

Legislative Assembly of Alberta

Title: **Friday, April 12, 1991**

10:00 a.m.

Date: 91/04/12

[Mr. Speaker in the Chair]

head:

Prayers

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

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

head:

Introduction of Special Guests

MR. SPARROW: Mr. Speaker, it's a pleasure to introduce to you and through you to the Members of the Legislative Assembly a group of grade 6 students from the Willow Park school in Leduc. There are 57 of them. They're accompanied by their teachers Norma Messner and Rod Howard. They're in the members' gallery. I wish they would rise and receive a warm welcome from the Assembly.

MR. SPEAKER: Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Speaker. It is my pleasure today to introduce to you and through you to the members of this Assembly 41 students from J. Percy Page high school, which is situated in the beautiful constituency of Edmonton-Avonmore. They are seated in the public gallery, and they are accompanied by teachers Julie Kendal and Marilyn Kieran. I would ask that they now stand and receive the warm welcome of this Assembly.

MR. GIBEAULT: Mr. Speaker, I'm pleased to introduce to you and members of the Assembly this morning two representatives of the Kurdish community in Edmonton, Mr. Ekrem Kolay and Mr. Sadik Khammo, whom I met with this morning to discuss the conditions facing refugees in Iraq. They're accompanied today by local community activist Rick Warren. I'd ask the three of them to stand in the gallery and receive our very warm welcome.

head:

Oral Question Period

Magnesium Plant

MR. MARTIN: Mr. Speaker, I'd like to continue with the failure of the Magnesium Canada smelter, the Premier's 1986 campaign promise and his symbol of things to come. Well, it certainly was a symbol of things to come: bungling, incompetence, and corporate welfare. I think the Treasurer's and the minister of economic development's attempt to hoodwink Albertans into thinking they won't lose a lot of money must set a new standard in deception. The Treasurer said that the most valuable asset in the company is its technology. Funnily enough, the vice-president of the majority partner who just pulled out of this project maintains that one of the main reasons for pulling out was that the technology simply hasn't worked out and won't work out. To the Provincial Treasurer: will the Treasurer tell us who Albertans should believe on this? The company who ran the project or the Provincial Treasurer?

MR. JOHNSTON: Mr. Speaker, with respect to the magnesium plant, we have been in contact over the last couple of days with

the people in ANG and with a series of consultants who have been put in place by the government to both look at the technology and ensure that the wind-down of the plant is secure so that the assets, the taxpayers' investment, are secure. In their comments, two important observations were given to us. Number one, the technology is an effective technology. It's new to the world, and it provides an opportunity for this technology to generate a low-cost competitor in world markets. Secondly, the plant itself has operated up to 50 percent of capacity. In fact, some of the coking systems have actually operated above capacity.

The point is that the economy was such that Alberta Natural Gas could not justify further expenditures. The economy, when the plant was built, was based on a Canadian dollar worth about 80 cents – it's now worth 86 cents – and an assumption that the price of magnesium would go to \$1.80 a pound; it's now trading at about \$1.20. All of that drove an economic decision to shut down the plant. But we have said, as this government has maintained, that the plant will be reopened at some point as the economy shifts. The technology is applicable, and in fact the technology will allow this company or its successor company to enter the market with effectiveness because it will become a low-cost producer.

The other problem ANG gave to us with respect to their decision, Mr. Speaker, was that one of the partners, the other partner in the plant, was not able to continue its cash commitment, in fact did not make any cash commitment to the run-up period of the plant, and therefore ANG was carrying the full amount of the obligation. In a 50-50 partnership that was not fair.

MR. MARTIN: I wonder why we're handing out money, then, if it wasn't fair to begin with, Mr. Speaker. Why wasn't it checked out? The Treasurer says it was effective. If it was effective, you wouldn't have the private sector running off. I do agree with him on this: it's new to the world, all right. Nobody else would use it. It's obviously new.

Let's look at this technology that was to produce 13,000 tonnes of magnesium per year in phase 1, 40,000 tonnes in phase 2, and 67,000 tonnes in phase 3. That was the bill of goods we were sold. Yet the Provincial Treasurer himself has admitted that the most production ever got booted up to was 3,000 or 4,000 tonnes per year. My question is to the Treasurer again: can he explain why he is distorting the truth about the value of the technology when he knows full well that it simply hasn't produced and, accordingly, is almost worthless?

MR. JOHNSTON: That just is not true, Mr. Speaker. You've heard that already. The member should remind himself that he does have a responsibility as opposed to a political agenda. We're communicating to the people of Alberta about this project; that is, the asset is a viable asset. The project will return to viability when the economic situation changes so this plant can be competitive.

Secondly, Mr. Speaker, the assets of the entity, about \$200 million, are more than two times the government's exposure at this point. Thirdly, the government, led by the Premier and the minister of economic development, will find ways to put this back into the private sector, to sell it back in. Already, as the minister pointed out yesterday, there have been requests for information, with interest expressed by major players. This is a very valuable company. Magnesium more and more is going to be an important part of car manufacturing technology, and you will see the demand for magnesium grow, the price grow. Along

with other industries, this industry has suffered from the high Canadian dollar in U.S. terms where the trade takes place. Now, those are the facts.

The people of Alberta will be assured to know that their interests are protected by a first claim against the asset, and the impact on the budget this year will not be anything near what the Leader of the Opposition is talking about. The impact will be about \$12 million, the cost of maintaining the outstanding liability.

MR. MARTIN: Mr. Speaker, I don't doubt that there have been requests for information from corporations around the world, because they know that this government will hand out barrels full of money to them: free money; come to Alberta and get it.

Mr. Speaker, I want to move to the minister of economic development for my last question. Just-a-billion Dick move over; we just got Just-a-hundred-million-dollar Pete. My question to the minister is this. The simple fact is that Albertans now own a magnesium smelter that is at one-fifth production, only partially built, \$103 million in debt, and which the developers of the project themselves have decided will never be profitable. If the minister is so confident in the value of this asset, will he commit to Albertans right here and now in the Legislative Assembly of Alberta that they will not suffer any loss on this fiasco?

MR. ELZINGA: Mr. Speaker, I'm more than happy to reinforce for the hon. member, as the Provincial Treasurer has done today, as I did yesterday, that there are assets of a book value of some \$200 million, whereby the government has an exposure of \$100 million. Therefore, we have assets twice the amount of what our exposure is. I'll leave it to the hon. member to do the mathematics for himself. [interjection]

MR. SPEAKER: Second main question, Leader of the Opposition. Let's move it. [interjection] Second main question, without the preamble.

MR. MARTIN: Yes, Mr. Speaker. I'm trying to do that, if I can get to it without you interfering.

10:10 General Composites Canada Ltd.

MR. MARTIN: Mr. Speaker, my second question is to the same minister. I want to go into another area. As I said yesterday, this government has been totally incompetent and untrustworthy with taxpayers' money. This is a government that's put us \$11 billion in debt. At the same time, there's no money for education and health care, no money for the poor, cutbacks for the seniors, the whole range of it: all of this because of their corporate welfare program. Now, I'm almost embarrassed to bring up another government bungle which pales in comparison with \$103 million because it's only \$3 million of taxpayers' money. I'm talking now about General Composites Canada Ltd., which was involved in the manufacture of composite pipe for use in the oil, gas, and mining sector. It appears that this Conservative government has lost at least \$3 million in that. I want to ask the minister this: will the minister confirm that the government has in fact lost at least \$3 million of taxpayers' money on General Composites Canada Ltd.?

MR. ELZINGA: Mr. Speaker, I hope I'm allowed the same latitude the Leader of the Opposition was in putting his question.

Let me first deal with the issues of education, health, and environment, since he raised them. Had he not raised them, I wouldn't feel the necessity to respond, but since he did raise them, let me indicate to him, as we have consistently suggested in this Legislature, that all one has to do is examine our budgetary estimates to see the increase in dollar amounts to those three key areas of Education, Health, and Environment. As it relates to Environment, I can only refer back to my own budgetary estimates, whereby we had a substantial reduction of some 14.8 percent but there is an increase as it relates to our waste minimization policy, again underscoring our commitment to those sectors of our economy plus those areas of social well-being, both education and health.

Let me come to him, too, as it relates to General Composites. I should indicate to him that this government has consistently – I indicated to him yesterday the fine publication, put out by my colleague the Minister of Technology, Research and Telecommunications, of some 1,200 companies within the province of Alberta that we have worked actively with so we can create meaningful jobs for our young people. Yes, there are failures, but that's not to say that we're going to be timid, as the hon. member opposite is suggesting. We've got an obligation to make sure this economy is diversified. There are going to be failures. The only time there are not failures is when there is inaction. If the hon. member is suggesting inaction, we don't accept his suggestion.

MR. MARTIN: Mr. Speaker, I guess we lost at least \$3 million. Now he's got me curious. It's probably a lot more.

Mr. Speaker, the fact is that the minister was aware as early as the spring of 1989 that General Composites was in deep financial trouble, because we have the briefings from the department. Despite this, the company received a \$3 million loan guarantee from the minister's department. Some shrewd business type. To the Minister of Economic Development and Trade, the question is this: why did the minister and his department step in with a \$3 million guarantee of Treasury Branch loans when he knew at that point that the company was not financially viable?

MR. ELZINGA: Mr. Speaker, for background information and for the edification of the leader of the New Democratic Party, let me share with him that we recently went through a reorganization within our own department whereby we could give an increased observance of those companies we're presently involved in. We recognize that we did inject ourselves heavily into the economy over the last number of years. I'm happy to reinforce the commitment I've given to this House consistently that because of the improved economic well-being of this province we are pulling back. But because we did inject ourselves, we increased staff within our own department to observe what is taking place with our various investments. As a follow-up to that, the reason is that we recognize that there are going to be some difficulties, and if those difficulties are brought to my attention, we have to make an assessment as to whether we further involve ourselves, if there does prove to be a ray of hope in making sure that the company can be brought up to proper financial status, or decide not to further involve ourselves.

We have decided on many, many cases not to further involve ourselves. I can go through a long list of companies where we have not indicated any further support would be forthcoming. It's a judgmental decision. I'm more than happy to share with the hon. member the background as it relates to that judgmental decision if he so desires it.

MR. SPEAKER: Final.

MR. MARTIN: He talks about reorganizing his department. I'm talking about his responsibility, because the department had alerted him to it. I have the ministerial briefing book, Mr. Speaker. It's not his department; it's the minister that made the final decision. I want to ask him again. From the ministerial briefing book, the minister knew the company was in deep trouble in June 1989. Knowing that, why then would he hand out \$3 million of taxpayers' money? Don't blame the department.

MR. SPEAKER: It sounds curiously like a second question.

MR. ELZINGA: Mr. Speaker, if the hon. member interpreted me as blaming the department, he obviously is not listening. I indicated to him that it was a judgmental decision on my behalf as to whether we were going to further involve ourselves in the company or not. For the edification of the hon. member as it relates to the additional \$3 million, those are secured by fixed assets . . .

MR. MARTIN: You've lost them.

MR. SPEAKER: Order.

MR. ELZINGA: . . . and I'm happy, as I indicated, to leave the hon. member with the commitment that I'm more than happy to share with him the background as it relates to this company and why we did make that decision. We believe it was the right decision.

MR. SPEAKER: Edmonton-Glengarry, on behalf of the Liberal Party.

Magnesium Plant (continued)

MR. DECORE: Thank you, Mr. Speaker. The establishment of this magnesium enterprise in southern Alberta appears now to have been ill-conceived. It would appear that the market was not ready for the establishment of this business and the market won't be ready for some time to see profitability. The hon. Treasurer talks about \$1.60 per pound being the profitability mark for magnesium. It's expected to go to the \$1.20 mark. This is costing Albertans \$1 million per month. My question to the Treasurer is this. The Treasurer must have a plan in place that talks about the time limits that will be extended or taken up on this matter and the maximum amount of money Albertans will have to pay. How many million dollars per month, and what's the time limit? What's the plan, Mr. Treasurer, that Albertans will see in this matter, and how much money will you put in before you stop and say, "No more"?

MR. JOHNSTON: Mr. Speaker, what this government has done in the last day or so is in fact make a fairly tough decision; that

is, a decision to put the plant into neutral, to wind down the plant and store it until the market or the economy changes.

On the member's comment that the economy is wrong for this plant at this time, we have concurrence. He must have been listening to what we said, because in fact that's what we've been saying all along, that the economy drives these kinds of economic decisions. The investment decision was taken by very sophisticated people. This was not done casually. This is a commitment of a lot of dollars. In the case of Alberta Natural Gas, they did a lot of work to ensure that their investment would be protected. They looked at a pilot project, for example. They studied the chemistry and the mechanics of this process. What we have said already is that this plant is viable with the current technology and in fact has an opportunity to be a world leader when the economics change.

In terms of the impact on the budget, Mr. Speaker, I've already detailed that. At the present time our view is that the total cost in the budget is about \$12 million, because of course the asset value of the project is two times the exposure the province has at this point. We do not have to make any payments to the bank to redeem their liability. The terms of the guarantee are that the bank will maintain its position, and we have the option to pay the interest on that debt over a period of three to four years, until we find a buyer for the asset.

MR. DECORE: Mr. Speaker, the question has been deflected. I asked: what's the maximum amount of money Albertans will have to pay?

I'll try the next question to the minister responsible for economic development. Mr. Speaker, there were three phases intended in the development of this magnesium enterprise. We never got past the first phase. The first phase was 50 percent higher in capital costs than was anticipated, yet the provincial government put in about half of the loan guarantees they committed. My question is this: what was the monitoring that was being done by the minister and his department? Why did he allow taxpayers' moneys to be poured into this project when the costs were a problem and the plant was a problem? Why did you keep feeding money in there, Mr. Minister?

MR. ELZINGA: First, Mr. Speaker, let me correct the hon. member. There's not one penny of taxpayers' money in there. For him to suggest there is is a total misrepresentation of the facts. We offered a loan guarantee, and the loan guarantee was offered on a phased-in basis. The first advance was to be made for the first phase, as the hon. member suggests, and he is correct as it relates to there being three phases. The first phase was the commitment that was given as it relates to the present loan guarantee that is in place. They asked us to be forward-looking as it related to our indication of backstopping, and we indicated to them that the loan guarantee would be available – I believe it was some \$265 million – and would be phased in over those three periods. The moneys that were guaranteed were for the first phase and the first phase only. The other moneys are not going to be advanced because they did not go on to completion of the other two phases.

10:20

MR. DECORE: I take it that there was no monitoring system in place, Mr. Minister.

My last question is to the Provincial Treasurer. One of the comments the Auditor General makes in his most recent report, Mr. Treasurer, is dealing with loan guarantees and asking that the provincial government record losses as they occur, as the

facts are known, rather than delaying them to some later date, because as he says, it tends to mislead. This is what he says in his report. My question to the Treasurer is this. Will the Treasurer agree to call the Auditor General to look in on this matter, look in on the loan guarantees, give recommendations, and to follow those recommendations and particularly record losses now as they have accrued?

MR. JOHNSTON: Well, Mr. Speaker, we have no disagreement with what the Auditor has said. In fact, we do record the losses in the public accounts as they take place. Unlike the opposition, who have misrepresented the facts, we would like to take this opportunity to say that we do follow a consistent basis, that when the loss takes place we recognize it in the public accounts. The public accounts which I filed on April 5, for example, point out that of the total loan guarantees and indemnities provided by the government, some \$2.7 billion, the loan losses were \$33 million. That's actually right there in the public accounts. Now, the Leader of the Opposition, from Edmonton-Norwood, totally misrepresented it. He said that 46 percent of the loan losses were carried by the government. My calculations show and the public accounts confirm that it's about 1 percent losses in these loan guarantees. Those are the facts. It's in the public accounts, and anyone can look at it and confirm it. We should stop this sort of nonsense with respect to misleading the people of Alberta.

Let me make it clear that we deal with the Auditor General; we put everything up front. In this case, with respect to MagCan, the losses are only going to be \$12 million this year. We have more assets by a 2 to 1 ratio in terms of our loan guarantee, and the province is very well protected in this case. Let's deal with the facts, not with the myth. Both of these mythmakers over here like to misrepresent what's happened.

MR. SPEAKER: Highwood.

MR. TANNAS: Thank you, Mr. Speaker. My question this morning is to the Minister of Economic Development and Trade. The difficulties at the Magnesium Company of Canada's plant may sell newspapers, may give broadcasters a new topic to discuss, may indeed provide the opposition with political fodder, but they bring disappointment to local municipal councils and bring personal anguish and difficulties for the families, people who have lost their jobs. My question to the minister is: what assurance can he give the Magnesium Company of Canada's employees that they will not be cut off the payroll without adequate notice or appropriate compensation?

MR. ELZINGA: Mr. Speaker, as I indicated yesterday, let me reinforce it in the Legislative Assembly – expressing appreciation to the hon. Member for Highwood in exercising such compassion as it relates to this issue – reinforce with him again that this was a business decision that was made by MagCan; it was not a decision that was taken on behalf of the provincial government. It was a business decision that was made by MagCan. Notwithstanding that fact, because of our deep concern for the employees and whatnot, the Provincial Treasurer and I, upon being made aware that the possible closure existed, immediately sent a letter to the senior management at MagCan indicating to them four conditions we would expect them to live up to. One dealt with an orderly wind-down of the company itself. In verbal communications with the company we have been left with assurances that they are going to exercise greater latitude in dealing with the employees of the company, recognizing that a

number of them are going to go through hardships. We are delighted that they are going to exercise that greater latitude.

I'm appreciative of the hon. member's question in that we can make sure the message is out there that the company is not going to close its doors immediately; they are going to go through a process of an orderly wind-down.

MR. SPEAKER: Supplementary, Highwood.

MR. TANNAS: Thank you, Mr. Speaker. My supplemental question today is to the Minister of Career Development and Employment. Can the minister assure the employees of the Magnesium Company of Canada that his department will develop plans or has plans in place to assist the unemployed workers and share with this House a time commitment for such plans, as to when they will be communicated to these people?

MR. WEISS: Well, Mr. Speaker, in response to the hon. Member for Highwood's question, it's partially similar to and builds on the question to the minister of economic development. I would confirm that there are approximately 135 employees affected and the majority of layoffs will take place within three weeks or over a three-week period. As we do in all cases or instances similar to MagCan, immediately upon notification our department contacted the employers, and we made our department services known to the employer. For those who may wish to pursue job opportunities, we will certainly be working very closely with employees directly and will be working with them at all times. Our department provides such services as labour market information and career counseling, and we'll set up workshops in-house as well to provide services in the way of résumé writing, job skills, and interview skills as well. I might add that the federal government has what's called an industrial adjustment services program, and we'll be working with the federal government to implement that program as well. I would ask the hon. Member for Highwood to reconvey that message back to the employer, because that has to be requested from and initiated by the employer himself.

MR. SPEAKER: Thank you.
Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. My questions are also to the Minister of Economic Development and Trade and follow the same lines as the Member for Highwood's. The failure of the magnesium plant means, of course, a loss of some 145 direct jobs. In addition to that, of course, there will be spinoff jobs. It's going to be devastating to the workers and to the community. Now, the government has encouraged the support of this plant with taxpayers' dollars, and the plant is going to go on hold and will never be completed. The question I ask the minister, and perhaps he can be more specific, is: what type of system is he going to provide to the workers at the magnesium plant that has shut down for such things as severance pay, the possibility of loss of vacation pay, the possibility of wages not being paid as a result of a shutdown? I want to know what you specifically are going to do to help those employees.

MR. ELZINGA: Mr. Speaker, I'm sure the minister responsible for career development will wish to supplement it, but I can only add for the hon. member: we just answered that question two seconds ago and indicated to him the procedure we are going through with the company. The hon. minister also replied to the previous questioner.

MR. WEISS: The hon. member is certainly looking for some other information as well, and I'm not sure I can provide it all for him. I want to assure him, though, that we're working very closely with the employers and they have to follow the guidelines that are laid out by the provincial and federal governments. So any qualification as it relates to severance pay and everything has to be dealt with emphatically.

I would indicate, though, that some of the employees are not just located in the Member for Highwood's constituency. They're located in urban communities such as Calgary. Job prospects are perhaps much greater for those persons because of the low unemployment rate we have in Alberta at this time and the economic diversification. The job opportunities are there. To those specifically in the Member for Highwood's constituency, once again I reinforce that our departments are going to work very closely with them and the federal government's program, as we have and do in all cases that are similar to this and occur from time to time. That's why we have a government department as a safety net there to provide those services.

MR. SPEAKER: Supplementary, Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. The fact of the matter is that there really is no protection for workers in this province as a result of plant closures.

My next question is to the Minister of Labour. In the event of plant closures, really the attitude of this government is, "We're sorry; you're on your own." My question to the minister: considering the fact that Ontario has just introduced legislation that's called an employee wage protection plan to ensure that workers not get cast out in the cold as a result of plant closures, will the minister tell this Assembly when this government will introduce similar legislation for protection of Alberta workers who are the victims of plant closures?

10:30

MR. WICKMAN: And remember, Elaine, you're not on *CJCA Nightline*.

MR. SPEAKER: Order please, Edmonton-Whitemud.

MS McCOY: Mr. Speaker, the hon. member has referred to an Ontario plan, the details of which we're looking forward to reviewing. At the moment there are no plans to bring in a plan of the nature that he is suggesting, since the early estimates indicate that it would cost \$175 million over six months.

Nevertheless, we do have some protections for employees, and they are included in the Employment Standards Code. Those I believe have been followed in this instance.

MR. SPEAKER: Westlock-Sturgeon.

Kurdish Refugees

MR. TAYLOR: Thank you, Mr. Speaker. There isn't an Albertan, I don't think, that hasn't been touched by the pitiful plight of the Kurds, who had every reason to believe that if we were willing to fight for freedom in Kuwait, we'd be willing to help them obtain their freedom too. They're now paying for our rather fickle attention with the loss of their homes and sometimes their lives. With unavailability of the Premier and Deputy Premier, I'd like to address my first question to the minister of culture. Since we heard the Deputy Premier assure the House on Wednesday that the Alberta government indeed is going to

help in this very humanitarian effort, could the minister of culture tell us exactly what the Alberta government is going to do?

MR. MAIN: Mr. Speaker, this matter of course is one of grave concern for everyone who is concerned about the welfare of people anywhere on the globe. The Minister of Economic Development and Trade in an answer just a few days ago described in great extent the commitment of the government of Alberta to help out in this situation, and I would refer the hon. member to *Hansard*.

MR. WICKMAN: Be specific now.

MR. SPEAKER: Supplementary, Westlock-Sturgeon, unless you've just moved to Edmonton-Whitemud.

MR. TAYLOR: Mr. Speaker, in the absence of a specific answer, I'd like to ask the minister of culture to pass on to the Premier, who will be meeting with the other Premiers of Canada very shortly, a suggestion that we take, say, a million dollars from our \$33 million surplus and ask the other provinces to match it on a per capita basis, which would come to about \$10 million, and send it over there to help the Kurds.

MR. MAIN: Well, Mr. Speaker, once again the member is directing a question to one department of government when in actual fact the answer has been provided in a previous session by the minister responsible for another. I do find it encouraging to note that the member does finally agree, for the first time from anybody in his caucus, that we are presenting a balanced budget with a \$33 million surplus.

MR. ELZINGA: Just a brief supplementary, Mr. Speaker, to leave the hon. member with the assurance, as I did when the motion was introduced into this Legislative Assembly by the hon. Member for Edmonton-Centre, I believe it was – it did receive unanimous consent in this Legislative Assembly – of our willingness to work hand in hand with nongovernmental organizations to see how best we can help when these people are going through a period of serious adversity. I should just point out to him that there is a procedure one has to go through to access these funds.

Technology Industry Support

MRS. MIROSH: Mr. Speaker, it's easy to dwell on the negative, as the opposition always continues to do. Last evening the Minister of Public Works, Supply and Services, the Minister of Technology, Research and Telecommunications, and myself met with a group from APEGGA, professional engineers, geologists, and geophysicists, who were really up and felt very positive that this province is willing to work with the private sector and take risks in development and business, especially relating to technology and research, and the ability for these scientists to be able to put their experience and their work into effect. Could the Minister of Technology, Research and Telecommunications give this House some indication as to the positive work his department has been doing in relationship to the scientists and the work in developing their technology?

MR. STEWART: Well, Mr. Speaker, it is a very good point and indeed . . . [interjections]

MR. SPEAKER: Order on both sides of the House. Thanks.

MR. STEWART: Mr. Speaker, as the hon. member quite well points out, the opposition loves failure. Quite frankly, it suits them. [interjections]

MR. SPEAKER: Order. [interjections] Order.

MR. TAYLOR: Can I heckle? He's inviting it.

Speaker's Ruling Warning a Member

MR. SPEAKER: Thank you, hon. member. No, you cannot heckle. You learned the other day, I trust. You only get one warning. [interjections] Question period can be shut down at any time, remember. Thank you.

Technology Industry Support (continued)

MR. STEWART: Mr. Speaker, as the hon. member indicated, I did have the good pleasure of attending that very successful first annual summit awards of APEGGA last night. Indeed they were rewarding excellence, and they were talking about the positive things that are happening in Alberta. They were talking about the importance of research and development in this province if we're going to compete globally. Our department works along with the universities. It works along with our applied research institutes, particularly the Alberta Research Council, works with the private sector in order to make sure that the types of things the hon. Treasurer and the hon. Minister of Economic Development and Trade were talking about happen, the good stories of Alberta that are out there: 50,000 people in a new sector of our economy working in 1,200 companies and bringing success to Alberta, drawing people to Alberta, and making sure that diversification happens.

MRS. MIROSH: Mr. Speaker, obviously when you take risks in business, there are always some difficulties that firms experience with high-tech start-ups. Could the minister indicate the rumblings and insecurities with regards to General Systems Research and Teknica Resource Ltd. and give this House an indication as to the stability of these firms?

MR. STEWART: Well, Mr. Speaker, the hon. member makes a good point, because in this House we have heard from time to time references to General Systems Research and Teknica Resource and so on. They always hold them out as failures, but if they go to those companies today, they'll find people working there. They'll find over a hundred people still working at General Systems Research. They're progressing in the development of that research, and it was only because we were able to find new capital investment for that company, building upon the research and development that was there. On the basis of that research in which we invested, those jobs are still there in Alberta, in Edmonton, notwithstanding the fact that the hon. Member for Edmonton-Kingsway wanted the whole thing shut down.

Teknica Resource: another success story. Six times as many people now working at Teknica Resource as did before, because we found new capital investment to build upon the research that was there, Mr. Speaker. It is a very good success story for the people of Alberta.

MR. SPEAKER: West Yellowhead.

Camping Fees in Provincial Parks

MR. DOYLE: Thank you, Mr. Speaker. My question is to the Minister of Recreation and Parks. In the Recreation and Parks annual report tabled yesterday in the Legislature, it was indicated that the purpose of his department is
to enhance the individual and social well-being of Albertans . . .
for the protection and appreciation of the natural and cultural resources of the province.

I'd like to ask the minister: does he not agree that seniors in Alberta also have the right to appreciate and enjoy Alberta and not be penalized by having to pay almost a 300 percent increase to enter a provincial park campsite?

DR. WEST: Mr. Speaker, I would certainly agree with the introduction by the hon. member, the purpose of the Department of Recreation and Parks, and I think we do a tremendously good job in that direction.

This government has from the time of inception, some 20 years ago – I think the anniversary was 20 years just recently – believed in a user-pay philosophy. The seniors in this province with programs totaling some \$1.4 billion are certainly given consideration in all areas. I talked to an individual yesterday in regards to the fee increases. He had concerns related to the maximum that perhaps you talk about on a site that is fully serviced with water, with electricity, on a cement pad, and with showers. They did go up from \$5.50 a day to around \$15 for seniors. There are 80 sites like that in the province. I asked him: "Out of 10,000 sites in the province, we took 80 because they're very specialized and raised them this much. Are you willing to pay that increase?" There was silence at the end of the phone and an uneasiness about the fact that we had raised them, but when I pointed out that our priorities were in the areas of ensuring that we had a good health care system and that the seniors would not have to wait for their bypasses or for the surgeries they need, the fact that we had some of the best seniors' programs in the country – and I know because I have a mother in Ontario who really would like to come to Alberta and pay for these park fees so she could enjoy the other fees in this province.

10:40

MR. SPEAKER: Thank you. [interjection] Thank you, hon. minister.

Supplementary, West Yellowhead.

MR. DOYLE: Mr. Speaker, I'm pleased that the minister consulted with his multimillion dollar corporate friends rather than with the seniors of Alberta.

Mr. Speaker, while the seniors are found to pay almost 300 percent more for services, some groups have had no increases. Why is the minister singling out seniors for implementing harsh new deterrent fees?

DR. WEST: The same groups referred to are equal across the board for seniors. For 900 sites in the province the seniors' rates actually went down 25 cents, from \$3.50 last year to \$3.25. So seniors have been treated fairly in those groups; they have actually gone down. We took a thousand camp sites in this province and lowered them from \$7 to \$5 this year, because we thought that it was fair and the service is provided in other areas. So seniors on those sites actually dropped 25 cents from last year.

MR. SPEAKER: Edmonton-Strathcona.

Alberta General Insurance Company

MR. CHIVERS: Mr. Speaker, my questions are for the hon. Attorney General. The Auditor General in the last two reports that he has prepared notes that the Alberta General Insurance Company must now pay substantial federal corporation taxes on a half-million dollar cash asset that it maintains. Why has the government refused to seek the recommended changes to the Act that would permit the company to transfer the funds to general revenue and avoid a federal corporation tax that will eventually deplete this fund?

MR. ROSTAD: Mr. Speaker, the Alberta General Insurance Company has been maintained over the years in the likelihood that we may need an insurance company and would not then have to go through the process of structuring it. The hon. member is correct that there is approximately \$500,000 in the fund, which can't be paid out other than through the policy, which relates to property, with the Alberta government being the only policyholder. The fund is subject to federal income tax, but any revenue that has been produced by this has been offset by losses that we wanted to use in past years. Those losses have now been used up, and I'd like to inform the hon. member that in excess of \$400,000 has been transferred out of the corporation and will not now be subject to further tax.

MR. CHIVERS: Mr. Speaker, I always understood that the policy of this government was to keep its hands out of the free enterprise system. I'm interested to learn that this government is considering carrying on an insurance business. In any event, why does a government that maintains and prides itself on its fiscal management insist on maintaining an insurance company with its only asset being a cash deposit which earns about 3.4 percent interest?

MR. ROSTAD: Mr. Speaker, I think the answer to that question is in the first answer I gave. There were a number of losses that could be utilized to offset any revenue that was taken. Until that happened, nothing could be done. We have now utilized those losses, and the money was then transferred to general revenue.

MR. SPEAKER: Edmonton-Meadowlark.

Reforestation

MR. MITCHELL: Thank you, Mr. Speaker. A 1988 report by the government's own director of reforestation stated that 38 percent of the cut blocks in this province, or 250,000 acres, are not meeting the required reforestation standards five to 10 years after initial reforestation efforts. While the total rehabilitation cost was pegged at \$200 million, this minister of forestry has cut his reforestation budget this year by 60 percent. To the minister of forestry: how can this minister justify cutting his reforestation budget from \$7 million to \$2.9 million when reforestation efforts on 250,000 acres of logged land in this province have fundamentally failed?

MR. FJORDBOTTEN: Mr. Speaker, with respect to the reforestation budget, I'll be happy to discuss that in depth with the hon. member in my estimates, but I will say that our reforestation standards are recognized across this country and

everywhere as among if not the best. In Alberta for every tree we cut, we plant three trees.

There certainly have been difficulties with reforestation in some areas in the past. We've had areas that were cut 10, 15, 20 years ago that didn't regenerate the way they properly should have. We have gone back to some of those areas and retreated and will continue to do so. Some of those areas that didn't meet the standards will not be retreated. They won't be retreated because over the course of those years the other trees grew up in those areas and until those trees are utilized in our forest industry, we won't be regenerating those. So, Mr. Speaker, there isn't anything that is not being done properly in Alberta with respect to reforestation.

MR. MITCHELL: Mr. Speaker, the minister as much as admitted that he's got this huge disaster from the past to which he is not adequately applying resources to solve. How can this minister continue to defend his northern pulp mill development policy, which is premised upon the fact that he says he can regenerate forests to fulfill meeting the ones that have been cut down, when in fact he proves to us in his budget that he isn't providing sufficient funds to encourage the regrowth of forests that were cut down in the past in this province?

MR. FJORDBOTTEN: Absolute, sheer nonsense. The sustained yield policy that's been followed by this government and the Department of Forestry, Lands and Wildlife over the years is working, is effective. The security of the wood supply for northern Alberta for those mills is absolutely secure. To make silly statements like that doesn't make any sense.

In addition to that, we put in Free to Grow standards effective March 1, 1991, that make us the leader in reforestation standards. So, Mr. Speaker, any allusion by the hon. member - I would ask him to do his homework.

Senior Citizens Programs

MRS. B. LAING: Mr. Speaker, I've received calls from seniors in the Calgary-Bow constituency who are concerned with changes in the health programs. There still seems to be a great deal of confusion at present. Could the Associate Minister of Family and Social Services please clarify this issue for our seniors?

MR. BRASSARD: Thank you, Mr. Speaker. Perhaps I should start at the beginning with this whole issue. We've got about 219,000 seniors in this province, Mr. Senior. [laughter] I can see that I'm not endearing myself to the Chair.

It's expected that within 50 years our senior population is going to double that of our school-age population in this province. I'd also like to point out that over 90 percent of our seniors are living in their own homes at present. We've made some changes in our programs designed to assist them to do just that. Right now home care service provides service for 19,000 Albertans to remain in their own homes, and that is really why the Minister of Health puts \$16 million, a 30 percent increase, into the home care enhancement program.

There has been a change in the cost of eyeglasses and dental care, because in the past these have been set by fee and have been paid for by fee. But there's been quite a variance in charges for dental and by opticians, and now the program will reflect an 80 percent charge of those fees to reflect the variance in the fee structure.

It's true that the nursing home fees have increased - \$16 up to \$17.50, and \$22.50 to \$24 - but I'd like to point out that this

is currently still the lowest in Canada. Significant to that as well is that the remaining . . .

MR. SPEAKER: Thank you, hon. minister. I think we've got to leave something for the supplementary.

Supplementary.

10:50

MRS. B. LAING: Thank you, Mr. Speaker. My supplementary again is to the associate minister. There are several seniors in my constituency who are diabetic. Will the recently announced changes to the Aids to Daily Living program and the further enhancement of these benefits under this program include these seniors' diabetic supplies?

Thank you.

MR. BRASSARD: Mr. Speaker, the minister has said that this is a budget of changes and choices. Due to the population shift the change in the budget is going to reflect as well the diabetic needs of this increased population. In the future, diabetic supplies will be covered under Aids to Daily Living. This is one area that has put an extreme hardship on many families, particularly seniors, in the past, and I'm glad that she has made this change.

MR. SPEAKER: Thank you.

Point of Order Sound Quality

MR. DECORE: Point of order.

MR. SPEAKER: What's the point of order?

MR. DECORE: Mr. Speaker, we still can't hear. I can't hear the comments that the minister is making.

MR. SPEAKER: Thank you, hon. member. That's the second representation from the front row of your caucus in the last two days. The Chair agrees.

There are at least three things that are occurring. One is that – we checked it overnight – the ventilation system kicks in. That was part of the problem yesterday. The louvres open, and then there's some noise from there. We had the sound system thoroughly checked last night.

In addition to that, though, our sound console operator is breaking in a backup console operator, so sometimes our . . .

MR. WICKMAN: Can you speak up, please?

MR. SPEAKER: Can you hear me? [interjections]

MR. TAYLOR: I just have no wax left in my left ear. [interjections]

MR. SPEAKER: So it's the ventilation system kicking in. It's the sound system, that we hope to have replaced this year if the appropriate estimates of Public Works, Supply and Services get passed. Representation. Also, we're breaking in a new sound console operator, so sometimes the switching back and forth doesn't occur. The other thing, of course, is that the House needs to learn to be quiet and do some listening.

Thank you.

head:

Orders of the Day

MR. SPEAKER: Might we revert to the long list of Introduction of Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.
Solicitor General.

head:

Introduction of Special Guests (reversion)

MR. FOWLER: Thank you very much, Mr. Speaker. It's my privilege to introduce to you and through you a group of people from a special school in St. Albert, the W.D. Cuts community school. There are 58 students in this group, together with their educators Bob Ferguson and Ms Kay Melville. I would ask that they rise in their places in the members' gallery to receive the acknowledgement of the House.

MR. SPEAKER: Public Works, Supply and Services, followed by Edmonton-Avonmore, then Edmonton-Beverly.

MR. KOWALSKI: Thank you very much, Mr. Speaker. In the public gallery are a number of students from Meadowview school. Meadowview school is located about 60 miles to the west of Edmonton. These young people are accompanied by two teachers, Wes Oginski and Bernice Grabler, and bus driver C. Grabler. I'd ask them all to stand and receive the cordial welcome of the Assembly.

MR. SPEAKER: Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of this Assembly 24 students from St. James school. They are seated in the public gallery, and they are accompanied by teacher Cathy Dunn. I would ask that they now stand and receive the warm welcome of this Assembly.

MR. SPEAKER: Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. I, too, am very pleased this morning to introduce to you and to members of the Assembly some 23 students from Elizabeth Seton elementary school in Edmonton-Beverly. They're accompanied by their teacher Mr. David King, teacher's aide Charlotte Watson, and parent Mrs. Gelasco. I'd ask them to rise and also be received by the Assembly.

MR. SPEAKER: Now, Orders of the Day have been called. I know how some people must react to the interesting, challenging job of Speaker, but I want to stand as an old, old member of this House, and I want to make a fashion statement to the whole House. [The Speaker adopted a Napoleonic pose]

head:

Government Bills and Orders Second Reading

Bill 5

Mines and Minerals Amendment Act, 1991

MRS. BLACK: Mr. Speaker, I'm pleased to move second reading of Bill 5, Mines and Minerals Amendment Act, 1991.

Mr. Speaker, this Bill proposes three basic changes: first, changes to allow quarriable and metallic minerals to be combined into a single new regulation; secondly, inclusion of a new provision to deal with the matter of accretion of Crown minerals; and thirdly, the introduction of several housekeeping provisions.

[Mr. Deputy Speaker in the Chair]

To begin, Mr. Speaker, I would like to discuss quarriable and metallic minerals. Currently these minerals are defined by their method of extraction as well as their type. This creates a number of leasing problems, particularly where a mineral can be either quarried or mined at the same location or where several minerals could be extracted from the same location and are leased under separate agreements. The proposed changes will allow the combining of the existing separate regulations into a single new regulation. The objective is to grant the rights, as much as possible, to all industrial and metallic minerals within a single agreement in a location.

Industrial and metallic minerals exclude petroleum, oil, asphalt, bituminous sands, crude bitumen, oil sands, natural gas, coal, and ammolite shell. The proposed changes will permit operators to quarry or mine these nonenergy minerals regardless of their type and reduce the incidence of more than one operator conducting operations on a single surface location.

The second proposed change deals with the matter of accretion. By way of background, Mr. Speaker, minerals located under water bodies are owned by the Crown. Accretion occurs when new land is added to existing lands adjacent to a water body; for example, when a lake dries up naturally over time. The added new lands become the property of the adjacent landowner. The same principle with respect to change of ownership applies to minerals located under the water body.

The change to the Act is proposed in order to provide a mechanism for the distribution of resource revenues once accretion has been acknowledged by the adjacent freehold mineral owner, the Crown, and the land titles offices. The change will establish that point in time at which the Crown ownership of the mineral lease rights ceases and that of the freehold mineral owner begins. It is proposed that this would occur at the first day of the month in which the freehold certificate of title is amended pursuant to the Land Titles Act. Ownership of accreted mineral rights and the right to revenues from the mineral resource will at the same time switch from the Crown to the freehold mineral owner.

The draft Bill, Mr. Speaker, also includes three housekeeping amendments, which I would like to discuss now. First, section 146(2) of the Act has been reworded to provide for publication in the *Alberta Gazette* of notice of the minister's execution of a unit agreement after the unit agreement has actually come into effect. It is proposed that the unit agreement itself no longer be published in the *Alberta Gazette*. A unit agreement is an agreement entered into by oil companies and owners of mineral rights, including the Crown, for the co-ordinated management and production of oil and gas.

11:00

The Minister of Energy is authorized by section 146(2) to enter into unit agreements on behalf of the Crown and is presently required to publish the agreement in the *Alberta Gazette* as soon as he has executed it. In some instances, however, unit agreements which have been executed by the minister fail to be executed by some of the other parties to

which the unit agreement applies. When this happens, the unit agreement does not come into effect even though it has been published in the *Alberta Gazette*. The proposed change to the Act will ensure that a notice of unit agreements is not published in the *Alberta Gazette* until all parties to the agreement have executed it. Unit agreements in their entirety are available to the public and industry through the ERCB, and it is not necessary to duplicate them in the *Gazette*.

The second section, 96(2) of the Act, has been reworded to clarify options available to a lessee when his agreement contains a misdescription of rights granted. When a lease expires, it is reviewed to determine its productive horizons. Once these are determined, the unproductive rights in the lease revert to the Crown at the base of the deepest productive horizon. Occasionally the deepest horizon is misidentified due to complex geology in the area of the lease. When a new lease is issued in the same location, the rights granted in the new agreement may be incorrectly described, much as when an incorrect survey of land is performed on the surface. As a result, both lessees may be uncertain of precisely what rights exist in their respective leases. The proposed change to the Act specifies the remedies available to the subsequent lessee should such a misdescription occur. Mr. Speaker, the remedies are that the subsequent lessee may, one, agree to amend his lease to correctly describe the rights granted with no compensation payable, or, two, request cancellation and receive compensation in accordance with the regulations.

Thirdly, part 4 of the Act, which deals with the minerals in road allowances, is proposed to be repealed although portions of it will be retained and moved to part 1. The portions being retained and moved will enable the minister to issue agreements under road allowances where all regulatory approvals for development have been obtained. Currently such agreements are issued by order in council. There is no change to the administrative process, however. Such agreements, once issued, are administered in the same way as conventional agreements. Also being retained is the ability to ensure a lessee is responsible for repairing any damage to the road allowance during the conduct of his operations.

In conclusion, Mr. Speaker, the five proposed amendments provide for improved clarity and simplification of the legislation without in any way detracting from the public interest.

Thank you.

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

MS BARRETT: Thank you, Mr. Speaker. It seems that this is probably a very good Bill in general, and I have only one question for the member sponsoring it in her summary of her motion for second reading. I refer to page 4, and the section is 66(1). Under (a)(ii) what you've got is a change of the basis for coal leasing that appears to be retroactive, and I wonder if that is the intention or is the case. The section that is being replaced says:

A coal lease, whether granted before, on or after July 1, 1976, is renewable for further terms of 15 years each subject to the provisions of this Act,

et cetera. The replacing section says:

the term of a coal lease other than one granted in respect of a road allowance is

- (i) 21 years in the case of a coal lease granted before July 1, 1976, and
- (ii) 15 years in the case of a coal lease granted on or after July 1, 1976.

I just wonder if that's meant to be a retroactive provision. I've never seen such a thing in legislation before, so I'd appreciate a response to that either in her summation today or in Committee of the Whole when we get there.

Thank you.

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

HON. MEMBERS: Question.

[Motion carried; Bill 5 read a second time]

**Bill 8
Livestock and Livestock Products
Amendment Act, 1991**

MR. ISLEY: Mr. Speaker, I'm pleased to move second reading of Bill 8, the Livestock and Livestock Products Amendment Act, 1991.

The basic principle of this Bill is to allow for the development of a patron-funded or a producer-funded indemnity fund to protect one in the event of the buyer of animals being unable to pay for them. Many of you will recall that we used to have the livestock patron's fund existing under the Livestock and Livestock Products Act. Although that fund is still in place, the method of financing it ceased to exist approximately two years ago. This will set the mechanism in place to develop a replacement fund. The actual details of the fund will be controlled under regulations negotiated with the various industry users, and I would trust that we can probably wait until committee, if anyone's interested in the details of what the fund will look like.

The other change in principle is that this Act will also allow for the protection of a sale to an out-of-province livestock dealer. That sale would normally occur between a person with an Alberta livestock dealer's licence and an out-of-province dealer.

With those comments on the principle I would ask for support.

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

MR. FOX: Thank you, Mr. Speaker. The minister introduces what I think is a good Act and something that the industry has been waiting for. I would like him to address at some point during debate the reasons for the extreme frustration expressed by the cattle industry about the deficiencies that this Bill hopes to correct. There were some statements made the other day about possible demonstrations occurring on the steps of the Legislature, making deliveries of a particular kind to the minister relating to this, even though the Bill was on the Order Paper and coming up for debate. There's obviously a lot of frustration out there. Hopefully the minister would address that and let us know why the situation has gotten so far out of whack that people would feel that sense of frustration.

Some concerns I had expressed to me related to jurisdiction of farm-to-farm transactions. How would that relate to regulations that will accompany the amendments to this Act relative to brand inspection? There was some concern about the limits on the bonds, that there should perhaps be sliding scale bonds to reflect the volumes that different dealers, different people handle. Those are a few minor questions.

My understanding is that this is an Act that's welcomed by the industry, and it's our intention to support it.

[Two members rose]

MR. DEPUTY SPEAKER: The hon. Member for Cypress-Redcliff.

MR. FOX: This isn't committee, Ernie.

MR. HYLAND: Thank you, Mr. Speaker. I thought for a minute maybe we'd slipped into committee. So did Ernie.

Mr. Speaker, a few comments relating to Bill 8. I forwarded the Bill to a livestock dealer in my constituency and asked him to reply and say what he thought of the Bill. Some of the comments I'll make during committee study because they're of a nature to individual parts of the Bill and in some ways comments relating to how the regulations will work. In all I think that people in the industry will support this Bill as long as they have an opportunity to work with the department in designing the regulations under which this Bill will work.

A couple of the comments that were made by this dealer were such things as: is everybody going to pay into this fund? How are we going to do a checkoff so that it's fair, so that those who would have an opportunity to claim on it will be – everybody will be paying into it; it won't be a select few that will be paying into it and then allow all others to claim on it.

11:10

Some of the other concerns are such things as: often custom feedlots have a livestock dealer's licence as well. Are we going to somewhere along the way decide if those lots are custom feeders or if they're dealers and make it more definitive so that if something happens, the call isn't on the wrong fund; i.e., the call is being made on a fund where they're really not dealing in livestock? They've been feeding them, and they've been sitting there for quite a while, but because they're a livestock dealer, it's possible for people to collect their money that way.

The other thing, and it's partly on what the hon. Member for Vegreville just commented on, is the size of bond now carried by livestock dealers, auction markets, et cetera. Basically, a livestock dealer and an auction market agent have exactly the same licence: the same amount of bonding, the same licence, depending somewhat, on their size. I wonder if we shouldn't be looking at that to see if we should have different levels of licences, and perhaps maybe even in this Act, Mr. Minister, or in the regulations we should look at and decide when ownership of cattle is taken. Do auction yards take ownership of cattle when they're dropped off, or do they take ownership of cattle when their cheque is given to the person and that cheque clears the auction yard's bank? When do they take ownership of those cattle? I think that's something we should look at.

Another comment was: a better way of checking to find out if either an auction yard or a licensed dealer or a group are – if you can cash the cheque after you get it from them. An instance: I believe it was in Saskatchewan where the bank was phoned and asked if this auction yard was okay and could they cash the cheques. The bank said yes. They waited until they got enough cheques from the buyers. They cleared, because they gave them their cheques right away. When it came time for the people selling the cattle, they returned the cheques. We've got to have a better system so that we can tell if the cheques clear and so that the little guy isn't left holding the bag.

Again on the size of the bonding on dealers and packing plants, et cetera, we've got I think \$40,000 or \$50,000, or something like that, in the bond, yet an average semiload of yearlings is probably – what? – \$70,000 worth, and a decent

sized livestock dealer will probably be handling anywhere up to 10 of those per day per sale. I wonder if we shouldn't look at that. Then on the other side you have organizations such as Cargill slaughtering 1,500 a day through their plants. They're bonded for maybe twice as much as what a dealer is, which takes you about four hours of slaughter in their plant to run up to that amount. I wonder if we should be looking at that issue as well.

This last comment may not be too popular, but perhaps one of the things we should be looking at is rather than 100 percent payout on a loss, maybe 90 percent so that the guy who is moving the cattle through there still takes enough interest to watch what's going on, to check who he's working with and dealing with to see if indeed the dealer is in good enough shape to be handling this product.

Thank you.

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

MR. TAYLOR: Thank you, Mr. Speaker. I have only about one point to add, although I'd like to reinforce the Member for Cypress-Redcliff's question about the size of the bond, which I think the Member for Vegreville touched on a bit anyhow when he said "sliding scale." There are some pretty big units out there, and I don't think this covers it.

The other thing that seems to me to be sloppily drawn is the fact that the patrons may not necessarily know about the bankruptcy of the agency, because apparently Alberta Agriculture is only called upon to put an advertisement in the local paper. The hon. minister himself until he was elected I don't think ever read the paper. A lot of people would have missed that, so I don't think it's proper to say to somebody, "Oh, well, if you didn't see our little ad, the fuse had started running, and you didn't get under the 20-day deadline." In other words, I think that the Act should be quite clear that anyone who has delivered cattle to the organization that's gone bankrupt should get a personal notification by registered mail. This is usually done with other corporations that go into a receivership or a bankruptcy that have debts owing. This is a case where, unfortunately, the farmer or the cattle raiser or the feeder may just not have had knowledge that they had gone bankrupt. Sometimes the old shingle is still hanging out there and they look as if they're doing all right, but the bank is the one that's really running it, and, technically speaking, it had gone bankrupt earlier than it would appear to those that delivered the cattle. So I think it's quite important to sharpen up that section. That would let the people know. In other words, the clock should not start running until the person that delivered the cattle was definitely notified that bankruptcy had taken place.

The other area, talking about the funds that are being lent by the Provincial Treasurer in this pot, may be a smaller one, Mr. Speaker. Apparently they will be repaid, but I was just wondering why they shouldn't be repaid with interest. This is something that might be dearer to the Provincial Treasurer's heart than it is to some of the others.

Overall, this is an Act that's long overdue. The fact that it is rather sloppily written in some spots shouldn't be enough to kill it, but I do hope that he will send it back to the drawing board and that those little gnomes that he has decentralized out to the far perimeters of Alberta will get a chance to rework it and send it back to him.

Thanks.

MR. DEPUTY SPEAKER: The Minister of Agriculture, to close debate.

MR. ISLEY: Thank you, Mr. Speaker. First of all, in responding to the hon. Member for Vegreville, I'm not sure what frustration he was feeling or whether he was possibly again depending upon media stories. If he'd had a PC membership when that discussion took place, then he could have been in there and participated in it. The individual at the mike was certainly not threatening to come and dump livestock leftovers on the steps of the Legislature. He was simply saying the length of time that it's taken us to put this together, recognizing that that wasn't all government's problem, because we had one ready just about a year ago, and the cattle industry came back and said, "Hey, no; let's pull this out and make some changes." The point he was attempting to make is that if we had a disaster before this got in place, the reaction on the steps of the Legislature may make some of these environmental protests that we've been overreacting to, in his words, look very, very small.

Farm-to-farm sales, if we're not talking about the involvement of a licensed dealer and a brand inspection service and so on, are not caught up in this at all. You can still deal privately with your neighbour if he buys your calves or whatever.

Bonds at the moment – and maybe we should review the size of them – are on a sliding scale depending upon the amount of livestock that is traded at particular markets. Now, it may be necessary that we should review the size of them, but the small auction markets are required to carry smaller bonds than the large ones, similarly with the small and the large packers.

In response to the hon. Member for Cypress-Redcliff, I can assure him that the industry has been thoroughly involved in developing the regulations that will control this fund, and that's partly what I was saying to the Member for Vegreville. One of the reasons we didn't take this through the last session is because the industry asked to have it back to do some more work on it.

11:20

Is everyone going to pay into it? The intent is that every sale from a primary producer to a livestock dealer will pay a checkoff. Every sale from a livestock producer to a packing house will pay a checkoff. Every sale from livestock dealer to livestock dealer will pay a checkoff. Every sale from livestock dealer to packer will pay a checkoff. Then all those individuals in that circle receive the protection.

The checkoff is a mandatory, refundable checkoff. In other words, it must be paid, but if you notify at the beginning of the year that you will be applying for it at the end of the year, you can apply and get it back. Going into the next year, if you run into a problem, you cannot get any protection from this fund. We can't have a fund that survives if you can go through a year and not have a problem, get all your money back, go through another year and not have a problem, get all your money back, run into a collapse in the third year. Then you're going to be in trouble. The proposal is that it will be an 80 percent payout with no limit. The old fund had an 80 percent payout to a maximum of \$100,000.

In reaction to the comments from Westlock-Sturgeon, I'm beginning to wonder, sir, whether it's sloppy writing or sloppy reading. It seems to be, if the hon. member knows how this industry works, that the patron will be the first one to know when he has a problem. When he submits that cheque from the

livestock dealer or from the packing house or from the auction mart and that comes bouncing back to him with a note from the bank, now he knows he's got a problem. The nice thing about the new system is he also knows that he paid a checkoff for protection. Under the old program you could logically argue that some producers may not have been aware of that fund because they never paid into it.

With respect to the Provincial Treasurer advancing money to the fund, the intent is that, if required, whatever the cap of that fund is – which I believe they're going to agree on is \$3 million, the amount that's currently in it – that difference could be advanced, if needed, by the Provincial Treasurer but would be repaid at interest. If we don't run into any serious disasters until, you know, that fund bumps up against the cap, there would probably never be the need to borrow from the Provincial Treasurer.

With those comments I would call for the vote and await committee discussion.

[Motion carried; Bill 8 read a second time]

Bill 12
Rural Electrification Long Term Financing
Amendment Act, 1991

MR. DEPUTY SPEAKER: The Member for Drayton Valley.

MR. THURBER: Thank you, Mr. Speaker. I would move second reading of Bill 12, the Rural Electrification Long Term Financing Amendment Act, 1991.

Before we call for the question, Mr. Speaker, I would draw your attention to a couple of particular items in this amendment. The majority of these are just simple amendments to bring it into scope with today's changing conditions in the industry and the workplace. These amendments will provide additional protection to both the purchaser and to the Provincial Treasurer.

I would draw your attention, Mr. Speaker, to two areas. One removes the interest rates from the Act and puts them into the regulations, the loan rates. Now, this is a change to the traditional where it's always been 3 and a half percent interest rate on these loans. That was legislated in the Act. If this were moved into regulations, these interest rates could correlate to the present-day conditions out there. Further to that, I could say that at this time the suggestion is to put those to 7 percent. Now, this is not to say that we're not going to protect and grandfather the loans that are in place at the present time or any sale of property with these loans on them to the owner's son or daughter. So that protects the family farm and brings things into line with present-day conditions.

The other one that I draw your attention to, Mr. Speaker, very briefly, is increasing the time frame for a lien to be placed on the property. By increasing this time frame to register a lien, it provides more time for a new farmer to complete his mortgage arrangements. A lot of times the liens are registered prior to the loans being funded.

Thank you. Any other comments, Mr. Speaker, I would take note of, and we could debate them in committee.

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

MR. TAYLOR: Thank you, Mr. Speaker. In addressing this Bill, it's been painted as a housekeeping Bill by the hon. Member for Drayton Valley, but I think it is an overt grab by

the Treasurer of some more money here. They're really asking the farmers and the rural electric users to sign an open-ended contract where the government, as far as I can see, is allowed to change the interest rates from time to time on their government guaranteed loan. I don't think that's very fair. They certainly don't ask the Magnesium Company, the Pocklingtons, and all the others they've given guarantees on that they can change the rate on it from time to time. Yet the farmer, who is maybe not able to fight back to the same extent these large corporations are, could have a government and a Treasurer that . . . He mentions that he thinks the rate is going to be 7 percent now, which is double the 3 and a half percent. What is the rate going to be? Even if it is 6 or 7 percent, then how do we know that next year it won't be 12 or 14 percent by a government that is maybe less sympathetic to rural electricity users than this one might be? I think it's way too loosey-goosey as far as the fixing of interest rates, number one.

Number two, the farm sector is having a tough time, and here we're making another grab to try to raise the input costs of farmers. I think that's most unfair. It seems to me that government could at least hold to their present contracts for a few more years. One must remember that a 3 and a half percent fixed rate here – though some people say, "Well, I'd love to borrow money at 3 and a half percent," it's a little different when you're borrowing on a rural electrification scheme, because that 3 and a half percent is paid regardless of whether your farm is in the income tax paying position or not. A business that's in the income tax paying position gets to write off the interest charges, so automatically they're in a 50 percent rate. Most businesses really are only paying 50 percent of what the apparent rate is, but when a farmer pays 3 and a half percent here, or 7 percent as the hon. member says, that really means that equivalent to business he's paying 14 percent, because businesses have a write-off. The farmer, of course, if he is prosperous and paying taxes – but I don't know of many farmers that are so prosperous they're in the 50 percent tax bracket. As a matter of fact, I doubt if there are; you could probably count them on your hand in any constituency. Consequently, I think it is breaking faith with many of the farmers in allowing the government to change the rate.

MR. DEPUTY SPEAKER: The hon. Member for West Yellowhead.

MR. DOYLE: Thank you, Mr. Speaker. I rise in support of this Bill on behalf of the Official Opposition. There are some suggestions I might like to make, or questions, that they might want to put into this Bill.

One particular thing that's in here – and I do know something about this particular Bill, having signed somewhere in excess of probably a thousand contracts and commissioned many of those while I was an employee of the power company for 18 years. Mr. Speaker, it indicates that this Bill will be changed as of July 1, 1991. Would the member indicate to the Legislature that the interest rate would change on that day for all new services, or would it change on discussions that have taken place with several rural electrification area boards that perhaps – the old contracts you could sign a contract for either 10 or 25 years at 3 and a half percent.

11:30

This Bill does not indicate that there are still loans at 10 years. Some REAs have in fact discussed that those who have had power for 10 years perhaps should be the ones that should

shoulder this expense, this additional interest rate, not the new farmers who are trying to build up their farms and get started in the farming field. In fact, some REAs felt that if this rate was increased, perhaps much of that \$44 billion that is now out in these loans should be returned in an expedient manner.

The other point, Mr. Speaker, was the fact that it doesn't clearly indicate who the director is. Is this the director of the REA? Is this the director of the loan department that finances the rural electrification loans, or is it a director within the power system? The way it works now on the rural electrification area, the servicemen going out to collect bills, or in fact read meters, that bill is charged through the REA from the power company. Presently, as long as the power bill is paid for the use of the utility from the utility company, it is not the responsibility of the employee or the power company to disconnect that service unless instructed by the director of the REA that the lien note in fact has not been paid. For financial reasons some people may let their lien note go and pay their power bill so that they do not have a discontinuance of service. I would like it indicated who exactly this director is. Surely these loans do not go just to rural electrification areas in the province. They go also to company owned farms, farm areas that have been taken over from the REAs by the power company whether by negotiation or due to the fact that new industrial customers have tied on – i.e., oil fields, coal mines – and have bought up the share of those power lines.

So I'd like it clarified, Mr. Speaker, because if it was a company customer, the person making the decision would be the company; if it was an REA customer, the person making the decision would be the directors, not the director, of the REA area.

However, Mr. Speaker, the Bill is mainly a housekeeping Bill except for the interest rates. I just want to leave those messages with the member that there have been some discussions around the province that perhaps to help young people starting out in farms, the better way would be to ensure that those first 10 years at least are left alone at the 3 and a half percent.

It says: "Any involuntary or voluntary change in ownership." I would assume the fact that this would be on death or by closure on a property. If those loans are not paid – I believe it's for a one-year period – it is incumbent on the power company to remove those power lines. If somebody else purchased that particular piece of property, I would wonder if they would have to pay the loan that was left by the last property owner and put the power line on there and finance it through the financing Act of the government.

On that, Mr. Speaker, I would support this Bill.

MR. DEPUTY SPEAKER: Does the hon. Member for Drayton Valley wish to close debate?

MR. THURBER: Mr. Speaker, just very briefly in closing debate. As I mentioned before, I will make note of your concerns, and I look forward to the debate in the committee stage.

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

HON. MEMBERS: Question.

[Motion carried; Bill 12 read a second time]

Bill 13

Municipal Statutes Amendment Act, 1991

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

MR. CLEGG: Thank you, Mr. Speaker. It's a pleasure this morning to move second reading of Bill 13, the Municipal Statutes Amendment Act, 1991. Because it's an omnibus Bill, there are amendments to the Improvement Districts Act, the Local Authorities Election Act, and also to the Municipal Government Act.

Now, these amendments have all been requested by municipalities throughout Alberta. We have asked for comments from the urban association, the AAMDC, and the improvement districts where, in fact, they were affected. Some of them are amendments that simplify the procedure, and in some cases I know that municipalities have been doing things they really didn't have the authority to do, so this corrects what's been going on in some cases. I look forward to any comments from any members. I just thought I would suggest that they have all gone through the associations and we've had remarks back that they are in favour of these amendments.

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

MR. EWASIUKE: Thank you, Mr. Speaker. I want to just make a few comments relative to this Bill in second reading. First of all, I do want to commend the chairperson and the committee that conducted the task force studies. I think the consultation process they employed was a good one; I think it's that kind of a process that many of our municipalities and local leaders have actually requested over a period of time. I know that when our party toured the province several years ago, that was one of the problems that was expressed to us: that there really was no consultation with local governments, local groups, and that there needed to be a process in place where input was provided from local areas. So I think this process was a good one. I would certainly suggest that the government employ this in other departments.

However, I think there's one addition, sort of a criticism that was brought to my attention, that I would like to bring forward, and that was that while the local councillors, reeves, or people in authority seem to have been able to determine who was going to appear before the committee, because of that process it was deemed that perhaps some individuals or groups who may have wanted to appear and had presentations to make were not given that privilege. So if there was a criticism in the process, perhaps that was one: that it may well have excluded some well-meaning people.

The response to the second draft of the report also was drawn to my attention: that there was insufficient time for some municipalities and people to be able to respond. Now, I understand that why that happened was that there's a need to get this thing done, reviewed, and start on the proposed legislative changes. However, I think it was something that the chairman should be made aware of, that these problems did exist and that there was some criticism that there wasn't sufficient time for them to deal with it.

So I ask the question then, because I think there are some amendments we would like to make during Committee of the Whole debate, whether the government will, in fact, permit and allow us to present amendments at that time, Mr. Speaker.

I am pleased to see the inclusion of our amendment in the Act that the employees of municipalities who wish to seek election will now be able to do so without having to resign their position. I think that was a long time overdue, and certainly I'm pleased that that amendment is in place.

11:40

The other amendment that I would have liked to have seen but which isn't there at the present time is the need to deal with people convicted of a serious crime. There are several incidents that have come to light in recent times that I think the Act needs to address and deal with. Let me just say that our caucus and I in all likelihood will be able to bring some amendments in the Committee of the Whole debate that might be able to deal with that. I recognize that there are implications with that type of legislation that need to be addressed very carefully, but knowing that, we may well attempt to bring some legislation in that regard.

I know the whole process that was employed in the development of these amendments was an attempt to – and I know the government has said they want to – provide autonomy to local government. I agree. I think that's necessary, and I know most of the local governments in fact desire and need more autonomy. I think the only way we can really provide and meet the requests of local governments is by making available to them fiscal autonomy. While the government talks about autonomy and says it's giving autonomy to local government, until there is fiscal autonomy made available to local government, I don't think there ever will be local autonomy. I'm referring to things like transportation grants or at least grants that are conditional on municipalities. You can't plan a project, you can't develop a five-year plan or whatever kind of plan you need for any kind of work in a municipality if your funding is conditional and you're not sure whether you're going to receive funding in future years. Until there is some method developed and the municipality is released from really being a child of the government, of the Municipal Government Act – until that happens, I don't think there is going to be autonomy for municipal governments.

I would hope that in the development of this Act and other Acts relative to municipalities that consideration would be given to allowing these people more autonomy. Because they are indeed running corporations, they need to be able to plan ahead. They need to know that there is going to be financing available to them, and if there isn't, they can plan accordingly. I'm just simply saying that that kind of thought must be included as we continue to deal with our local governments.

With those comments, Mr. Speaker, I will take my seat and look forward to Committee of the Whole debate.

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

MR. WICKMAN: Thank you, Mr. Speaker. I want to first of all commend the member for bringing this Bill forward. I understand he does have some feel for municipal or local government from past days, which puts him in the position of being able to relate much more to concerns that are being expressed by municipalities throughout the province.

There are a number of good changes in this Bill. I just want to talk in terms of principle, as this is second reading. The provision to allow civic employees to run for municipal office without giving up their position or their job within that municipality is long overdue, and it's a good one. We all remember the classic case in the city of Edmonton involving Brian Mason,

who had to resign his job and who is now an alderman. Fortunately, from his point of view at least, he was successful; he is now an alderman, so he didn't have to worry 30 days later trying to find a job to provide for his family. So that is very, very positive.

I also see as being very, very positive the enabling aspect that would allow municipalities to force disclosure of campaign funds, because I believe, Mr. Speaker, that it is necessary, like it is at this particular level of government, like it is at the federal level of government. Campaign disclosures: there should be no hesitation. We see in many municipalities that there is some voluntary disclosure by a small number, but by and large the provision isn't there to force candidates to disclose, and that should be disclosed.

At the same time, Mr. Speaker, something that should be considered by the member – if it can't be done in this particular Bill, in his caucus he could possibly present the idea – is enabling legislation to allow the municipalities to pass a bylaw that would make campaign contributions tax rebatable at the municipal or local level, like it is provincially or federally, to allow the same opportunity to solicit those funds from contributors that we have at this level and, of course, that Members of Parliament have at the federal level.

The other positive point I see is the provision that allows the ousting of municipal councillors who are legally disqualified from seeking or holding office. But again, as pointed out by the Member for Edmonton-Beverly, that doesn't go quite far enough. It doesn't go quite far enough from the point of view of relating to all situations that may arise and that may be offensive to the electorate, to the voters out there. Mr. Speaker, I remind all members of the House that the public is getting more and more concerned with the behaviour of a number of politicians or elected representatives, and it reflects on all of us. Every time one elected representative does something that is questionable, there's a tendency to cast us all under that same blanket, that same umbrella. It further diminishes or tarnishes the image of people that are elected to serve their community, and I believe most of us have the community interests at heart. We have to ensure that there is provision on a uniform basis throughout the province, because it's welcomed by local representatives, it's welcomed by councillors and aldermen to have some type of framework that they know they can operate under.

For example, I raised that matter in the House here recently with the county of Strathcona doing something that I feel is unacceptable but some of them feel is acceptable because they say there is no provision that tells them that it's not acceptable. They're using their own judgment, and they should use their own judgment except in instances where it's for the common good. This is one situation that is appropriate or applicable to the common good, and that's the question of municipal elected representatives using taxpayers' dollars to provide a contribution to a political party or pass a resolution sending their representatives to a political convention at another level of government. That, Mr. Speaker, in my opinion, is wrong, and that, in my opinion, has to be addressed. If it can't be addressed in this particular Act, then the member should pass it on to his caucus to have it appropriately addressed under the Municipal Government Act. The main question that I repeat here is that those types of uniform guidelines or regulations are welcomed by municipalities because then all the players that are involved know the rules of the game. They know the framework of the game; they know what is acceptable and what isn't acceptable. Those of us who have sat on city councils have wrestled on many

occasions as to what is appropriate to vote on, what isn't appropriate to vote on, and provincial legislation has not been sufficient in the past to address those types of concerns.

Now, the last point I'll make. Many of these ideas that are in this particular piece of legislation are good: as I pointed out before, the disclosure, the ousting of elected representatives in certain situations. What I do question – and my understanding is that those provisions do not apply to representatives that are elected to serve the school boards: trustees. Unless I misunderstand that, I understand this to apply only to municipal elected representatives, not trustees that are elected to serve only as trustees. It's something that maybe the hon. Minister responsible for Education could take a look at. When he reads *Hansard* he may get the opportunity to read what I'm talking about, because he certainly isn't listening at the present time, Mr. Speaker.

MR. DINNING: That's not for you to say.

MR. WICKMAN: I must apologize to the minister. He has heard every word. He can talk and listen at the same time. Incredible. That's why he's Minister of Education: he can talk and listen at the same time.

On that note, Mr. Speaker, I'm going to conclude, but I do look forward to this Bill being in committee so that we can propose some amendments to make this piece of legislation, which basically is good, even a wee bit better.

Thank you, Mr. Speaker.

11:50

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

MS BARRETT: Thank you, Mr. Speaker. A couple of years ago, prior to the last civic election, I asked the Municipal Affairs minister if he would amend the municipal statutes Act to allow a civic employee to run for a position in a ward on city council without having to leave his job. I regret that it took this long to change the Bill, because in fact he did have to quit his job, which I think is really unfair. Now I see that he's fixed the Bill, but only partly, because now if an employee of a municipality wants to run for elected public office, they have to apply to the council for a leave of absence. There is no obligation. I think that's a problem. I think that right now the Act that governs you and me allows us to run for public office without leaving our job and without hoping that we won't be disqualified from our job if we run. Virtually everybody else has got assurance of protection. I don't think this Bill provides for that in the way that I would like to see. Now, there are other bits of legislation that I'd like to see improved to conform with the principle I'm enunciating here. It's an improvement, no question, but manna from heaven it is not, not yet.

Mr. Speaker, this is a good Bill; it's got a lot of good stuff in it. But I'd like to point out that I think one of the improvements is a section that governs voting on matters which may constitute a conflict of interest because of having pecuniary interests. That's section 32(1). More and more it's going to be necessary for us to spell out the terms in black and white about when you can vote and under what conditions. I wish that we had legislation like this proceeding now through the House with respect to conflict of interest governing ourselves. It's certainly overdue.

Now I run into a real problem with this Bill. For those who want to look it up, the section is cited on page 30. It deals with municipalities being able to engage in agreements with Canada Post Corporation. What I'm worried about here is . . . I mean, I think that every municipality that doesn't have a mail service with Canada Post should certainly be able to operate its own post office – no question – but what I would like to see is some provision to ensure that this is not tagged into the same sort of thing that a lot of drugstores tried to do, and that was: break the contract with the members of the union who provide those services when they operate independent of Canada Post. If this is a union-busting mechanism, I think we have to fight it, and I think we need to be clear about what the intention is. Are we going to ask municipalities to uphold the wages and conditions which currently accrue to Canada Post employees? God knows, their jobs aren't fun, and having security of employment is critical in this day and age.

Finally, Mr. Speaker, I would suggest that the absence of a mechanism to provide for tax benefits as a result of political contributions to civic candidates and campaigns is regrettable. It should be in there. We often give ourselves a benefit and don't extend it to other organizations. The tax benefit for political parties is well established both federally and provincially, and I note independent candidates may also provide tax receipts to people who contribute to their campaigns. If that principle is already established – that is, it's already beyond the realm of political parties – why don't we do it with the municipalities? Lord knows, municipal government is actually the closest to the people; surely we should give financial incentive for people to contribute to campaigns. Often what happens is that when they contribute they also get personally involved, and we need more of that in this day and age to reduce the cynicism that people feel and the alienation that they feel from the political process. I think that the Bill would benefit from a few amendments which I hope we will be able to sponsor in Committee of the Whole.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for West Yellowhead.

MR. DOYLE: Thank you, Mr. Speaker. I find it difficult to sit while we're debating a Bill on municipal affairs. I'll be very brief. My main concern is that raised by the Member for Edmonton-Whitemud and the hon. Member for Edmonton-Highlands.

Mr. Speaker, I feel it's totally unfair that people running for municipal office should not be granted the same right of tax deductions as those running for provincial or federal office. The Act now reads that the member on municipal council receives the same one-third deductible benefit from their income tax, paid for by the municipal taxpayers, the same as we are allowed in the provincial Legislature. Perhaps we have to look at tightening these up for both the Alberta Legislature and for the municipal councils. I know this is going to strike a hard bone with the members opposite, but I think it's about time we practised some financial responsibility and started debating these particular issues.

I'm very pleased to see that the Bill has addressed the situation of the ineligibility of some particular candidates. I would hope that the Act would also include that when a member resigns from a particular municipal council, it shall not be at the

discretion of the elected local municipal council that that seat should be filled but that it should be mandatory that that seat should be filled, at least if it's not any closer than three months to a municipal election.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for Dunvegan, to close debate.

MR. CLEGG: Well, thank you. I'm not going to spend a lot of time. I just want to thank people for their comments.

I think the Member for Edmonton-Beverly was a little bit mixed up when he made his remarks on the fact that – let's not get into the Municipal Statutes Review Committee report that was given to the minister just this week and will be tabled here by the end of the month; let's make sure we're not talking about that. When you made the statement that there wasn't enough time for people to comment on that procedure, and again I'd be talking for the minister, I'm sure there's going to be a lot of time. We're not talking about the new proposed municipal Act in this Bill. We're talking about amendments to the Act. Certainly these are amendments that have been hanging around for three or four years, and it's just to clarify some of them, like I said in the opening.

I thank the hon. Member for Edmonton-Whitemud for his comments. I don't know whether he had a specific question. There were maybe one or two concerns he thought that should have been in this Act. Again, I can't assure anybody of anything; there's no assurance in our life, but I'm sure that some of those concerns can be drawn in when the new municipal Act goes out to the public for comments and concerns.

The hon. Member for Edmonton-Highlands, I can assure you that it was no intention of this Act to union bash. Where this request comes – and I've got one in my area, and it didn't come from them, the big hamlet of Worsley. There is no business per se that wants to have the post office there. The improvement district office is very willing to take it, but under the Act that authority was not there, and that is all the intention of that Act.

With those few comments I would like to close debate.

[Motion carried; Bill 13 read a second time]

MR. DEPUTY SPEAKER: Before recognizing the hon. Minister of Culture and Multiculturalism, could there be unanimous consent to revert to the Introduction of Special Guests?

HON. MEMBERS: Agreed.

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

head: **Introduction of Special Guests**
(*reversion*)

MS M. LAING: Thank you, Mr. Speaker, and thank you, members of the Assembly. It is my pleasure to introduce to you and to members of this Assembly three guests today from the Alberta Association of Social Workers. They are: Margot Herbert, the president, Margaret Duncan, the executive director, and Walter Coombs, a member of the Alberta Association of Social Workers council. I would ask that they please rise and receive the welcome of this Assembly.

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

12:00 Bill 14
Historical Resources Amendment Act, 1991

MR. DEPUTY SPEAKER: The hon. Minister of Culture and Multiculturalism.

MR. MAIN: Thank you, Mr. Speaker. [interjection] Well, you restrain yourself.

Mr. Speaker, Bill 14 before us today, the Historical Resources Amendment Act, 1991: in essence the purpose of this amendment is to create a regulated fund provision into which admission fees which will be charged at our popular museums and historic sites will be deposited.

[Mr. Jonson in the Chair]

In a nutshell, Mr. Speaker, what we're attempting to do here with this amendment is create a fund. The fees go in and programs and support for historic resources come out, and happiness comes out because once again the Department of Culture and Multiculturalism is making a commitment to fiscal responsibility, making a commitment to providing ongoing, excellent service in the historic resources area for the people of Alberta.

I would draw members' attention to the key section of this amendment, which is section 10.2(1)(2), and it explains why this fund is established. It is established:

- (a) to fund programs designated by the Lieutenant Governor in Council for the protection, enhancement, promotion or display of Alberta's resources;
- (b) to [also] provide operational grants to non-profit organizations whose objects are to protect [and so on; and]
- (c) to promote the use and development of any facility that is used to protect, enhance, [et cetera].

Mr. Speaker, what we're going to be doing here is collecting, we estimate, something in the order of \$1.7 million net over the course of this first year, something in that area, and that money will be directly used to provide public exhibit program-related services.

Mr. Speaker, when 400,000 or 500,000 visit the Royal Tyrrell Museum of Palaeontology in Drumheller, wear and tear occurs, there's a need for more guides, there's an increased demand for public programming, and the money to pay for that has to come from somewhere. It only makes sense to draw on the visitors to make some level of contribution to that activity, and that's exactly what's going to happen here.

The fees will be deposited in the fund. The first charge against the fees will be our volunteer friends' organizations. Each of our historic sites has a friends' organization that supports the activity, providing volunteer services in guiding, in program delivery. In many cases people you see working in our museums now are not employees of the Department of Culture and Multiculturalism but rather are hired directly, through contract, by friends' organizations. The friends' organizations provide a direct link and an "ownership" in the community of these various facilities, and we view the friends' organizations as critical to the ongoing and remarkable success of the facilities we've been able to construct for the people of Alberta and, I might add, for the people of the world. So we're going to use admission fee dollars to pay for the operation of those organizations to allow them to continue the fine, fine work they're doing in helping, in developing, and in enhancing the experience that

visitors have at the various facilities.

Also, Mr. Speaker, we're going to be using the funds to promote development at other facilities. We're only charging at five of the larger facilities, but of course the work of the department and the historic resources division goes on across the province in places like the Victoria Settlement, at the Fort McMurray Oil Sands Interpretive Centre, and at other places. We want to make sure that we have an opportunity, for example, to do cost recovery programs, to be able to provide the same outstanding level of exhibitory and programming at all our sites. The establishment of this fund will allow us to do just that.

Mr. Speaker, I made an announcement through the media yesterday providing some of the specific details of how fees will be raised and what will be charged. We are going to be charging a maximum of \$5 at two of our major sites that are operating now. There's a reduced rate for children. There's no charge for children under six years of age. There will be no charge for students in organized school groups. There will be no charge to anybody – anybody – on Tuesday. There will be no charge to people who are members of a friends' organization at their specific facility. There will be a big discount, 50 percent, offered to members of friends for buying passes at the other facilities. We'll be offering large group discounts to tap into that tourism market. I might say that tourists who come in busloads from Calgary to Tyrrell museum, for example, arrive at the door with their hands on their wallets ready and willing to pay money to see our fine exhibitory there. We're going to give them the opportunity to do exactly that and use those dollars to help enhance and promote and provide the outstanding experience that all Albertans tell us they enjoy so much.

Mr. Speaker, that's the substance of the amendment here before us. I'm looking forward to hearing some positive, uplifting, and encouraging remarks from our colleagues in the House who believe that what we're doing is the right thing: providing, number one, an opportunity for those people who use the facilities to make a contribution to the experience there of others, and demonstrating that we are maintaining our commitment. As a matter of fact, we're doing more than maintaining our commitment; we're finding a way to get extra dollars to help make that experience even better.

I would therefore move, Mr. Speaker, second reading of Bill 14.

MR. ACTING DEPUTY SPEAKER: The Member for Calgary-McKnight.

MRS. GAGNON: Thank you, Mr. Speaker. I'm very pleased to rise to speak to Bill 14 during this second reading. Our caucus has absolutely no problem with the purposes of this Act. We cannot argue against a reasonable user fee for historic sites, especially since the money is to be used to promote, enhance, and develop these historic sites.

Ever since I first visited Head-Smashed-In Buffalo Jump, for instance, I felt that there should be a fee paid, because what one sees there and experiences there is absolutely wonderful and remarkable. For the historic sites it will also help because they have sustained some cuts in grants in the last few years. Therefore, these additional funds will certainly help.

The minister has released the details of his amendment as regards fee admissions, and we think they are very fair and that they show sensitivity. As he indicated, Tuesdays are free days and so on. A lot of these details are excellent. However, there does seem to be one problem with the amendment, and that is sections 10.5(2) and 10.6, which allow the minister to take the

moneys collected from the fund into this government's General Revenue Fund. These two sections are the only ones which we are critical of. If the money is really to be used simply to be put back into the enhancement and maintenance and so on of the historical sites, that would be wonderful, but here we see a loophole. It is a loophole that might be creating a slush fund.

Mr. Speaker, we will certainly support this Bill, but only if sections 10.5(2) and 10.6 are deleted, which is something we will suggest as an amendment during committee.

Thank you.

MS BARRETT: Isn't that interesting? Conservatives and Liberals support user fees. That's very interesting, Mr. Speaker. I'll tell you, it's very interesting to hear the Liberals supporting user fees for things . . . [interjections]

MR. ACTING DEPUTY SPEAKER: Order please. Order. Please proceed.

MS BARRETT: Oh, it's okay, Mr. Speaker. I was having fun. The fun's going to get wound up yet.

You know what I see this Bill as? I see this as the way the government wants to put its hands in the pockets of individual subscribers as to knowledge and history because it cut the budget. Now, you've got to ask: how many times do taxpayers have to pay this bill? What you've got in the budget is a 6.4 percent decline in the Historical Resources Development budget, but I notice a 7.5 percent increase in Departmental Support Services, including a 5.4 percent increase in the minister's budget. So go figure.

MR. JOHNSTON: Intensive analysis.

MS BARRETT: Intensive analysis, indeed.

MR. JOHNSTON: That's what I said.

MS BARRETT: Yes, I understand; I understand entirely. What's going on here is that the reduction in the amount that the government is willing to spend in the department is now expected to be picked up by individual subscribers regardless of their ability to pay or their need to have access to certain bits of history or knowledge.

Now, the other thing is this. This Bill in a way further removes power from the Assembly and further concentrates power into the hands of cabinet by allowing "to fund programs designated by the Lieutenant Governor in Council for the protection, enhancement, promotion," et cetera, et cetera. Well, you know, this is a trend that I keep seeing in this Assembly. Every second Bill that comes in gives more power to the minister or more power to cabinet and less power to the Assembly. Well, what that means is greater government control. It's a move towards dictatorship, as far as I can see. [interjections] Well, these guys – I mean, last year's Bill 27 is a perfect example of that.

12:10

I don't think this Bill is very appropriate at all. It's another hidden tax, just like there are all sorts of hidden taxes now on seniors: having to pay for health care items that used to be, up until a few days ago, available at no charge to them; just like the seniors going to the parks now having to pay. Now people have to pay to go into facilities that were built with tax dollars and meant for everybody on an equal basis.

One more point I'd like to state is that the minister said at the conclusion of his remarks that he was giving Albertans an opportunity to contribute. Mr. Speaker, I have been to a number of the historical facilities in the province, and there's an opportunity to contribute at every one of them. There's a great big box that says: Attention: your donations would be welcome. Lots of people will put money in; lots of people won't. Some of them can't. I think it's a shame that this minister is trying to sell this as a Bill to give people an opportunity when in fact it's an obligation on six days a week. The seventh day you don't know if you can be there or not, and you certainly can't predict that.

I think this Bill is sneaky, it's a cover-up for an axed budget that the Provincial Treasurer oversees, and it's unfair. Basically, hidden fee, user fee, hidden tax. Unfair. No go.

MR. WICKMAN: Mr. Speaker, I just briefly want to comment on the philosophy of user fees. When we talk in terms of the philosophy of user fees, I really, really have to go on record as disagreeing with the comments that are being made by the Member for Edmonton-Highlands. The concept of user fees, if applied in a sensitive manner and if applied in a fashion that respects that there are those that may have difficulty even coming up with sufficient funds for the most minimal of user fees, is good, as pointed out by our critic that has spoken on this particular Bill. I believe that user fees are a much more appropriate form of trying to recover some of the costs with user-type facilities than direct taxation. It's much fairer. I, in fact, feel it's a very good Bill; they are very, very good amendments that have come forward. I'm on record as supporting it.

MR. JOHNSTON: Thanks, Perce.

MR. WICKMAN: You're welcome, Dick.

MR. BRADLEY: Mr. Speaker, I'd like to rise in support of the Bill which is being proposed by the Minister of Culture and Multiculturalism. In my riding we have the Frank Slide Interpretive Centre, which was one of the first of the interpretive centres built by the department of culture throughout the province. Over the years I've had a number of people come to me and suggest that we in fact should be charging for these types of facilities. In particular, in the current financial situation in the province with the deficits which we've experienced, there has been an increasing pressure to my office to charge for some of these facilities. I think it's appropriate at this time that we move forward with these charges on these facilities. We should note, as the minister has indicated, that one day a week they will in fact be open to the public at no charge, which I think is an advantage to those citizens who perhaps, on an affordability basis, are not able to pay the fee on other days. There's also the provision for annual passes, I understand, which a person could purchase so he would then be able to get into the facility any multiple number of times on a yearly basis and also to access other provincial facilities in the province.

I chair the advisory committee to the minister on the Frank Slide Interpretive Centre, the Crowsnest historical corridor. I think in terms of the discussions I've had with the committee there, they do not feel this is a problem. In fact, I think they welcome it as a positive move. So, Mr. Speaker, there certainly is support in this province for facilities such as this to start to pay part of their way.

Thank you, Mr. Speaker.

MR. McINNIS: Mr. Speaker, this is an interesting spectacle indeed. We have both the Liberals and the Conservatives saying that the taxpayers should be prepared to pay for the privilege of being exposed to the cultural and historical resources of the province of Alberta. I think somebody has to pose a question on behalf of the taxpayers. What do we pay our tax money for, if it's not to have opportunities such as this? Clearly, nobody's being asked to give an opportunity to contribute to the minister's office, for example. What kind of contributions would we expect to that? It in fact is a user fee and a charge. The Member for Edmonton-Highlands correctly pointed out that there's almost an identical cut in the budget to make up for the new funds that are going into this slush fund created by this budget. In fact, it's a transfer of the operating expenditure from taxpayers' funds, which we all share in, to the individuals who go and visit those facilities. [interjections] It's the philosophy of user fees as articulated . . .

MR. ACTING DEPUTY SPEAKER: Order please. Sorry to interrupt the speaker, but let's have the conversations across the House cease, please.

Please proceed.

MR. McINNIS: It's the philosophy of user fees and charges, as just articulated by the Member for Edmonton-Whitemud, who, I'm grateful to say, now sits with the Liberals. If the Liberal Party wants to come forward and say that we should have user charges, why don't they put them on the right people instead of the wrong people? Charging tourists who come to the province of Alberta and charging families and people who want to be exposed to the cultural and historical resources of the province of Alberta is one thing, but I don't hear this Liberal Party talking about user fees for the large corporations who get pollution permits entirely free at the taxpayers' expense. There is no user charge there. Their idea of a user charge is that you charge somebody where they have a choice whether they go or they don't. You know, the only way you escape this new user charge is that you don't go to a museum, you don't go to a cultural heritage facility. Well, what about Shell and Esso and those companies when they come to get permits from the provincial government? The taxpayers pay almost \$11 million to fill out those permits. Now, if they don't want the permits, they don't apply for them, but I've never once heard the Liberals or the government . . . [interjection]

MR. ACTING DEPUTY SPEAKER: Order please.

Point of Order Relevance

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

MR. ACTING DEPUTY SPEAKER: Order please. Point of order.

MR. MAIN: Mr. Speaker, I believe we're on the second reading motion on Bill 14, while the Member for Edmonton-Jasper Place is arguing about Liberal policy.

MR. ACTING DEPUTY SPEAKER: I think we still have to remind ourselves – it's early in the session, but when you raise a point of order, you should be quoting a citation. This was established last term. [interjection] Order, please, hon. member. I haven't invited you to stand again.

Further to that, I think there is an issue here in terms of the principle of the Bill, but I agree that it only needs to be dealt with in a brief manner.

Please proceed.

Debate Continued

MR. McINNIS: I'm certainly not debating Liberal policy. On most matters they don't have one. They just sort of make it up as they go along. I'm pointing to a lack of parallel here. The principle of user charges is being applied under this legislation against a particular group in society who goes to visit museums and cultural heritage institutions, certainly not people who are by and large troublemakers or problem causers or even polluters in our society. I'm asking the question: why are we charging user fees to people who go to museums when we won't charge Shell and Esso and Texaco and the rest of them for their pollution permits, to a subsidy of \$11 million? Is know why the Liberals don't raise that issue: because they take money from those corporations. Maybe that's the reason why the Tories don't raise it as well.

The question I'm putting is also this: what do we get for our tax dollars? You know, there are certain moneys that you have to pay into the Treasury because you're a taxpayer and the law says you have to pay them, and that goes to cover some services that we say are generally shared in our society. That happens to include the Public Affairs Bureau, which creates misleading information about the budget and gives it to taxpayers whether they like it or not. You don't ask people to contribute towards whether they want to get government propaganda. No; you just take their money and you spend it. That's what you do.

12:20

What about the foreign offices where we have retread party hacks who go and sit there and allegedly represent the province? Nobody's asked to contribute towards that, because they won't. They wouldn't.

You've got them over a barrel at a museum, though. You don't let them in the door unless they pay. That's the difference, and I say shame on the Liberals for supporting this type of initiative. Why don't they attack the wasteful spending on trade and tourism commissioners' offices or economic development projects financing or Vencap? What about that? No, they want to go after people who go and visit cultural heritage museums: Ukrainian village near the city of Edmonton, Tyrrell museum, Head-Smashed-In Buffalo Jump. Under this plan you've got \$3 museums and \$5 museums. I'd like to know how they came up with what's a \$3 museum and what's a \$5 museum. Why is the Ukrainian village a \$3 museum? Why is Head-Smashed-In Buffalo Jump a \$5 museum? What research has the Liberal Party done on that? Do they like it because Edmonton's got a \$3 museum? Is that what they like?

Speaker's Ruling Relevance

MR. ACTING DEPUTY SPEAKER: Order, hon. member. While it is certainly a principle of the Bill as to charge fees or not charge fees, the specific rates are not a matter for discussion here as to one museum versus another. This is a matter for estimates, I would imagine.

The other thing is that I know it's been a long week for everybody, but let us have order in the Assembly on second reading of this Bill.

Please proceed.

Debate Continued

MR. McINNIS: Thank you, Mr. Speaker.

I would like to know why we don't see the Liberal Party attacking wasteful spending in the Executive Council office, where you have too many cabinet ministers thinking up new ideas to get money out of the taxpayers rather than figuring out better and more effective ways to spend the taxpayers' money that's already there. If we eliminated some of the excess cabinet jobs, perhaps we wouldn't have to charge user fees for provincial museums and cultural heritage facilities.

What about the \$1.2 million that's spent on hosting, the wining and dining of foreign dignitaries? I don't hear the Liberals asking for user fees for that, but that's \$1.2 million a year that they spend in that particular category.

How about the \$2.3 million subsidy that's paid to the Racing Commission? Maybe we should look at that instead of having to charge user fees for people who go and visit cultural heritage museums. I'm just getting fed up with the hypocrisy around this place.

What about the tremendous waste in all of these loan guarantees? We hear them get up day after day and ask questions about it. We don't hear them stand up and say, "Well, let's cut in that area instead of putting user fees on people who go to museums and cultural heritage facilities."

What about all the waste in regulatory . . . [interjections]

MR. ACTING DEPUTY SPEAKER: Order please.

MS BARRETT: What's the matter?

MR. ACTING DEPUTY SPEAKER: Just waiting for the House to quiet down, hon. member, and I can wait a long time. Please proceed.

MR. McINNIS: Mr. Speaker, we're talking about the difference between funds that are raised by charging taxes upon everybody in the province versus user fees and charges that are being put on specific facilities.

Now, the government of Alberta takes money that it raises from everybody through the tax system, and it leased without tender a massive amount of space in the Olympia & York building in downtown Edmonton. They didn't ask if we wanted to make a contribution towards that. They're not going to charge user fees for people to enter into that mausoleum. We've got the federal government building right here in the precincts which sits empty. The provincial government has no plans for it even though it owns it. And it's leased all of that space at an amount which is conservatively estimated – I say "conservatively" in both senses of that term – to be 2 and a half million bucks a year over the market value for the space. That's on a contract that's probably going to cost in excess of \$50 million over the 20-year period. I don't hear a complaint about that from government or from the Liberal opposition who said we have to put in user fees and charges for people who go into these cultural heritage facilities.

What about the incredible waste up at Swan Hills? What about the Kan-Alta golf course lease? The government has not collected the rent on that at all.

Perhaps people who have those particular facilities by virtue of their association with members of the government should pay their share in contribution here towards the problem of financing the government, which has been cried about by both the minister and the opposition Liberal Party here today. What about the

incredible amounts of money that are being taken from all the taxpayers regardless of their free choice and given in support of these pulp projects in northern Alberta, \$1.1 billion in loan guarantees plus another \$300 million or so in grants? [interjections] Madam member, that money has to be raised, and the taxpayers have to pay whether they like it or not. They have no choice in the matter. That's the point we're trying to make: what is it we pay taxes for? If it's not for museums, it's for all of these other things. I think the matter has to be put into perspective, Mr. Speaker. [interjections]

MR. ACTING DEPUTY SPEAKER: Order please.

The Member for Edmonton-Avonmore, please.

MS M. LAING: Mr. Speaker, I would rise to raise my voice in opposition to the implementation of user fees. Over and over again we hear of this government spending tax dollars to build facilities that exclude large numbers of people because of user fees. It seems to me the members opposite continually and repeatedly demonstrate an upper-class mentality that you have lots of money for recreation.

Everybody benefits from recreation, going to museums, cultural facilities. Everybody benefits from that. If you don't have enough money to pay for many kinds of entertainment, you then have a free form of recreation and learning that should be available to all people, not just those that are able to pay. I think of the tax dollars spent on our community facility enhancement program; those facilities exclude people because there is a charge to use them. Groups are excluded; children are excluded. The members laugh. They haven't been in my constituency, where there are low-income mothers with children that cannot afford to go to a skating rink. That's what I'm talking about when I say that these members have a middle-class mentality. They don't know what it means to not have enough money for everything, and that's what we're talking about here.

Mr. Speaker, user fees are regressive. They apply to people whether or not they can afford to pay. We pay taxes, albeit not very fairly in this province, but theoretically they are progressive. It's not good enough to say that one day is free. People go to work; children go to school. It happens that Tuesday is a work day and a school day. It's not good enough. So I say: reject this section.

MR. ACTING DEPUTY SPEAKER: Order please.

May the hon. minister close debate on second reading?

HON. MEMBERS: Agreed.

MR. ACTING DEPUTY SPEAKER: Please proceed, Mr. Minister.

MR. MAIN: Is it my turn now, Mr. Speaker?

MR. ACTING DEPUTY SPEAKER: Yes, hon. minister.

MR. MAIN: Mr. Speaker, I'm just rereading the title of this Bill. It says Historical Resources Amendment Act, but I think the word probably should be "hysterical," referring to some of the comments made by the New Democrats.

Mr. Speaker, first of all, let me say thank you to the Liberal caucus for their support of what reasonable people view as a reasonable Bill and a reasonable approach to providing an opportunity, to providing the kind of outstanding experience that

the Department of Culture and Multiculturalism is world famous for providing. This Bill will allow us to do an even better job.

Mr. Speaker, a number of issues were raised. We don't have to spend a lot of time here, but I should just mention a couple of things.

The questions. Why do we pay our taxes? Don't we already contribute tax money to these operations? Why now do we have to pay? Well, as I mentioned in my earlier remarks, we hope to net – to net – about \$1.7 million through this fee exercise, money that will be used to do simple things like repainting exhibits that happen to be damaged. It should be interesting to know that for our most successful public exhibit, the *Prehistoric Gigantics* at the Provincial Museum, the exhibits had to be repainted within two days because there were so many people coming. Those kinds of charges would come out of user fees. More people, more wear and tear, more money: it only makes sense.

12:30

Mr. Speaker, to get to my point. The Tyrrell museum, for example, has got a budget something in the order of \$3 million, \$2.8 million; the Provincial Museum by itself, \$4.8 million. Obviously taxpayers do make a contribution to these facilities, but so should and so will those people who come and use the facilities. The Member for Edmonton-Highlands goes on at length about our denying an opportunity for people in their quest for knowledge, in their quest for history. Three dollars is not going to prevent anybody from their quest for knowledge and history. If, in fact, they are going to the museum, for example, over in my colleague the Minister of Health's constituency to do research work, scientific work, historical work, to study artifacts, and to work there on history and science, there will be no charge. But if someone is going for entertainment, to spend an afternoon at the museum, to suggest, as the Member for Edmonton-Avonmore suggested, that somehow this is a staggering amount of money that is cutting out 99 percent of the population – 3 bucks isn't going to do that and a free Tuesday won't either.

Mr. Speaker, there was mention – and here again the specious correlations between one budget line in one department and something happening in another department 10 miles away just doesn't make any sense. There are marginal increases and decreases in many budgets. In many ministers' offices costs went up because secretaries and employees there get raises in their salaries. I'm sure the members of the New Democrats wouldn't suggest that we not provide ongoing salary increases to various government and ministerial employees. I'm sure that was not their suggestion.

Mr. Speaker, let me just say also to the question about choice, about this being some kind of a tax, this being a hidden tax, this being an imposition, the government putting its hands in the pockets of people and withdrawing, and people now won't have a choice, won't have an opportunity: when I go around the province and I speak to people who are interested in the museums or art galleries or anything, for that matter, and they say we need more, we need better, we need bigger, we need faster, we need higher, we need larger, I ask a question. I say, "If you send me a letter telling me you want your taxes to go up, I'll discuss that with my colleagues, and I'm sure we'll be able to do something about it." I have not had one letter from anybody on any subject who wants their taxes to go up, but I have had many letters, many phone calls, many representations, many discussions, many interviews, and many long, detailed conversations with people who say: "Yes, I'd be willing to pay a buck, 3

bucks, 5 bucks to see that, because I know it would make it better."

Mr. Speaker, the people do have a choice, and they're telling us what the choice is. "Let's keep Alberta's taxes the lowest anywhere in the country, let's keep services up, and we're willing to pay out of our own pockets to do it. We're willing to make the choice. If my tax bill goes down, I've got 5 bucks, and I'd rather put it to the museum than put it in the tax roll." That's what the people of Alberta tell us. That's what we're doing, and that's why Bill 14 is before us today for second reading.

[Motion carried; Bill 14 read a second time]

Bill 20
Rural Electrification Revolving Fund
Amendment Act, 1991

MR. THURBER: Mr. Speaker, I move second reading of Bill 20, the Rural Electrification Revolving Fund Amendment Act, 1991.

Again, a lot of this is housecleaning to bring things up to date and to streamline the process that we're under. Some of the same amendments apply that I would draw your attention to. One is the loan rate, which would be moved into regulations as opposed to in the Act. I would like to express again that any existing loans are grandfathered under this, any loans that are transferred within the family to a son or daughter are grandfathered at the 3 and a half percent, and the other loan rate will go into the regulations, where it can be moved from time to time. As I said before, the suggestion now is probably to put that at 7 percent.

The other thing that this does do, Mr. Speaker, is provide additional protection for the taxpayers of this province by ensuring that a rural electrification lien will survive a foreclosure action unless it has been postponed in favour of a subsequent mortgage.

I look forward to your comments, fellow members, and we will take them under advisement, and if they need any answers, we'll come back at the debate in committee.

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

MR. TAYLOR: Thank you, Mr. Speaker. Here again I have the same complaint on the general principle of raising the interest rate for farmers, particularly new farmers and maybe seniors that are retiring to new farms, from the old rate. This does not seem to be the time to kick farmers when they are down. They're having hard times, so to have the government turn around and change the interest rate on the loans that are granted for electrification seems to be wrong. Then to add insult to injury, not only are they changing the interest rate by more than doubling it – that's even greater than the raise that we MLAs got. They're doubling the rate, maybe even going up to as high as two and a half times the rate. Yet there's no guarantee that even that will be in place for the next few years because it's order in council interest rates. Knowing this government's propensity to express a dislike from time to time of co-ops of any nature, I don't like an Act that leaves it open as to what the going rate will be.

The second part that bothers me a bit, Mr. Speaker – and I've circulated this Bill around to a number of people – is a section that I'd bring to the hon. Member for Drayton Valley's attention. It's section 16. Maybe it'd be more proper to go at it in

committee, but he may not have the time to adjust it, so I'll give a prior warning to him now. Section 16 could be applied in such a way that a farmer that had a substantial mortgage against his property would not be able to qualify for electricity. In other words, he couldn't get an REA loan to put electricity on the property. It leaves it too interpretive. I think that if you're a resident on the property and you went in the REA district, you get the loan. In other words, you can't use the section. If you're looking for it, it's section 8, but it applies to repealing section 16(1.1) and putting in another. Quite clearly, if you're looking through there, it gives the right to the REA to deny service to a farmer that looks as if they might have a little tenuous hold on their title down the road in case loans are called. What farmer doesn't have some rather tenuous – well, let's put it this way: a high percentage of farmers, you could interpret it. They'd look at the caveats against the property. Maybe their title is endangered, but I don't think that should be a reason to deny a person that.

This is Bill 20. Thank you very much.

MR. ACTING DEPUTY SPEAKER: The Member for West Yellowhead.

MR. DOYLE: Thank you, Mr. Speaker. I stand in support of this Bill on behalf of the Official Opposition. We'll be looking forward in committee to possible amendments, and at that time we'll expect to hear from the Liberals why they do not support a fair interest rate for government financing and still support extra charging in museums and other historic areas in the province. The double standard of the Liberals comes out again. It's hard to find out where they stand.

Under the lien note, section 4, Mr. Speaker – and believe me, I've signed many hundreds of these in my 18 years' employment . . . [interjection]

MR. ACTING DEPUTY SPEAKER: Order, hon. member.

12:40

MR. DOYLE: . . . with the power company, and I understand these quite well. Many people who have signed for these 3 and a half percent loans of course have signed because of the benefit of the 3 and a half percent. Some really didn't need the loans. But it's been a great help for those young people who have started out and people who have changed their livelihoods to the farming industry.

Again, Mr. Speaker, I would say that in discussions with the members of local REAs in the great riding of West Yellowhead and beyond, those members and members of the farming community feel that other people like to pay their fair share, and they would feel that the 3 and a half percent should stay for the new people and the young people who are beginning in the farming industry and that perhaps some of those people that have more years in the field of farming would be more able to pick up their fair share at the later years of the contract and in fact pay them off in a sooner period of time.

In paragraph 6, section 13.1, it says that in the event of a default referred to, "whatever action is necessary" must be used "to enforce payment of the lien note." This sounds like pretty heavy-handed wording. I don't how you could use "whatever action is necessary." The only action that you could use is to shut their power off, in my estimation. Are they intending to tow their vehicles away, cut down the line? It doesn't clearly say.

Perhaps the member could clarify why they need the 60 days' substitution rather than 30 days.

Some of these particular paragraphs relate to such things as: the Director may direct the power company to refuse to supply electrical power to the purchaser of the land until the purchaser executes the lien note.

These agreements have been in place for years. There's no way that a power company would in fact build a power line, let alone connect it, if the lien notes had not been signed. It is not the responsibility of the power supplier – i.e., TransAlta Utilities or Alberta Power – to go out and seek those farm loans unless they are company customers. That responsibility is directly incumbent on the board of directors of the rural electrification area.

The notice of lien may have been registered after any mortgage or encumbrance giving rise to an involuntary change in ownership:

Mr. Speaker, again it is not the responsibility of the employee of the power company, or the power company, in fact, to see that these lien notes are signed, unless of course they are within the areas of the power company and not in the areas of the REA. It's up to the board of directors of the REA or the secretary treasurer of the REA to make sure these lien notes are signed.

Mr. Speaker, I'll be looking forward to debate on Bill 20 in the committee stage, and we'll possibly be making amendments to this particular Bill.

MR. ACTING DEPUTY SPEAKER: Does the Assembly agree that the mover close debate?

HON. MEMBERS: Agreed.

MR. ACTING DEPUTY SPEAKER: Opposed? Please proceed, Member for Drayton Valley.

MR. THURBER: Thank you, Mr. Speaker. Again I welcome the comments by my hon. colleagues and will look forward to the debate in committee stage.

MR. ACTING DEPUTY SPEAKER: All those in favour of second reading of Bill 20, the Rural Electrification Revolving Fund Amendment Act, 1991, please say aye.

SOME HON. MEMBERS: Aye.

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

SOME HON. MEMBERS: No.

MR. ACTING DEPUTY SPEAKER: Carried. [interjection] Order please.

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

12:50

[Eight minutes having elapsed, the Assembly divided]

[Mr. Deputy Speaker in the Chair]

For the motion:

Ady	Fjordbotten	McEachern
Black	Fox	McInnis
Bradley	Gesell	Mirosh
Calahasen	Gibeault	Moore

Cherry	Hyland	Nelson
Chivers	Johnston	Payne
Clegg	Jonson	Severtson
Day	Kowalski	Shrake
Dinning	Laing, B.	Sparrow
Doyle	Laing, M.	Stewart
Drobot	Lund	Tannas
Elliott	Main	Thurber
Ewasiuk	McCoy	Weiss
Fischer		

Against the motion:

Barrett	Taylor	Woloshyn
Mitchell	Wickman	

Totals: For – 40 Against – 5

[Motion carried; Bill 20 read a second time]

MR. DEPUTY SPEAKER: The hon. Member for Drayton Valley.

Bill 21

Rural Utilities Amendment Act, 1991

MR. THURBER: Thank you, Mr. Speaker. I would like to move second reading of Bill 21, the Rural Utilities Amendment Act, 1991.

Basically, Mr. Speaker, it's similar to the other Acts that I've brought before this House for second reading. This one goes on to provide protection for the public at large and the associations themselves by requiring all rural utility associations other than those that fall under section 35 of the Rural Gas Act to register an easement for all of their distribution facilities installed underground on private property.

I would like to make note, Mr. Speaker, that it's a personal point of amusement that finally we had three members of the Liberal caucus in the House at the same time and they saw fit to call a standing vote.

In view of the lateness of the hour, Mr. Speaker, I would move that we call it 1 o'clock and adjourn debate.

MR. DEPUTY SPEAKER: The hon. Member for Drayton Valley has moved that debate be adjourned. All those favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no. Carried. The hon. Deputy Government House Leader.

MR. STEWART: Mr. Speaker, by way of advice to the members of the Assembly, on Monday afternoon it's proposed that consideration be given to certain government Bills and orders on the Order Paper as well as certain consideration under Committee of the Whole.

In the evening, Mr. Speaker, it is proposed that the Assembly sit in Committee of Supply for consideration of the estimates of the Department of Consumer and Corporate Affairs.

[At 12:56 p.m. the Assembly adjourned to Monday at 2:30 p.m.]