good job of balancing his books. He's making flagrant projections about revenue and being too generous, on the other hand, with some people who don't need his assistance. So he's got budget woes,

and he needs to try and balance his books." So what's he do? Shoves his problem off to the municipal governments, cuts grants in lieu of taxes, brings in Bill 26, does these things, both of them, after the governments had done their budgeting, after they'd sat down and wrestled with their problems, calculated their necessary mill rate increases, doing their very best to try and provide service for their ratepayers and residents. Then the government comes along and pulls the rug out from underneath them with the provisions of Bill 26. I'm not happy with that. I would have liked to have seen more consultation, more considered input, Mr. Chairman. It didn't have to be that way.

MR. ORMAN: Question.

MR. FOX: The Minister of Energy would like to ask me a question?

MR. ORMAN: Yeah, when are you going to be finished?

MR. FOX: In about half an hour. See, it's not so hard. People ask questions; you answer them. It's not hard. You should try it in question period. You don't even have to filibuster. You can just answer the question directly. [interjection] Don't get me going, Boomer. I'm just about running out of comments here.

Anyway, I thought it would be important, in thinking about the people impacted by the provisions of Bill 26, to think beyond the municipalities. They are, I think, virtually without exception, the major consumers of power in every town and village in the province, and, as we heard, in the city of Calgary. But how about individuals? How about individuals that use power? I'm intrigued by the statistics provided in the little booklet that TransAlta put out, *Some Facts 1989*, talking about annual consumption of power per farm customer, kilowatt hour consumption per farm customer. I noticed that they're claiming that average farm consumption has increased 27 percent over the last 10 years.

I think that's likely due to a number of things, Mr. Chairman. It's certainly got to do with the fact that farms are getting larger, but it's also got a lot to do with the fact that people are more mechanized and have more systems that rely directly on power. Certainly we've had some discussion in the Legislature about farmers in the southern part of the province who have to irrigate and the impact of dramatic increases in power rates, not only through the provisions of this Bill but through some other things that were going on that were going to make it very difficult for irrigation farmers to operate their pumps and equipment. But on the farms in the Vegreville constituency, there are a number of people who have a lot more electrical power being used because of the kind of systems that they've got. It may be air-drying systems in their grain bins. Maybe they're using some additional electric power in their dryers. A lot of people are going to mechanized feed mixing and handling and distributing systems or manure handling systems in their barns. These things all require power.

I submit that before the government comes along and decides they're going to do something, without any consultation, without any reference to the Public Utilities Board, that's going to have a fiscal impact on the people involved in their number one economic priority, as the Minister of Agriculture is so fond of saying . . . Before they come along and do that to the farmers of the province of Alberta, I wish they'd had the courtesy to inform people of their intentions, consult with them, maybe even do a study. Is that asking so much, that the government might

do a study to determine what the impact of their proposed changes would be on the people who are going to be affected? What's the state of the farm economy in 1990? Well, we learned from the Minister of Agriculture that they're predicting a 54 percent decline. Well, then it turned into a 48 percent decline in net farm income. What are we going to do in response? Jack up their power rates. What are we going to do in response? Increase the amount they have to pay for farm fuel.

Mr. Chairman, perhaps I'll end my comments there and reserve the opportunity to get back in.

MR. GOGO: Mr. Chairman, I move that we adjourn debate on this amendment.

MR. CHAIRMAN: Having the motion of the hon. Deputy Government House Leader, all those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Carried.

Bill 31 Livestock Industry Diversification Act

MR. GOGO: Mr. Chairman, pursuant to Standing Order 21 I move that further consideration of any or all of the resolutions, clauses, sections, and title of Bill 31, Livestock Industry Diversification Act, now before this committee shall be the first business of the committee and shall not be further adjourned.

MR. CHAIRMAN: Having heard the motion of the hon. Deputy Government House Leader, all those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Carried.

The hon. Minister of Agriculture.

MR. ISLEY: Mr. Chairman, I wish to correct some misinformation that is in *Hansard* from second reading of this Bill, as provided by certain members opposite. I go back to June 1, 1990, when the hon. Member for Edmonton-Jasper Place led the . . .

MR. McINNIS: A point of order.

MR. CHAIRMAN: Order please. [interjections] Order please. The hon. Member for Edmonton-Jasper Place on a point of order.

MR. McINNIS: What is he speaking on?

MR. CHAIRMAN: The hon. Minister of Agriculture.

MR. ISLEY: Mr. Chairman, I go back to June 1, when the hon. Member for Edmonton-Jasper Place led his party's attack on this Bill and tended to get rather emotional in the House, rather insulting, terribly inaccurate, and very immature. I'd like to draw the attention of the Assembly to page 1589, and I quote:

You know, I think that's probably about the most misleading thing I've ever read or heard from the lips of the minister, because I've check into the matter. In fact, most Canadian provinces are smart enough to draw a line. The line they draw with this industry is with native species . . . Some of them will allow it to be done for imported exotics but not for their own native species. You know, if you read this, you wouldn't understand that British Columbia does not allow the sale of elk meat, Manitoba does not allow the sale of elk meat. Ontario doesn't. What about Quebec? Do you think they do? Nope. What about Nova Scotia? No. Prince Edward Island? No again. How about Newfoundland? Well, guess what? No, they don't either. The only provinces that do are Saskatchewan, which is mentioned by the minister, and New Brunswick. That's it, aside from Alberta. Alberta's the third one to jump on this bandwagon.

Later on the same day the hon. Member for Vegreville, led by the same poor research as the hon. Member for Edmonton-Jasper Place – and this really disappointed me because normally the hon. Member for Vegreville will do his own research and tends to know what he's talking about. But I quote from the hon. Member for Vegreville:

I might remind the hon. minister of what the situation is in other provinces in the country of Canada which allow the sale of elk meat. Well, British Columbia doesn't. Manitoba doesn't: they tried it and went back on it; found that it wasn't workable and that it did jeopardize the wild populations. Ontario doesn't. Quebec doesn't. Nova Scotia doesn't, and neither do Prince Edward Island and Newfoundland. So it's not something that's widespread in Canada, Mr. Speaker.

And on and on he goes.

Then again, because they like to repeat, on June 15, speaking on the amendment, the hon. Member for Edmonton-Jasper Place – and here he changes his mind.

I think New Brunswick does allow this type of activity. He's consistent with June 1.

But in British Columbia – the document the minister tabled says yes on the sale of elk meat. In fact, it is technically possible that somebody could sell elk meat, but you need a permit, and no permits have ever been issued for the sale of elk meat in the province of British Columbia.

So we have to know that the hon. member is right with respect to British Columbia. Because he said it can't be done; it can be done.

But let's check his accuracy out on his research on the other provinces. I would like to read some letters into the record that I will be filing with the Assembly.

MR. FOX: Which clause of the Bill is this on, Ernie?

MR. ISLEY: First of all, from the province of Ontario, signed by the deputy minister of agriculture:

In response to your facsimile enquiry yesterday, this will confirm that the Province of Ontario does not have a restriction on the sale of elk meat which has been officially inspected by federal or provincial inspectors.

MR. FOX: From where?

MR. ISLEY: This is a letter signed by the deputy minister of agriculture in the province of Ontario, and you will receive a copy of it. It says very clearly that provincially and federally inspected elk meat can be sold in the province of Ontario.

Now I go to Quebec. Again, a letter signed by the acting director of the department of agriculture states . . . He's referring to two species, elk and moose, here. I'm not reading the total letter. "The raising of this species in captivity for human consumption is permitted."

MR. McINNIS: Which province?

MR. ISLEY: Quebec. "The slaughtering of the animals and the sale of their meat may take place within either the provincial or the federal inspection system." [interjections] You can find your copies when I file them, gentlemen. If I didn't have to do your research, things would go faster.

New Brunswick, we both agreed, does permit it, but I go to Nova Scotia.

Although the sale of elk meat is not specifically allowed, neither is it disallowed. It is legal but it could only be imported if there were documentation which showed that it was "legally taken" and properly inspected. Signed by Barry Sabeau, manager of wildlife resources, province of Nova Scotia.

A transmission from the Deputy Minister of Agriculture, Prince Edward Island: "The Province of Prince Edward Island allows the sale of elk meat." Straightforward and simple.

Newfoundland and Labrador, a letter signed by the Deputy Minister, R. D. Peters: "The short answer to your question is that elk meat may be sold under specific permits and subject to federal health inspection."

Mr. Chairman, I would like to file the appropriate number of copies of that document.

MR. CHAIRMAN: In committee they can't be filed, but they could be distributed.

MR. ISLEY: Okay, I'll see that they are distributed. Thank you.

In summary, Mr. Chairman, you know, the research that the hon. member did and everyone else in our caucus believed and repeated in this Assembly: out of eight provinces they had three correct and they were wrong on five. The accusation that Alberta is the third province to get into it, according to the documents that I'm sharing with you, is indeed wrong. We are the eighth province to allow the sale of elk meat within our province.

Let me check another thing out, Mr. Chairman. Again I'm quoting from the hon. Member for Edmonton-Jasper Place. In the June 15 *Hansard*, page 1952 if he wishes to check it, he says:

I categorically deny that I've said anything different to anybody else, and if he would supply any type of detail whatever as far as what was said and to whom, I could straighten that out in 10 minutes.

I would like to have distributed to the House a letter that I was carbon copied on and have obtained the permission of the author, and I would read two paragraphs into the record. It was addressed, by the way, to John McInnis and Mr. Derek Fox.

John, it was after an article in the Edmonton Journal in which you echoed the statements of the Fish and Game Association and voiced an objection to game farming that I invited you to view my farm. After viewing my animals and facilities, we discussed the regulations and safeguards that were in place and I asked if you would retract your statements that were made to the Journal. I realized that this was more than I could hope for, but you did say, and I quote, "If it's any consolation, I've decided to decline the invitation to the debate being held in Calgary" as a spokesperson opposed to game farming. I am appalled that you sat across my kitchen table from me and implied . . .

I repeat:

I am appalled that you sat across my kitchen table from me and implied that you had seen the merits of an endeavor such as game farming and had extracted the emotional arguments from the logical ones. Very obviously, you just did not have the balls to state where your true loyalties were.

I read another paragraph, and this is addressed to the hon. Member for Vegreville: "Derek, your objection to the diversification of agriculture . . ." [interjections]

MR. TAYLOR: Point of order. We're talking about wild animal parts, not the opposition. [interjections]

MR. ISLEY:

Derek, your objection to the diversification of agriculture leaves me speechless. As a farmer involved in non-conventional farming (beekeeping), I had hoped that you would appreciate the endeavors of others to explore uncharted waters. This seeking out of new products and markets is imperative to the future of rural Alberta and farming in general.

The gentleman closes off by saying:

If you gentlemen have genuinely taken an about face with your opinion on game farming, I am prepared to discuss your concerns or debate the merits of Bill 31 with you. However, if you are only opposing for political gain, please reconsider. Do not try to make political hay with my family's future.

I will see, Mr. Chairman, that those are distributed. It leaves some question as to whether the hon. Member for Edmonton-Jasper Place does indeed have two sides to his mouth. [interjections]

AN HON. MEMBER: I would like a copy of that. Can the House have a copy of that?

MR. ISLEY: Yes, sir.

Now, I would like to move to one other correction and add a bit of new information. Got to find the right page first.

MR. FOX: Mr. Chairman, he's not talking about the Bill at all. Please ask him to hurry up so we can correct the record. [interjections]

MR. CHAIRMAN: Order. [interjections] Order please.

Hon. minister.

MR. ISLEY: Thank you, Mr. Chairman. You know, in my years of teaching school, I had a tendency when the class got yippy to just quit talking, and they had maturity enough to quiet down. I wish somehow we could get that type of characteristic in the House. Mind you, there were certain advantages to being a teacher in school and a principal. If they didn't settle down or get running off at the mouth like some members of this Assembly do, you could wash their mouths out with a little soap, or you could maybe gently give them a whack on the buttocks, but unfortunately the rules of this Assembly do not permit us doing the right thing.

MR. FOX: Mr. Chairman, point of order.

MR. CHAIRMAN: Point of order, hon. member?

SOME HON. MEMBERS: Citation. Let's have a citation.

MR. FOX: Standing Order 21. Mr. Chairman, this is, after all, debate under closure for Bill 31. We have an hour, and we're listening to this claptrap? [interjections] This is a Bill under

closure. We have 45 minutes left. Standing Order 21. [interjections]

MR. ELZINGA: On the same point that the hon. member gave. I can't recall his citation, but it's obvious the truth hurts when he hears it. I wish he would just sit quietly and listen to it.

MR. CHAIRMAN: The hon. Member for Edmonton-Jasper Place on the same point of order.

MR. McINNIS: On the same point of order. It's quite obvious that the minister of economic development is a stranger to the truth. *Beauchesne* 459 says that relevance must be found somewhere in debate. He's done nothing but read second reading speeches into the record. We're in committee, ladies and gentlemen of the jury. We're in committee on this Bill. He's done nothing but read second reading and read falsehoods into the record. We have to debate this Bill in committee. It's bad enough that the government has to move closure after just one hour in committee without that clown ragging the puck for half of it.

MR. CHAIRMAN: Hon. member . . .

MR. ELZINGA: Same point of order.

MR. CHAIRMAN: The hon. Minister of Economic Development and Trade.

MR. ELZINGA: Mr. Speaker, in response to the hon. member's point of order, "Relevance and Repetition," I must say that I do agree with him as it relates to the debate that has been going on. All one has to do is look through *Hansard* as to his contribution, and we will find out that it has no relevance to the discussion. All he does is continuously mislead the House and the public he deals with.

MR. CHAIRMAN: Order please. The Chair would remind all hon. members that we perhaps should settle down in the committee and allow the hon. minister to finish his remarks so we can move on to other comments.

The hon. Minister of Agriculture.

MR. ISLEY: Mr. Chairman, contrary to what I've just been accused of, I think I have provided documentation to this House that demonstrates clearly which provinces permit the sale of elk meat. Too many people were trying to get away in this debate with not sharing the full truth with the House.

There is one other section that I think is grossly in error that I wish to correct, and this is another member of the NDP caucus speaking, I presume, from the same great researcher. This is the hon. Member for Edmonton-Highlands, where she makes reference to a discussion she and I had about the Bill and about the control of meat in the legal system, and then she obviously went and did some talking to the hon. Member for Edmonton-Jasper Place and decided that what I'd shared with her certainly couldn't be true because it wasn't written in the Bill. I had indicated that the ultimate penalty for a restaurant selling uninspected meat – for that matter, uninspected elk meat – could be closure of the business and that anyone offering this type of meat on their menu is not going to be, you know, your lower class, hit-and-miss restaurants. It's going to be your more-quality restaurants, and they're certainly not going to take a risk

with their licence and their ability to serve their clientele by buying something at the back door, as has been suggested by the members opposite.

What the hon. Member for Edmonton-Jasper Place lacked to recognize in his research is that there are two other Acts that immediately come into force here, one being the Public Health Act, the other being the Meat Inspection Act. The other document I'm going to be circulating deals with the sale of uninspected meat in restaurants and states

If a restaurant is found to be selling uninspected meat of any species, the public health inspector would seize and remove the meat and consider laying charges under the Public Health Act. Because they consider uninspected meat to be a sanitation problem, an inspector may order the facility closed as well as proceeding to prosecute. The maximum penalty for the first offence is \$2,000 and \$5,000 for a second offence against the Public Health Act.

Then we go on.

The health inspector would also contact the Meat Hygiene Branch in the Department of Agriculture to help trace the source of the meat. If the source can be found, charges would be possible under the Meat Inspection Act for operating an illegal abattoir, transporting or selling uninspected meat. The maximum penalty is \$500 or six months' imprisonment or both and to a Fine of not more than \$2,000 or to imprisonment for one year, or both for a subsequent offence.

If the uninspected meat is found to be elk, Fish and Wildlife would be involved to determine the source. If the source can be found, charges for poaching would be considered under the Wildlife Act. The maximum fine for poaching big game is \$100,000 or six months' imprisonment or both.

If the source is found to be a licensed game farmer, additional charges could be considered under the Livestock Industry Diversification Act. The maximum fine for an offence against this section of the Act is \$10,000 or six months' imprisonment or both. He would not likely be issued a subsequent licence to operate a game animal production farm.

So I suggest in their research . . . We made amendments to certain other Bills, and they're referred to in this Bill. But the two Bills that I've just mentioned, not being referred to in the Bill, automatically come into play because we're now talking about illegal meat going through the system.

With that, Mr. Chairman, I will sit down and see if I can hear any correct information from across the floor.

MR. CHAIRMAN: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you very much, Mr. Chairman. In rising to speak on the Bill, I think in general, as I've already . . . [interjections]

MR. CHAIRMAN: The hon. Member for Westlock-Sturgeon had his amendment filed before the other amendments came in. His is the first that the Chair had notice of, on the 25th.

MR. TAYLOR: If you don't talk, it'll be all over in about 10 minutes. On the other hand, I know you're geared to talk, talk, talk.

However, in talking to the Bill in committee stage, Mr. Chairman, I think there are three areas that bother me considerably about the Bill. In fact, I think they're so important that they could almost negate the whole idea of voting for the Bill. As far as I'm concerned, there are three great loopholes, and I moved the amendment, which I asked somebody to distribute.

There are three areas in the Bill that have not been looked at. First – and I think it's been touched on some by the NDP on the right, and I think correctly so – there is little definition or any way of controlling what new forms of wildlife will come up for farming. This is an ongoing thing. If anybody knows how innovative and imaginative farmers are, there are going to be continual ideas that they come up with and new types of animals. Right now, under the game Act there are a number of animals allowed, everything from falcons for falconry . . . They are a good idea possibly, environmentally very sound because falcons help get rid of pigeons without using poison. And there are other animals that we're talking about that we haven't got to, bear and a few others.

But in every case I think that should be done in the open, and consequently this amendment asks that a board of six people be appointed by the Lieutenant Governor, which includes the Minister of Agriculture, the minister of Forestry, somebody from the Alberta Cattle Commission – I mention that because they are familiar with grazing land – and somebody from Unifarm, the Alberta Fish & Game Association, and the Alberta Wilderness Association. The six-person board would be empowered to add species and animals, as time went on and people requested, to those that could be commercially farmed. Maybe most important of all, they could ask for a response from the public.

Right now, as we've seen, I think a lot of the misconception on this elk meat Act is that we've gone ahead without some of the public hearings. Now, I'll admit that the minister thinks that public hearings might not change any minds. They may not, but one of the big arguments for public hearings is that I think it helps the whole education process. Certainly a board such as this, done in the open, will do more to establish the credibility of game farming and the different types of game in the years ahead than the present system, which is done in the dark. It just all of a sudden appears one day. As a matter of fact, I had one lawyer go through the Act, and he thought that the government could declare other animals in the game farms and the public would never know anything about it.

The second area I wanted to touch on for a minute. You'll notice I mention localities where game farming may be carried out. Right now there's nothing in the Act about the localities of where game farms exist, and to me that's very, very important. A game farm for elk down in my old area around Bow Island and the Cypress Hills: quite safe. Nothing to worry about. The odd animal lighter, maybe, or worked up ND Per might come out and let the elk out, but you'd be able to get them back in after a while. But you put an elk farm up near Wapiti, for instance, on the Wapiti River, and that would be a hell of a thing to do. That would be baiting. Can you imagine what would happen when the rutting season comes along and the poor fellow comes loping over the hill to answer the call of his lady love during hunting season? You can bet that some NDP or Liberal will be setting up there with a four-wheel drive and a high-power Weaver K four scope and pick him off while he's going out for his night date, consequently using the sex drive on a commercial farm in order to grab off wildlife, which is what would happen.

This applied in other areas too. I remember one time working in an area where they used to use female dogs to attract when wolf hunting. That maybe was considered okay at that place and time, but the point is that anytime a game farm is located in an area where there is hunting permitted of that species, whether it be a deer or an elk or whatever other animals down the road, it seems most inappropriate. Consequently, this amendment calls for the localities of where you hold game farms to be very important in establishing that game farm.

That could also possibly be expanded as to whether or not they're using marginal land. One of the areas that I'm a little concerned on the game farming – some of the people have complained that in some of the areas where we have game farms, now we're using number 1 land. Therefore, where a game farm locates is very, very important indeed.

Mr. Chairman, I've outlined, to me, two huge loopholes in the present Act. So bad, in fact, that I think it might even engender causing us to vote against the Act is the fact that, firstly, there's not an open method of arriving at that everyone could see what animals and what wildlife can be farmed. Secondly, there's no way of instituting public input into new wildlife being farmed. Third, the present system gives the impression that if you have an elk farm, it can be anywhere in Alberta; if it's a deer farm, it can be anywhere in Alberta. In other words, there is no discrimination as to whether the area is poor land, good land, in an area that easily could be hunted or not hunted.

Now, some people will say, "The rutting season isn't always the hunting season," but it is in some species. As a matter of fact, the calls that get sold to get the moose or the elk to come out of the woods are made to sound like a very sexy female of the species. I mean, it's done on purpose; consequently, rutting season and hunting season often overlap.

In conclusion, then, Mr. Chairman, I feel that moving this amendment would improve the Act no end. If we don't move the amendment, I feel it's highly possible that it leaves the Act in such bad shape that I think many of us would find it difficult to vote for it in final reading.

Thank you.

MR. McINNIS: Mr. Chairman, I would like to address some comments in committee study of Bill 31. I'd like to thank the Minister of Agriculture for establishing in this Assembly the precedent that you can revisit second reading debate in committee and read out all the quotes that you want and deal with them as long as you want. It's a useful precedent, and the Official Opposition is extremely grateful that he's established that precedent here in the Legislative Assembly. And speaking of precedents, it's the first time that I recall the Chair having recognized the Liberal Party ahead of the Official Opposition in debate in this Assembly. It does seem that perhaps these two parties are working together on this particular Bill, and that will be noted.

In any case, Mr. Chairman, I have an amendment to move as well for consideration of the committee which I would like to circulate at this time. It's an amendment to section 1, the first section of the Bill, and it's an amendment that specifies . . .

MR. CHAIRMAN: Order please, hon. member. [interjection] Order please. [interjection] Order please, hon. member.

One other reason why the Chair didn't recognize the hon. Member for Edmonton-Jasper Place first is that the Chair, realizing of course that the Parliamentary Counsel had looked at the hon. member's amendment, did not have the opportunity of looking at it until the Bill was called. The Chair has some questions about the admissibility of the hon. member's amendment. So at this time, if the hon. member would like to spend a few minutes addressing the amendments proposed by the hon. Member for Westlock-Sturgeon, that would be fine, but the Chair is not prepared to rule on the admissibility of the hon. member's amendment.

MR. McINNIS: Fair enough. Thank you, Mr. Chairman. Please proceed with the examination.

We're in a situation where the opposition has a grand total of 30 minutes to debate in committee one of the most important public policy flip-flops on the part of any government in the history of the province of Alberta, a situation in which the public has been promised on many occasions that this would never be done. I personally can't believe the minister responsible for the protection of wildlife in the province of Alberta will actually vote for closure on a Bill which reverses long-standing public policy commitments on the part of the government towards the people.

All we're saying is that if you believe in this, if you believe in the things that you've read into the record, Mr. Minister, then you should be prepared to put it to the people, and you should be prepared to allow the people's representatives in this Legislative Assembly an opportunity to debate. I can't believe that the Liberal Party is colluding in that process. But that's where we are today.

I don't know what the minister thinks turns on this cross-Canada survey that we're involved in, but I can assure him that there was a great deal of insinuating and misleading character to his recitation of the situation. It does appear when you strip away all the rhetoric that we agree that elk is not sold in the province of British Columbia. In fact, the letter that he – I'm not sure if he read it out or not, but it says, "Please be advised that it is policy in British Columbia not to sell this kind of meat," although the document that was tabled the other day by the Minister of Economic Development and Trade says yes it is the policy. Well, perhaps they know their own policy better than the minister of economic development. It goes on and on.

The point is simply this: the way the government wants to establish the industry in Alberta exists only in one place in the country, and that's in Saskatchewan. It looks like they're attempting to bring it in in New Brunswick, and the rest of it operates on an entirely different basis. What turns on that, I don't know, except that the government doesn't appear to have any good arguments of its own. All they have is this blizzard of faxes to throw around, throw up in the air, and hope that somebody gets confused as far as what the situation may be in this province or that province or the other province.

Now, I think the more serious underlying issue is: is the growth of this industry going to affect our wildlife resources in the province of Alberta? I believe at the eleventh minute of the eleventh hour even the Liberal Party has come to realize this is a serious concern. I think we have to take as our starting point the assurances that are being given by the government. The government says: "We've got a perfect system set up here to keep this thing under control. Nothing can go wrong." Go wrong. Go wrong. I mean, things do go wrong in the real world. How wrong they can go was evidenced by my colleague for Vegreville when he stood up in the Assembly the other day and revealed that there had been an escape of elk from a ranch near Kitscoty – the McAllister ranch, I believe. Surprisingly, the Minister of Forestry, Lands and Wildlife attempted to invoke some kind of dark conspiracy and said, "Hmm, vandalism." Well, so what if it was vandalism? Vandalism is potentially something that could happen out there in the real world. In the real world animals can escape.

Now, is it perhaps convenient for the government that this information should not come out while this Bill is before the House? Because I've been wondering – I lie awake at nights, sometimes here in the Legislative Assembly, wondering: why has the government brought in closure on this Bill 31 after four hours of debate, and why have they manipulated the clock so the opposition has a total of a half hour to deal with this Bill in committee? Well, the only answer that's been given by the

government so far comes from the lips of the Deputy Premier, who said in the Assembly:

The Official Opposition made it absolutely clear at the outset that they had no intention of doing anything but frustrating and delaying the passage of the legislation.

Thus he said after four hours of debate. Well, there's no proof for that assertion, none whatsoever. I submit it's because the government wanted this Bill through before people found out about the escaped elk at Kitscoty. Well, you know, having raised the spectre of vandalism, he then went on to say that these were vasectomized elk, and today he had to apologize and say they weren't. Well, the fact is that nobody can guarantee that animals will not escape from captivity into the wild, nobody – not the Minister of Agriculture, not Forestry, Lands and Wildlife. You're fooling people if you think that you can offer that assurance. You can't. The minister is arriving in the House at this moment. He knows that there's no foolproof system. You can't guarantee that animals from the wild won't get into those pens either. It doesn't matter what you write in your regulations.

The other thing you can't guarantee is that wild meat poached won't be sold somewhere in a retail system. They say, "Oh, we've got this inspection system." Well, we started a little research. The Minister of Agriculture likes to talk about research. In fact, any time they're wrong, they like to attack our research. I think they should consider some of the arguments rather than trying to attack the messenger from time to time. But some of research we did . . . We started asking restaurants: "When was the last time you saw a brand inspector in your restaurant looking to see if your meat was inspected? When was the last time that happened?" [interjections] These guys are an absolute riot.

It never happens. You don't get a provincial meat inspector in restaurants ever. So we started looking back to the meat inspectors to find out, and the reality is that they never do it. They never do it. Okay; their inspection takes place in the slaughterhouse and not at the retail level. Why don't they do it? They don't have time to do it. In fact, they're completely booked up inspecting the existing domesticated animal slaughterhouses at the present time. Nobody knows where the staffs going to come from to inspect this new operation. Where do they get meat inspectors from? Mostly they hire them away from Agriculture Canada because they're not trained here in the province by the province of Alberta or in the private sector or in the education system. I submit they don't have people to do it. And the reality is plain and simple that people who might poach and sell meat illegally aren't going to fill out your forms every month and send them in to Agriculture or Forestry, Lands and Wildlife. They don't operate that way, and the minister knows that. The Minister of Forestry, Lands and Wildlife knows it; he knows how hard it is to stop poaching. I know the money that he's spent. I know the speeches that he's given. I know the work that he's trying to do to get people involved in supporting the poaching system. In fact, you can't make those guarantees, because we've already seen elk escape from an elk ranch into the wild.

I'd like to deal with the issue of the letter from Mr. Carson. Since the minister felt that he should read that into the record, perhaps it's fair enough for me to read my response, or at least the response that I've written to the Minister of Economic Development and Trade. It says:

Dear Mr. Elzinga:

Attached please find a copy of a letter I received from Mr. John Carson of Sherwood Park. I understand, although the letter

does not say, that it has been circulated widely in the Legislative Assembly.

I draw your attention to the third paragraph in which Mr. Carson quotes me as saying, "If it's any consolation, I've decided to decline the invitation to the debate being held in Calgary." Mr. Carson seems to believe that this statement is an endorsement of his industry.

It occurs to me that since you have so far failed to provide evidence of any kind to back your allegation that I have somehow said different things about this industry to different people, that your source of information may indeed be Mr. Carson.

If so, I think that you will have to admit that the quotation cited does not in any sense amount to an endorsement of the industry. In particular, it does not amount to an endorsement of Bill 31 which your government is ramming through the House under closure.

If indeed Mr. Carson's statement is the source of your confusion, I trust that you will take appropriate steps to clear up the public record.

Well, let's have it clear. If that's your source of information, then I think you've got an obligation to stand up and say that your ridiculous allegation was based on nothing more than that statement, "If it's any consolation, I've decided to decline the invitation to the debate being held in Calgary." I also note in passing that the copy of Mr. Carson's letter that I received does not indicate it was circulated as widely as it apparently was.

So where are we at? Another 20 minutes left to go before this government rams this Bill through in closure. I think we have to face up to the fact that our wildlife resources are imperiled by this legislation, and we have to have some way to arrest that problem. I say we can go ahead with this kind of industry but not dealing with animals which are existent in the wild in the province of Alberta. Accordingly, the Official Opposition moves such an amendment.

MR. CHAIRMAN: The hon. Member for Drayton Valley.

MR. THURBER: Mr. Chairman . . .

MR. ELZINGA: On a point of order.

MR. FOX: Citation?

MR. ELZINGA: Beauchesne 333.

MR. CHAIRMAN: On a point of order?

MR. ELZINGA: Yes. Just to offer a response to the hon. member who asked if I would respond to . . .

MR. FOX: What's the citation?

MR. ELZINGA: Interruption of members. Citation 333 in *Beauchesne*.

MR. FOX: Which edition?

MR. ELZINGA: I'm using the sixth edition this evening rather than the fifth, as I was the other evening. [interjections] I will only do so if the hon. member wishes me to respond. I'm in the House's hands.

MR. CHAIRMAN: The hon. Member for Drayton Valley.

MR. THURBER: Mr. Chairman, I have listened once again to the arguments brought forward by the opposition to try and stop this diversification in the agriculture sector. They've brought

forward innuendo and stories of all kinds trying to discredit not only members of the government but the Premier and the people that are involved in this very important diversification of agriculture. They have stood up and told everybody and sundry who will listen to them – which is not all that many at times – they have said that the backbenchers such as I am or the members of this government are not representing their constituencies.

I can guarantee you that the members on this side do represent their constituents. I have a great number of elk farmers, game farmers, and agriculture people in general in my constituency who think that any diversification in agriculture is a very viable operation. I would be interested to know if the members who are so down on this operation have actually gone and looked at these game farms. There has been the odd one that has escaped. There is the odd one that will escape anytime. These people have a substantial investment in their operation; they run first-class, state of the art operations. The people that are involved in this are first-class farmers; they have been for a number of years. They have found a way. They are pioneers in this industry, the same as the people were a few years ago who went into the exotic cattle breeds. They were successful in diversifying their operation and in bringing new blood and new breeds into the country.

MR. LUND: And they did that without an EIA.

MR. THURBER: Yes, they did that. Yes, and without government funds being involved in there to make them work or to try and subsidize them in any way. These are farmers; they're agriculture people.

This whole operation of game farming is certainly environmentally sound. It's an operation that fits very well into the gray-wooded soils and into other areas in Alberta where there are a lot of trees and shrubbery. Without having to clean the brush off, they can offer shelter and food for these elk. The matter of them selling meat and poaching meat: I find it offensive that people would talk about AK-47s and this type of a poaching operation. If you go and look at these farms, the majority have fences around them from seven to 10 feet high.

MR. LUND: To keep the others out.

MR. THURBER: To keep the others out. If one of these animals did escape – and I suspect there has been the odd one that has escaped; maybe a tree fell over the fence or something – they would be offering a pure breed to the wild breeds. If they did crossbreed, it would be upgrading the wild breed rather than downgrading them. Mr. Chairman, there's nothing to stop the crossbred animals from crossing borders. There are crossbred animals in the States. They can cross; they can come in here free. The animals that go into these game farms are pure breeds. They are blood tested, they are marked, they're taken care of in an excellent manner, as most farmers do, but these guys are covered by so many more regulations.

When you look at your Act, as I've mentioned before, there are 20 pages that deal with regulations and rules these people have to follow. They don't have a problem with that; they're perfectly willing to go along with it. They tag these animals. They're treated the most humanely of any agriculture animals, and I think we have to be on their side in trying to preserve the breed and trying to keep the pure animal alive. There's been a lot of controversy over people poaching and selling elk meat that's not tested and not ribbon branded. There are inspectors out there. They don't just inspect at the slaughterhouses.

People go into restaurants and into Safeway and places like that, and they check for ribbon branding. It does happen. If the opposition thinks it doesn't happen, I would advise them to go out and buy some poached elk meat and try and sell it in a restaurant. That restaurant owner is not going to even touch that meat, because he knows that he is guilty of an offence and subject to a fine of from \$10,000 to \$50,000. You're not going to find a lot of restaurant owners that are willing to subject themselves to that kind of offence.

On the other hand, it is my belief – and I believe if you talk to the game farmers, you'll find it is their belief as well – that there's not going to be a lot of elk slaughtered in Alberta or sold in Alberta for a long time to come. The antler aspect of it, which is already legal, is worth so much money that they can't afford to slaughter these animals for meat at this point in time. There will not be an increase in poaching for the antlers in the velvet stage. Generally speaking, there's about a five-day period, Mr. Chairman, that these animals have their horns in that stage where they can take the antlers and achieve the top price for these horns in that condition. Generally, that is in the month of June: the start of June some years and along towards the end other years. If you go out into the wild and try and catch an elk at that particular time, you're going to have to go awful high in the mountains. That's when they're up the highest, because that's when the grass is green up there, and they come down later on in the fall. They're down early in the spring and get their feed when the snow is deep. But when the elk horns are in that particular prime condition for the antlers to be sold at that high price of \$85 to \$90 a pound, they're up in the high country, and it would be worth more than the guy's time to try and go up there and get one during that particular time.

AN HON. MEMBER: How do you preserve the horn after you cut it off?

MR. THURBER: Mr. Chairman, if you did happen to go up into the high country, these horns have to be frozen immediately and kept in that frozen state until such time as they're sold. Again, when these horns are being sold, there are government inspectors there to check the tags to make sure that everything is actually legal and taken care of to the fullest extent. We don't have a problem with that now.

The opposition in all their talks have not offered one good argument in opposition to this because they have not come up with any proof. There is no proof positive that it's going to increase poaching. It is the view of the industry and it is the view of those of us who are trying to represent our constituents in this House that poaching will not increase. There is no way it can. You have bad apples in every barrel. There is a certain amount of poaching that goes on at the present time. There are people selling elk meat at the present time. I'm sure there are, as there are people that are robbing banks and there are other things that are illegal going on in this country.

Allowing the legal sale of elk meat in Alberta will allow these ranchers and farmers to have an animal slaughtered in Alberta. If you have one with a broken leg or something happens to it, you'd be allowed to slaughter it here. There's not going to be a large sale of elk meat for some good time to come.

The other thing in respect to the sale of elk meat: I am sure there are markets in the world that would take all of the elk meat we can produce in Alberta. It's legal in most parts of Canada now to sell elk meat, and all we're trying to do is allow the industry to flourish, to come on stream, and allow these people to diversify.

Most of the people that have gone into the elk farming business right now are people that have been in the cattle or livestock business for a good number of years. They have gone to a diversification which allows other people to raise more cattle and graze the land in a different manner. They can graze about five elk and feed them for about the price of one cow, which makes it a very economical situation. The another thing that you must know about the elk farming business is that an elk's milk is better than two times as strong as a cow's milk. If you've never observed some of these elk farmers in the fall when these calves are being weaned, you have never seen anything so nice and so lush in your life as these young calves from drinking that high-powered milk. They're just about fully grown by the time they're weaned. I have many, many of these ranches in my constituency. I've been around them and looked at them, and these guys are operating a first-class facility all the way.

We have an auction facility set up in certain areas of the province. In fact, probably one of the best ones is located in my constituency, where they have a large freezer to take care of all the elk horns in their velvet stage. They carry out an auction sale at that site. They carry out sales of breeding stock at that site. It's a state-of-the-art operation. I would offer an invitation to any of the members of the opposition, as I have to members on the government side, to come out into my constituency and we'll take a little trip and talk to some of these people. They're ordinary people, they are pioneers in the field, and they intend to keep on producing this type of thing.

AN HON. MEMBER: And it's not in downtown Jasper Place.

MR. THURBER: No, it isn't in downtown Jasper Place; you're absolutely correct.

I guess the thing that bothers the people in this industry more than anything else is that they do have people that are fighting diversification on the basis of having no knowledge. It's people from downtown Edmonton and downtown Calgary that are saying, "No, we've got the Bambi syndrome." What about the guy that goes out with a government licence, with a registered outfitter and guide? He goes out in the mountains; he's allowed to go out there and shoot an elk in the belly, trail it for seven miles, bring it home, and this is called legal.

These guys want the opportunity to humanely slaughter their animals in Alberta and offer good meat which is inspected, not only federally but provincially, for sale to the public that generally wants to eat it. What about the people that like to have a feed of elk meat once in a while but are no longer capable of going out and doing their own hunting? I have neighbours that have reached the age where they don't want to pack up an animal, and they don't want to walk for 10 miles in the bush to try and shoot an elk. Now, they are happy with the new legislation coming in. They may be able to go to the cafe or go down to the club and order a nice elk steak. I don't know how many of you have eaten that, but it compares to nothing in this world. It's better than beef, it's better than pork, and it's better than chicken. You know that as well, opposition members.

I can't see why anybody would say that it's better to leave it as it is and let everybody go out in the mountains and shoot these elk, trail them for seven miles, take the meat home, drag it out through the bush, drag it through the swamps, throw it on a saddle horse or a four-wheel bike, haul it for three days and get it home, and you have poor elk meat. I've seen people do it. But if you have the opportunity to go to the store and buy some prime elk roast or elk steaks at any time of the year, I

don't see how you could lose. I don't see how you could be opposed to it.

These people, as I mentioned before, are pioneers in their field. They're diversifying. They're economically sound. It is environmentally sound because of the fact that they don't have to tear out the bush. We get accused as farmers and ranchers in a lot of cases of tearing out too many trees so that the wind blows, the water runs off, and everything else. The elk farmers don't have to do that. They can take a small paddock, leave the trees where they are, and it offers shelter. They're able to feed these animals in a very reasonable manner and carry on with their business.

When this legislation is passed, they will not only have the viable market of the Orient and the United States for the elk horns in the velvet stage; they will then have a market for the meat. As I've mentioned before, it's going to be some time to come before the meat actually has much of a value to the elk farmers. These people operate such a viable business and such a state-of-the-art business.

People say, "Well, they're cutting the horns off them." I don't know if any of you have ever been around a cattle ranch where they cut the horns off the cows. It's not done nearly as humanely as when an elk's are cut off. The elk are anesthetized, the horns are cut off in a humane manner, and they're given another shot which brings them back to their feet.

We have all kinds of do-gooders out there, and I say do-gooders because they are people that haven't looked into the industry. They haven't checked the thing through. They don't know what these people are doing. They come in here with a bunch of innuendo. They try and besmirch the people who are involved in government, the people that are involved in the industry. They have come into this House, Mr. Chairman, and told basic untruths about some of the people that are in the industry which has no bearing on the legislation whatsoever. They just try to make mileage and do all the things that they think will appeal to the people that are talking about Bambi.

I agree with a lot of things that they're saying. We don't want to hurt Bambi. We don't want to go out there and be inhumane, but this is the most humane method of farming elk or farming any kind of wildlife that you could ever come upon. These people have a substantial investment in it. In a lot of cases it can cost from \$45,000 to \$50,000 a quarter section to even put the fence up. Now, if you think for one minute that they're going to allow poachers in on that type of an investment or allow their animals to escape any more than they have to — they are not going to do it. Under the regulations that we are instituting under this legislation, these people will take a pure breed of the elk, and they will preserve that. Because of the crossbreeding that's going on in the wild in the United States and the lack of any kind of interference with them coming across the border, this may in the long run be the salvation of the pure elk breed.

These animals are inside a fence where the wolves can't get at them and the coyotes can't get at them. I don't know if you've ever seen a movie or watched a wolf kill. The wolves will pack up and follow a bunch of game, a bunch of elk in the wild when the snow's deep and they haven't got enough food. They'll go out there and tear them apart literally. They hamstring them first so they're dragging their back legs. Then they start chewing on them; then they start eating them. If you've ever seen a kill by wolves, you will accept the fact that these people will preserve the breed. There is no doubt in my mind that they're going to do more for the breed by having them on farms and being

allowed to sell that meat, which is butchered in a humane method; it is controlled totally.

The regulations: as I mentioned before, there are 20 pages in this Act that talk about the countless controls that dictate how the industry will operate, with further allowances for the minister to deal with the organization of game growers to come up with the regulations and the rules that need to apply to it. [interjections]

AN HON. MEMBER: Tell us about the regulations, one by one.

MR. THURBER: I could start and I could go through the regulations, Mr. Chairman, one by one, but there are 20 pages of them.

Alberta consumers are now used to being able to buy buffalo meat. Buffalo meat has been a domesticated animal; you have to agree with that. It's been in the Act for a long time. There are people in the north country that are raising buffalo to a substantial degree. They have no problem selling them. They have a market for every bit of it. They're raised in a humane manner. There's no disease in these buffalo that are raised under a controlled environment. Go into Wood Buffalo park where they're left to run in the wild. They're loaded with disease. We don't need those things near our cattle herds. These elk farmers, I don't mind them. They can stay next to my cow herd any time they want, because they're looking after them. They're keeping the disease down. [interjections]

MR. CHAIRMAN: Order please. A little less levity. It's a serious matter that we happen to be discussing tonight.

MR. THURBER: I'm sorry, Mr. Chairman.

MR. CHAIRMAN: I'm just asking the committee to come to order so that the hon. member can make his serious comments with regard to Bill 31 without being drowned out by background noise.

MR. THURBER: Mr. Chairman, I'd like to deal just for a moment — I've touched on the rules and the regulations that Health of Canada and Health of Alberta deal with when they're talking about the meat being sold. Every carcass of an elk as it's being butchered will be ribbon branded. I don't know if any of you know what ribbon branding is. You should go to a packing house. It's a roller that goes down; there's a brand on it all the way down. If you cut a steak a quarter of an inch thick out of it, it's got part of that brand on it. If a restaurant owner or Safeway or anybody else has a steak on their counter and it does not have a piece of that brand on it, they are guilty of an offence and are subject under the Act of fines up to \$10,000 and up to \$50,000. Do you think that people are going to take a chance on handling poached meat when there's that kind of a penalty awaiting them? I'm sure they won't.

AN HON. MEMBER: Keep going.

AN HON. MEMBER: Tell them about the tags. Tell them some more regulations.

MR. THURBER: Tell them some more? Okay, we'll tell you some more.

Do you want to hear about the ear tags? They're double ear tags. They're metal tags. They're clinched in there; you can't

get them out. They are registered with the department of forestry and wildlife. We have a joint operation here under two departments: fish and wildlife takes care of the wildlife aspect of it; Agriculture takes care of the inspection, the disease control, the fencing, the whole bit.

Do I adjourn now? Mr. Chairman, do I move passage of this thing now? [interjection] Until tomorrow? I move third . . . Committee of the Whole? What do I do?

AN HON. MEMBER: Yeah, move third reading.

MR. CHAIRMAN: Has the hon. member concluded his remarks?

MR. THURBER: Yes, I have, Mr. Chairman.

MR. CHAIRMAN: Pursuant to Standing Order 21, the Chair is required to put all questions remaining outstanding before the Committee with regard to Bill 31 at this time. The Chair would therefore call for the question on the amendment proposed by the hon. Member for Westlock-Sturgeon. All those in favour of the amendment proposed by the hon. Member for Westlock-Sturgeon will please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: In the opinion of the Chair the amendment is defeated.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Barrett	Hewes	Pashak
Bruseker	Laing, M.	Roberts
Doyle	Martin	Taylor
Ewasiuk	McInnis	Woloshyn
Fox	Mitchell	

Against the motion:

Adair	Drobot	Lund
Ady	Elzinga	McCoy
Betkowski	Fischer	Moore
Black	Fjordbotten	Musgrove
Bogle	Gesell	Nelson
Brassard	Gogo	Orman
Calahasen	Hyland	Paszowski
Cardinal	Isley	Severtson
Cherry	Johnston	Thurber
Clegg	Jonson	Trynchy
Day	Klein	West
Dinning	Laing, B.	Zarusky

Totals: Ayes – 14 Noes – 36

[Motion on amendment lost]

MR. CHAIRMAN: As to title and preamble, are you agreed?

SOME HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed?

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Carried.

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

[Eight minutes having elapsed, the House divided]

For the motion:

Ady	Elzinga	Lund
Black	Fischer	Moore
Bogle	Fjordbotten	Musgrove
Brassard	Gesell	Nelson
Calahasen	Gogo	Orman
Cardinal	Horsman	Paszowski
Cherry	Hyland	Severtson
Clegg	Isley	Thurber
Day	Johnston	Trynchy
Dinning	Jonson	West
Drobot	Klein	Zarusky

Against the motion:

Bruseker	Laing, M.	Pashak
Doyle	Martin	Roberts
Ewasiuk	McInnis	Taylor
Fox	Mitchell	Woloshyn
Hewes	Mjolsness	

Totals: Ayes – 33 Noes – 14

[Title and preamble agreed to]

[The sections of Bill 31 agreed to]

MR. ISLEY: Mr. Chairman, I move that Bill 31, the Livestock Industry Diversification Act, be reported.

[Motion carried]

MR. CHAIRMAN: Will the committee permit the Introduction of Guests?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Carried.
The hon. Member for Edmonton-Jasper Place.

head: **Introduction of Special Guests**

MR. McINNIS: Thank you, Mr. Chairman.

We have some special guests here late at night witnessing what we're doing to the wildlife and the earth of the province and the Liberal gymnastics and all of it. I'd like to . . . [interjections]

MR. CHAIRMAN: Order.

MR. McINNIS: . . . introduce Lorraine Vetsch of Friends of the North. Would she please rise and receive the traditional welcome of the Assembly.

head: **Government Bills and Orders**
Committee of the Whole
(continued)

Bill 27
Advanced Education Statutes
Amendment Act, 1990

MR. CHAIRMAN: There is a government amendment. The hon. Minister of Advanced Education.

MR. GOGO: Mr. Chairman, with reference to Bill 27, Advanced Education Statutes Amendment Act, 1990, I'd like to make a few comments and then move an amendment to the Bill at committee stage.

Mr. Chairman, as members may well recall from the second reading stage, the purpose of the amendment is to address several issues dealing with the Banff Centre Act, the Colleges Act, the Technical Institutes Act, the Universities Act, and the Private Vocational Schools Act. As I recall, at second reading there were various comments made by hon. members with regard to various sections of the Act. I'd like to touch on two or three of them and then introduce and move the amendment, which has been circulated.

Mr. Chairman, I think what is particularly important with regard to the Bill before us is that by and large the amendments proposed in this Act have to do in many ways with matters that the institutions have requested to make the running of the institutions easier in terms of the self-governing boards. A particular amount of Bill 27 deals with the private vocational schools, of which we have over 100 in the province. There's provision, Mr. Chairman, for dealing with labour relations, which are applicable to the colleges in particular. Then we deal with the whole question, dealt with in sections 17 for the Banff Centre, 33 for the colleges, 25 for the technical institutes, and section 67 for the universities.

[Mr. Jonson in the Chair]

There is a government amendment, Mr. Chairman, which has been circulated, and I wish to address now the whole question of the amendment. In that context the proposed government amendment deals primarily with the sections I've just quoted: 17, Banff Centre; 33, the Colleges Act; 25, the technical institutes; and 67, the universities. Hon. members, the proposed amendment that I wish to speak to, first of all, deals with definitions that are found in the sections I've just quoted. There has been much talk, Mr. Chairman, that there's not been any amount of consultation done. On the contrary, there have been comments made by hon. members in this House in terms like "power grabs by the minister." I would hope at the conclusion of dealing with the amendments that hon. members will understand what the intent is of Bill 27. It may be a lot of things, but one thing it's not, Mr. Chairman, is any such thing as a power grab that's been referred to by various members.

On the contrary, it's a matter of public accountability. It's accountability, on the one hand, by the Minister of Advanced Education to see that funds appropriated by all members of this House through the estimates are adhered to and, at the same time, to strengthen the self-governing institutions in terms of the decisions that boards may make.

I mentioned a moment ago, Mr. Chairman, that various people have said there hasn't been any degree of consultation. I would simply like to remind hon. members — many of whom

have been here since 1986 — that I think there's been a great deal of consultation. When one looks in terms of the time frame and deals in 1987 — now we're in 1990, and those consultations started in 1987. I would say at the outset that, chronologically, three years is a pretty fair degree of consultation.

Back in 1987 my predecessor as minister dealt through a plenary session with the board chairmen and the presidents of the institutions and gave them an agenda package dealing with the whole system known of late as guidelines for system development. The objective, Mr. Chairman, was to look at the postsecondary system in total and not at an individual university, college, or technical institute, but to look at the 29 institutions with whatever the budget was at that time. Today, it's now, as hon. members know, a billion dollars. To say that the whole purpose of the postsecondary system not only was accountable to the taxpayer, who pays 90 percent of the bill, but to facilitate the institutions to allow them to do what was best for the people they served, namely the students . . .

So; Mr. Chairman, I believe through '87, '88, and then into '89, with my appointment as minister, I endorsed what my predecessor had been doing in terms of trying to develop a rationale for the future, in terms of providing for what we term orderly growth of the system. It's fine for individual institutions who say, "Hey, leave us alone." Well, one has to understand how the system works. Unlike other jurisdictions I think Alberta operates in a very unique way, and I believe it's appropriate to understand just how that system works, why the proposal of Bill 27 is here, and why the amendment is now on the table.

I think, Mr. Chairman, in that context I want to, first of all, address the amendment that's before members and what they mean. I would urge hon. members, to select an example, to turn to section 67 of Bill 27. I want to, first of all, address the whole question of the definitions. We make reference in 67 to several items:

67(1) The Minister may
not "will"

(a) require each university to submit to him any reports and other information that he requires.

For people who think that is power grabbing, I would draw hon. members' attention to the fact that it's been there since 1966: hardly anything new.

Sixty-seven 1(b) talks about:

The Minister may

(b) ensure the orderly growth and development of the postsecondary educational system by . . .

and it points out in sub (i) and sub (ii).

Turning to the amendment before us, I think it's important in understanding through the definitions as to what the Crown is proposing. First of all, the word "delete," because that's made reference to in section 67(2) in the Bill before the House at the moment.

"Delete" means to remove a program of study for a definite or indefinite period or permanently.

So if an institution wishes to delete something, that would be the application of the word "delete."

"Program of study" is not any program in a postsecondary system.

A "program of study" means a group of credit courses that, on completion, leads to . . . [a degree] a diploma or certificate.

The word "reduce" in the very narrow sense

means to decrease significantly the number of students in a program of study or the length of a program of study;

"transfer" means to move a program of study from . . . in this case the Banff Centre, or a college or university to another educational institution.

Then, Mr. Chairman, the amendment before us refers to section (2):

The Minister may
 require the board to submit . . . any reports
 et cetera, et cetera, which is presently in the system, and
 ensure the orderly growth of the . . . system
 That's not changed, but where 67(2) reads now in Bill 27, the
 amendment before us, which is known as 67(3):

Without derogating from the general powers of the board
 under [the section applicable] to manage and control the [pa-
 rticular institution], a proposal of the board . . .
 I think they're the operative words. Without this proposal by a
 board, nothing happens by the minister.

. . . to reduce, delete or transfer a program of study must be
 submitted to the Minister in the form prescribed by the Minister,
 and the Minister may approve or refuse to approve the proposal.

I think, Mr. Chairman, why it's important to understand that
 is that under our present system, we block fund the postsecond-
 ary institution. We see an example today. Where in 1981, '82,
 '83 in terms of apprenticeship training we went to a peak of
 some 23,000 students, when the boom was over, the number of
 apprentices dropped to 12,000 or 13,000. Did the department,
 did the government take the money back? Certainly not.
 Because we block fund, the institutions were allowed to retain
 that money and to do programs within their community in the
 postsecondary system which they felt should be enhanced. Now
 we're seeing today, Mr. Chairman, apprenticeship on the rise, so
 we're seeing dramatic increases in apprenticeship programs. The
 institutions had the freedom to do those things. There was no
 hindrance by the department, and I wouldn't see any hindrance
 today coming from the department under the proposal.

What we're saying today – and if we take one particular
 category, that would be the training of teachers. In Alberta
 there are only three institutions at the moment – I don't know
 what tomorrow holds – that are allowed to do professional
 training in teacher education: U of L, U of C, and U of A.
 There are indications where we have a shortage of teachers. I'd
 simply point out: what would happen tomorrow if one of these
 three institutions chose to reduce enrollment in teacher educa-
 tion? Well, first of all, legally – and we might as well talk about
 legally because we're passing laws – this minister would have no
 authority. If hon. members think that's right, so be it. This
 minister doesn't. Because I think to understand the system, one
 must recognize that if one of our institutions wants to initiate a
 new program of study, they go through a series of hoops and
 have gone through those hoops for 24 years. They must propose
 to the government; in this case, the minister. If they want a new
 program, they must point out why. The who, what, when, where,
 why of a system: who will it serve; how many will it serve; what
 area will it serve; will it duplicate something already being
 served; what will it cost? That's contained, Mr. Chairman, in
 the system guidelines that institutions have had now for several
 years. Hon. members have this document.

Now, no institution has quarrelled in the past with that. All
 this amendment is suggesting is that if an institution wants to
 turn that around and reduce – which they wouldn't do, with
 respect, hon. members, if it were per-student funding. But block
 funding: they could reduce a program and retain the money. So
 if an institution wants to reduce that program, to graduate fewer
 teachers, or to transfer or delete a program, all we're asking in
 this document is for the institution to go through the same
 process in reverse that granted them authority for the program.
 Now, if that's a power grab by the minister, I fail to understand
 that. If the minister was going to take money back, a different

story. There's no proposal there that says take money back.
 The amendment doesn't talk about that at all, Mr. Chairman.

Hon. members have said to me, both in second reading and
 privately, that it's a power grab, that there was no consultation.
 Well, I would submit, Mr. Chairman, that if it's been out there
 three years – and I have correspondence here both to and from the
 institutions that says: look, we don't agree with you
 encroaching on our institutions. As a matter of fact, the hon.
 Leader of the Opposition put out a press release based on a
 letter from the president of the U of A, unbeknownst to the
 president of the U of A, dated June 6. Because institutional
 chairmen and presidents said to me, "We want to talk about
 this," we had a meeting in 410 in this building on June 7. The
 wording, Mr. Chairman, in the amendment before us today is
 wording proposed by the board chairmen of the universities.
 Now, if that's not consultation, I don't know what is.

I'm not saying, hon. members, that the institutions like what's
 proposed. I'm not saying that. I am saying that consultation
 was carried out; they had an opportunity to respond. I can
 probably quote some of them. The chairman of the university's
 co-ordinating council says: we don't like it, but it certainly
 allays our fears as to what we thought was going to happen.
 They don't think it's a power grab. With respect, they think
 there's been a reasonable amount of consultation. So I'm not
 here today, Mr. Chairman and hon. members, to in any way say
 that the proposed legislation in its present form is what the
 institutions wanted. Some of it is. The University of Alberta
 wants a nonacademic member on the board. That's granted in
 the Act that's before the House. Lakeland College wants a
 better system of negotiating its faculty agreements. It's in the
 Act. Banff Centre wants some changes. It's in the Act. Well,
 this minister, Mr. Chairman, on behalf of the taxpayers wants
 some changes, and that's in the Act. I think it's fair; I think it's
 equitable. I think in the long term we're going to see and
 continue to see, if Bill 27 as amended is passed, a postsecondary
 system not only more responsive to Albertans but one that's
 more accountable to the people who pay the bills. We don't
 often refer to them, but they're the taxpayers, and they're the
 people whom I am supposed to represent and this government
 is supposed to represent.

So I would say, Mr. Chairman, that I believe there's been a
 reasonable amount of consultation. As members know, when
 you don't get your own way, then you've haven't been consulted
 enough. I understand that. But I think the time has arrived
 when this province has got to look to the next century in terms
 of its postsecondary system, and we've got to view it in context
 of the total province and not individual institutions. If hon.
 members will support this, Mr. Chairman, I'm confident that the
 days ahead for the students of this province, which is the reason
 I'm in the business, are brighter.

Thank you very much. [some applause]

MR. DEPUTY CHAIRMAN: With due regard for the furni-
 ture, hon. members.

The Member for Edmonton-Highlands.

MS BARRETT: Yeah, the Member for Wainwright hasn't acted
 that excited in a long time, Mr. Chairman.

In short answer to the minister's request for support for this
 amendment, I would say yes, but that does not constitute, in my
 view, acceptance of the notion that underlies this Bill. The
 minister has made, in explaining the amendments that he's
 sponsoring, that he has to have some control, that these guys
 might not like it in the first instance. He's implied, you know,

short-term pain for long-term gain. Let me correct the record, Mr. Chairman. The fact of the matter is that they've had long-term pain for a long time, and that is why the institutions do not really support either this amendment or this Bill, and particularly the four clauses and the four types of institutions – well, really five – but four sections of the Bill that are affected by this amendment or the areas that it seeks to amend in the Bill.

The fact remains that this government believes that if it can underfund the institutions year after year to the point where they cannot keep pace with the rate of inflation year after year, it will make the political decisions as to what programs can be cut and what can be expanded, if any in the latter category. I do not believe that any government should make that decision. Let me point out to you that they may think it's convenient and easy when it comes to some types of institutions, but those institutions are all networked. You cannot claim in the postsecondary system that universities are completely unrelated to colleges, that colleges are completely unrelated to technical institutions, and you certainly can't make the claim when it comes to private colleges. It is such a minor improvement.

I engaged in a fair amount of debate with a number of colleagues and friends before deciding how to place my vote on these amendments. I will not be voting in favour of this Bill. I will be sponsoring amendments that I believe remedy the problems I identified in second reading of the Bill, and I will do that after these amendments are dealt with.

Mr. Chairman, the minister talks a good line, but the minister knows that this government is on the line over this Bill. If he thinks that the institutions are happy with this, let him ask a year from now. They might be scared to say anything right now. I mean, I don't know what sort of routine these guys use and what they call consultation, but a year from now I'll tell you they'll all be out of the woodwork. This is a minor improvement, but let's not kid ourselves. It's almost only a semantical improvement, almost only that. For that reason I will support the amendment, but I can assure you that the amendments I'll be sponsoring in a short while are vastly superior and address the serious problems with the Bill itself.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. I just want to make a few comments about the amendments as proposed by the minister. The amendments that we see before us today are really window dressing. I think that they are simply semantics. I can't see that they really make a significant improvement to the Bill. The consultation process to which the minister referred in his opening remarks talked about a consultation that will last three years, and clearly conversations have occurred between the minister and various representatives of the institutions over which he is responsible. However, simply meeting and chatting with those individuals does not constitute what I understand to be sufficient consultation. I don't agree that there was consultation, in particular, with respect to section 67 that has been referred to by the minister and to which I have referred earlier. The universities do not feel that adequate consultation prior to the implementation of this particular section of the Act and which is dealt with in the amendments that we have before us today is really significant.

The amendments we have before us referring to the different sections first of all talk about a series of definitions. That may in fact add some clarity to the Bill and may – and I emphasize

the word "may" – help the institutions in setting up their regulations with respect to really what is being involved here, but those definitions really do not clarify the legislation. They don't help the different bodies in their operations with respect to program changes and so on. Really, all they do is provide some semantics. The key issue, the heart of the issue, I believe still to be the new section 67(3), even though it has added a phrase that says, "Without derogating from the general powers of a board under 17(1) to manage and control a university," and then the rest is essentially the same as initially proposed in the Bill.

Well, Mr. Chairman, the fact that it's added that phrase that it will not derogate from the board's power I believe is still semantics. The minister is fully cognizant of the fact that what his biggest power really is is the control of the money. He says that it's not referred to in the particular Bill, but institutions in this province, both at the secondary and the postsecondary level, are funded on the basis of attendees, the enrollments involved in those institutions. So even though he says that there's no particular reference to funding in the Bills, and he's correct on that from a technical point of view, clearly there would be implications. If the universities and colleges and technical schools that we have start capping or reducing their enrollments, then clearly the minister would also be reducing the dollars allocated. Now, that is the ultimate club, that is the ultimate weapon, if you will – and I'm not sure that that's the right word, but I'll use it anyways – that the minister has in controlling what happens with programs: if something is wrong in the view of this minister or the view of this government, then clearly the funding is the ultimate decision-making tool that can be imposed upon these different colleges.

So, in conclusion, I would simply say that we do not support the amendments. We don't feel that they go far enough. The concerns that have been expressed to members of our caucus by different members from the universities is that they're not satisfied that the amendments as we have them now really satisfy their concerns, and for that reason the Liberal caucus will not be supporting the amendments proposed today.

MR. DEPUTY CHAIRMAN: Ready for the question on the amendments proposed by the Minister of Advanced Education?

[Motion on amendments carried]

MR. DEPUTY CHAIRMAN: On the Bill as amended?

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: Member for Edmonton-Highlands.

MS BARRETT: Thank you. Mr. Chairman, I'm sorry I didn't come back in earlier. I meant to distribute these quite a while ago. Do I have some volunteers to help distribute? It's a pretty straightforward amendment that I want to propose. Thanks, Barry.

I think I told the minister a while ago about them. Would someone bring one to the minister first, please?

MR. HORSMAN: Half an hour, eh?

MS BARRETT: I'd like to mention that I think I spoke only for three or four minutes so far, if that, Government House Leader.

Mr. Chairman, the amendments I'm proposing would strike out the offending parts of this legislation. I'd like to explain one more time for the record what I have already done in second reading of this Bill, which is where we contemplate the principle. The difference in the powers that the minister seeks in each instance of the Banff Centre, the colleges and private colleges, technical institutes, and the universities relates to the expanded powers of the minister to control expansion or deletion or transfer of programs.

I see that several backbenchers are ripping up the amendments. They have such a great respect . . .

MR. DEPUTY CHAIRMAN: Order, Red Deer-North.

MS BARRETT: . . . for the democratic process. I can't think of the last time that I saw members of the Official Opposition rip up amendments that were placed before us in the forum to which we were democratically elected. In fact, I don't think I have seen it happen, but I see it happen consistently from the Conservative ranks, and I just wonder about what they really care about. I think what they really care about is power and more power.

That's the essence of the complaint that I have about this Bill, Mr. Chairman, and that is why I'm sponsoring the amendments that would remedy . . . [interjections] I also have what? [interjections] Oh, I see. I see.

MR. DEPUTY CHAIRMAN: Order in the committee, please. [interjections]

MS BARRETT: That's the subject of another fight which will come as soon as I get off the floor on this one.

The Bill need not have addressed this issue in the first instance, Mr. Chairman. The reason is this: the minister already had the power to "regulate or prohibit . . . the extension, expansion or establishment of "any service, facility or program of study" et cetera, et cetera. But there was a caveat for that intervention, and the caveat was as follows: "so as to reduce or avoid an undesirable or unnecessary duplication of a similar service, facility or program of study." That meant that the minister had to justify to that criteria any measures that he took under the provisions of the old Act.

Those criteria are removed with the minister's Bill. I seek to remove what the minister is seeking to superimpose on his old Act, and I think the only way to do it is simply to wipe out every section referred to in this Bill when it comes to the expanded control of the minister. If for all these years it wasn't needed, one has to say, "Why now?" The minister made an explanation, and you know what he was really saying? He was saying, "Don't you try to embarrass me politically after our funding to the institutions is reduced compared to the rate of inflation." That is what this Bill is about, Mr. Chairman, or the four greatest offending sections of the Bill.

Finally, Mr. Chairman, the politics of all of this are unwarranted. If any government believes that it has the ability to dictate what will or will not be taught in an academic environment without any legislative controls whatsoever, without any criteria to which they must answer, they are sadly and sorely mistaken. As I said earlier when I was talking to the government's amendment on this Bill, the minister may not believe that now, but wait until a year from now. He will believe it then.

Thank you, Mr. Chairman.

[Motion on amendments lost]

[Title and preamble agreed to]

[The sections of Bill 27 as amended agreed to]

MR. GOGO: Mr. Chairman, I move that Bill 27, Advanced Education Statutes Amendment Act, 1990, as amended be reported.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. JONSON: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills. The committee reports the following: Bills Pr. 1, Pr. 2, Pr. 4, Pr. 6, Pr. 7, Pr. 9, Pr. 11 and Bills 30 and 31; Bill 27 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: Having heard the report, do the members concur?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

head: Government Bills and Orders Third Reading

Bill 27 Advanced Education Statutes Amendment Act, 1990

MR. GOGO: Mr. Speaker, I move third reading of Bill 27, the Advanced Education Statutes Amendment Act, 1990.

Mr. Speaker, as we learned a few moments ago, not all hon. members agree with everything that's in this Act, but I gather by the number who did speak – and we have a good turnout of members in the House tonight – that various comments were made but there did not seem to be any general, strong disagreement with the proposals of this Act, particularly with reference to amendments that had been made to Bill 27 to accommodate the institutions.

Reference has been made to universities. I would simply draw hon. members' attention, Mr. Speaker, to the fact that there are some 29 institutions, each of them serving a unique and special purpose within its own mandate. I think I would simply ask hon. members, in supporting third reading of this Bill as now amended, to bear in mind that just like everything else it has to be given a chance to work, a chance to function. I would certainly think that a year from now, contrary to a comment made earlier by one of the members of the House, our post-secondary system will be better for it.

For that reason, I urge hon. members to support third reading of Bill 27.

MS BARRETT: Mr. Speaker, I like to be on the record at every stage of a Bill that has caused as much controversy as this Bill has. I will repeat for this reading of the Bill that I regret that the amendments I sponsored, which would have removed the offending sections – that is, the sections of this Bill which give expanded powers to the minister without legislative controls, without conditions to which he must answer for exercising those controls – is in my view a sad event. It's one that should have been contemplated I believe, instead of being dealt with by several government backbenchers, at the time the amendments that I had proposed were distributed, by shredding: a disgraceful exhibition but typical of a government that believes it can control what it wants to control. It's like in *Alice in Wonderland*: a word means what I believe it means. It thinks it can control the direction of postsecondary education without causing a long-term problem.

I beg to differ. I think that academic institutions must be self-governing. I think the historical role of autonomy was established hundreds and hundreds of years ago in countries that were politically developed before Canada had a name. Countries that hammered out the bases for the democracy that we now declare to be so important in our country learned this lesson a long time ago, hundreds and hundreds of years ago. All you have to do is go to some of the ancient universities in Britain to see what I'm talking about. The autonomy was considered critical. There were parliamentary debates about it, if anybody knows their history, and they have maintained their autonomy. Alberta goes down the tubes; it invites Third World status when it comes to the future of our academic institutions, the quality of the research and the teaching, when we say that a government has the power to decide what programs expand, what programs are cut, and what programs exist. The government hasn't got that authority, Mr. Speaker.

There are a few sections of this Bill that are fine, some that are housekeeping, and one section that is good. But the four offending sections, which I dealt with in committee, are so overriding, Mr. Speaker, I regret I have to vote no for this. I wish the minister had listened a little more carefully to the objections he heard from around the province.

Thank you.

MR. SPEAKER: Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. I, too, just want to make a few more comments regarding Bill 27 before the House today. The Liberal caucus had at one point considered a number of amendments, and we chose not to table them, as we noted through committee. The reason is that the government did propose some amendments. We did not support those at second reading. We do not support this Bill as it is now amended, for a number of reasons.

Mr. Speaker, one of our concerns is that, again, the sections in here that seem to give the minister a tremendous amount of control are really an insult, I believe, to the institutions and to those boards. Many times we've heard the minister speak about self-governing boards. Clearly, that is the goal and the direction that this minister wants these institutions to have, yet in all of those institutions we see the same type of phrase that says that if there's a desire to delete or transfer a program of study, et cetera, et cetera, the minister may approve or refuse to approve such a proposal. That is across all sections of this particular Bill, dealing with all different types of advanced education institutions.

Now, Mr. Speaker, on one hand to say that the boards are to be self-governing yet on the other hand to say that you can be self-governing as long as you do it my way seems to me to be a serious contradiction in terms and really does not allow those boards to have the self-governing that is necessary. The minister has said that he will be judicious in the application of that, and knowing the minister, I believe that will be the case as long as he is the minister. I guess I am a little concerned about who may eventually replace this particular minister. I believe that, unfortunately, there is a possibility for abuse of authority by the minister with the regulations that are here. I certainly hope that never comes to pass, but unfortunately what we have to deal with today is the legislation as it is written today and as it has now been amended.

Because of those concerns, the potential for abuse, I'm afraid that the Liberal caucus will have to vote against this Bill at third reading as well.

[Motion carried; Bill 27 read a third time]

Bill 30

Alberta Corporate Income Tax Amendment Act, 1990

MR. JOHNSTON: Mr. Speaker, I move third reading of Bill 30, Alberta Corporate Income Tax Amendment Act, 1990.

[Motion carried; Bill 30 read a third time]

Bill 31

Livestock Industry Diversification Act

MR. ISLEY: Mr. Speaker, in moving third reading of Bill 31, the Livestock Industry Diversification Act, I would like to reaffirm with the Assembly that we drafted this Act carefully to overcome the concerns of some Albertans with respect to the possibilities of poaching, disease transfer, genetic purity of our wildlife. I believe that once we have drafted the regulations, everyone will be convinced that this new venture and diversification in the agricultural industry can go hand in hand with the valued wildlife in this province.

In view of the hour, Mr. Speaker, I move that the debate be adjourned.

MR. SPEAKER: Having heard the motion, those in favour, please say aye?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The adjournment carries.

MR. GOGO: Mr. Speaker, the intent tomorrow is to deal with various government Bills on the Order Paper.

MR. ORMAN: Today.

MR. GOGO: Today, Mr. Speaker. I appreciate that, hon. Minister of Energy.

[At 1:09 a.m. on Friday the House adjourned to 10 a.m.]