

Legislative Assembly of Alberta

Title: **Monday, June 3, 1991**

2:30 p.m.

Date: 91/06/03

[Mr. Speaker in the Chair]

head:

Prayers

MR. SPEAKER: Let us pray.

We, Thine unworthy servants here gathered together in Thy name, do humbly beseech Thee to send down Thy heavenly wisdom from above to direct and guide us in all our considerations.

Amen.

head:

Presenting Petitions

MR. DECORE: Mr. Speaker, I would like to table a petition calling for reinstatement of health care benefits and programs for senior citizens in Alberta. The petition is signed by 3,533 seniors from across Alberta.

MR. McINNIS: Mr. Speaker, I would like to present a petition presented to me last evening at the highly successful Blues for Greens rally by a thousand high school students in Calgary supporting the environmental Bill of Rights presently on the Order Paper.

head:

Introduction of Bills

Bill 19

Lottery Fund Transfer Act

MR. JOHNSTON: Mr. Speaker, today I'm moving a series of Bills surrounding the budget process. The first one I request leave to introduce is Bill 19, the Lottery Fund Transfer Act. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, this Bill provides for the transfer of funds from the Lottery Fund to the General Revenue Fund.

[Leave granted; Bill 19 read a first time]

Bill 45

Financial Administration Amendment Act, 1991

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 45, the Financial Administration Amendment Act, 1991. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, Bill 45 amends the Financial Administration Act to allow the government to prudently manage the loan portfolio of the government of Alberta.

[Leave granted; Bill 45 read a first time]

Bill 46

Appropriation Act, 1991

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 46, the Appropriation Act, 1991. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, Bill 46 is an appropriation Bill to provide for the budgeted program expenditures. I move first reading of this legislation, which has now undergone debate here in the Legislative Assembly.

[Leave granted; Bill 46 read a first time]

Bill 47

Appropriation (Alberta Capital Fund) Act, 1991

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 47, Appropriation (Alberta Capital Fund) Act, 1991. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, Bill 47 allows the legislation for the Alberta Capital Fund. The Capital Fund appropriation has been debated in the Legislative Assembly already, and this piece of legislation confirms its authorization.

[Leave granted; Bill 47 read a first time]

Bill 48

Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1991-92

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 48, Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1991-92. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, Bill 48 provides the authority for spending for the capital projects division of the Alberta Heritage Savings Trust Fund. Again, this appropriation has been debated here in the Legislative Assembly.

[Leave granted; Bill 48 read a first time]

MR. SPEAKER: The Provincial Treasurer, sometimes known as the Member for Lethbridge-East.

Bill 42

Tobacco Tax Amendment Act, 1991

MR. JOHNSTON: Thank you, Mr. Speaker. I request leave to introduce Bill 42, the Tobacco Tax Amendment Act, 1991.

This legislation provides for the increases in tobacco taxes announced in the budget April 4, 1991.

[Leave granted; Bill 42 read a first time]

Bill 43

Fuel Tax Amendment Act, 1991

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 43, the Fuel Tax Amendment Act, 1991.

Mr. Speaker, this Bill also reflects the budget decisions with respect to increases in fuel taxes. At the same time, there are some administrative changes surrounding the delivery of this tax, and those are also incorporated in this legislation, but it essentially reflects the budget position.

[Leave granted; Bill 43 read a first time]

Bill 44**Alberta Corporate Tax Amendment Act, 1991**

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 44, the Alberta Corporate Tax Amendment Act, 1991.

This Bill does a couple of things. First of all, it reflects the rate changes which were announced in this budget with respect to large corporations, and that's pursuant to the budget adjustments, Mr. Speaker. Secondly, it deals with certain adjustments to the Alberta royalty tax credit, a delivery of a program through the corporate tax system, in particular a new gas adjustment, and to some extent some technical changes with respect to administration of that program by the province. Thirdly, it provides for some changes which are administratively similar to the changes introduced by various federal tax changes, and to keep our legislation in line with the legislation, we've passed these as well, dealing with such things as penalties, administrative in particular.

[Leave granted; Bill 44 read a first time]

2:40

Bill 41**Natural Gas Marketing Amendment Act, 1991**

MR. ORMAN: Mr. Speaker, I beg leave to introduce Bill 41, the Natural Gas Marketing Amendment Act.

Currently, Mr. Speaker, natural gas producers have existing netback agreements with shippers who pool supplies for resale to downstream purchasers. Netback agreements were first negotiated in 1985, when natural gas markets and prices were deregulated. Netback agreements are subject to the Natural Gas Marketing Act, which allows all producers in a pool to vote on terms and conditions, including price, offered by aggregators. Bill 41 further extends netback agreements for a maximum period of three and one-half years. This amendment will apply to aggregators who are affiliated with or influenced in favour of the ultimate downstream buyer. I look forward to the debate of Bill 41 during second reading.

[Leave granted; Bill 41 read a first time]

MR. SPEAKER: The Solicitor General.

Bill 39**Motor Vehicle Administration Amendment Act, 1991**

MR. FOWLER: Thank you, Mr. Speaker. As part of this government's ongoing effort to stop or reduce the amount of carnage on our highways I request leave to introduce Bill 39, the Motor Vehicle Administration Amendment Act.

The Bill is designed to provide new consequences for anyone who continues to drive after their licence has been suspended. Under this Bill vehicles operated by drivers with a suspended licence for alcohol-related offences, demerit offences, or any other legal reason of suspension will be subject to immediate seizure for 30 days. Doing so will ensure that anyone who insists on driving while their licence is suspended receives a swift and sure penalty.

Other amendments will update the Motor Vehicle Administration Act so that references to the Criminal Code are current. Further, the Bill will also widen the grounds a peace officer may use to immobilize a vehicle operated by an alleged impaired driver for a 24-hour period. The amendment will remove the requirement for the peace officer to suspect that the driver may

reoffend, a provision which has in fact restricted the use of the program in some jurisdictions.

I look forward to discussing these and other aspects of the Bill with the hon. members.

[Leave granted; Bill 39 read a first time]

head:

Tabling Returns and Reports

MR. ELZINGA: Mr. Speaker, I'd like to file with the Legislative Assembly copies of the Alberta business outlook, which highlights the success of the Alberta government's economic strategy resulting in some 107,000 jobs over the past five years and also resulting in Alberta having the strongest economy in our great country of Canada.

MS BETKOWSKI: Mr. Speaker, I'm pleased to file with the Assembly the response to Written Question 370.

MR. GOGO: Mr. Speaker, I wish to table the 1989-90 reports of two of our 28 institutions: the University of Alberta and the Northern Alberta Institute of Technology.

MR. SPEAKER: The Solicitor General.

MR. FOWLER: Thank you, Mr. Speaker. I'm pleased to file today the response to Question 377.

head:

Introduction of Special Guests

MR. SPEAKER: The Minister of the Environment, followed by Tourism.

MR. KLEIN: Thank you very much, Mr. Speaker. I would like to introduce to you and to members of the Assembly the winners of this year's Alberta Environment Awards. I had the honour to present the awards at a luncheon today. Now the winners are in your gallery, sir, and I would ask them to stand as I read their names and be recognized by the House.

First, Miss Deanna Brown of Tofield, winner in the individual citizens category. She is here with her parents, Peter and Yvonne Brown; her grandmother Mrs. Martha Tiedemann; and her grandfather Bob Hyde, all of Tofield.

Mr. Speaker, the Olds general and auxiliary hospital and nursing home received the award in the industry, business, or government agency category. With us today representing the Olds hospital and nursing home are Bonnie Oldring, director of pharmacy, and Mike Norris, director of materials and management.

The award winner in the education institution or organization category is the students and staff of Mike Mountain Horse elementary school in Lethbridge. Representing the students and staff are grade 6 student Tyler Cseke and teacher Elaine Unger-Pengilly.

In the volunteer organization category, Mr. Speaker, the award went to the Alberta Conservation Tillage Society, which is represented today by vice-president, Bryan Hearn; founding president and director, Gordon Hilton, and treasurer, Wayne Wilderman.

I would ask the House to extend congratulations to these very deserving winners of the 1991 Alberta Environment Awards.

MR. SPARROW: Mr. Speaker, it's a pleasure to introduce to Members of the Legislative Assembly three retiring members of the Alberta Tourism Education Council. They are Maurice

O'Flynn, representing the Alberta Culinary Arts Foundation, a founding member of the council; Tom Gallagher, representing the Alberta Restaurant and Foodservices Association; and Don Gray representing the Tourism Industry Association of Alberta. The Alberta Tourism Education Council is committed to excellence in the hospitality industry, and I'm pleased to note that the Canadian national culinary team, four members of which are from Alberta, with Maurice O'Flynn as team leader, recently won second place against 16 countries at the American Culinary Classic competition in Chicago. I would like to thank each of the retiring members for their work and contribution and would ask them to rise and receive the warm welcome of this Assembly.

MR. SPEAKER: The Minister of Family and Social Services.

MR. OLDRING: Thank you, Mr. Speaker. It's a pleasure for me to be able to introduce to you and through you to the Members of the Legislative Assembly 46 students from the G. W. Smith elementary school located in the constituency of Red Deer-South. They are accompanied by teachers and parents Mrs. Marilyn Ganger, Mr. Glenn Allen, Mrs. Norma Manning, Mrs. Melody Cowper-Smith, Mrs. Jane Wheeler, Mrs. Jane Bettenson, Mrs. BettyLou Engelhardt, and Mrs. Loretta Winia. They are seated in the public gallery, and I would ask them to rise and receive a warm welcome from the Assembly.

DR. WEST: Mr. Speaker, I'd like to introduce to you and to Members of the Legislative Assembly today 28 energetic students from the village of Strome in the constituency of Vermilion-Viking. They are eagerly looking forward to the summer break. They are located in the members and public galleries. They are accompanied by their teacher Miss Dianna Coombs and parents Mrs. Leona Colwell and Mr. Paul Froehler. I'd ask that they stand now and receive the cordial welcome of this Assembly.

MR. SPEAKER: The Member for Innisfail.

MR. SEVERTSON: Thank you, Mr. Speaker. I'd like to introduce to you and through you to the members of the Assembly 32 students from the Spruce View school. They are accompanied by their teachers Mrs. Baker and Mr. Elverum and parents Mrs. Flemming, Mrs. Jackson, Mrs. Scott, Mrs. Ness, Mrs. Larsen, and Mrs. Pushie. I'd ask them to rise and receive the warm welcome of the Assembly.

MR. GIBEAULT: Mr. Speaker, I'm pleased to introduce to you and to the members of the House this afternoon 12 members of the Folkloric Group of the Association of Relatives of the Detained and Disappeared Persons of Chile who are on a national tour of Canada at the moment. The leaders of the group are Gala Torres Aravena, Victoria Diaz Caro, and Violeta Morales Saavedra. They are accompanied by their translator, Mr. Mario Allende. Just before asking them to stand and receive our warm welcome, may I offer them an apology for the grossly insensitive treatment of the security staff that they suffered a few minutes ago. Would they please rise and receive our warm welcome.

MR. SPEAKER: Hon. member, you do yourself a great disservice in terms of that last remark.

head:

Ministerial Statements

2:50

MR. SPEAKER: The Minister of the Environment.

Environment Week

MR. KLEIN: Thank you, Mr. Speaker. All members of the House are aware, I'm sure, that this is Environment Week, which runs to next Sunday, June 9. Environment Week is especially meaningful to those of us fortunate enough to live in Alberta. It gives all of us an opportunity to pay tribute to our province's breathtaking landscape and boundless resources. At the same time, we should ponder our responsibility for the future of our environment.

This year the theme for Environment Week is Our Environment: It's in Our Hands. The message here is that we can no longer take for granted the well-being of the environment. Each of us has a responsibility to protect the environment so that future generations will enjoy it as much as we do today.

I also want to mention that this year Alberta Environment is celebrating its 20th anniversary. Ours was the first Environment department established in Canada, and from its beginning it has been committed to safeguarding our priceless land, water, and air. I hope that all Albertans share that commitment.

Thank you, Mr. Speaker.

MR. SPEAKER: The Leader of the Opposition.

MR. MARTIN: Thank you, Mr. Speaker. Certainly we on this side of the House would also congratulate the thousands of Albertans, especially the award winners sitting up there today, who are working in all sorts of ways to protect Alberta's environment.

Albertans want a clean environment, and frankly they're way ahead of this government in wanting this province's air, land, and water to be protected. This government's record on the environment has been mostly talk, public relations, and very little action. It's certainly been short in involving the public in environmental decision-making. Because of this government's inaction, Albertans have the most polluted air in the country. Frankly, it's making Alberta sick. [interjections] Mr. Speaker, they may not like to hear the truth, but it is true. While other regions and provinces are committed to cutting air pollution levels in the coming decade, Alberta is bucking the trend and allowing the amount of pollutants to increase.

This is the government that has sold off most of Alberta's forest to a handful of mostly foreign-owned companies for ridiculously low prices. In exchange for handing over an area the size of the state of Oregon to a few companies exporting unprocessed pulp, Albertans get relatively few jobs but most of the pollution. This government has allowed these companies to discharge their wastes into Alberta's rivers despite the fact that other provinces are building nonpolluting mills.

A year ago this government used closure to ram a Bill to expand game ranching through this Legislature without any environmental reviews or public involvement. Now Albertans are faced with a widespread outbreak of tuberculosis in game-ranching elk, which poses a threat both to wild populations and the domestic cattle industry.

This government is stalling on bringing new environmental protection legislation into this Assembly. This is not – I stress "not" – the kind of environmental leadership that Albertans deserve or are looking for during Environment Week or any other time. Albertans want an environmental Bill of Rights to guarantee access to information and the right to participate in

environmental decisions affecting them. Albertans are looking for tough action against polluters through strict enforcement of environmental laws. Albertans want an end to secret deals and giveaways of our forest. Albertans want their wilderness areas and endangered spaces to be adequately protected from indiscriminate development.

This is the type of leadership they want, Mr. Speaker, and they're not getting it.

head: **Oral Question Period**

MR. SPEAKER: The Leader of the Opposition.

Ethics in Government

MR. MARTIN: Yes, Mr. Speaker. To the Minister of Culture and Multiculturalism. This government has always had a difficult time understanding basic rules of ethical and fair government conduct, but frankly in all my time here I've never heard a more crude admission of this fact than that uttered by the minister of culture last week. Maybe he's more honest than the rest; I don't know. He actually bluntly admitted that you've got to be a loyal friend of the government to get government money. The most shocking part about this is that this minister apparently sees nothing wrong with this at all. My question to the minister is simply this. I wonder if the minister will reiterate in the Assembly today his comments that you can't get government money without having Tory friends and explain why he thinks this is an acceptable way for a government to operate.

MR. MAIN: Well, Mr. Speaker, the Leader of the Opposition unfortunately was not with me while I was making my comments in an interview with regard to loans and loan guarantees and applications before the government, and he has the facts wrong.

MR. MARTIN: Mr. Speaker, this is the first minister that's ever been misquoted on the radio. Somebody else came out with his voice.

Let's look at the flip side of this. We know what he said. He was also quoted on what happens when you are on side with the government, good friends. We notice that Mr. Frank Calder, a man cosy with this government, and Mrs. Margaret Bateman have both gone directly from public service in the Public Affairs Bureau, which is part of the minister's department, to getting government contracts worth hundreds of thousands of dollars once they got in the private sector.

MR. JOHNSTON: Prove it.

MR. MARTIN: It's already there; it's in black and white. Look at public accounts, Mr. Treasurer.

Mr. Speaker, the cause of this is simple: the government has refused to bring in basic ethics legislation that requires a cooling-off period before public servants can get government contracts after they leave their jobs. My question to the minister: does the minister not see anything wrong with this practice that we saw last week?

MR. MAIN: Mr. Speaker, the contracts to which the hon. Leader of the Opposition refers were awarded in some cases via tender and in other cases by direct hiring. The contracts were awarded for work that was done. There are many contracts awarded by many departments of government every day, and those contracts are awarded for work that is performed on a fee-for-service basis in many cases. That was certainly the case in

the issue that the member refers to. Whether or not a person who leaves government should be banned from doing work for the government for forever and a day: under the current situation, the answer to that question is no.

MR. MARTIN: Well, Mr. Speaker, we're not asking for forever and a day, but almost every other provincial government and the federal government see the need for a cooling-off period. My question to the Premier then, because this minister doesn't know anything about ethics: is he prepared now to bring in this code of ethics Bill with a cooling-off period so we don't run into this situation that just occurred last week?

MR. GETTY: Mr. Speaker, as the throne speech said this year, we are going to be presenting legislation on conflict of interest and a code of ethics. That legislation will be coming here to the House in the spring session. I just ask the hon. member to wait and see it. We'll then have a chance to go through the normal type of assessment: three readings in the House and committee study. I think the members will find the Bill very good legislation.

MR. SPEAKER: Second main question, Leader of the Opposition. [interjection] Second main question.

MR. MARTIN: Have you got a problem, Mr. Speaker? If you want to make a ruling, then stand up.

MR. SPEAKER: I don't have any problems at all. Let's have the second main question.

MR. MARTIN: I don't see you standing up. If you want to make a ruling, a person stands up; not from the Chair.

Health Care Services out of Province

MR. MARTIN: Mr. Speaker, my question is to the Minister of Health. Because of a lack of treatment beds in Alberta for those needing drug rehabilitation programs, a number of American firms have sprung up in this province to hawk addiction treatment centres in the U.S. It seems to be a growing industry costing taxpayers of Alberta more and more money. As one would expect, these centres are extremely expensive, and Alberta Health has paid out millions and millions of dollars to cover everything from airfare to accommodation to meals as well as treatment in these American centres. My question to the minister is simply this: what monitoring is going on by the Department of Health to protect taxpayers' money?

MS BETKOWSKI: Mr. Speaker, the Leader of the Opposition is wrong when he says that millions and millions and millions have gone out of the province. Under the Canada Health Act the province of Alberta, like every other province, must pay for hospitalization and physician fees out of province, out of country at the rate we would reimburse them here in Alberta. That is something that's required under the Canada Health Act and something that I think we cannot totally remove from our Canada Health Act compliance in this province.

3:00

MR. MARTIN: Mr. Speaker, I asked about the monitoring. Clearly nothing's going on.

Let me ask the minister this question, because we've learned from at least two sources, including U.S. immigration, that Alberta Health will cover these costs without requiring anybody

to even get a medical referral from a doctor, never mind stepping foot inside the doctor's office. The minister's been on record before as saying that a medical referral is necessary. Can she explain the contradiction: how somebody can get on a plane and go to the United States and can do that without even a medical referral? How does she justify that?

MS BETKOWSKI: Mr. Speaker, I won't take the time of the House to repeat my first answer, that the Alberta health care plan is required to comply with the Canada Health Act with respect to paying for hospitalization and physician costs out of country, referred or not. The question, however, is one of ensuring that there are adequate programs for the majority of Albertans here in Alberta, and certainly AADAC is working to ensure that. As far as taking that option away from Albertans, which interestingly we now have on the record by the Leader of the Opposition, that is not something that we're allowed to do under the Canada Health Act.

MR. MARTIN: Well, Mr. Speaker, I'm not talking about taking the treatment away. We should have it here in Alberta. I'm talking about not wasting taxpayers' money. Now, my question to the minister: other provinces are moving on this and at least require a medical referral; why is it that Alberta doesn't even require a medical referral and you're wasting taxpayers' money in doing this?

MS BETKOWSKI: Mr. Speaker, I'm of the view that we need more than just the medical referral. I think more importantly what we should do is ensure that both the Alberta Medical Association and AADAC are working together to look at what program standards must be met for these families who are sending kids out of the province as a condition of provincial funding flowing, and that process is beginning now.

Hurtig Publishers Ltd.

MR. DECORE: Mr. Speaker, last week Albertans lost what many believe to be a national treasure. Hurtig publishing went down, and jobs and the activity over many years were lost to Alberta and to Canada. Hurtig went down because he couldn't sell off the inventory of the *Junior Encyclopedia* that he had in stock. He has told us that he went to the government for help and that he was told that because he had no political friends, he wouldn't be getting help. Now, it's clear that unless you have Conservative pals in the government, you're not going to be considered for business assistance. My questions are to the hon. Premier. Will the Premier confirm that the minister's statements regarding this whole Hurtig matter are in fact the policy of the Getty government; that is, to deny business opportunity to anybody who doesn't have those Conservative connections?

MR. GETTY: Mr. Speaker, it's remarkable that the minister who the hon. leader of the Liberal Party must be referring to is in the House, and surely he would ask his questions of the minister.

MR. DECORE: Mr. Speaker, I noted with interest that the Premier thought this was quite a funny matter when the Leader of the Opposition brought the matter up first for his consideration. It's the Premier that I'm asking the questions of. Let me put it to the Premier: is this in fact the way that your government does business, Mr. Premier, that you must have Conserva-

tive connections before you get consideration for any business opportunity or venture?

MR. GETTY: No, Mr. Speaker.

MR. DECORE: Well, Mr. Speaker, that's not the perception of Albertans, and the Dan Quayle of the north that runs around shooting his mouth off and then either denies it or runs for cover is giving a bad impression of your government, Mr. Premier.

MR. SPEAKER: Question.

MR. DECORE: My last question, Mr. Premier, is this: please identify the criteria, the conditions that Albertans must satisfy before they get consideration from your government for business ventures or business assistance?

MR. GETTY: Mr. Speaker, those smart comments about a member of the House are worth about as much as a Liberal membership card. The hon. leader of the Liberal Party is asking questions that you could hardly get into during a question period, such as the criteria that are used. Now, the Minister of Culture and Multiculturalism is here. The leader of the Liberal Party has referred to him several times. I think he may well want to augment my answer.

MR. SPEAKER: The Minister of Culture and Multiculturalism, briefly.

MR. MAIN: Obviously the leader of the Liberal Party doesn't want to get an answer to the question he's asking, but I will give him one. Mr. Speaker, the matter he's referring to is the question of Mel Hurtig and Hurtig Publishers. Of course, nobody is happy to see a company fail, but Hurtig Publishers failed because of a decision Hurtig Publishers made, and that was to market its product in a certain way. The public of Canada decided it didn't want to part with that amount of money for that amount of books.

In the past, Mr. Speaker, this government has provided Hurtig Publishers with in excess of 4 and a half million dollars in government aid for previous projects. Previous projects by the Liberal leader's good friend Mel Hurtig have been supplied in excess of 4 and a half million dollars in government aid. On this particular project the problem was in the private sector. People wouldn't buy it, and the solution also was in the private sector with the purchase by McLelland & Stewart.

MR. SPEAKER: Smoky River.

Farm Income

MR. PASZKOWSKI: Thank you, Mr. Speaker. This past spring the new gross revenue income protection program was put in place, and it was introduced to protect farmers from the possible threat of low prices in grain. The cutoff date has come and gone. It was May 17, as I recall. I'd like to ask my question to the Minister of Agriculture. What has been the uptake of this program as far as the grain producers are concerned? Do you have the statistics available?

MR. ISLEY: Mr. Speaker, we have the statistics available on the number of farmers that have registered. That number is in excess of 23,000, which is a little bit higher than I would have

projected. We will have to wait until after June 20 to get an accurate figure on the number of acres covered, because, remember, it's the number of acres, not the number of registrants, that will dictate the amount of premium the government will have to put into the program.

MR. PASZKOWSKI: Thank you. Mr. Speaker, the GRIP program was part of a three-part program. Basically, the first was crop insurance, which protects farmers against yield losses; the GRIP program, which protects them against price deficiencies; and the third part of the package was the NISA program. There is a fair amount of interest in the agricultural community, and the NISA program of course is to protect the farmers against cash flow loss. What is the status of this program? My understanding is the province hasn't as yet become part of this program. Would the minister share with us what the status of this program is as of today?

MR. ISLEY: Mr. Speaker, as I've stated in the Assembly before, during the budgetary process we made a decision to proceed with the revenue insurance protection program because that will do something for cash flow and the availability of operating money this spring. We made a conscious decision at that time not to enter NISA at this point in time because there was no immediate impact to the farming community. As you're aware, or some of the members are possibly aware, the federal government, which has agreed to be responsible for the third line of defence, made a decision to use the NISA mechanism to distribute third line of defence money to the grain and oilseed producers and are hence using a provincial sign-up as part of a lever to get NISA accepted across the nation.

We're still taking the position and saying to farmers: look, that is not the true NISA we're talking about. This is strictly federal money. It's strictly federal administration. While we agree that the NISA mechanism is an appropriate way to determine who should receive the money and how much money, there's really no necessity for provincial involvement. Talk to your MP and encourage them to release their moneys.

Family Support Strategy

MS M. LAING: Mr. Speaker, my questions are to the Premier. We have recently debated the government's commitment to the Premier's council on the family, a council that is shrouded in secrecy. An action plan indicates that in March or April of this year cabinet would have given approval to a family policy grid prior to consultation with communities, special interest and grass-roots groups. To the Premier: what assurances will he give that his government does not intend to use this council to develop a family policy for Alberta which supports the government's own preconceived ideas about Alberta's families?

3:10

MR. GETTY: Mr. Speaker, as we've said in the House very often, it's the hope that the Premier's council on strengthening families will be able to strengthen families in all their forms in this province. As I've said before, there are very diverse forms of families in the province, and because they are such a cornerstone of our society, I hope that we are successful in being able to strengthen them.

MS M. LAING: Well, we have had some mixed messages in here.

My second question, again to the Premier. In view of the fact that we do not have a definition of the family and its variety of

forms and at the same time we hear again and again this government's emphasis on stability and order, we are concerned that the well-being of individual family members may be sacrificed in the name of preserving the family. Mr. Speaker, I think here of the abused child or the battered wife and her children. What assurances do we have that this council will recognize the importance of balancing society's need for strong, stable families with individual family member's needs to grow and develop in safe and nurturing environments?

MR. GETTY: Well, Mr. Speaker, the hon. member should know that the council is made up of fine Albertans who are contributing to the future of the province. I would hope she would have respect for members of this province, Albertans who are working together to build the strength of this province. The chairman of the Premier's council is in the House, and he may want to supplement my answer.

MR. SPEAKER: The Member for Red Deer-North, briefly.

MR. DAY: Mr. Speaker, the only secrecy would be that the member is having trouble reading the many publications that have gone forth describing the work of the council. Directly related to the development of the policy grid, every minister has assigned a senior person from each department to be part of developing this family policy grid. That's also been done in consultation with the NGOs from all around the province which have been formed together as a result of initiatives by the council, pulling together a network to receive that type of input, and I've already started public forums to have input there. We've also been attending all the family community support services meetings around the province. It's certainly one of the most extensive processes that I've been involved in and that I think we could possibly be seeing. So the input has been tremendous, and I would welcome the member to give us some more.

MR. SPEAKER: Edmonton-Gold Bar.

Senior Citizens Programs

MRS. HEWES: Thank you, Mr. Speaker. It's clear from the overwhelming cries of protest from Alberta seniors that the cuts in services simply can't be tolerated. Ironically, as we begin to celebrate seniors week with all kinds of events, constituency offices continue to be overwhelmed with calls from angry seniors wanting to voice their concern and protest; this in spite of all of the government's disclaimers. My first question is to the Minister of Health: since the magnitude of the protests from seniors who are already reeling under the GST and the cost of living and since that has become very evident and now that the seniors themselves have helped us to understand the dire consequences of the government action, will the minister now reinstate the cuts in services?

MS BETKOWSKI: Mr. Speaker, I am not an advocate for the status quo with respect to our seniors programs. I look at the availability of new high-technology services that we were unable to provide for seniors under our Aids to Daily Living program. I look at the fact that we weren't giving support for power wheelchairs and many other things that caused us to look at the whole program in this and other areas. I think the fact that we have increased our support for seniors programs speaks very highly of the priority that this government places on them. The

structural changes that we have made for the programs are ones that I believe will ensure their sustainability and future viability for all seniors in this province.

MRS. HEWES: Mr. Speaker, it's not working. I know it, the minister knows it, and the seniors know it. My question, then, is to the Premier. Since the ministers have obviously failed to recognize how serious this concern is among Alberta seniors, the depth of the concern, I want to ask the Premier if he will take this matter into his own hands. Will he meet with seniors now and resolve this very critical situation?

MR. GETTY: Mr. Speaker, I appreciate the attention and representation from my hon. friend the member for Edmonton-Gold Bar. She should feel good about the fact that the minister responsible for seniors programs and the member responsible for the seniors council, our advisory council, are both meeting with seniors every day. Seniors realize how the programs have been restructured and the additional dollars that are being put into the seniors programs. We find – and we've all had opportunities to be throughout the province in the past several days when the House was not in session – that seniors are understanding that these programs are the best in Canada by far.

MR. SPEAKER: Calgary-Foothills.

Economic Development Strategy

MRS. BLACK: Thank you, Mr. Speaker. In recent days there's been considerable distorted publicity about the government's diversification initiatives. [interjections] I thought that might raise some catcalls from the opposition, yet the facts are there. Alberta's economy is the strongest in Canada, and Alberta's economy is projected – if they'd listen, they might learn something – to grow significantly in 1991. This last week there have been many media programs, particularly television, that have interviewed investment houses and investment brokers and have made comparisons as to the future and the prospects of the country, and they've gone province by province. I was wondering if the Minister of Economic Development and Trade can explain specifically what is contributing to Alberta's strength and growth in comparison to what is happening in other jurisdictions across the country.

MR. ELZINGA: Mr. Speaker, I'm more than happy to respond to the hon. member's question. It's interesting to note, too, when we examine the jobs that have been created, the some 107,000 jobs over the last five years, that the majority of those jobs have been created outside our traditional sectors, agriculture and energy. They have been created outside of those sectors because we have been very active in pursuing further diversification in this great province. That has been underscored by the study we filed in the Legislative Assembly earlier during this session. Also, it has been underscored by third-party analysis such as the Conference Board, the Royal Bank, Stats Canada. A number of them have suggested that Alberta is going to lead economic growth.

Our loan guarantees are one component of that diversification strategy. Our very active encouragement as it relates to the further sales of the exportation of goods that are produced within the province and our trade policy are other components of that diversification strategy. A further component of that strategy is the lowest taxation rate of any province for the small business community, and we're going to continue to actively

diversify this province so that we can have meaningful jobs for our young people.

MR. SPEAKER: Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Speaker. I know it's a joke to the opposition because they can't stand success in the economy.

Mr. Speaker, last week I had the opportunity to door-knock on many homes in my riding. We've heard a lot of negatives, in fact total depression from the opposition about the negative ventures that we have had to deal with recently. My constituents and I were wondering: could the minister cite some examples of the positive ventures we have supported and what future initiatives are planned to continue for a strong economy?

3:20

MR. ELZINGA: Mr. Speaker, in the package that we filed with the Legislative Assembly, we highlight a number of case studies that have produced thousands of jobs, and we can go through them: such projects as Alberta-Pacific, the Caroline project which Shell is involved in, the Husky upgrader itself, which is going to create some 1,800 jobs. We also highlighted a number of case studies that the Alberta Opportunity Company has been involved in in the creation of thousands of companies throughout rural Alberta which have played a very important part in the diversification of our province.

As it relates to the future, Mr. Speaker, with the improved economy we have indicated over the last number of years that because the economy is strong within this province, we are pulling back, and we're pulling back substantially as we have done in the past. I want to leave the hon. member, though, with the assurance that we are going to leave ourselves the flexibility in the event that there is a project that will contribute substantially to the further diversification and the welfare of this great province of ours. We want to have the flexibility to involve ourselves.

Also we've indicated in the past – it was highlighted in the Speech from the Throne – that we are going to have a conference on the economy. We are going to issue a discussion paper whereby we're going to seek the valued advice from the Alberta population as to the direction they would like to see us take in future decades.

Landfill Pollution

MR. McINNIS: Mr. Speaker, the Public Health Advisory and Appeal Board has finally made public its findings and ruling on 40,000 tonnes of soil contaminated by oil, grease, and asphalt which was dumped in the Foothills regional landfill south of Okotoks. The report finds that this material doesn't meet the government's legal definition of the word "hazardous," but it does qualify under the Public Health Act as a nuisance, which is defined as "a condition that is or that might become injurious or dangerous to the public health." Sort of like our minister: not certifiably hazardous but certainly a nuisance. In view of the fact that this material arrived as the direct result of a series of approvals issued by Alberta Environment, I'd like to know if the minister would now like to apologize to the people of Okotoks at the start of Environment Week for the nuisance he has visited upon them.

MR. KLEIN: Well, Mr. Speaker, no, I'm not going to apologize to the people of Okotoks. As a matter of fact, I think that Alberta Environment went out of its way to conduct an investigation to revisit that whole situation, to bring forward a very

open, a very honest report, and the board of health advisory appeal board agreed with our report that the material was not hazardous, that indeed some changes should be made relative to the operation of the landfill. That is entirely up to the local jurisdiction; i.e., the local board of health and the Foothills landfill authority. I'll say to the hon. member that if he wants us to take over all these regional landfill sites and get into the business of running landfill, then I would propose that he recommend to us how we effect the fundamental change in policy. Right now the policy is that local jurisdictions are responsible for the operation of local landfills.

MR. McINNIS: Well, Mr. Speaker, I was at the hearing, and Alberta Environment clearly indicated that they issued the approvals necessary for this material which is "injurious or dangerous to the public health" and was dumped in the local landfill. I'm not asking him to take them over. I'm asking him to stop issuing approvals to put material like that in local dumps.

Now that the ruling has been made, I would like to know specifically if the minister has taken any particular steps to ensure that the material can be encapsulated within the 60 days, or is he merely washing his hands of the affair, having caused the problem?

MR. KLEIN: Well, first of all, Mr. Speaker, this hon. member is in fact the hazard. He's a little bit more than a nuisance. He's a menace. He's an absolute menace with the way he spreads misinformation and constantly misleads the troops.

The Department of the Environment concluded that the waste was not hazardous. There will be ongoing monitoring by the department in conjunction with the local board of health and the Foothills landfill authority. The operators have assured us that they can indeed put this nuisance waste into a separate cell. Mr. Speaker, everything that can be done is being done, and all I can say is that the department and the minister in this particular case acted with all dispatch and in a completely responsible fashion.

MR. SPEAKER: Calgary-North West.

Carbovan Inc.

MR. BRUSEKER: Thank you, Mr. Speaker. One of the success stories the Minister of Economic Development and Trade likes to crow about is Carbovan and the \$6 million we lost there. The question I have to the minister deals with this particular company. We loaned \$6 million, and the minister has said that the \$6 million is fully guaranteed by Agra Industries, yet minute 180 from the Treasury Board says that in 1987-88 a further \$2 million loan guarantee was offered to Agra Industries and was, in fact, drawn upon in 1989-90, bringing the total to \$8 million. My question to the minister: with respect to this \$2 million, was the loan guarantee that went to Agra ultimately destined to go to Carbovan, making our total exposure \$8 million?

MR. ELZINGA: No, Mr. Speaker. Let me take the liberty of filing with the Legislative Assembly a letter I sent to the leader of the Liberal Party whereby we outline our exposure. Since he's already referenced this letter to the media, I feel I should file it with the Legislative Assembly so that it is available to everybody, indicating that we have no exposure.

MR. KOWALSKI: There. You knew that.

MR. BRUSEKER: Well, then my supplementary question, if the minister over here will put his yap shut for a while, is: what was the \$2 million that was given to Agra Industries given for, and what securities have you got for it, or is there going to be another loser like you've had in the past?

MR. ELZINGA: Mr. Speaker, I'm more than happy to respond to the hon. member, because on a consistent basis in this Legislative Assembly we have to deal with accusations that are totally false, just as the hon. member has suggested now, whereby both parties are involved in a campaign of misinformation even though they have the information available to them. I tabled a letter in this Legislative Assembly that we sent to the leader of the Liberal Party indicating that Agra Industries themselves guaranteed the \$6 million exposure by the Alberta Opportunity Company so that there would be no possibility whatsoever of a \$6 million loss. The hon. member suggests that there is an opportunity for loss; the hon. member is incorrect.

MR. SPEAKER: Lesser Slave Lake.

Senior Citizens Facilities

MS CALAHASEN: Thank you, Mr. Speaker. The health facility in Slave Lake is in need of major development due to the flood of 1988. There is also a gap identified because there are no long-term care beds to accommodate the aging population of Slave Lake. This is an urgent need and I think is required for development within the area. Would the Minister of Health advise the constituents of Lesser Slave Lake and particularly of Slave Lake as to the status of the Slave Lake hospital?

MS BETKOWSKI: Mr. Speaker, the Slave Lake hospital is one of about 30 projects which have been committed to by the province of Alberta and not yet proceeded to construction. Not just Slave Lake but many other communities are waiting to find the status of their own project. With respect specifically to Slave Lake, as the member notes, the project does rate high with respect to the need for long-term beds in the Slave Lake area, but the project also combines the total replacement and structure of a new acute care facility in addition to long-term needs and, as a result, loses some of its high ranking.

Part of the discussion which I've initiated with the Department of Health is to look at projects like Slave Lake which, with a refined definition of scope of the project, might meet the needs of Albertan taxpayers by ensuring that we will be spending the dollars that we most need to spend as well as the acute and long-term needs of Slave Lake. That consultation process is under way, and I hope that we'll be able to come forward with a plan of a scheduled building of these projects in order that communities like Slave Lake might know when their project will go ahead.

MR. SPEAKER: Supplementary, Lesser Slave Lake.

MS CALAHASEN: Thank you, Mr. Speaker. I appreciate the fact that there are some consultations going on with the community and particularly the board.

My question, then, is to the Minister of Municipal Affairs. Since there is no lodge available, can the minister indicate to the constituents of Slave Lake whether or not the Municipal Affairs officials will be working co-operatively with the Health officials

in order for us to accommodate the aging population within the area?

3:30

MR. R. SPEAKER: Mr. Speaker, the hon. member raises a very important question, one she's raised with this ministry and the Minister of Health on a number of occasions for her constituents. It is very important under the current circumstances where you have to make choices with regards to capital funds that we co-ordinate, in a very significant way, in terms of social housing with the health care facilities of the province. We have been doing that, and we intend to continue to do that. With regards to the Slave Lake project, we intend to give a very special emphasis with regards to that co-ordination and try and meet the needs of the seniors in that area.

MR. SPEAKER: Calgary-Mountain View.

Provincial Debt

MR. HAWKESWORTH: Thank you, Mr. Speaker. Legislation tabled by the Provincial Treasurer this afternoon proposes to raise the province's debt ceiling, I understand, by \$2 billion. I understand the figures are something like going from 11 and a half billion dollars to 13 and a half billion dollars. I'd like to ask the Provincial Treasurer if he'd tell us how he can reconcile this \$2 billion increase in the province's debt with his claim that this year's budget is balanced.

MR. JOHNSTON: Mr. Speaker, there's no question that the budget presented April 4, 1991, is balanced. I can also say that there's been quite a review of the budgets across Canada over the past couple of months, and I'd be more than willing to provide that information to the Assembly. I think I should, just out of courtesy, advise the House that just last week Ontario's credit rating was downgraded again.

MR. FOX: That was the week before.

MR. JOHNSTON: No, that was last week; it was downgraded again. That's the third time that Ontario's credit rating has been downgraded by a similar socialist government, who has no respect for the taxpayer's dollar, who wants to run large deficits without care. I can tell you, Mr. Speaker, that's the kind of thing you get from those socialists across the way.

Now, the debate on this Bill will be proceeding. The member knows the rules in the Assembly. This debate on this Bill will proceed like every other piece of legislation, and I look forward to his comments sometime over the course of the next couple of weeks.

MR. HAWKESWORTH: Well, Mr. Speaker, this Provincial Treasurer always wants to talk about Ontario, but unfortunately this is Alberta. I will tell the Provincial Treasurer that at least the Ontario government levels with its people and tells them the truth about what it's doing, and I'd also remind the Provincial Treasurer that this \$2 billion increase is only slightly less per person than the budget deficit in Ontario.

I would like to ask the Provincial Treasurer: given these provisions that he introduced in legislation, will he now undertake to introduce a new budget, one that tells the truth to Albertans, one that accurately reflects this government's true financial situation?

MR. JOHNSTON: Mr. Speaker, the member is making that spurious correlation between the request for flexibility in terms of managing the province's fiscal position and the position taken by this government. There's no doubt that the expenditure program which we've outlined is one of the most effective, controlled expenditure programs of any government in Canada, and our revenues, as we forecast, are on point right now. Therefore, it is in fact the coarsest kind of comparison to suggest that because you're increasing the amount of money that's required for the government to manage such things as inter-year cash flows and rollover of debt, that for some reason there's an increase in our debt.

Mr. Speaker, I thought it was very descriptive and revealing to hear the Member for Calgary-Mountain View say that it's unfortunate we're in Alberta. That's what he said: unfortunately, we're in Alberta. It is unfortunate that we have this calibre of representation across the way. It is unfortunate for Alberta that we have that kind of representation. The people of Alberta will know full well. They have one message: this is a balanced budget, strong economic . . .

MR. SPEAKER: Edmonton-Calder.

Aids to Daily Living Program

MS MJOLSNESS: Thank you, Mr. Speaker. My questions are to the Minister of Health. This government continues to cut back on programs affecting Albertans who depend on these programs to live healthy lives. This week the Department of Health is informing Aids to Daily Living clients that more than 70 items, including supplies such as diapers, catheters, walking and bathing aids, will no longer be covered effective July 1. Given that these services are directly related to an individual's health, I would ask the minister: why is this minister's first priority to cut her budget rather than continue to provide these essential services to people who need them?

MS BETKOWSKI: Mr. Speaker, as the hon. member should know, the AADL budget has not been cut; in fact, it's been increased substantially to \$60 million over and above the \$47 million, I believe, that was budgeted last year for the program. If we look at a procedure like catheterization, I think the hon. member will find that the clean catheterization technique, which is being used in other jurisdictions and been proven as an effective technique against infection since 1973, is one that we are asking Albertans to use. The issue becomes frequent catheterization as opposed to simply sterile catheterization each time. We will be working with those clients who need catheterization and need to be educated in the clean catheterization technique before the program changes are implemented on July 1.

MS MJOLSNESS: Well, Mr. Speaker, this government is not only going to charge for supplies, and there are 70 items on the list; many people will be restricted in the quantities of supplies that they require to remain healthy. Given that one such person – and this is just one example – is an eight-year-old girl who will be restricted in the number of catheters she needs, putting her health at risk, will this minister recognize that she is jeopardizing the health of this child and many other Albertans by restricting these supplies or even deleting them and commit to continue to provide coverage for these essential services?

MS BETKOWSKI: Mr. Speaker, I assure the hon. member, through consultation with medical doctors who are familiar with the clean catheterization technique, that the health of this young girl will not be put in jeopardy. Certainly the program will be teaching her family a new technique in catheter use to ensure she's safely covered.

The hon. member is right in the area, for example, of disposable products. One of the principles we looked at in the restructuring of the Alberta Aids to Daily Living program was environmental consciousness. I think it's a very important part of it. We are not funding the level of disposable products that we did in the past, but we're rather looking to the effective reuse of those products, not just in the Aids to Daily Living program but throughout the health system including in the institutional setting.

MR. SPEAKER: Westlock-Sturgeon.

Native Issues

MR. TAYLOR: Thank you, Mr. Speaker. My question today is to the Premier. I believe most would agree that it is a tribute to him and to the Legislature that Albertans have an all-party committee out circulating the province listening to ideas on the Constitution. I think there is, however, a gap appearing in the relationship between our province and treaty Indians. I was wondering whether the Premier would consider setting up a similar type of constitutional committee, an all-party committee of the House, to have ongoing meetings with the treaty Indian chiefs of Alberta?

MR. GETTY: Mr. Speaker, I think the hon. member would acknowledge that the government has taken the responsibility for dealing with aboriginal peoples within this province very heavily, and he would know the tremendous strides we've been able to make in the area of self-government for Metis people, an agreement unmatched anywhere in Canada, where they are able to have land and be in control and govern and, in a transition period, move into full opportunities within our province. In the area of treaty Indians we have settled claims and are working on claims as diligently as possible. I know the hon. member has now made an additional representation. Because of my respect for his concern, I will consider it.

MR. SPEAKER: Supplementary.

MR. TAYLOR: Thank you, Mr. Speaker. The Premier is indeed correct that there were long, ongoing talks with the aboriginal Metis, but the aboriginal treaty Indians are now evincing, in a couple of briefs to the committee, an interest in meeting with government, which is very rare news. I would like to encourage the Premier along with the Deputy Premier to think seriously about setting a committee up that would take the next two years, say. This is something we don't have to rush.

They should meet with the treaty Indians chiefs and the treaty Indians.

3:40

MR. GETTY: Mr. Speaker, the government certainly wouldn't pass up any opportunities for consultation. I just want to make sure the hon. member understands that treaty Indians are the responsibility of the federal government. However, we would try in every way possible to work with them. Also, Mr. Speaker, I know he wouldn't want me to prejudge any report that might

come from our all-party select committee, so I think we should see what the committee recommends, of course.

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Second Reading

Bill 33

Landlord and Tenant Amendment Act, 1991

[Adjourned debate May 24: Mr. Chivers]

MR. SPEAKER: Edmonton-Strathcona.

MR. CHIVERS: Thank you, Mr. Speaker. As I noted last time, this Bill, as proposed by the hon. minister, does indeed contain some significant improvements in the area of landlord/tenant relations; however, as I also noted, the MacLachlan report contains some 57 recommendations and very few of these recommendations have been introduced. Those that have been adopted in the Bill have been significantly modified, and I have some concerns in that regard.

I also have some concerns with regard to the process that was followed with respect to the MacLachlan report. Not unlike many reports that are presented to this Legislature, the government sits on the report for a considerable period of time and then does not end up adopting most of the recommendations that are made to the Legislature by the body studying the issue, a body which has acquired a good deal of knowledge and has studied thoroughly the issues that are involved in landlord/tenant relations. What's happened here, as the minister noted in his comments to the Assembly in describing this Bill when we last met, was that following the report he

sent the summary of the report out to . . . individuals and organizations who had expressed interest in the topic and requested from them further input on the some 57 recommendations.

I think it unfortunate that the minister did not see fit to send out the entire report, *Achieving a Balance*, rather than simply the summary of the recommendations, because it seems to me that the report in its entirety puts those recommendations in a context which doesn't appear in the summary of them.

I think it also unfortunate that having followed this process, we didn't have the benefit of further public hearings through the MacLachlan committee or the opportunity to have their input on the further viewpoints that were apparently received by the government with respect to the terms of legislation that would be introduced.

As I say, I have some concerns with respect to the process as well as the product. The product, as it's presented to the Legislature, contains and adopts only a few of the recommendations from the MacLachlan report. In my opinion, the MacLachlan report did indeed strive to achieve a balance, which is the name of the report.

[Mr. Deputy Speaker in the Chair]

Of course, the Bill does limit rental increases to two a year, but it still only requires three months' notice of the rent increase, and this, in my submission, ignores the reality of the difficulties this creates for the budgeting of low-income families, particularly with respect to the serious problems in terms of moves that are occasioned in the winter period. I submit that the proper period of notice, which is the period of notice that

was recommended by many of the presenters to the MacLachlan committee and I believe was adopted by them, is six months.

The Bill does deal with the requirement for security deposits, being a matter that was of some controversy for a great many years. It was certainly a matter of concern not only to tenants but also to landlords. It was an area which they could see some landlords were abusing, and they felt that in fairness there had to be amendments in the legislation in this area. Indeed, the Act does make some provision for amendments in the area of requiring security deposits to be paid into a trust account. This is an improvement, but it is still accessible to the landlord, and it's not acceptable in the sense that it doesn't require the entire interest on the trust fund, whatever the earnings are, to be paid exclusively to the tenant. That is still a matter that is not dealt with adequately. The entire interest, in my submission, should by statute be required to accrue to the benefit of the tenant, and there should be no doubt of that. It should be explicit on the face of the legislation, and it seems strange that it is not explicit on the face of the legislation.

The Bill does deal with inspection reports and requires post-and preinspection reports as to the condition of the premises, and again I think that's a significant improvement. My concern is that there's still no remedy for a situation that can develop in terms of a preinspection report where there is a difference of opinion between a landlord and tenant as to the state of condition prior to the commencement of the tenancy. There's no way of resolving that. It's simply a matter that if the tenant wants to take the premises, presumably he is going to have sign the report if he can't agree with the landlord on the state of the premises. I consider that that is a matter which needs some attention and some rectification.

With respect to the reasons for eviction, the Bill does propose some reasons. In the Act itself there are some reasons required for evictions, and others are proposed to be inserted in regulations. Again this is a vast improvement over the situation that existed under the previous legislation, but in my submission it's not sufficient; it's not satisfactory. I can't understand the reasoning why some of these clauses for eviction should be inserted in a regulation rather than in the Act. I know the hon. minister addressed that in his introductory comments on the Bill, but again I find it difficult why, if these are reasons for eviction, they are not set out in the statute. I can understand and see the wisdom of permitting the regulations to provide for the addition of reasons, but I cannot see the logic in not requiring each of the reasons that have been identified. These certainly do not circumscribe or integrate very well with MacLachlan's recommendations in this area. They don't cover the entire host of reasons that MacLachlan recommended, but to the extent that they do encompass those reasons, they should all be in the statute, and the statute should then make provision for the ability to introduce further reasons as experience dictates may be necessary in changing circumstances by way of regulations. At least the threshold reasons should all be in the statute. It doesn't seem to me, in reviewing the draft regulations, that there is any logical reason why those reasons should not be set out in the Act itself.

The legislation entirely fails to address the question of unjust rent increases, which is perhaps one of the most serious issues that arises in differences and disagreements between landlords and their tenants. Once again, there were recommendations made with respect to the creation of a commission to deal with this sort of a problem. I understand the minister has suggested on previous occasions that there may be some constitutional issues that have to be addressed here. But we've been waiting

for nearly two years for this Bill, since MacLachlan was established. It seems to me that the mechanisms are available to deal with that problem, and this problem could have been addressed in this legislation. It seems to me that there is an abundance of rationales and ways and mechanisms of dealing with the problem that the minister has identified, and there's no excuse for postponing that issue to a later day.

3:50

I, in my submission, believe the legislation should provide a mechanism to deal with unjust rent increases. That can be accomplished by a number of different mechanisms. The rentals-man method is used in some jurisdictions; other jurisdictions use a commission type of approach. One way or another it seems to me that it's high time the legislation did provide for a mechanism whereby tenants can challenge unfair rent increases and have an independent body to make rulings on them.

There is some protection, as I mentioned already, in reasons for evictions, and there is some protection also for retaliatory evictions, where complaints are made under the Bill or under the Public Health Act or other statutes. This is an improvement, but I submit that it does not cover the basic ground that needs to be covered with respect to retaliatory evictions. It doesn't deal with the area as extensively as recommended by MacLachlan. I submit once again that a second look should be taken at this, and perhaps further provisions could be made to tighten up that whole area.

With respect to the requirement for the landlord to make repairs, that again has not been addressed in this Bill. It's perhaps the first and foremost problem that tenants experience, and it's one that must be addressed.

Mr. Speaker, if the goal of the minister and of the government is to indeed achieve a balance, there are serious and significant deficiencies in the Bill as it's been proposed, and although there are important improvements, it certainly does not go far enough in the areas that I've discussed. I would like to discuss in further detail some of the areas where I think the legislation is seriously deficient.

I think we have to start from the proposition that in this area, landlord and tenant relations, we must bear in mind the reality of the rental marketplace where the overwhelming majority of the rental population are on lower and fixed incomes. They consist of families in marginal economic circumstances, they include single-parent families, they include the elderly, they include the disabled, they include the working poor, and it is in that context and that reality that one must examine the situation with regard to relations between landlords and tenants. As the minister noted in his introductory comments, over 40 percent of all Albertans are already in rental accommodations. Indeed, as a recent report has noted, the current younger generation of Albertans is the first generation who will not during their lifetime be able to look forward to the luxury of owning their own homes, and that is a reality that must be addressed. Indeed, in the next decade the statistics clearly indicate that nearly 50 percent of all Albertans will be required to rely on rental accommodations, and that will not just be for a time or two in their lifetime; for many of them that will be for most if not all of their lifetime. For the first time a majority of Albertans are not going to be able to look forward to owning their own homes, and they will be relegated to being tenants on an ongoing basis.

Mr. Speaker, with respect to the reality of residential tenancy legislation, we have to address the needs and circumstances of those Albertans with lower incomes, those Albertans with fixed

incomes who are dependent to an increasing degree on securing rental accommodation. If we're talking about achieving a balance, we can't achieve a balance unless we face that reality fully and squarely and deal with it efficiently and effectively. This Act doesn't address the obligation of the landlord to repair and maintain the residential premises throughout the tenancy. It's true that the requirement of law is that the tenancy cannot be let unless it's in habitable condition at the time of the outset of the tenancy agreement, but that does not address, nor does this Bill address the problem, an ongoing one and, as I said earlier, probably the single most serious cause of problems between landlords and tenants, and that is the failure of the landlord to repair and maintain residential premises during the lifetime of the tenancy. I believe that is the single most common problem encountered by tenants, and certainly that seems to have been the conclusion of MacLachlan in his study.

Mr. Speaker, the Bill places no obligations and no duties and no requirements on the landlord to maintain the residential premises during the term of the tenancy. Surely it's not unreasonable to expect that the Bill would require that a landlord maintain the premises at habitable and reasonable standards throughout the term of the tenancy agreement. It seems to me that that is only logical and reasonable. Given the fact that we're dealing with a tenant population that consists of lower income and fixed income Albertans and those who are at a disadvantage economically, it seems to me to be the epitome of good sense that the Bill should make adequate and significant adjustments by requiring the landlord to maintain the premises in a reasonable and habitable condition throughout the duration of the tenancy. It's not unreasonable to expect and require that the landlord carry out repairs which simply would maintain the premises in those conditions, which would ensure that the state of repair of the premises is kept at a habitable level, and which would require that they comply with minimum standards that should be spelled out in the legislation. I consider the failure of the Bill to address that serious issue to be a very serious deficiency and one which it is high time this government recognized and dealt with in the legislation.

At the very least the Bill should require the landlord – and this is from the MacLachlan report; this is one of his recommendations – to

keep the premises . . . in a reasonable state of repair and fit for habitation and shall comply with any statutory enactment or law [and regulations regarding] standards of health, safety or housing.

It seems to me that those are pretty minimum standards, very realistic and absolutely essential standards, and I cannot fathom why the Bill has not addressed that very serious and significant problem. This was one of the primary recommendations of the MacLachlan task force, and I do not understand and nor has the minister commented as to why that provision was not inserted in the legislation. I would very much appreciate his comments with respect to the omission of that requirement in the Bill. It's perhaps the single most important recommendation of the MacLachlan report.

Mr. Speaker, what has happened to the committee's recommendation concerning the common problem experienced by tenants where landlords effectively bring about a rental increase by reducing the amenities or collateral services that they provide, services such as parking and laundry facilities and matters of this sort? At the outset of a tenancy arrangement, the terms of the tenancy will often provide these collateral amenities, but most often they're not covered in the tenancy agreement, and of course if they're not covered in the tenancy agreement, they can be and are from time to time withdrawn by the landlords during

the term of the tenancy. Surely reductions in services such as parking, cable television, swimming pools, and, as I mentioned before, washing facilities are the equivalent of a rent increase. These are problems that are common. The reduction in collateral amenities is a problem that is commonly experienced by tenants, and surely we should recognize in the Legislature that reduction in amenities and services amounts to a rental increase and that there should be a mechanism to compel the landlord to continue to make these amenities and facilities available to the tenant throughout the duration of the tenancy regardless of whether that is provided for in the tenancy agreement itself. The legislation should not permit landlords to circumvent the rent increase provisions of the legislation by doing indirectly that which they're not permitted to do directly.

4:00

One of the recommendations of the MacLachlan report in respect of this area was to permit the tenant, as a remedy, to take advantage of rent abatements or damages. Again, those are reasonable, realistic, efficient, and effective remedies that the Bill could have and, in my submission, should have included with respect to the problem that tenants experience in reduction in amenities and facilities and services.

Mr. Speaker, Mr. Anderson has presented the Bill on the basis of balance, fairness, and equity, and I agree that those are the areas we should be addressing in terms of landlord and tenant legislation. I agree that should be the focus of our activities here in this legislation in addressing a problem that affects more and more Albertans and will in the future affect even more Albertans. The difficulty I have is that although I don't disagree with the recommendations from MacLachlan which he has adopted and has presented in the legislation – I don't disagree with those; I think they are useful and important advances in terms of moving towards balance, fairness, and equity – I think this Bill does fail very significantly to achieve a real balance in fairness, a balance in equity between landlords and tenants.

The playing field, so to speak, is still severely tilted in favour of landlords, and I submit that there is no reason for delaying. It seems to me that it is only going to be a short time before we get calls again for reviewing this legislation, and it does not make sense to me that the Bill has to be addressed time and time again in the Legislature. We should be doing a thorough review; we should be relying on the views of the committee. We've spent a considerable amount of time and public money in terms of bringing about these recommendations, a process which was, in my opinion, a fair process, a thorough process, a well-reasoned report. I cannot understand or accept that the Bill as it's been presented to the Legislature does not deal with the vast majority of the MacLachlan committee's recommendations, a report which in my opinion did go a long way to indeed achieving a balance. But this legislation, as it's presently presented, fails to achieve that balance.

As a member of the opposition it appears to me that if we introduce amendments to the Bill with respect to the MacLachlan report recommendations that have been omitted, it is unlikely that this Legislature would adopt those regulations. That is unfortunate, because that places the opposition in the difficult position of having to decide whether to approve or support legislation which does make some significant improvements, does make some significant advances. Unfortunately, in my judgment it appears to me that at the end of this debate we're likely to be presented with exactly that dilemma: are we prepared to support a Bill which does not go nearly far enough,

which does not deal with very, very important concerns and legitimate concerns of landlords, and which does not really do the job of achieving a balance in landlord and tenant relations? I think that's unfortunate, Mr. Speaker.

Mr. Speaker, those are my comments. I know there are other members of the Legislature that would like to address this matter, so I won't belabour the point. I had thought of going through each of the recommendations made by MacLachlan and tracing where they had been inserted in the legislation, whether or not they'd been inserted or addressed in the legislation in any way, shape, or form and those which had been addressed in a modified form, but I think at this point in time, at least for the time being, I'll confine my remarks to these.

Thank you.

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

MR. WICKMAN: Thank you, Mr. Speaker. I want to start my remarks by first of all commending the minister for the initiatives he has taken in Bill 33. I think it's extremely important that we recognize changing trends within the rental market, and the Member for Edmonton-Strathcona did highlight some of those changes.

A few years back I had the opportunity to visit some of the Scandinavian countries where the very large majority of people never hope to own a home. They were tenants, and they did have some very, very secure rights. Of course, we are more and more heading towards that situation where home ownership becomes more and more a distinct impossibility, so that places an onus on us to ensure that tenants have rights, that the units that they rent and occupy are homes to them. We have to recognize that that's their home. It's not because they necessarily prefer to rent the unit; the economic situation may dictate that.

The Bill does, to a degree, recognize tenure. Except for some particular instances that are spelled out or particular causes, the landlord cannot just evict a tenant. That is very, very important. We've seen many abuses in the past where a landlord, for whatever reason, would simply give three months' notice. That person would have to vacate those premises, which was wrong. I know of instances myself where a landlord or landlady has gone to a tenant and said, "Your rent is going to go up immediately by \$30 a month," and if they objected, saying they had the right to a 90-day notice, the next day they simply got a notice to evict. They were pretty quickly pounding at the landlord's door, saying, "Look, we'll pay that \$30 after all." That's the type of abuse that could occur under the previous legislation.

Termination of the tenancy, as I mentioned, is good, and it's offset to a degree. It provides a balance from the landlord's point of view in that if a person is wilfully causing damage, if a person is being obstructive, then of course that person can be evicted within 48 hours, which is fairer to the landlord. I think it's very, very important to look at the whole situation of tenancy as a landlord/tenant relationship. It's a partnership, and there has to be a balance. The rights can't just be on one side, ignoring the rights of the other. Those that choose to accumulate property and rent out that property certainly are entitled to some protection as well. So we have to have that balance; that balance is extremely important.

Some of the other issues that have been drawn to my attention over the years are addressed in Bill 33, and others aren't. The question of the damage deposits becomes extremely important. Now, when I read the Act, it has to go into a separate trust

fund, but at the same time I believe that the provision is there that the landlord still has full access to those funds. So there is potential for abuse. Now, unless I read that wrong, I'd like that particular point cleared up, and if it can't be done today, it could always be done when we deal with the Bill at committee stage.

Another area of concern I have with the security deposits is the question of the interest-bearing accounts: whether a landlord will be obligated to place those funds in an account that will draw interest, and then that interest would be passed on to the tenants. I think that's the only fair way of doing that.

4:10

The issue of the rental increases. There's one here that I have difficulties with, and I would hope that the minister will reconsider that particular amendment. I've never been one that has advocated rental controls. We've seen rental controls in other provinces. We had them here in Alberta, and I think they do more harm than they do good. They discourage the construction of new units, and they can have a very, very negative impact.

This particular provision: two rental increases a year. I see two things wrong with it. One is: it's almost like you're inviting the landlords to increase the rent twice a year, to do it every six months, whatever. I think they're going to do that to protect themselves for fear that the marketplace may go a little off balance, and rather than risk against themselves or risk in their favour, pass on a rent increase to protect themselves even though the circumstances may not necessarily call for a rent increase at that time. In other words, if the vacancy rate starts to shift a month or two down the road, maybe they would feel it wasn't necessary, but because notice had already been served, they would follow through. Now, that's one possibility, and we see those shifts. We've just got the latest figures that show that the vacancy rate has increased fairly dramatically again, that right now it's more of a tenants' ballpark than it is a landlords', and that again is expected to shift in the other direction. Whenever those things happen, it of course does affect the amount of rent increases that are there. But I think this could end up being a detriment to tenants, and there has to be a better way of handling it. As I said, I don't favour rent increases; that's not the way to do it.

The other point I have on it that I think can cause some problems is that it infringes on that person's ability to, I guess, manage their financial obligations in the construction or purchase of a particular building. It does reek to a degree of government control. I've pointed out cases here in the Legislative Assembly where there was clear-cut abuse when there was an indication that the vacancy rate was going to really tighten up. There was the instance in Parkallen. That landlord paid for it in that half those tenants moved out because he jumped the gun. Also in Whitemud I've run into that circumstance a number of times. So there are those landlords that will attempt to exploit tenants, take advantage of the market conditions unfairly, but again the imposition of rent controls or even any type or form of rent controls is not the way to handle it.

The provision for fines has increased 500 percent. It will now allow for up to \$5,000 instead of the previous \$1,000 fine that is there, and that's good.

The other area that the Member for Edmonton-Strathcona touched on fairly substantially was the question of maintaining properties. We do have a small number of slum landlords in the city who will allow properties to run down to the point that the city eventually comes along and condemns those buildings. There is no provision in this particular Act to address that, to put the onus on the landlord to ensure that those properties

have to be kept to a reasonable standard over and above the minimum standards that may be imposed by the municipality as it pertains to any properties. I don't think those minimum standards are sufficient. It has to go beyond that. We can go into the Boyle Street area, the McCauley area, some of the other older neighbourhoods in the inner city, and we can see some situations that are very, very deplorable. People have to live in those conditions, so that has to be addressed somehow.

Now, the other point that has to be addressed and is not addressed – it was addressed in the initial report – was providing a mechanism to ensure that there would be a method of resolving disputes. The Ontario model, for example, has been ruled unconstitutional. It involved too much money; the cost of operating it was too expensive. Obviously, if it was challenged in Ontario, it would be challenged here, so that isn't necessarily the answer. But there has to be a mechanism that goes beyond the existing Landlord and Tenant Act where the Landlord and Tenant Act can simply advise. They can simply mediate disputes, but they don't have the clout. They can't step in and say: "We're going to resolve this. This is our decision, and this decision is binding on both parties."

Mr. Speaker, I don't want to dwell on this at length at this time, because the Bill, of course, goes into Committee of the Whole where we'll have the opportunity to present some amendments. Unless the minister is prepared to address the points, there are two amendments that I feel have to be in place before we can be in a position to support the Bill fully. I support the thrust of it, it's a step in the right direction, but I do want to see some provision in the Bill to ensure that the landlord has an obligation to do repairs to a property to ensure that it is in sufficient condition. Secondly, the question of the rental increases being allowed twice a year: I think one should be taken out. Then, thirdly – possibly the minister could respond to this under some other mechanism; I'm not sure what it is – the question of giving some body, some mechanism, the clout to resolve landlord and tenant disputes that may occur at the present time.

So we withhold our support at this time until we get some assurances or some indication as to how the minister will react to those three particular areas that I feel are vital to make this Bill better than it is at the present time.

MR. DEPUTY SPEAKER: Thank you.

The hon. Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. I, too, just want to make a few comments in second reading of this Bill. First of all, I want to say that I'm pleased to see that the Bill is actually before us. There has been a fair long time in it coming, but I realize there was a lot of work being done in preparation for bringing it before us: the reviews that took place and so on. That surprised me somewhat, because there was a lot of time spent in reviewing the recommendations that were made in the MacLachlan report, the follow-up meetings that were held with tenants and landlords. All of those, I think, gave a good airing to the report. I thought the kinds of follow-up recommendations and suggestions were also very worthy of the time spent, and I'm really surprised that there isn't more in the Bill. I anticipated seeing certainly a bit more in it, particularly, I think, when you're talking about a balance between landlords and tenants. I was hoping there would be more.

However, I think the recommendations that are in the legislation that is being proposed are certainly acceptable. I have no doubt that the adjustments that are being suggested

here will go some way to help deal with tenants' rights, and really I think that's what the legislation is all about. Certainly as I've said on previous occasions, I think, no doubt landlords also require protection, but quite often landlords do have access to accountants, lawyers, and other people that can help them through the rough spots. Too frequently tenants don't have that kind of ability, knowledge, or the financial resources to be able to resort to those kinds of actions; therefore, legislation, I would think, would be somewhat directed primarily to help tenants.

Indeed, as the minister has indicated in his comments to the Legislature – I agree, you know, that 40 to 50 percent of our population resides in rental accommodations, many by choice and others by necessity. Again, as my colleague for Edmonton-Strathcona stated, it appears that in the future more and more people will be renting. So I think it's incumbent upon us to have in place legislation that is going to be able to deal effectively with and protect tenants.

4:20

I note, and the minister alluded to it in his comments, that the MacLachlan report did not recommend any form of rent reviews or controls. I certainly do not necessarily advocate controls, but I would think there needs to be a mechanism in legislation that will provide for a rental review process. I am very adamant on that position, and I say that primarily from my exposure to tenants in meetings that were held to discuss the MacLachlan report. Inevitably in their discussions with us, tenants certainly supported and suggested that there should be some form of a rent review process that tenants can work with to help them deal with landlords. I think it would be beneficial to both parties, in fact, to have some kind of independent review process in place that would allow tenants and landlords to be able to resolve their differences at that level.

The other area that is, I think, very deficient in this particular Bill and has been alluded to as well is the lack of requirements for landlords to maintain their facilities in good repair, particularly during the tenancy. It seems to me that among the complaints that we receive from tenants, this one has got to be rated very highly: their concern about the maintenance of facilities that needs to be done. I think that once landlords get a person in place, they tend to let it ride and disappear or it gets eroded in terms of repairs. Then when the tenant decides to leave or is forced to leave because of the situation, there's a dispute over security deposits. Quite often the landlord will find reason to keep the security deposits, and to some degree, I suppose, use that money to repair a facility, which is totally unfair, I believe, to tenants.

Speaking of security deposits, I am pleased that the proposed legislation does in fact require that the security deposits be held in trust and not in fact become a cash flow for the landlords. I think that's well received and a very positive part of the Bill.

The inspections also, I think, are important. I think, by and large, those are being done now. The difficulty I see, and I'm not sure how that can be corrected at this point, is that I think the tenants need to have some form of education provided so they understand the implications of those inspections. Again, as my colleague from Edmonton-Strathcona alluded, if there is a particular shortage in rental accommodations or if there is a facility that a person particularly likes, they might very well sign an inspection report that may not necessarily reflect the condition of the facility, and I would think that somehow we have to make tenants aware that this is a very important document they are going to be signing. They're checking out the condition of the facility, and if they disagree with what the landlord is

suggesting about the condition and so on, then I think they should be encouraged and educated to perhaps start to complain at that stage about that particular landlord. I think quite frequently many tenants sign inspection reports without really understanding the implications and what the long-term effect may be for them.

Now, by and large, again in second reading, I think the Bill is necessary. I'm glad it's here. When I went through it initially, I almost felt like, well, you know, it's something we're going to need to support. I think we have to support it, yet in the back of my mind I thought: gosh, I would like to see this Bill that's brought before us perhaps reviewed again and maybe brought back at another time. I hesitate to say that. I'm not suggesting that to happen, but I almost felt like that needed to be done, because I do feel that there are quite a number of deficiencies in the Bill: recommendations that were brought forward with the MacLachlan report that aren't addressed in this report. However, I think at this stage I'm quite prepared to go along with this proposed legislation. Perhaps in the Committee of the Whole we may well bring some amendments that hopefully might address some of the so-called deficiencies that I see in it and that may strengthen the Bill in some of the areas that I think it needs to be strengthened.

Thank you.

[Mr. Jonson in the Chair]

MR. ACTING DEPUTY SPEAKER: The hon. Minister of Consumer and Corporate Affairs to close debate.

MR. ANDERSON: Thank you, Mr. Speaker. I'd like to respond to some of the comments that were made by hon. members in debate this afternoon on this particular Bill.

The Member for Edmonton-Strathcona made quite a series of points. I want to correct a few inaccuracies in those comments and perhaps a couple of contradictions as well which were addressed during the course of his remarks. He said we didn't address the majority – the vast majority, I think he said – of the recommendations in the MacLachlan report. Mr. Speaker, this particular Bill, along with steps that we've taken prior to introduction of the Bill, amounts to well over 30 of the 57 recommendations included in that report. The member, if he reviews carefully the MacLachlan report, will find that a number of the suggestions made relate to policy; for example, no rent control, no rent review. We have certainly responded to those. There are some completely administrative aspects which have been responded to without the need of the Bill, and others I've mentioned and probably will discuss further in Committee of the Whole, which we either chose not to accept or which, in fact, are recommendations that we will be considering further.

The Member for Edmonton-Strathcona said we should have had further public hearings, other input, and in that respect I think he contradicted the other hon. member of his party that spoke and certainly contradicted the leader of his party, who has been urging me over this past year to get this Bill in: why wasn't it here quicker; why wasn't it before us so we could debate it? I think the consultation process was very extensive as certainly the two years involved in coming to some conclusion on this was two years well spent, but at the same time, I think tenants and landlords in the province of Alberta deserve some action, deserve some statements of response, and this Bill does do that.

Mr. Speaker, the hon. member spoke of three months' notice, and I think he was suggesting that the notice should be six months, as is the requirement for rent increases. He's wrong

with regards to the MacLachlan report. It suggested three months' notice for those increases; in fact, for the increases as well as the notice period. Now, we have gone beyond the MacLachlan report in limiting rent increases to every six months rather than every three, but the notice period we have kept the same.

The pre- and postinspection reports he spoke of, and I can't recall the particular context. Perhaps we'll get back to him on that when it comes to Committee of the Whole.

Reasons for eviction: the member has a reasonable point which I will take under consideration before Committee of the Whole with regards to placing in the legislation those items which we have already been suggested for inclusion for reasons for eviction. Nonetheless, the reason I circulated in regulation that particular wording is to try and make sure we have the best wording possible before those are locked in stone. The regulation does allow us to change a word here and there which might be responded to in a particular way by a court or changed in some way which would not be in accordance with the intention. So it allows us flexibility, and in that regard I'd be inclined to leave that in regulation. Nonetheless, we haven't received too many comments on that particular area, and we'll review that carefully and see if that wording is now possibly strong enough to include.

4:30

The member talked about unjust rent increases, as did the Member for Edmonton-Beverly. Both alluded to the possibility of a rent review process. Clearly, the MacLachlan report came out against that. They said rent review was rent control, and if you look at the experiences across the country, that would have to be the conclusion. In areas where they have rent review boards, that has amounted to guidelines or ceilings for a year. Say you can only raise your rent 5 percent or 7 percent in a given year; what we have found in our long-term review of those circumstances is that what happens is the landlord automatically raises the rent to that amount each year. Cumulatively, rents in other provinces that have that review process would seem to be considerably more than rents here, which have responded to market conditions and have therefore not subjected a tenant to an arbitrary yearly increase when the market didn't demand an increase at all. So I would reject that premise and the review board concept, although on the surface of it it sounds like a reasonable way to look at unreasonable increases. The Canadian experience in other provinces would not seem to bear that out.

The Member for Edmonton-Strathcona talked as well about making amenities part of evaluating the ongoing needs of a tenant and part of the commitment that was there when the place was rented. In theory, again no problem with that concept. The difficulty comes in how one evaluates amenities, and who will evaluate. Secondly, if you don't have a limit on rent increases, then the assumption the member makes, that those are rent increases if you take them away, doesn't give us any basis for looking at that problem. There are also enormous technical difficulties. If a building is built in front of a park that you could see when you were in the accommodation as a renter initially, is that doing away with amenities and therefore a reduction? All of those difficulties involved which we couldn't find any practical solution to – there are solutions, but not solutions that would be fair to landlords and tenants that we are aware of.

Mr. Speaker, an item dealt with by all three speakers was the important topic of maintaining a residence and the quality of that residence for an individual in it. All three alluded to the

fact that the legislation doesn't specifically deal with that area. They're technically correct; the members for all three areas are technically correct in that respect. However, the current Act, the unchanged Act, speaks to the question. Section 29, which has been interpreted to not just deal with the residences being habitable at the beginning of the tenancy, also says that a landlord that commits a breach of the residential tenancy agreement can have a tenant apply to a court for one of the following remedies:

- (a) recovery of damages resulting from the breach or contravention;
- (b) abatement of rent to the extent that the breach or contravention deprives the tenant of the benefit of the tenancy agreement;
- (c) compensation for the cost of performing the landlord's obligations.

An important one because a tenant could, under that provision, have fixed a particular crucial item and, assuming it's a legitimate item, then have the landlord charged for that amount of dollars.

- (d) termination of the tenancy by reason of the breach or contravention . . .

and so on. One thing that is true, however: currently those provisions in the Act have been utilized very seldom by tenants, and the primary reason for that, we feel, is that in the current Act there is not required any provision that the landlord give a reason for eviction of a tenant. So a tenant's fear that they will be evicted for taking action under these sections is there. With that section added to the Act, we believe this will be utilized to a much greater extent. Therefore, the continued maintenance of facilities will be more addressed, will be greater than has been the case in the past.

It's not a perfect solution. We looked at a number of possibilities. All of them would have required bureaucracies which the province would have been unable to maintain, or systems which weren't able to evaluate properly the fairness of a continuing circumstance, where judgments have to be made on whether the property has decreased, the couch has worn more, the door is not closing quite as properly, all of the gray areas which are the difficult ones, of course much more difficult than the toilet not working or the electricity being turned off. So, Mr. Speaker, we have tried to address that question within the legislation itself.

The other two speakers. First, I'd like to thank very much the Member for Edmonton-Whitemud for both his congratulations here in the House and for, at least in my experience, the unusual circumstance where I was congratulated in a Liberal news release for it. I appreciate that particular action on the part of that party and their nonpartisan approach in that regard.

The Member for Edmonton-Whitemud talked about the trust fund and the interest going into it. Certainly interest is paid to a tenant, and the amount of the interest to be paid is determined through order in council as per the current Act. The current amount is 6 percent. We looked at adjusting that not long ago. However, with the interest rates coming down, it was difficult to establish a level. My original feeling was that the interest rate should track whatever the current interest rate at the banks is. That would seem to be unworkable because of the fact that tenants leave and come at various times. Landlords have to place money in and take it out, rates fluctuate daily, and the calculation of them is difficult. There also is some legitimate belief that some administration should be allowed for in the interest rate. Nonetheless, there's no question that the interest as such in the majority should be that of the tenants whose money is being used in trust, and that is the case.

The Member for Edmonton-Whitemud disagreed with the increase being limited to twice per year. I guess on that particular issue he and I would be in disagreement. I believe tenants have to have a period of time available to them when they receive notice of an increase so that they can in fact make a decision to move to other accommodation and find it or to adjust their budget and their dollars to reach those needs. At the moment you can increase rent every month as long as you give three months' notice. I believe this is what is required for a tenant to have some stability and some ability to judge over a period of time.

I don't believe, as the member indicated, that it will cause difficulty with investment in the marketplace; at least I think he was connecting those two statements. With the landlords and investment firms that I've talked to, very few in fact increase rent twice a year now. It is that minority, as with most of our legislation, that we're trying to speak to, those who abuse the situation by increasing the rents very rapidly in a tight market situation. In other provinces some have one year; some have rent controls. This six-month period I think is reasonable in terms of a balance between landlord and tenant.

I appreciate the member mentioning areas that his party may wish to have amendments considered on. That kind of prenotice assists in considering them seriously as opposed to happening the day of the discussion in Committee of the Whole. He talked first about repairs by the landlord. I've dealt with that and would be happy to deal with it further with the hon. member to see if that answers some of his concerns.

4:40

The commission, I believe, was the second one. A commission or some sort of body to make judgments with regards to this area is a concept I in fact agree with. I would like to take out of the courts most of the judgments with respect to this area, not because I don't have faith in our court system but because I think it's difficult for tenants in particular and for landlords as well to spend the dollars and the time going through the court process and dealing with that formal a process in these matters which involve very intimately and very immediately the life-style of people in the province.

I will be considering, in terms of further recommendations to the House, in another Bill in another year the possibility of such a commission or arbitration body or panel. We did not here because of the situation in Ontario, mentioned by the Member for Edmonton-Whitemud, where there's been a judgment that that could not take place constitutionally, that such a body would be circumventing the role of the courts. We are now trying to ascertain whether the legal wording of such a body could be such as to allow it to proceed without challenge. New Brunswick has gone ahead. It has not had a challenge yet, and we're watching that circumstance carefully. The MacLachlan report suggested a very broad, wide-ranging commission, and we're looking at all aspects of that, including recommendations that damage deposits be taken in by the commission and the interest from those damage deposits be used to fund the commission. That would not seem to be workable, but it was a worthy idea, a very innovative one and one which I appreciate.

The other amendment the hon. member mentioned was with respect to the six-month item. Unless I receive great arguments to the contrary, as I mentioned, we wouldn't be proposing to change that.

The Member for Edmonton-Beverly made some very good remarks and some measured remarks about the review process. We obviously don't agree on it in terms of it working. The

concept we can probably agree with, but in terms of it actually working for tenants, from all that I've seen, that would not seem to be the case in the long run. It may help for a short period of time, a snapshot in time, but not for the long run and rather would drive rents up as accommodation shortages were seen and take an increased level of the tenants' income that may not be the case in a free-market look at that particular area.

He talked about maintaining the premises and the pre- and postinspection reports, and he's accurate. Most of those are being done at this point in time. Again it's where they're not done and trying to find some standard to it that's most important. We believe that that provision, along with further definitions dealing with wear and tear and the requirements to give a reason for eviction, will all combine to assist a great deal in dealing with those maintenance questions and those breakdown questions and with the questions revolving around the return of damage deposits, which is the single greatest question asked of our commissions and boards.

Mr. Speaker, I've taken some time to answer the three members' concerns because I think that's important. In ending, I would ask all members to support this Bill in second reading, and so move second reading.

[Motion carried; Bill 33 read a second time]

Bill 31 Universities Foundations Act

MR. GOGO: Mr. Speaker, I'm pleased indeed to move second reading of Bill 31, the Universities Foundations Act.

We've recognized for some time in Alberta that the requirements of the postsecondary system are extensive indeed. We can, I think, be extremely proud of what we've achieved by way of the number of institutions we have as well as the funding arrangements, consisting of over \$1 billion.

Mr. Speaker, the universities, the four of them, which I think is unique to our postsecondary system, have been requesting for some time in their search for ways and means of seeking additional funds to see if we could come up with an instrument whereby they could seek out very significant donors to financially assist in their pursuits not only from the point of view of teaching but, more importantly, in the area of research. As hon. members know, a unique characteristic of universities is the very fact that they do extensive research within their facility, and to do that they often need to have a capacity in terms of capital to construct certain facilities, equip certain facilities, and perhaps even to hire specific people. The Bill before us today will go some way in terms of arranging that, subject to a caveat or two of which I'll mention.

Mr. Speaker, essentially what the foundations Act does is to create an Act whereby universities, of which we have four, would each be designated as a foundation, one for each institution. The purpose of that would be to have these foundations, which are really an arm of an institution, receive gifts of real property, personal property, including money, and then provide grants from that to the university which that foundation would be associated with to support and promote the education and research activities of that institution.

Mr. Speaker, there are those who have said: why can't this be applied to the college system; why can't this be applied to the technical institutes? Well, we believe that the universities are unique in terms of research capacity as compared to the college system. I would also point out that precedence has been established at the University of British Columbia for one, at the

medical research foundation in Ottawa for another, whereby people could make significant contributions over and above the normal amount allowed under the charitable Act; that is, a 20 percent contribution being eligible. But in order to do that, an institution has to become an agent of the Crown. So if the foundations Act is passed by this Assembly for the universities, in effect they would become agents of the Crown, whereby people who make contributions could write off that total contribution in a one-year period instead of spreading it over five years, which would be the requirement if you were only allowed 20 percent a year. Twenty percent times five would be 100 percent over a five-year term. The institutions have convinced me that out there somewhere are very significant donors who would be prepared to contribute provided they could get meaningful tax relief, at the same time supporting the aims and objectives of an institution of their choice.

The caveat I mentioned, Mr. Speaker, is that in no way could a donor dictate or decide what the money was to be used for; they could only make a recommendation. That's provided for in the Bill, because you can't have it both ways. You can't, for example, make a contribution and insist upon it being used for a specific purpose. Revenue Canada is really the trigger mechanism, and I would hope that with the pursuit of the Provincial Treasurer and the government, they would convince Ottawa, in terms of Revenue Canada, into accepting this Bill allowing our four institutions to become agents of the Crown. Section 6 of the Act makes it very clear that "a foundation is an agent of the Crown in right of Alberta."

4:50

To ensure that this operates at arm's length on the one hand and in a way which is of no obligation to the taxpayers of Alberta, we propose in section 7 that a foundation consist of five trustees which would be appointed by the Lieutenant Governor in Council. Of those, two of the trustees for each institution, Mr. Speaker, would be nominated by the institution, the other three obviously would be nominated by the government, and they'd be a fixed term of no longer than three years. The Lieutenant Governor in Council would decide as to who would be the chairman or the presiding officer.

Section 9, Mr. Speaker, would enable the foundation to make bylaws regarding

the criteria on which grants and real and personal property may be provided to the university for which the foundation was established.

Section 11, with regard to the fund of the foundation, Mr. Speaker, provides that

money received by a foundation from any source must be deposited into its fund.

It cannot be held separately.

The income of a fund accrue to and forms part of the fund.

It can't be kept separately.

Expenditures and grants made by a foundation must be paid from the fund of [that same] foundation.

I think section 12 might be the most important to potential donors. It's important, I think, that they understand that when providing grants or real or personal property to a university, a foundation may . . .

Not "must," but "may"; not "shall," but "may".

. . . consider the general directions of persons who have made gifts to the foundation.

I think that's extremely important, Mr. Speaker, that donors understand that when you contribute to a foundation, which is an agency of the Crown, you cannot dictate the terms upon which the proceeds will be used.

Finally, Mr. Speaker, we make provision in section 16 of the Act, on page 4, whereby the Lieutenant Governor in Council may make regulations which would establish a foundation for each university in Alberta, of which we have four, and who knows about more; restricting and regulating its powers; establishing any rates of remuneration which may or may not be paid – as members know, university trustees today in Alberta receive no remuneration for their service; I'm sure hon. members are aware of that – finally, respecting the investment of a foundation's fund; and in the event it's to be wound up, how it would be wound up.

Finally, Mr. Speaker, this has a sunset clause. We've recommended to hon. members there'd be, under section 17, an expiry, which is five years from the time it's passed. Presumably it's passed this year, so it would expire at the end of the fiscal year 1996.

So, Mr. Speaker, I would certainly recommend this to my colleagues in the Assembly. It will, I believe, achieve what some of our postsecondary institutions, certainly those involved in research, have been wanting for some time. I would point out that our universities are numbered fourth and 10th in the nation in terms of acquiring research funds. In Alberta, as members may know, provincial support for research to our postsecondary system is the highest of any in Canada. So with the passage of the Universities Foundations Act, I would hope that we shift the challenge from government and from the taxpayer to the institutions, whereby they can convince substantial donors throughout the province or throughout the country that their objectives in terms of research and teaching are of sufficient importance that they could put funds which would be contributed to this foundation to a very worthwhile act. So I recommend the same to members of the House.

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

MR. PASHAK: Thank you very much, Mr. Speaker. At the outset in addressing second reading of Bill 31, I'd like to say that I support the Bill, but I do have a major reservation that I'd like to express and a number of questions that I'd like to have dealt with either at this stage or at Committee of the Whole stage.

I suppose my major reservation has to do with the whole question of whether or not you can raise funds from private donors through a foundation and not have those donors really affect the nature of research. I know the minister said that it was the intent of the Bill to not allow this to happen. He drew attention to section 12, which hopefully would prevent this from happening. Now, these are all formal mechanisms, and they may work the way that the minister obviously intends to have them work; I would hope that that would be the case. However, I can't help but recall that when I was a university student, much university research – maybe not "much," but "some" – was very much affected by the kinds of donations that were made to those universities.

I can cite three examples that come to mind. Michigan State, for example, was very much involved during the Vietnam war years with a hamlet program, and that's because of funding that went into that university from the United States military. It was not an objective kind of research; it was research that had a very specific kind of military purpose attached to it. It was to try and find some way of "pacifying" Vietnamese villagers and making the whole American war effort more successful. From a university point of view, an academic point of view, that's a very

biased type of research. Research should be more theoretical; it should be more neutral; it should be more abstract.

The second program that one of the American universities was involved in was called the Phoenix program. This is where they sent out anthropologists into the various countries in South America. The intent of that research was to measure the revolutionary potential of various indigenous peoples within these countries. It seemed to me again, Mr. Speaker, that this is not what research should be about. Again, research should be more objective. There should be a very determined effort made to make sure that research is as value neutral as it can possibly be, recognizing that there is no such thing as absolute value neutrality. There's always going to be a necessary bias that enters into any scientific experimentation. The whole nature of science is to try to reduce that bias to the maximum extent possible and increase, as much as it can possibly be increased, the objectivity of research.

[Mr. Speaker in the Chair]

An example closer to home, Mr. Speaker, involved Simon Fraser University, which was newly established at the time that I was doing my initial graduate work at the University of Calgary. They had a very innovative department that was established at the time the university came into existence. It was a combined political science, anthropology, and sociology department that was headed by a very well-respected Marxist scholar by the name of T.B. Bottomore. Because of the nature of the department, they seemed to attract people that had political persuasions that weren't acceptable to the business community that was making donations to the university, so much pressure was put on that whole university as an institution to change the nature of this department in order that grants would be more likely to come to the hard scientists at the university.

So there are some problems that I have with funding coming from private corporations, even if it is through foundations, to universities. I suppose what I'm suggesting here, Mr. Speaker, is that ideally – and I know we can never completely apprehend the ideal, but in an ideal universe where we have public institutions, I think the ideal would be that they should be completely publicly funded. However, I recognize the problems that our institutions are going through, and I think this is a solid measure to try to help these institutions get through very difficult times, and I support it.

With respect to specific problems that I have with the Bill. If this is money coming from public institutions, obviously it's important that cabinet have some say in who sits on these foundations and should appoint some of the board members. But why, if it's coming from private sources, should they have an ability to determine a preponderance of the members on these boards? Why three? Why not two, and let the institution name three members to these boards? Why is it weighted in favour of the cabinet?

A similar concern I have is with respect to the sunset clause that's contained in the Bill; that's section 17. The Act will expire "on March 31, 1996 unless it is continued for one or more periods by the Lieutenant Governor in Council"; in other words, by the cabinet. I would wonder why it's the cabinet that would have this authority to extend the Bill rather than the Legislative Assembly itself. It's a Bill that's being introduced into the Legislative Assembly. It seems to me that that would be an important change. If it's up to the Legislative Assembly to approve the Bill in the first place, why wouldn't the Legislative

Assembly have the right to determine whether the Act continues in full force and effect or not?

5:00

The minister did mention that this Bill would only apply to the universities, and there are perhaps some good reasons for that. I tried to listen very carefully to what the minister had to say about why colleges and technical institutes were excluded. I think there are probably good reasons for that, but I would hope that the minister could elaborate on that point and give us a somewhat clearer and fuller explanation as to why this Bill just applies to the universities and not to other postsecondary institutions.

I just want to check; I had some other points. I think, Mr. Speaker, those are the main points, the main objection, and I raised some of the main questions that I had with the Bill.

Thank you.

MR. SPEAKER: The Member for Banff-Cochrane, followed by Edmonton-Centre.

MR. EVANS: Thanks very much, Mr. Speaker. I'm pleased to rise today in support of the general philosophy of this Bill 31. I think it's an important opportunity for our universities, and, I would suggest to the minister, perhaps all of our institutions of higher learning in the province of Alberta, to access funds which are available in the private sector. During this past week I've had an opportunity to chat with the administration at the Banff Centre, which is located in Banff-Cochrane constituency, and having done so and having reviewed the concerns of the Banff Centre with this legislation, I feel compelled to bring those concerns to the attention of the minister and to the House.

Certainly there are no concerns with the philosophy and the way that the Act has been brought forward by the hon. minister. In point of fact, the Banff Centre has had the opportunity to input into the process of determining how this legislation would be brought forward.

The Banff Centre, however, feels that it has available to it a certain funding pool which could certainly benefit the Banff Centre and benefit those Albertans who are either currently attending at that institution or will attend in the future to reach that economic stability that obviously the minister is trying to achieve for our four universities in the province of Alberta and not necessarily to the exclusion of funding that would be available to the universities. In other words, Mr. Speaker, the Banff Centre feels that they have over the years they have been in existence developed a rapport, if you will, with a number of potential investors, potential donors who could and certainly would take advantage of the foundation opportunity if it were to be extended to the Banff Centre.

Having spent a few years myself in the University of Alberta here in Edmonton, I can certainly attest to the quality of the research work that is done here. Looking at section 3 and realizing that the promotion of education and research activities are two of the primary motivations for the setting up of the foundation, I can appreciate the need to provide this opportunity to our universities. However, I would ask the minister, if he could, to please expand just a little bit on the rationale to exclude this very positive opportunity to other than our four universities in this province. I truly believe that this is an important initiative, and I would ask that the minister give careful consideration to expanding beyond those four institutions.

Thank you, Mr. Speaker.

REV. ROBERTS: Mr. Speaker, in second reading on this important Bill I, too, just would like to raise a few questions and comments. I think in principle, though, it's a difficult Bill. I mean, it's inevitable that foundations need to exist and that in fact the more Tory governments are in power, the more foundations seem to be springing up almost everywhere. Every hospital has to have a foundation, every university, now colleges, now the Banff Centre. Everyone wants to have its own foundation as a vehicle for going after what is getting to be a very tough charitable dollar. More and more people who are willing to give money are being deluged by folks who are wanting that dollar. We saw the Northern Alberta Children's Hospital Foundation, for instance, all weekend long asking for money, for pledges, for donations, and doing it in a very glitzy way. I'm not sure whether this university foundation would get on the networks for a weekend and have a phone-in pledge show like that, but it's an example of the way that it's going to be extremely competitive out there, and those who are wanting the money are getting more and more slick at how they can access the premium charitable dollars that may exist.

In a sense we're not opposed to the establishment of this, but I do wonder at its impact on the entire system of charitable giving and charitable donations and if the minister has at all thought through what that's going to do. I mean, I even had a question about how it's going to affect alumni funds at various universities. Is that part and parcel of this, or is that something else? I got, for instance, a call from one of the universities that I graduated from. A very articulate student called me as an alumnus of the university and had a very fine sales pitch which I just couldn't resist, so they're getting another \$25 a month out of my pocket as an alumni. Again, I'm just wondering how the funds will be solicited and elicited and who's going to be going after it.

In fact, I heard a very fascinating talk by a former executive director of the Social Planning Council here. Peter Faid gave a brilliant dissertation on the charitable dollar in Canada today and where it goes and how it gets there and who gives it. Believe it or not, it's still the sort of middle-class ma and pa and three kids sort of folks that give most heavily to charities and to foundations. He's saying that in fact out of the corporate sector, these corporate citizens that we have in Canada and even in Alberta, you'll never guess who is the worst giver to charities and to foundations like this. The worst givers of all are the oil companies in Alberta. They give less of their profits to foundations and to charity than any other corporate sector with profits. There are a number of reasons for that, but again, perhaps by virtue of this foundation and the people who could be on the board, they might be able to access those kinds of funds. As I say, it's a tough, competitive world out there for the charitable dollar, and I have a lot of concerns about what we're unleashing by having this pass into law.

I take it that one of the main purposes of it basically is just to change the charitable tax status. The entire amount given is now tax deductible. I guess I'd have a question of the minister whether in fact Revenue Canada has agreed to that, because I know they're getting pretty chintzy up there about how many tax donations are allowable, and they certainly would have some cause to pause and reflect on that kind of change of status as is outlined in the Bill. I just want a guarantee from the minister that in fact Revenue Canada has agreed to that.

I guess I have some other questions, Mr. Speaker, just about how the funds, once they come in, are invested. I take it the foundation and its board and the trustees will do the administration of it. Will they go to Treasury and ask where the best

investment places are on the world money markets? Who's going to be dealing with the investment portfolio and how and on whose behalf, and how's that going to be accountable to us?

Then I guess I had some questions about how it's going to be disbursed. I haven't studied the Bill enough to know whether U of A will get this amount or U of C will get that amount. Will it be for research? Will it be for buying new equipment? How will the funds be disbursed?

5:10

I always have a question when it comes to moneys going to universities. It does have to do with section 12 about the "foundation may consider the general directions of persons who have made gifts to the foundation." I'm glad the minister flagged that as being in the conditional text there, a conditional verb. What we're investing in here, what people are contributing to is intellectual property or intellectual progress. There are many who would like to invest in a university, I think, as the Member for Calgary-Forest Lawn already pointed out. It's not just because they don't want to get anything back. I think particularly we're talking about the corporate sector or others who have large chunks of money, and they want to make a significant difference. Often they do want to get something back. There's a certain quid pro quo that isn't always up front.

I take it there are enough conditions or enough to prevent a certain drug company, for instance, from coming and saying, "Well, listen; we'll contribute a couple of million dollars to this foundation, but you better make sure that it gets down to the pharmaceutical research and that that pharmaceutical research connects up with Biomira and together they work on some cancer drug or something that then is going to help us as a pharmaceutical company be able to retail that and make some more money on it." Then, if the new patent comes out, who again has the rights to that intellectual property or discovery or whatever the moneys may have been used for in terms of developing?

So there are just some questions I have about that and might have some response. Otherwise, my concerns have been covered by the other members, and I'll await the minister's response.

MR. SPEAKER: Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. I, too, would like to give my support to the Bill. I'm sure the minister will heave a great sigh of relief knowing that he has my support as well. But I, too, do have a few comments that I would like to raise with the minister. I think the intent and the direction, generally speaking, are very appropriate, and I think it's a step in the right direction.

There are a number of things. I would, I guess, like to begin where the Member for Edmonton-Centre left off, with the directions from the donors. I have a little bit of a concern. I recognize that we want the universities to have the autonomy to direct their research in the direction they feel the most appropriate. Yet on the other side of the coin, I would not want to see donations turned down because consideration was not given to a particular direction from those areas.

Just as a case in point, although it's not a research area, I think back to the University of Calgary. I forget exactly how many years, but within the last 10 years at any rate, I received a donation request from The Nickle Foundation for a museum. The condition there was that the money would be towards the museum, and in fact even the name was asked to be specified to be The Nickle Arts Museum. Of course, the university agreed

to that. I would hate to think that we might have missed out on that at the University of Calgary if the foundation said: "No. Well, sorry; we've decided we want to put the money elsewhere." I hope that there would be some latitude given in there.

The word "consider" to my way of thinking allows for a sufficient latitude that "may consider" almost seems redundant. It would be nice to think that every single donation would receive some consideration. It's not to say that the consideration will go in the direction that the donor would like it to go, but I think that if there is a request that the donation be made in a particular area or for a particular direction, consideration should be given to every one. So I'd like to see perhaps a little more clarification of that particular point.

The minister also has talked in the House on many occasions about the importance for these universities and colleges and technical schools to be independent bodies and have their own direction and even referred to it in section 12. That said that the foundations should have independent direction. Yet there are two clauses in this Bill that say that there's going to be direction: in one part in section 16(b) where "The Lieutenant Governor in Council may [pass] regulations restricting . . . the powers of a foundation"; it also says in 9(3) that "a by-law is not effective unless it is approved by the Minister." So on one hand the minister says that we want the foundation to be independent and operating on its own and giving its own direction, yet on the other hand there are clearly some restrictions being noted and referred to in two different sections. I'm a little puzzled by that, and I'm a little concerned. I wonder if the minister might address that when he gets around to making his closing comments.

The board of trustees, a number of five, is appropriate. The term has been specified as being three years, and I'm a little concerned when I look at the history of the government with respect to some other boards. When vacancies occurred, the members of that board have not been replaced as expeditiously as might be in the best interests of that particular foundation. In section 7(4) it says that a person will continue for three years to a maximum of an additional three months unless he's reappointed or a successor is appointed. I'm just hoping the minister is going to be sure that replacement trustees, as time marches along, are appointed expeditiously so we don't have vacancies where perhaps two or three members are no longer able to serve for whatever reason, and we have a foundation that's maybe only operated by one or two individuals.

Also, just talking about the trustees a little bit, I think about school board elections, for example. The trustees for different school boards in the provinces are elected by the electors of that particular school jurisdiction, and then the school board trustees themselves select who shall be the chairman of that particular committee. Under section 7(6) it says that the Lieutenant Governor in Council shall appoint the chairperson. I'm wondering if there wouldn't be a more appropriate means to allow these individuals . . . Again getting to the concept of letting the foundations set their own direction, if that was a bylaw that was passed by the foundation, would it be allowed for the foundation then to go ahead and select their own chairperson from that committee of five individuals?

The grants that will be made I think are certainly a terrific initiative, and it does provide that incentive for the universities to go out and obtain that additional funding. Maybe this is something that, hopefully, will never be a concern, but I'm concerned, on one hand, that if we have universities that are going out and raising funds either from their alumnae or from corporate donations or from fund-raising drives of whatever sort,

once they become very efficient and effective in raising a lot of funds, the government then says, "Well, gee whiz, these guys are doing so well, we can then cut the funding that we have to give them out of our General Revenue Fund." So I'd like to hear the minister make some kind of comment with respect to that. I'd hate to think that, on one hand, these universities are going to be encouraged to go out and raise their own funds, yet in a sense the more effective they are, they may become penalized because the General Revenue Fund that's being allocated to the universities might be cut back. I'm a little concerned that that may happen down the road, and I would like the minister, if he could, to make some comment on that particular point. I think it is important that if we encourage people to do something, we don't throw unnecessary restrictions on that activity.

With respect to just the general direction of the foundation, the minister has said that the foundation is to be largely autonomous, and I'm coming back to that point again. I'm wondering what kinds of controls, I guess, for the lack of a better word, the minister might have to ensure that the direction of the foundation matches the direction of the university. If, for example, you get five people that have a particular direction and say that the University of Alberta should specialize only in medical research because they've already got a strong base in that area, and they ignore, for example, engineering research, that might be two different kinds of directions, and a problem may come about as a result of that. I'm hoping that there's going to be some methods of resolving those concerns which may arise. They may not arise, but I'm wondering if the minister has considered that.

Finally, just in closing, Mr. Speaker, the minister has said, and it's in the last point, that there is a sunset clause on this particular Bill. I have seen that, but I didn't hear the minister really explain the rationale of why there is a sunset clause, and I wonder if he could perhaps just explain that point as well.

Overall, I think it is a good direction and a positive step for the universities and probably a positive step for the provincial government in budgeting and balancing the budget in the next few years. I look forward to his response in those areas.

Thank you, Mr. Speaker.

5:20

MR. CHIVERS: Mr. Speaker, I'll be very brief. I also rise to support the principle of the Bill. However, I have one query with respect to a provision of the Bill that I'd ask the minister to consider. I see that the Bill empowers the board of trustees of a foundation to make bylaws respecting the criteria on which the grants of personal and real property can be provided to the university and used by the foundation and governing the administration of the fund. I see also that that power to make bylaws is exempted from the application of the Regulations Act. I'm not sure what the reasoning for exempting the bylaws from the application of the Regulations Act is in these circumstances, particularly with respect to two such fundamental powers as those that are set out in section 9. I'd ask the minister if he could perhaps address that for me.

MR. SPEAKER: Minister, in summation. The Minister of Advanced Education.

MR. GOGO: Thank you, Mr. Speaker. I want to say at the outset in closing debate how grateful I am for support of the members with regard to Bill 31. Various comments have been made, and I'll attempt to respond to them.

I think it should be clear at the outset that Alberta has been unique in all of Canada with the creation of the endowment program, which is now known as the endowment and incentive fund. It started in 1980 with \$80 million, matched 2 for 1, 3 for 1, 1 for 1. It was like giving away candy. It ran out in five years. A new one was born: \$80 million again. It ran out in three years with a \$48 million hangover. As hon. members know, I announced in 1989 the birth of a third one. It's locked in for 10 years at \$8 million a year. U of A, U of C are not going to take it all this time. Fairview is getting its share; Medicine Hat's getting its share; Lethbridge is getting its share. We've got that in place. This Bill prohibits access to the endowment fund. Let's have that clearly understood. The endowment and incentive fund will not match contributions under Bill 31. I think that's important to understand. Other institutions still have that opportunity.

The whole purpose with regard to the control on this – it's become an agent of the Crown, as hon. members know. The charitable Act limits contributions to 20 percent for tax purposes. Exceptions are made when you contribute to the Crown; you can write a hundred percent off. But when you contribute to the Crown, you write a hundred percent off of any say. You can't donate to the Crown and dictate to the Crown where the money goes, and that's the basis of this Bill. It's an agency of the Crown. There's four foundations, so far, hon. member, one for each university. That's the reason for that control. That exempts at the moment all the colleges, the Alberta College of Art, which would have a good case, and the technical institutes, which may have a good case. Certainly Banff Centre may have a good case. I explained at the outset, Mr. Speaker, that it was really for those institutions involved in research, which in fairness, hon. members, really limits us to the universities. I'm not saying that's strictly exclusive, but that was the whole basis of it.

With regard to the question from the hon. Member for Edmonton-Strathcona why it's exempt from the regulations, I don't know. I'll come back with that answer at committee stage, hon. member, if I may.

There were other questions that were particularly pertinent to the appointments which hon. members raised. Mr. Speaker, under section 7 that's standard procedure for this government. Maximum term, three years: U of A, you name any institution. We've said: no more than three years at a time, no more than two terms. That's standard procedure. I don't see anything different there.

The Member for Calgary-North West raised a very good point: with government in its wisdom seeing this tremendous inflow of money, which I think is mythical at the moment personally, I'll be cutting government grants. I can't answer that question. I wouldn't think it would happen. I mean, this government would never do a thing like that, hon. member, in my term.

The sunset clause. Quite frankly, Mr. Speaker, it's there for a very specific reason. It's only been done twice in Canada.

Simon Fraser's been mentioned; I don't know. UBC has it at the moment and the medical research foundation in Ottawa. I can't relate how it will be, but I do think it's important that unless this performs, it's good grounds for not renewing it. We don't need statutes on the books unless they're going to work, and this essentially in many ways is a pilot project.

I've got to remind hon. members that Alberta, at the U of A, one of our largest institutions, frankly is very successful. We have, as members know, I think about 700,000 people less than British Columbia. They're over 3 million people, yet they only have 23,000 at UBC compared to the U of A at 25,000.

I think the various questions that have been raised may require additional explanations, which I would hope to do at committee stage of the Bill. Mr. Speaker, having said that, I would certainly ask hon. members to support second reading of Bill 31.

[Motion carried; Bill 31 read a second time]

MR. GOGO: Mr. Speaker, I haven't been able to talk to the Minister of Health. I'm somewhat reluctant to advise whether the Minister of Health will be in attendance this evening. I would advise members of the Assembly that when members reassemble at 8 p.m., they do so in Committee of the Whole to discuss committee study of various Bills on the Order Paper.

[The Assembly adjourned at 5:27 p.m.]