

Legislative Assembly of Alberta

Title: **Thursday, March 26, 1992**

8:00 p.m.

Date: 92/03/26

head: **Committee of Supply**

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: Will the committee come to order please.

head: **Interim Supply Estimates 1992-93**

MR. CHAIRMAN: The Committee of Supply when it met last was dealing with the resolution of the hon. Provincial Treasurer on interim supply and more particularly with the general revenue aspect thereof. Are there any further comments on that particular resolution?

The hon. Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I just wanted to make a few comments tonight in regards to the General Revenue Fund's schedule for interim supply presented by the Provincial Treasurer. I can't look at next year's budget without some brief reference to the current year that we're already in, because of course the year that we're already in is the one that the Provincial Treasurer said was very much in keeping with his fiscal plan. This was the year, after all, that we were going to have the balanced budget. I notice that still today . . . [interjections]

MR. CHAIRMAN: Order in the committee, please. The Chair wasn't calling the hon. member to order, just general order for other members.

MR. HAWKESWORTH: I appreciate that, Mr. Chairman. You know me; I'm a man of few words. The problem is that I repeat them a lot; right?

Anyway, this was the year, Mr. Chairman, that we were going to have a balanced budget. In fact, I think I could even refer to the budget speech of last year: "Mr. Speaker, this is a balanced budget." There was great pounding of desks and great applause. In fact, I was just going to note that any visitors coming into the Assembly can, down in the foyer, pick up a brochure called Alberta Facts '91 and still read that the Provincial Treasurer has a balanced budget for the current year that we're in. Now, of course, that was in keeping with a plan. Well, so much for his plan, Mr. Chairman. I don't think it's any secret to anyone in this Assembly that the Provincial Treasurer's plan, if he ever had one, is totally off the rails and totally trashed.

When I look at these schedules that have been brought before us tonight for the General Revenue Fund, they're presented without a budget, they're presented without a plan, and they're presented without a context. They're presented just as a series of numbers on a series of sheets of paper. I guess the first point I would make this evening, Mr. Chairman, is quite simply this: for all the so-called plan and rhetoric that the Provincial Treasurer has given us about having a fiscal plan, his budget will perform and has performed no better and no more closely to a plan than these random numbers that appear on these schedules in front of us tonight. This is not presented to us with any kind of plan in mind, and we're asked to approve them without having any plan in front of us, and for all of his effort the Provincial Treasurer will probably be as good at sticking to this plan as he's done with the current fiscal year.

Mr. Chairman, I want to just take the few minutes that I have this evening to simply say to the Provincial Treasurer that if

there's one thing we need in this province it's not just a plan but a realistic plan and one that has accountability as a key element to it. You know, when you look at what it's costing us in this province in terms of moneys and you look through these spending estimates, we find that so much of what is crucial to a budget just simply does not appear. For example, where do we find the write-offs and the valuation adjustments? This government has gone close to a billion and a half dollars into loan guarantees that have been implemented because of bad business agreements. They've gone bad, and these guarantees have had to be implemented. There are probably a billion and a half dollars of them that at some point have to be written off and have to be accounted for. So write-offs for these government backings do not appear here, as I can tell, in this schedule, yet we know that there is probably close to a billion and a half dollars or a billion dollars at least that this government is going to have to deal with in a very short period of time.

Earlier today the Leader of the Opposition asked about the \$150 million for the Magnesium Company of Canada. I don't see anywhere in these schedules where that appears. We still don't have the financial statements for NovAtel; there's a quarter of a billion dollars. I don't see any accounting for that in these schedules. The \$100 million for Softco, which was part of the North West Trust bailout and Heritage Trust bailout: where does that appear?

MR. CHAIRMAN: The Chair would ask that the buzz in the committee be kept at a little lower level, please.

MR. HAWKESWORTH: We know that Alberta Mortgage and Housing Corporation has effectively been liquidated, but where do all those bad loan portfolios and difficult projects that have to be written off at some point appear in these estimates? Seventy-one million dollars for Gainers: where does that appear? Twenty-five million dollars for Alberta Canola Crushers, and then if we get into all of the other lesser lights - Alberta-Pacific Terminals, Chembiomed, Peace River Fertilizer, Northern Steel - there's another \$50 million. Mr. Chairman, none of these dollar amounts appear, to me at any rate, anywhere within these interim supply estimates. You know, as far as the government's ability to manage government, to bring approvals to this Assembly for us to give them the proper review and accountability, certainly you don't find them in these schedules.

So not only do we need a plan, which we have yet to get from this Provincial Treasurer after five or six years in his portfolio, we have a whole range of expenses that never even appear in front of us for any kind of approval or for any kind of review. At some point the Provincial Treasurer is going to have deal with these. I would suggest to him that so much of the problem with his budget and the problem with his being unable to stick to a plan is a lack of accountability.

In addition to that comment, I guess I would make one other, Mr. Chairman, and it's simply that outside of the regular budgeting approval all kinds of crucial decisions take place, whether it be loopholes in the tax system, tax expenditures that never get approved by the Assembly, special warrants that continually crop up. We saw last year the Provincial Treasurer making statements about the impact of the Canada assistance plan decisions of Mr. Wilson and Brian Mulroney, saying that Alberta was not going to be hurt by those. He didn't feel too badly at the treatment he was getting from his Conservative colleagues in Ottawa. We see this year, and I know they aren't being accounted for in these schedules, several millions of dollars, in the order of about \$100 million and some, in special warrants to deal with the transfer under the

Canada assistance plan that singled out Alberta for special treatment, unfair treatment.

So when I look at these interim supply schedules, Mr. Chairman, I realize that they are simply the first step of what is brought to the Legislature for approval. It's one of those routines we go through. They're presented to us; we vote on them; we approve them; they go through. The government doesn't seem to take them very seriously, but that's just the way they approach the entire budget cycle. As far as it applies to this Assembly, that's the way they approach the budget schedule in its entirety.

8:10

So many of the key decisions that impact on this coming year's budget will be taken totally outside of this Assembly, without any reference to this Assembly by the government, and I'm saying to you, Mr. Chairman, and to all the members of the Assembly that that sort of cavalier approach has just got this government into a tremendous bind and tremendous difficulty and created a serious problem for the fiscal well-being of the province of Alberta for years to come.

I know that it's a matter of pro forma approval here and somewhat pro forma debate as far as these interim supplies are concerned, Mr. Chairman, but I would simply say to the Provincial Treasurer that even though it's a first step, a preliminary step in the budget cycle, I have some grave concerns about where this government is going with the fiscal policies of this province and the fiscal decisions of this province. We just believe that the whole lack of accountability surrounding the budgeting process, the lack of a plan has created a very difficult situation, and I'm afraid to say that just giving de facto approval of these estimates is probably all that we can do tonight or in the next few days. I will simply say this: this budget and this government are in deep trouble for the current year and the year to come. I would simply say that it's the result of us harvesting the seeds that this government sowed some many years ago.

MR. CHAIRMAN: The Member for Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Chairman. I just want to make a few comments on the motion that's in front of us this evening dealing with interim estimates. I guess my first comment would hinge or dwell on or pinpoint somewhat the process that we're into. This being, let's say, my third kick at the kitty where I've sat through the process, and year after year we repeat the process, I realize this is the first step of that process: the interim estimates come forward before we go into the overall budget, which is slapped down in front of us one night and we see the Provincial Treasurer do his performance, which he does very, very remarkably. It may be smoke and mirrors; nevertheless I do have to give him credit for being a good performer, particularly when you consider he has very little substance going for him. So I commend him for that.

I've often questioned, the three years I've been here and the years and years prior to that, why this same process is just repeated over and over when there are so many obvious flaws to it. It's interim estimates that come forward. We know these are going to be approved the way they're presented. The same holds true of the overall budget when it comes forward. We know it's going to be approved. It gives us an opportunity, I guess, to spiel off a bit, but other than that, we're not really accomplishing anything concrete in the sense of having an opportunity to really explore any type of budgeting process in detail or question the proper authorities that should be questioned when it comes to budgeting.

We can even look at the timing. The whole timing of the legislative process itself forces these types of interim estimates to come forward. Again, I would wonder why we didn't have the legislative process talk in terms of real parliamentary reform, where we had a session starting early enough that we could deal with the budget, that we wouldn't have to have interim estimates, that we could have a budget out of the way prior to the beginning of the fiscal period. It almost appears at times that we're into a process that's carved in stone: the session starts the middle or towards the end of March. Now, this particular one, obviously when we look at the interim spending and we speculate what's going to come down in the next few days, again we can anticipate that there is a lack of an overall vision in terms of creating some type of solid financial foundation.

I believe it was announced, even though the Provincial Treasurer didn't seem to be aware of it earlier this afternoon – it was indicated to me by comments I heard made by the Premier that the budget is being delayed and we probably won't be dealing with it now until April 9, instead of April 2 as anticipated. There is some speculation that there may be valid reasons for it. It may very well be that the government prefers to deal with the budget after the Tories have their convention this weekend and escape that embarrassment that I'm sure they're going to face, because the government, let's face it, is in the situation that if they attempt to come down with a balanced budget put together with band-aids, such as last year, it wouldn't hold. The credibility wouldn't be there. It would be mocked at that particular Tory convention. It would be mocked by Albertans in that the so-called balanced budget that came forward last year simply didn't hold, and in the months to come that's going to prove itself. It's a helter-skelter approach, and I'm sure when we do see the budget come down April 9, we are going to see a series of band-aids. I guess this is just that interim step we go through leading up to that finale, the night that the Provincial Treasurer has his spot in the limelight.

On that note, Mr. Chairman, I'm going to conclude because there really isn't a great deal more that can be said.

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

MR. McEACHERN: Thank you, Mr. Chairman. I was talking on the Speech from the Throne the other day. When I ran out of time, I was talking a little bit about Toward 2000 Together, and I thought I might just add a few comments, as I didn't get to finish the thoughts that I had at that time.

The context in which I was speaking was that it seems to me that what the Alberta government has done is made a sudden, somewhat of a deathbed conversion from talking about fiscal responsibility and balanced budgets to stimulating the economy so that they can divert attention away from the fact that they haven't been able to balance the budget. In support of that on a couple of occasions I've spoken about the deficits year by year and the total debt being in the neighbourhood of \$14 billion, not counting the unfunded pension liability.

The reason that the government suddenly decided that they should start talking to Albertans and consulting Albertans about an economic plan is because clearly they were getting a lot of adverse publicity for the number of taxpayers' dollars that they were losing in specific companies like MagCan, North West Trust – oh, we've haven't seen the dollars we've lost there yet – Principal, Myrias, GSR, Northern Steel, and a number of other companies. Because of all that adverse publicity and the fact that the Economic Development and Trade minister was totally unable to make his claim stick that they had a 95 percent success rate overall, the government finally decided that they would have to do something

about their economic policy and try to resurrect their standing in the community in that area, so they launched this Toward 2000 Together. Now, I applaud the idea. It is time, even if it took them 20 years to get around to thinking about it, that they should consult Albertans on their economic policy.

One thing I do know is that right across the political spectrum, from the right wing right through to the left wing, we're all agreed that the minister should quit handing money out of their offices directly to individual companies, trying to pick winners, or, as they claim, trying to create jobs or diversify the economy in that manner. Of course, a lot of the time it ends up just bailing out their friends. Nonetheless, that idea of picking winners is something that Dick Johnston, the Treasurer, said that governments could not do back in a debate I remember – I think it was the very first session that I was in, in 1986 – when he brought in the Alberta stock savings plan.

We suggested to him that if he wanted to divert investment dollars, say, into the countryside, so you didn't have everybody flocking to the cities all the time, that he might allow special credits under the Alberta stock savings plan for people that would establish in rural areas. He got up and said: No, no, no, you can't do that; governments are no good at picking winners. It's certainly true that they're not good at picking individual winners, although it didn't apply to the thing that I was suggesting. I wasn't saying that they should pick winners; I was suggesting they should try and influence where people might decide to invest their money.

8:20

In any case, this Toward 2000 Together is an interesting project, and there are some comments that should be on the record about it. One of the first things the government did was put out a questionnaire, and I made the comment in the House the other day that it was rather a fuzzy questionnaire and not too meaningful, and I want to illustrate that a little bit. For instance, the first question is:

How important do you think diversification is to Alberta's economic well-being in future years?

Well, what a motherhood question. Of course it's important. Let me pick out a couple of others here:

How important do you believe the following factors will be in terms of shaping Alberta's economic future? Please indicate how you would rank them by assigning a number [1 through 5, from the most important to the least important] in the space provided.

- Alberta Government policies
- Federal Government policies
- Constitutional change . . .
- International economic/political changes such as oil prices and developments in Eastern Europe
- Global competition.

Well, how they rank doesn't really matter much. What this government should have done was ask questions like: did the Alberta stock savings plan serve any purpose in this province? They should have given us a bunch of information and analysis about the Alberta stock savings plan and how it worked or didn't work so we could evaluate that on whether or not that idea has any merit or should be buried totally and forever, but the Treasurer has just sort of forgotten about it. There's been no final record of who got money out of it. There's been no final assessment. As far as we know, they may have done a government study, but certainly if they did, there's no mention of it and no release of the information.

So how would the people of Alberta who have put up the dollars for the Alberta stock savings plan or the SBEC program, for that matter, small business equity corporations program,

evaluate whether those were any good or not? Yet there's no mention of them in here and no intention to give out any information that would help people decide whether they were any good or not.

How about a couple of current programs, like the Alberta Opportunity Company? Why didn't they ask for an assessment of that? Why didn't they ask for an assessment of Vencap? Now, the other question you're going to ask after mentioning those two is: do Vencap and the Alberta Opportunity Company meet the small business equity needs, the venture capital needs of the small businesses in the province of Alberta? Now, that would have been an important question to ask and an important one to get some discussion on. But, no, they don't even show up in the questionnaire. It is true that they asked about how rural Alberta might be resurrected, and they did ask how the Heritage Savings Trust Fund might be used or not used to help with diversification, but I say that the questionnaire was mush.

I also want to say that the government idea of consultation was to hire a consulting firm and have them set up six round table discussions with handpicked people. This part of Toward 2000 Together never was and never has become an open forum. It's handpicked people by the Tory government as to who should be invited and who shouldn't. So you had essentially six secret meetings around the province about the economy of Alberta with certain friends of the government.

Now, I will admit that belatedly, after a couple of meetings had already gone by, the New Democrats did get a letter from the consulting firm doing the choosing of the delegates asking us if we had any suggestions as to who might like to come, not asking us if we wanted to come, but just saying, "Can you think of somebody that you might want to ask?" Well, quite frankly, our conclusion on thinking about that, Mr. Chairman, was that we didn't really like the idea of the secret nature of that set of hearings, so we just didn't even bother to answer. We ignored that letter from the gentleman that was conducting those closed hearings. We said, "We don't see any reason why we should be part of a secret or closed hearing process."

Now, because that closed hearing process was very unpopular when the government first announced it and there was a certain amount of public flak about the idea of secret meetings, the government did condescend to set up public hearings in each of the towns, in each of the places where these six secret meetings were being held. So we had a situation, then, where several of the ministers and MLAs from the government side, as they did today here in Edmonton, sat and listened to presentations from a wide variety of people.

The Minister of the Environment the other day had a lot of fun hollering at us and screaming that the opposition didn't go to the hearings and that sort of thing, but the fact of the matter is that we did investigate whether or not the Member for Calgary-Mountain View might go to the Calgary hearings about two or three weeks ago. The gentleman down there was quite accommodating at first and said that he would sort of try to fit him in somewhere, but then he said that he had a pretty full schedule. Then a couple of days later he phoned back and said, "Gosh, I'm sorry; maybe you had better talk to the minister's office." In other words, basically saying, "We don't want a member from the opposition to bring forward a statement in those hearings." I phoned the minister's office and talked to his executive assistant, and as soon as we started to talk he said, "Well, really, I think you should talk to the minister." I said, "Fine; get the minister to phone me back," and he never did. So I got the hint that we really weren't welcome to make presentations at the hearings. However, I did go to the hearing this morning, and the minister was kind enough to

introduce me so that the people there knew that at least I had attended.

I do think there's some merit in those public hearings. I listened carefully, and there were three excellent presentations before I felt I had to leave, and I think the government is getting some good feedback. I couldn't help thinking that they're listening somewhat selectively and will choose from it what they wish, but I guess that's to be expected. They have their own orientation and their own direction which they want to go with economic development. I do hope that one of the things that they have listened to is all these people, as I said, from the left wing right across to the right wing in terms of a political spectrum, that have said, "Get out of the ad hoc funding program."

The other day I did receive, as did all my colleagues, a letter from the Premier inviting us to the final conference, and I do certainly intend to take that in. I hope to get, of course, summaries of all the deliberations so far so that one can glance through that and see what has happened up to now so that when one goes to the conference one will be tuned in to what's happening, what people are saying and what directions they might be urging the government to go.

The Toward 2000 Together exercise is at least a step in the right direction on the part of the government and does have some merit. There are a number of questions, as I said, that should have been asked that have not been, specific questions about specific programs. The export loan guarantee program is another one. The government keeps passing that off as being such a successful program, yet we know from that document that we had leaked to us back in '89, the minister's briefing document, that as a matter of fact 46 companies out of 111 companies haven't met one of the criteria, which is to have their money paid back to the government within a year of getting the loan. So I think the minister should be reviewing that program and taking a hard look at it too. It's all very well to say that it's a great successful program, but let's see the facts. Let's see the statistics. The government does not give us that information. What they basically do instead is just give us a global figure in the public accounts a year to two years later, after it has all gone by, with no way to link the names of the people that got the money, which are listed in the supplementary section with that program. So you don't know how successful it has been or not been other than to know that 46 out of 111 companies didn't meet one of the main criteria, which was to pay back on time within one year of getting the money.

So I challenge the minister to make information available on the export loan guarantee program, to make information available on the Alberta stock savings plan, to make information available on the small business equity corporations. There's a lot of information available on the Alberta Opportunity Company. They are very good, and Vencap is quite good as well, but that's strictly from the point of view of the company releasing annual statements and quarterly statements. What the government needs to do is to take a little more thorough analysis of what's happening with those companies. In fact, I noticed that the minister has a Bill related to Vencap on the Order Paper, and I'm waiting with great anticipation to see if it follows the advice passed out by the Standing Committee on the Heritage Savings Trust Fund Act to sort of clip the wings, if you like, of Vencap and ask for some of the money back that we've given them, an idea that of course the New Democrats have been pushing for some time. Mr. Chairman, I wanted to get some of those remarks on paper on Toward 2000 Together, because I didn't get a chance to finish my comments the other day because time ran out on me.

8:30

I wanted to relate back also that the reason for all the concern about the economy in Alberta is not just that we're in a recession caused by the Minister of Finance and John Crow, the governor of the Bank of Canada, with their high interest rate policy. If you take that in conjunction with the free trade deal and look at how our dollar is held too high because of the high interest rates and the difficulty of taking advantage of the free trade deal – and there have been some small advantages to Alberta but certainly not in eastern Canada. The manufacturing sector of this country has been largely devastated by the free trade deal.

One of the reasons that the government is suddenly switching their concern to needing to stimulate the economy and jobs and that sort of thing is, of course, because of their failure to balance the budget. I mean, our Treasurer has told us ever since 1986, when we first had that devastating year of a \$4 billion consolidated debt – or deficit, which also became the debt, because we were balanced before that – that he has this three- or four-year plan to balance the books and we're right on target and right on course. Of course, each year it got pushed back a little further. Last year, of course, he said, "Eureka, I've found the balanced budget." Of course, now he has to admit that he knows very well he didn't.

One thing I can't help wondering about and want to sort of put on the record or ask the Treasurer. I see that he's here and could comment if he likes. When the federal government brought in their budget, they were very careful not to spend any more money because they've got such a horrendous deficit that the Liberals started and the Tories doubled in the '80s that they feel they can't afford to stimulate the economy even though they know that it needs it. So the present federal Minister of Finance, Mazankowski, decided not to stimulate the economy in his budget back in February. The Treasurer spoke up and said: "Excellent. Good budget. Exactly what is needed in this country at this time." The Premier did suggest that they might have reduced taxes a little bit and start trying to stimulate the economy that way. So they had a bit of a different point of view there.

Now we see the Premier insisting that Alberta will be stimulating the economy in its budget coming down. So we're really looking forward to it to see exactly what is in it. But I can't help thinking that that runs contrary to the attitude expressed by the Treasurer in his assessment of the federal budget, and one would assume, by extension, unless he's had a change of heart in the last month, that he also would want to bring in a budget that is a balanced budget, at least not stimulative, anyway. So it will be interesting to see who is the one that dominates the way the budget goes: the Premier, who wants to stimulate the economy, or the Treasurer, who wants to balance his budget, even if he's failed over the last five years to do so. He did talk at federal budget time, anyway, as if that were still the priority.

Now, I want to go back to a suggestion I made the other day and put it into the context of what I was just talking about. If the Treasurer wants to sabotage the Premier's idea of stimulating the budget, he can probably do so fairly simply. All he has to do is keep on doing the kinds of things he's been doing each year for the last five years. I pointed out in the House the other night that in every budget he's brought in, he's been a billion dollars out in his estimate of what the deficit would be. What I'm saying is that in order to have a stimulative budget, this is what would have to happen. The Treasurer would have to admit in his forecast for the year we're just finishing, the 1991-92 fiscal year, that the deficit is really going to be \$2 billion. If he doesn't admit that, then he doesn't have a base from which he can truly stimulate the

economy of this province in the next budget, the one for next year. It would take \$3 billion to do that, because in order to stimulate the economy in any one budget, you have to spend more money relatively speaking to what happened in the last budget. So if we have a \$2 billion deficit in this fiscal year we're just finishing, which we do, then you have to have a \$3 billion deficit next year.

I'm thoroughly convinced of course that the Treasurer has no intentions of admitting that he has actually got a \$2 billion deficit when he said it was a balanced budget. So what we'll see him do instead – well, there are two possible cases. One, he may admit to a billion dollars in deficit for this year we are just finishing, in which case, then, he can claim, when he brings in his budget, that a \$2 billion deficit would be stimulative, and he may bring in a budget that's a \$2 billion deficit. In that case, then, he will claim it's stimulative, but I would say no, it's not, because in fact, instead of having a \$1 billion deficit this year, we've got a \$2 billion deficit. Now, that's a very distinct possibility, and if the Treasurer does that, then he will have effectively stymied the Premier's idea of stimulating the economy totally by the way he has fudged the books over the last couple of years, and there will be no stimulative effect in the new budget.

I suspect that there is one other possibility, and that is that it might be even worse. The Treasurer may not admit to any deficit last year in his forecast. He may make us wait until the Auditor General brings in his public accounts for this current fiscal year, which of course we won't see for a couple of years yet, and he may claim in his forecast that there is no deficit in this fiscal year we're just finishing, in which case, then, he will bring in a budget with about a billion dollar, maybe a \$1.1 billion deficit and shout to the whole world: look how stimulative this is. But as you can see, Mr. Chairman, if we really do have a \$2 billion deficit for this year we're just finishing, neither a \$1 billion nor a \$2 billion deficit for next year's budget will really be stimulative. It will in fact mean that the Treasurer will have confounded, if you like, the Premier in his attempts to stimulate the budget by his accounting inaccuracies, shall we kindly call them, over the last couple of years, and particularly this year, about where our deficit really stands.

So, Mr. Chairman, those are my comments. If the Treasurer really thinks that he has earned the trust of the people of Alberta and that we should give to him 39, 40 percent, something like that, of interim supply money for the coming budget year, I think he's kidding us and all the people of Alberta. The Treasurer has not earned the trust of the people of this province. So it does seem to me that although he wants us to okay these interim supply Bills, I don't think that he has earned that trust and I don't think that we should vote him supply on these estimates.

MR. CHAIRMAN: Is the committee ready for the question on the first resolution?

HON. MEMBERS: Question.

[Motion carried]

MR. CHAIRMAN: We will then move to the Capital Fund. Any questions or comments relating to the Capital Fund?

The hon. Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. I see that the Minister of Health is here tonight, and I'd just like to make a point regarding the planning for the redevelopment of the Bow Valley centre for the Calgary General hospital, which is in the Calgary community of Bridgeland. I just would like to make a

point that many years ago a vibrant business community was expropriated in order to make a parking lot for the Calgary General hospital, and in the last couple of years there's been a planning exercise taking place with the businessmen on 1st Avenue and with the residents of the Bridgeland-Riverside community.

8:40

There was an open house sponsored by the General hospital a couple of weeks ago to meet with the community and outline their redevelopment plans, and lo and behold the new model for the Calgary General hospital doesn't take into account desire by the businessmen or the community to re-create a commercial strip on the south side of 1st Avenue. I'd just like to mention this to the Minister of Health and have her indicate whether she would be willing to facilitate somehow getting the architect and the planners together to resolve this difference with the community. There has been some correspondence taking place, some preliminary meetings have been held, but there doesn't seem to be at this point a great deal of interest on the part of the hospital in accommodating the wishes of the community to re-create this commercial strip along 1st Avenue.

If that were, of course, in the ideal world, able to be accomplished, more commercial in the Bridgeland community, I think, would be highly desirable for the residents and for the businesses that are already there. It has the potential of following other areas of the city of Calgary such as 17th Avenue and the Louise Crossing area in Kensington if the right planning decisions are taken. Of course, as a main landowner and a key actor in all of this the Calgary General hospital can facilitate it or prevent it from happening. Given that the planning exercise is proceeding at pace, I'm just putting in a request here, a word that I would hope the Health minister would take into consideration and perhaps prod the board of directors of the Calgary General hospital, at least the provincial representatives on that board, to meet and work closely with the Bridgeland Riverside Community Association.

When we get to discussing and debating these various items later on in the budget review process, we don't always get the opportunity to get in, if we're not the critic in a particular area, to register some requests and some comments on specific items, so I'm taking that opportunity tonight, Mr. Chairman.

Thank you.

MR. CHAIRMAN: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I want to direct my attention to this weighty document that we were presented to debate proposing the expenditure of some \$121,474,000, the Alberta Capital Fund schedule. It would be easier for those of us in the opposition to make a decision, a determination about whether or not we want to support this expenditure at this time given the limited amount of debate and opportunity provided to question the ministers, we could be convinced if we had some further information, if we had some indication from the ministers about what their plans were with respect to the expenditure of this money.

I believe that the Minister of Health will have a pretty clear idea without me telling her what's on my mind in terms of capital projects, but I realize it's a Public Works, Supply and Services budget item. I know full well that the minister who sits close to her does exactly what she tells him to do. If she tells him to build a hospital here or there, Kowalski goes out and does it, because he's an agent of the cabinet. He just does what he's told. So I want to give her some suggestions about what she could be telling him to do in the hopes that some action is taken.

My particular concern is about the long-term care centre in Vegreville. Renamed the long-term care centre, it used to be called the Vegreville auxiliary hospital and nursing home. As the minister is well aware, the expansion project there, the addition that's been proposed and designed and talked about for years, is still pending, and I'm wondering if the minister can give me some indication of the current status of that proposal. There's ongoing anxiety in the community about the lack of adequate facilities for our aging population. I want to remind members, all of whom, I'm sure, have projects they want to advocate for in their constituencies, that in the Vegreville constituency we have the highest percentage of citizens over the age of 65 of any constituency in the province by far. I'm not sure if having an opposition MLA encourages people to live longer or if there's any connection to the pace of life that . . .

AN HON. MEMBER: They live with hope.

MR. FOX: They live with hope. They're hanging in there with their hon. member looking forward to a better tomorrow.

We do indeed have two things that I brag about: the fact that we've got the highest percentage of citizens over the age of 65 in the whole province and by far the highest voter turnout in the province in the last provincial election. There may be a correlation there, a direct correlation, because our elderly population takes political issues very seriously and takes great interest in what's going on in this province because it's a province that they helped build. Just for the interest of our new Member for Little Bow I'd like him to know that the voter turnout was 75 percent in the last election in the Vegreville constituency.

Anyway, we have a significant number of seniors in the Vegreville constituency, and there are not adequate facilities for these people. I'm trying to encourage the minister to commit some construction dollars this year to the long-term care centre addition in the town of Vegreville. The proposal is for a 40-bed addition. I'm not sure what the current status of it is, but I can assure the minister that if approval were given tomorrow to go ahead and build that 40-bed addition, by the time it was built it would take two or three years for it to be turned over to the local authority and filled up with residents. It would indeed be filled up because there's more than that number of people on the waiting list there. The demographics of the area are such that there's an ongoing demand for this kind of facility.

The existing long-term care facilities in all of the towns around Vegreville, including Two Hills, Mundare, Willingdon, and Tofield, are all full as well. They're not only full; they're backed up into the acute care hospitals, which is a condition that's quite general throughout many areas of the province. In fact, in St. Joseph's general hospital in Vegreville I think there are 18 patients currently receiving treatment in an acute care hospital that are long-term care patients that belong in the long-term care centre, but there just isn't room.

I don't need to tell the minister the kinds of stories that we hear in situations like that. She's very sensitive to the kind of family separation that can occur when there's not space for a family member locally or when only one can be accommodated and another can't, those very difficult situations that are created. They can't be resolved overnight. It's not possible to have exactly the right number of beds for every community all the time. I mean, no one in their right mind would suggest that that's possible. But when you've got a situation in Vegreville where you could see the population bubble approaching, where we knew we had a significant number of women and men that were getting older and were going to need some care that they and their families couldn't

provide for themselves, I suggest that there could have been a little bit of advance planning, a little more forethought, so we could avoid a situation where we have horrendous lineups at all of these facilities, people desperately waiting for space and accommodation in these excellent facilities.

So I want to appeal to the minister to let me as the representative from the Vegreville constituency and the people in the constituency know exactly when we can expect some action to resolve the problem with the long-term care centre. It's an issue of great concern as well to the administration and the board - they worked very hard to advocate for this facility - as well as the staff, because working in cramped quarters with patient overload all the time makes working conditions very difficult.

Indeed, the existing facility, as the minister well knows, is less than adequate in a number of ways. There's been some money committed to fix the heating system, which we're thankful for. It's kind of an irony that when the money comes through to fix the heating system, we have a very mild winter. I don't know if budget decisions made in Alberta have an impact on El Niño, but that might have been the case this year. There are concerns with the number of washroom facilities in the long-term care centre, the width of hallways, the insulation, the wiring, a number of aspects of the physical plant. Recreation and therapy areas are all deficient. So there are a lot of pressing needs to be addressed, and we've got to show progress at some point.

8:50

They did use part of their capital dollars last year and some of their space to house a new program that the minister approved, which we're very thankful for: the seniors' day program, which is up and running and successful. I attended an opening there a couple of weeks ago that was well attended and very well responded to, but again they had to clean out a little storage room and turn it into a very attractive and functional room to operate this day support program for seniors.

So I'm hoping the minister will be able to tell me tonight what her plans are for that facility, what she's going to tell the Minister of Public Works, Supply and Services to do, if and when he ever comes back to the Legislature. If she can't give me the information tonight about when this is all going to occur, could she please indicate to me when she'll be able to tell me those things?

Thank you, Mr. Chairman.

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

MR. WICKMAN: Thank you, Mr. Chairman. Just a few comments on the interim capital estimates. The Member for Vegreville talked in terms of the need for some health care facilities and such in his particular constituency. I guess that brings us to a basic problem we have. Just the other day in the Legislative Assembly when the question of a new health care facility, a long-term extended care facility for Hinton was being addressed, the Minister of Health across the way made reference to the leader of the Liberal caucus holding up the empty wallet. Yes, the leader of the Liberal caucus continues to hold up that empty wallet, because one has to always keep in mind that when we talk in terms of any type of capital expenditures, simply because you propose a new facility does not mean that you're asking for additional tax dollars. It's a question of managing existing resources better, more efficiently. To attempt to poke away and jab at that empty wallet really doesn't serve any purpose, because the leader of the Liberal Party proved as mayor of the city of Edmonton that he could achieve that type of budgeting process, particularly when it came to capital budgeting, and it was done in a very, very competent fashion.

One of the things that I believe has to be addressed when we talk in terms of interim expenditures, estimates – and possibly the Minister of Health in particular can respond when we're dealing with the estimates further down the road – is: what priorities have been determined as far as health care facilities are concerned? We can look at the pressing need in a number of areas that have been addressed such as Hinton, Vegreville, the Norwood and such, but I guess the point, Mr. Chairman, that I would make . . .

**Point of Order
Questioning a Member**

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

MR. CHAIRMAN: The hon. Member for Vegreville rises on a point of order.

MR. FOX: I'm wondering if, as has been the tradition here, the member would entertain a question.

MR. CHAIRMAN: Will the hon. Member for Edmonton-Whitemud entertain a question from the hon. member?

MR. WICKMAN: Yes, sir.

MR. FOX: Thank you, hon. member. I've been intrigued by statements made by the leader of the Liberal Party about hospital construction, and as a rural member I'm trying to come to grips with some of the things he's been saying about not wanting to build hospitals in every rinky-dink town in Alberta. I'm just wondering . . . [interjections] No, this is a serious question. This is a serious issue. I want to know how you classify these towns, because I represent a lot of towns and villages in Alberta, and I'm wondering, is there a classification system, or does the Liberal leader just waltz around the province saying: "Rinky-dink, not rinky-dink. Rinky-dink, not rinky-dink." If there are no criteria, maybe you could . . .

MR. WICKMAN: Certainly, Mr. Chairman, if it was . . . [interjections]

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

Debate Continued

MR. WICKMAN: To get back specifically to addressing the question of spending priorities . . . [interjections]

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

MR. WICKMAN: Mr. Chairman, we've got to talk in terms of a process where we identify the number of dollars that are available for capital expenditures, we identify in terms of priorities the number of projects that are identified as having some need, and then they're rated on the basis of one to whatever. If there is \$1.4 billion, whatever, available for capital expenditures, then you only approve those projects that allow for \$1.4 billion, whatever that figure may be, and you don't go beyond that particular figure.

Mr. Chairman, it seems at the present time one of the problems that does happen is that when there are boom times, and we've seen it in the past – the Member for Vegreville can attempt to poke fun at the question of hospitals being built in some of the rural areas, but we want to address that on a very serious note. I don't think it is a laughing matter, because I think there is sufficient evidence to suggest that some of those health care facilities are sitting almost empty. In other words, there are ways

of better utilizing them. No one is proposing closing down those facilities but simply better utilizing that space, possibly converting portions of that space to long-term care rather than acute care, because in many of those facilities it's very difficult to attract the type of medical personnel that is required.

Back in those days of Peter Lougheed when the oil money was flowing freely and it was spend, spend, spend, yes, there were a lot of facilities being built not only in rural Alberta but also in Edmonton and Calgary. Nobody thought through the consequences of the operational costs for those facilities. Not only in health care: we saw it with community facilities, we saw it with cultural centres, and we can go on and on. Anyone with any basic knowledge of health care at all knows that what it costs to build a health care facility, in two years that same amount of money is chewed up. We've seen what's happened with facilities like the Grey Nuns hospital that was built and then suddenly the government realizes they don't have the money to operate it.

So, Mr. Chairman, I don't think that the Member for Vegreville should be poking fun at such a serious subject as he has, because it is a very, very serious subject: to utilize, to get efficiency for dollars, to create the type of services, to build the type of facilities that people in Alberta want.

Thank you.

MR. CHAIRMAN: The Member for West Yellowhead.

MR. DOYLE: Thank you, Mr. Chairman. I was listening with interest when the Member for Edmonton-Whitemud was discussing the issues of hospitals. I'm pleased to hear that the Liberals are indeed in support of an extended care hospital in Hinton.

I want to say, Mr. Chairman, that I was very pleased that the minister met with the seniors the other day and gave them some encouragement and some hope that perhaps their dream will be realized some day. The seniors in Hinton have successfully over the last 12 months raised over \$76,000. In fact, I was informed today that that figure is now over \$90,000 with other commitments. I would hope that the minister doesn't hold off until they have enough money to build the whole facility.

Mr. Chairman, the budget of hospitals is a very crucial one in the province, especially as it comes to extended care units. In 1987 or '88 the division was made in West Yellowhead with regards to how many beds would go to Edson and how many beds would go to Hinton. I was involved in many of those discussions. Hinton was to get a few more than Edson because Edson already had facilities and was housing many people from Jasper and in fact from the riding of Whitecourt and several from other communities. So Hinton is in desperate need, as the aging population is increasing day by day.

I was at a public forum with the seniors in Hinton on February 28 arranged by Mabel Lee of Hinton and Grace Hart and others. A videotape was taken at that time, and many people on that day shed tears as people were speaking of the difficulties that seniors were having in that community and the shifting of some of those seniors from Hinton and Jasper as far away as Mayerthorpe, Canmore, Edmonton. Their loved ones could not get to see them sometimes, and loneliness and despair caused many of them to pass on with nobody by their bedside. So I'm sure the minister has some very serious deliberations as she decides what funds go in which direction, in which community, where the needs are in one community to the next community. I'd hope that with the passing of at least this interim funding that perhaps it would help the minister make decisions and notify communities as to what schedule they could expect for their extended care hospitals for seniors.

9:00

On the Construction of Water Development Projects, Mr. Chairman, I was curious as to whether this \$10,050,000 was going to repair of infrastructure within the municipalities or if it is for new water development projects for irrigation. There's not much of an indication. It's much easier when we have the budgets in front of us, when we can at least identify some projects in how this money will be spent. When I was addressing budgets when I was the mayor of Edson and on council, we always had the details in front of us, and we could at least refer to something. To just have \$10,050,000 go for Construction of Water Development Projects doesn't give anybody very much opportunity to say to their constituents exactly where that money was going or why you would vote for something when you don't know where it's going. Construction of Government Facilities, \$590,000. Well, Mr. Chairman, if I thought that this Construction of Government Facilities was going to a project that public works built in the last couple of years at West Glacier, Montana, some 150 kilometres south of the Alberta border – somewhere over \$5.5 million was spent on that particular facility. I've had many letters from people in Calgary, Lethbridge, and around the province as to why those blue signs with the minister of public works' and the Premier's name were that far south of the border, and building a tourist booth where probably no Albertan or no Canadian could be gainfully employed because of the labour laws in the state of Montana. Most people that were down there thought it was a terrible waste of government money. That \$5.5 million would have been better spent on the entrances into the province of Alberta from Montana, entries from other states or provinces, on much smaller booths than this grandiose facility that they built at West Glacier.

It was only some two or three years prior to that that they spent over \$2 million at St. Mary, Montana, rebuilding a tourist facility. I'll state clearly, Mr. Chairman, I've never been to these facilities, but I've had many letters on them. St. Mary was in fair shape, but when they opened the one at West Glacier, the one at St. Mary is now going to be removed: \$2 million dollars down the drain on a venture in the U.S. of A. So I would hope that there's no more money going to ventures south of the border where Albertans or Canadians cannot be gainfully employed.

Under Transportation and Utilities, Mr. Chairman, the twinning of Highway 16 has been a great asset to Albertans and people visiting Alberta. It's especially been a great asset to the people of West Yellowhead. The money under the infrastructure for Transportation and Utilities is \$19,347,000. I would hope that Highway 40 between Grande Prairie and Grande Cache would be under that consideration. It's not that many years ago, probably about three, that somebody in their wisdom made a decision to build a road from Whitecourt towards Grande Cache, but fortunately by some intervention we got that road stopped so that they wouldn't haul the forest from Grande Cache over to the Whitecourt area and put the people in Grande Cache out of work.

People from Grande Cache commute mainly to Grande Prairie for health, dental reasons, sometimes car purchases: those types of things. Highway 40 is very busy. It's a numbered highway. Three years ago they were going to pave 16 kilometres each year. One particular year the road builder from Grande Prairie got busy, and we got behind 16 kilometres rather than giving up the contract to somebody else. So I would hope that this year the minister of transportation would be sure that these funds go to the completion of paving of Highway 40. Also, Highway 40 south of Hinton was surveyed in 1989 during the election with the indication that they were going to build that highway. Well, the stakes fell down, and

there had to be a school bus accident before finally they went out there last year, after several letters and phone calls, and they've started construction on Highway 40 south of Hinton.

I know it's difficult when you get closer to Cardinal River Coals and Gregg River coal down near Cadomin because of the activities in the coal fields in that particular area. They just get the highway graded for a short time and Cardinal River has to move the road because they're hauling coal from a different area. Of course, they pay the full cost of that. The pavement going as far as Gregg River coal is a necessity for the people of Cadomin, it's a necessity for those who travel down there visiting the mountain parks, and it's a necessity for the safety of the children who are traveling from Cadomin to Hinton to school. Of course, it's also a necessity for the workers who drive back and forth.

The government realizes some \$17 million each year out of royalties on coal in this province, and somewhere around \$11 million comes from Cardinal River Coals, Luscar, and Gregg River coal. It's not that the province is not collecting some tax dollars to pay for the paving of that road. When I drive north through Whitecourt and across through Barrhead to visit my good friend at Athabasca, I find paved roads just about solid from Whitecourt to Athabasca. So that area's been looked after very well. In fact, I traveled one Friday night to the ferry at Fort Assiniboine, and I believe I went 70 kilometres, Mr. Chairman, and I never met a car. They've paved them for some reason; I hope it wouldn't be political. We have somewhere in the neighbourhood of 900 coal miners traveling to Gregg River coal and Cardinal River Coals for employment each day, seven days a week, school kids traveling five days a week, and seniors from Cadomin who have to go to Hinton to the hospital. It's taken them all these years without any upgrading whatsoever, and now they're just starting to cut some trees and let on that they're building. I hope that this year they finish it.

Mr. Chairman, I understand that the government needs money to operate, no different from any municipal council, and in advance we have to give some leeway to allow operations to go ahead so nurses can be paid, teachers can be paid, hospitals and schools can operate. I would leave that as my finishing remark.

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

MR. McEACHERN: Thank you. I want to make a few comments. It does seem to me most extraordinary that we haven't had the minister at least stand up at the start and give some of the figures, read them into the record, that sort of thing, so I thought I might start there.

The Treasurer is asking for \$121,474,000 for the Capital Fund. That's as an interim supply, so one can assume that it's around 35 or 40 percent of the amount needed for construction for the year. If you look back at last year, you'll find that we were asked for an interim supply figure of \$119,730,000, and the actual expenditures when they came in were for \$285,550,400 total. We were asked to approve about 40 percent of what the government intended to spend.

9:10

Now, Mr. Chairman, I'm not against the idea of taking the Capital Fund and separating it from the operating budget of the province. I understand the analysis of why one might do that, but I guess I do object to the fact that the Treasurer does not in his budget documents combine the three main expenditures which he outlines – namely, the General Revenue Fund, the Capital Fund, and the expenditures in the capital projects division of the heritage trust fund – and do a combined statement. Now, that still would

not be quite as consolidated a statement as we would get from the Auditor General at the end of the time when he's done his public accounts, because there are a few provincial agencies and commercial enterprises that would still be thrown in there that are not directly referred to in the budget, but at least if the Treasurer did that, you'd get some closer idea as to what the deficit would be each year.

The Treasurer of the province – I'm not sure if it was this Treasurer when he first came in or the previous Treasurer at the end of his term – decided to cut out the Capital Fund expenditures from the general revenue expenditures, partly for good reasons, but I think also it was partly for the reason that the Lougheed government in the good years when there was a lot of money around spent a lot of money on capital expenditures. This government also continued to do the same thing even after the money started to dry up a bit in the years when the flow of money into the coffers wasn't quite so generous. What we've seen is a government that's willing to build a lot of buildings but not always willing to fund operating programs for those buildings. That's a fairly general criticism of this government that's been made by many people, and it's true throughout the whole of the province.

I think that moving the Capital Fund out from the general revenue expenditures, while it had some merit, at least the Treasurer should have had the honesty then to put the three numbers back together in some kind of a consolidated statement. That's where people should have been asked to look to as to what the deficit would probably be, with some kind of a footnote admitting that when the Auditor General gets done and throws in some of those commercial enterprises and provincial agencies, it in fact might be a little higher than that. Then we wouldn't have had the spectacle of the Treasurer last year shouting: *Eureka*, I've got a balanced budget. I mean, it was such nonsense when you know very well that on the capital expenditures side they turned around and needed to spend another \$185 million and also that they were going to spend \$110 million out of the heritage trust fund, money for which there was no offsetting revenues, so that you could then claim that it wasn't a drain on the economy. So I think the Treasurer should have stood up and at least made a little opening statement and talked a little bit about some of these. As my colleague from West Yellowhead said, there are some expenditures there that it would be kind of nice to know at least in a general sort of way what they're aimed for.

I can't help noticing a couple of them that bother me a bit. This increased money to be spent on the construction of the special waste facility up in Swan Hills: 2 and a half million dollars last year, \$3.4 million this year. You know that what they're doing is expanding a facility with two thoughts in mind, I guess, or at least there will be two consequences. One, the facility will be so big that we will have to go outside of the province and start importing waste from other places to make it economic to use. The fact is that it still won't be economic, but because there will be an enhanced capital base to the project, we will have to pay the operators of it an even bigger profit every year for handling our waste. Of course, we're putting up the capital and then paying them because there's more capital invested in it, rather a sweetheart deal that Special Waste Management has had in the Swan Hills facility for some time.

The other particular item that I wanted to mention was the Construction of Economic Development Infrastructure. I looked back at last year's paper to see if I could find out what in heck it was all about. What I found was that the interim supply for this year is \$19,347,000; for last year it was \$17 million. But the total amount for last year if you look at the booklet was \$30,675,000. So I also looked to find what it was about, and sure enough there

is a footnote on the opposite page, and it says it was for infrastructures for Alberta-Pacific Forest Industries Inc. building their Al-Pac mill up in the Athabasca area.

Mr. Chairman, I think that's not really fair for the government to ask us to build the infrastructures for these big megaprojects. This company is perfectly capable of looking after itself and building its projects on its own hook, and if not, then it's not an economic project. We should not be using taxpayers' dollars to help a multinational get established in this province to pulp our forests and ship them off at fire-sale prices to other parts. If you think that's an unfair accusation, then you might consider that already Daishowa is being had up by Revenue Canada for shipping its pulp out of the Peace River district to its parent company in Japan at lower than market prices so that the profits are claimed in Japan and not here in Alberta. Therefore, they're not paying taxes in Canada, and they're of course paying the taxes then in Japan. Yet we encourage all these big foreign companies to come in and claim that it's good for economic development. I'm sure that if anybody stopped to think about it, we could use our forests much more wisely than giving the money to big multinationals that really don't need our charity and our tax dollars.

It's probably the second most important point in terms of change of economic direction for this government to consider. One thing is to quit handing out money from the minister's office to individual corporations, as I said earlier, and it seems almost everybody agrees with that. I think there's now developing a large consensus in this province on the part of most people that handing out huge sums of money to big multinationals to come in and rip off our resources at fire-sale prices is no longer the way to go. It's proved to be disastrous in the oil industry, and it's going to be disastrous in the pulp and paper industry.

In fact, when I mention the oil industry, I guess I can't help but take the Premier up on his answers to those puffball questions this morning about Ottawa opening up the restrictions on foreign investment in the oil industry. If anybody thinks that Americans are lining up at the border to put more money into Alberta's oil industry, they've got to be kidding themselves. The economic downturn in the economy has been much worse than anybody projected. The Treasurer himself tried to claim that a barrel of oil was going to be worth \$23 all this year, and even though he was told differently, he built his budget on that basis. Certainly the oil industry has had a very difficult year. Certainly our conventional oil is starting to run out, and I don't see great prospects. These guys think that somehow foreign money's going to come rushing in to make the oil industry boom again in this province.

The problem, of course, is very much the deregulation of the oil industry and gas industry. Look at the trouble we're in now with California on the price that they're willing to pay for our natural gas. We've increased our exports incredibly over the last five years. We keep waiting for this bubble to burst in the United States, and it isn't going to burst, so we just have to keep selling the gas at cheaper and cheaper prices. If you think there's relief on that front, just know that the North American trade deal is going to allow the Americans to buy cheap Mexican gas and compete with us in the American market there. The Americans showed last year in the Gulf war that they're quite willing to go spend billions beating up on some Middle East countries to make sure that they can assure themselves of a supply of cheap oil from the Middle East rather than put a few billion dollars into a gradual and reasonable development of our tar sands, which is our source of energy in this province that would make sense to develop but in a measured and gradual way, not in the sort of boom, bust way that we've done so far.

So, Mr. Chairman, those are some of the comments I wanted to make on the Capital Fund debate. I do wish the government would get into the debate once in a while and make some comments and talk a little bit about these projects and answer some of our questions or concerns. It does seem that as we get to learn more and more about what goes on with the government and the expenditures and our criticisms become more pointed and more specific, the government doesn't respond by opening up the books and explaining and answering us. Instead, they seem to freeze up, close up, clamp up, and just use their big majority to outvote us. Well, that's only going to hold them so long, Mr. Chairman. When the next election comes, the people of Alberta aren't going to appreciate that kind of propaganda approach when they do talk to the population and their refusal to answer and be accountable here in the Assembly.

9:20

Mr. Chairman, the most obvious example of that is where I sort of started my discussion this evening, and that is that the Treasurer stood up last year and shouted: eureka, we've got a balanced budget. He didn't bother to count the Capital Fund expenditures as part of the picture of the economic situation in this province, nor did he count the heritage trust fund. So he said: Oh, I've got a balanced budget on the general revenue side. Now, he had to doctor the books by a billion to a billion and a half dollars to do that, and that he did so he could have this nice figure of a \$33 million surplus, when all anybody had to do was turn a couple of pages and see that, in fact, because of the capital expenditures and the heritage trust fund expenditures, he obviously did not have a balanced budget. He should not have been giving Albertans a false impression.

Those are my comments on the Capital Fund at this stage. The Treasurer certainly has not earned the trust of this member of the Assembly, and I'm rather ambiguous about whether we should be giving him the authority to spend this kind of money on the amount of information and the amount of answers that he's been prepared to give in the discussion that we've tried to generate this evening.

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

MS MJOLSNESS: Thank you, Mr. Chairman. I'd like to make a few comments on social housing, just briefly.

Many people would say that the most important factor in people's lives to ensure stability in their lives is affordable housing. That's why this particular section of the Capital Fund I think is very important, because without safe, affordable housing people do not have security in their lives. Currently we have long waiting lists, and even worse, now many families are seeing themselves just simply rejected and not even being able to be put on the list for social housing. Mr. Chairman, this is extremely important, because where do these families go? They may have children in school. This means moving around, trying to find someplace they can afford, someplace that is a safe place for them to live, and the stability just isn't there.

There are many factors why people are in need of affordable housing, and I'm sure we're all aware of what those are. Certainly if you're unemployed, you don't have money coming in that you might normally have, so you may be in need of some kind of subsidized housing, or if you're on social assistance, low-income working families, or single parents. We see more deinstitutionalization taking place now, and certainly those people need a stable environment and a safe place to live, something that's affordable. All of these groups, Mr. Chairman, and I'm sure we could think

of others, are in need of affordable housing. Many people are spending very high percentages of the income that they're getting on shelter. In many cases, then, they're taking that money that would normally pay for other things, such as food and clothing and other basic needs in their lives, and they're spending it on shelter.

Now, there was a group in Edmonton, the Edmonton Joint Planning Committee on Housing, that put out a document very recently, a three-year plan. They talk about major factors that contribute to homelessness and the lack of a sufficient supply of appropriate housing for low-income households. Some of the factors that they identify in this paper that are causes for homelessness or simply people in need of appropriate housing are social trends, family instability due to perhaps violence or abuse in the home, discrimination against low-income and special-needs groups. We see that in many cases people who suffer from psychiatric disorders, for example, or psychiatric histories may not be able to secure a safe place to live. People with chronic mental and physical health problems are also a vulnerable group. There are also economic trends, low-income households paying a high percentage of their income for housing, which I've already mentioned, and unemployment again. There's a large sector now working part-time in service-sector jobs. All these economic trends contribute to why people need appropriate and affordable housing. Then there are the market conditions, Mr. Chairman, rising rental costs and house prices, and very often we see declining rental vacancy rates. So all of these things contribute to the need for secure and affordable housing for people.

Also, Mr. Chairman, this provincial government as well as the federal government have decreased their support throughout the years for social housing. There's been less funding coming forth. There's been elimination of various programs along the way that have enabled people to obtain the appropriate housing, and we also see a narrowing of the accessibility for those who qualify for social housing. So there's a growing need, and I think this is extremely important, to provide stability in people's lives.

Thank you.

MR. CHAIRMAN: Is the committee ready for the question on the schedule to the Capital Fund?

[Motion carried]

MR. CHAIRMAN: We'll now deal with the Alberta Heritage Savings Trust Fund, capital projects division. Are there any questions or comments?

The hon. Provincial Treasurer.

MR. JOHNSTON: Mr. Chairman, I thought I'd just take a second on the heritage fund capital estimates, mostly because the calculations this year that we're asking for in terms of interim supply could have a brief word of explanation.

First of all, the estimates this year for the heritage fund are approximately 51 percent of last year's estimates in the '91-92 budget year. This year we have accordingly adjusted some of our programs to allow the benefits of these important expenditures to flow almost as though they were to be for the full year. I will only outline three of them, Mr. Chairman, particularly Farming for the Future, irrigation rehabilitation, and Urban Park Development. Those three programs we have accelerated or at least have advanced a fairly large amount of our budgeted amounts in these three votes. In the case of Farming for the Future, for example, we may well be contributing very close to 70 to 75 percent of the budget amount forecast to allow some of the research facilities or

research projects to be under way. Therefore, in the case of Agriculture, Farming for the Future, \$387.6 million, that's a very large part of the total vote that you'll see in the budget. That's to allow some of the research projects to begin and to allow them to have the full year of operation without delaying the projects themselves.

Secondly, in the case of Irrigation Rehab and Expansion, this interim supply amount of \$25 million in this second vote of Agriculture is to allow construction in irrigation districts to take place on a front-end loaded basis. That, of course, allows better planning, better control of the planning of capital projects investments, and therefore we have accelerated an awful lot of our budget on this side as well.

Finally, on Urban Park Development, the 9 and a half million dollars, this money is a very large percentage of the total budget you'll see very soon. These front-end loaded grants to municipalities enabled them to proceed with parks construction at the very earliest part of the spring of the year.

Mr. Chairman, like other interim supply, this in the heritage fund of \$55.876 million is a relatively significant part of the heritage fund. Through the course of the next four months we would advance a large amount of money to municipalities and for the research groups that I've noted. I would encourage all members to allow this interim supply to proceed to get some of these important agricultural projects, in particular, and service the municipalities to allow the people to access some of the capital parks or urban parks around the province as well.

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

9:30

MR. HAWKESWORTH: Thank you, Mr. Chairman. Well, I guess the question I'd have for the Provincial Treasurer is: when are we getting out of the capital projects division entirely and shifting these investments or capital expenditures either to the Alberta Capital Fund or the general revenue of the province? I mean, if there's one area where we have a source of revenue for the province, traditionally it's been the Heritage Savings Trust Fund. Every dollar that's spent in the capital projects division is a dollar less that's available to earn income for the fund and for the General Revenue Fund down the road. By setting up a separate program of capital expenditures, it seems to me totally outside the overall capital spending of the province, the overall budgetary approval of the province. So what you have are holdovers from the boom years, when the capital projects division was being used by the provincial cabinet as a way of highlighting some of the politically desirable, politically attractive spending. Highlighting that was a way of using these capital projects expenditures as public relations for the trust fund.

[Mr. Jonson in the Chair]

The boom days are long gone, Mr. Chairman, yet we still have the capital projects division chugging on as ever, and there doesn't seem to me to be any connection between the expenditures that go on out of this trust fund and the general revenue or the general revenue budgetary review and the Capital Fund project review of the provincial government. That's my first concern: when is this whole division going to be phased out and brought to an end so that the financial assets of the trust fund are not further drained? Rather than the value of the fund going down in real terms, we should be doing everything we can, in my view, to ensure that it provides a base or a cushion for fiscal policy in years to come.

Now, having said that, I guess my question is what seems to me in vote 1 under Environment to be a new title. I don't know whether the object of the spending has changed or not. Last year it was called Irrigation Headworks and Main Irrigation Systems Improvement. This is Water Management Systems Improvement. I don't know whether it means that the mandate has changed or whether they've just dreamed up a new title for it.

The other question I have is that a year ago the Alberta Family Life and Substance Abuse Foundation had a \$6 million figure allocated to it; this year, \$1.8 million. Is this going to be carried on? Is that 100 percent of the allocation for this coming year, or is it 10 percent? Is it 5 percent? What is it? [interjections] Well, it can't get much higher than 100 percent. It could be 2 percent. Well, you got the gist.

I'd like the number, and again I appreciate the comments about the other three votes. They answered the questions that I had about them, Mr. Chairman. I look forward to the response from the Provincial Treasurer.

MR. DEPUTY CHAIRMAN: The Member for West Yellowhead.

MR. DOYLE: Thank you, Mr. Chairman. It is interesting to look at some of the expenditures of the heritage trust fund. I had the opportunity for the last two years to be a sitting member of the heritage trust fund, and indeed it was a pleasure to serve with you. I went to Alaska with you this past summer.

AN HON. MEMBER: What? At public expense?

MR. DOYLE: Yes. I went Canadian; they went American.

Mr. Chairman, I would say that under the Renewable Energy Research, \$501,000, I'd be interested to know if this was for something other than wind power. This government seems to think that the only thing that's renewable energy is wind power. Indeed, it's all right where it's needed, but in other energy ventures like geothermal we have a great supply throughout the province, especially in west-central Alberta. At Miette hot springs this past summer we had somewhere over a quarter of a million visitors to a hot springs that the federal government put somewhere over \$18 million into. Although the provincial government seems to have put out some booklets, they're dragging their feet on any development or any expansion of the geothermal resources in the province of Alberta. Of course, one department passes it from one to the other. The Minister of Energy says it probably has to do with tourism, and the minister of tourism of course has to get the money from economic development or from Energy to develop the geothermal resources.

Some of them aren't on the surface like they are at Miette or like they are in other places in Canada, in the U.S., in fact in Japan and Iceland and other areas, but the potential for geothermal in the province as far as a tourism venture or a development to attract people to a certain area would certainly be a benefit to the tax base of the province of Alberta. I'm sure if West Edmonton Mall, for instance, could tap into a geothermal resource that was close to the surface in Edmonton, they would have done it a long time ago, because it is an environmentally friendly, renewable resource. You pump it out of the aquifer or let it flow from the aquifer, and by directional drilling you can put it back down in that aquifer at a different place. You wouldn't lose any temperature; you might lose somewhere around half a degree in 10 or 15 years. I would have no problem if renewable energy money was going into developing the geothermal fields.

Many people in Japan and other places around the world send their staff to get medical treatments at geothermal centres. It's a

real thing for many who have backaches and other aches to go to Radium or other places like Miette, soak for a while, and seem to feel better for another year. I'm not too sure whether it's the health of the mineral oil or if it helps something mentally that makes you feel better, but it is a tremendous resource that we could develop in this province through the heritage trust fund with renewable energy funding.

Under Executive Council I see Occupational Health and Safety Research and Education. Indeed, there's nothing better in the workplace than good safety and people practising safety and helping their workmates practise safety. But under Occupational Health and Safety Research and Education, perhaps some of that money could go to educate the minister on how to deal with public funds and not be traveling around the province holding on to cheques like he did with the seniors of Grande Cache.

Some \$26,000 he held on to for some weeks while the seniors were out trying to raise some money. They went to their banker, the banker phoned the department, and the department said the cheque was already issued, that the MLA had it. Of course, I was contacted, and I didn't have it. So by the time we finally got ahold of the minister of Occupational Health and Safety – we did find out through a source that indeed he had been carrying this cheque around. I hope that maybe some of this money could perhaps go to educate him as to the fairness of tax dollars and how they could be spent in Alberta, because he was not very fair with the seniors of Grande Cache in holding on to their cheque for several weeks while they had to go to the bank and get an overdraft so they could pay off the local people, the people in the lumberyard, the tradespeople, and all those people who worked so hard to develop a very fine centre for the seniors of Grande Cache. Indeed, it was a shameful act on his part.

I've written him letters and asked him to return out of his own pocket the amount of money that he cost those seniors while they had to carry a 21 percent overdraft at the bank. He would not. [interjection] The minister of Occupational Health and Safety, yes.

That's some type of minister to have in this province, I must say, a disgrace to the taxpayers in Alberta. I would hope that he would soon dig into his pocket and send that 21 percent that it cost them for their overdraft of \$26,000. Indeed, I gave them some money a couple of weeks ago at their opening – and they were very pleased that he didn't show up there – that did kind of help them along with the money they lost on this overdraft. So, Mr. Chairman, the minister perhaps could get a little education of his own.

9:40

I hope also to see the Family Life and Substance Abuse Foundation put more money into AADAC and really look after the people who need it. On the Forestry, Lands and Wildlife Grazing Reserves Enhancement, Mr. Chairman, I was wondering if that money was going for the control of some of the elk that are eating farmers' crops and hay. There are some 750 to 1,000 elk that have wandered out of the bush into the hay fields in west central Alberta, and it's becoming a real problem, especially in the Whitecourt riding. I was hoping that we could find some money for fencing the stacks or just something to help the farmers so that they wouldn't have this loss of grain and loss of hay that they've had in the last few months. I understand by an article in the paper today that the mild weather has taken them away from the stacks, and they're finding some green grass now, but in the future I would hope that the government could give some assistance to these farmers.

The applied cancer research, Mr. Chairman, touches every one of us, I'm sure. Over the years we've known many who have

fallen before us from that dreaded disease. On the heritage trust fund, we had some great film shown to us in regards to the research that's going on through applied cancer research. It's well spent from the heritage trust fund, and I'm sure a good benefit will come from it.

On Urban Park Development, Mr. Chairman, \$9,493,000: of course that's an ongoing commitment to the urban parks, and that money has already been committed so there will be no problem with that.

Mr. Chairman, that ends my statements.

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

MR. McEACHERN: Thank you, Mr. Chairman. A few comments. I note that the request from the Treasurer for interim supply on the Heritage Savings Trust Fund capital projects division is \$55.9 million. The Treasurer didn't tell us what percentage this is of the total, but he did seem to imply that the total wouldn't be all that high. By naming three of the bigger items and saying that they were the bigger part of the allotment for this year, he implied that we won't have three times this figure for the total budget. Last year, I might note, the figure was \$60.4 million in the interim supply, and the overall expenditure was \$110 million, so we had a little over half of the expenditures in the interim supply Bill because some of the money was needed up front, I suppose, at least if I can take the Treasurer at his word.

The 1990-91 fiscal year was interesting; it was \$159 million. So it means the government has dropped down a little bit the amount they were spending in this section compared to some other years. I remember earlier some figures that come to mind – \$129 million, \$164 million – in different years when I was on the heritage trust fund committee. However, our party has been advocating for some time that as the Member for Calgary-Mountain View said, we should be phasing this section out from the heritage trust fund altogether. These are really expenditures on programs; it's money that's not going to be recovered. It's not investment-earning expenditures in any way, so therefore it really doesn't properly belong in a heritage trust fund. In fact, the money spent under the capital projects division over the years has been put into a particular section the government likes to call the deemed assets and then claim that they are assets.

The Auditor General and the whole population of Alberta have made it clear that they're not buying that line, to the point where even the Treasurer has finally separated them off from the other figures and no longer claims that the heritage trust fund is \$15.3 billion, as he used to do. I can't help but recall, and chuckle when I do, how when about the time we started to lose all the income on the oil side, just as we got elected in those first couple of years, on the heritage trust fund committee the members from the Tory side used to tell the Treasurer that he should go down to Ontario and Ottawa and explain to those people down there how we had \$15.3 billion but that somehow that didn't mean we were a rich province. It took them a long time before they finally admitted we didn't have \$15.3 billion in the heritage trust fund. It took them about three or four years to finally catch up to the Auditor General and the rest of us in saying, "You might claim \$12.7 billion in assets." That's the highest figure that the financial assets actually rose to. That was March 31, 1987: \$12.7 billion.

Now, we do continue to spend money in the capital projects division of the heritage trust fund, and we have to take the money out of the financial assets, so they have dwindled each year and are now down to \$12.1 billion as of last year, according to the Treasurer's budget. The Treasurer is quite funny with his little pie

that he likes to show in the budget book. I got looking at them pretty closely in the last couple of years to see what was going on and checking them back against what was happening with the annual statement and so on, and he's always a year behind with his projections. He puts this nice little pie out and claims that's what is going to happen next year. But the fact of the matter is he never really wants to tell us what's going to happen next year. He put it out in the budget in April last year, saying that this is what's going to happen in '91-92, and these figures for March 31, '92, he puts out as if they will be a fait accompli by this year now. In fact, they were already a fait accompli by March 31, '91, in most cases. In other words, he was really illustrating what had happened the year before, kind of late.

It's part of the misinformation and slowness to put out information that this government likes to do. They don't really want to tell us what they're going to do with the heritage trust fund with each budget, so this \$110 million in expenditures, of course, from last year and whatever it's going to be this year that he wants the \$55.9 million to be part of . . . He's not really telling us very much except a few of the expenditures in the capital projects division.

There are many other parts to the heritage trust fund, and there's a lot of movement of money in the other parts of the heritage trust fund. For example, the Alberta investment division is now down to \$6 billion. Again, back in 1986-87 it was \$7.5 billion. A lot of that is because of changes to the Alberta Mortgage and Housing Corporation. According to this, it's now worth \$1.9 billion; it was \$3.5 billion when we were elected a few years ago. The government has divested itself of a lot of those lousy properties they bought back in the late '70s and early '80s when they became the biggest landowners in this province by purchasing all kinds of land, all kinds of land for industrial parks around all kinds of towns and cities in this province, assuming that land prices were going to go up forever, I guess. They really extended the taxpayers' dollars and lost a heck of a lot of money.

The Agricultural Development Corporation has stayed right around a billion dollars, but the Alberta Municipal Financing Corporation also has a billion and a half dollars invested out of the heritage trust fund into the Alberta Municipal Financing Corporation when we were elected in 1986, and now it's down to \$710 million. There have been some quite significant shifts. The cash and marketable securities section has grown to \$4 billion. It was under \$3 billion when we were first elected in 1986.

The Treasurer used to do a thing with the commercial investments division, which was some \$200 million or \$300 million that were invested in the stock market or in shares of one kind or another. It's now up to \$370 million in investments. That's the book value, the amount of money put in out of the heritage trust fund. He used to give us a list every year of the companies that they invested in, called schedule 5, and give us the market value, which was always higher, so that this \$370 million is probably worth \$500 million, a reasonable investment that's making some money. He's quit doing that. It has been hard to get it out of him the last few years; in fact, we did succeed last year, as I recall. I guess he's just getting more and more secretive as we get to do our job better and better and ask more questions.

I really can't help wondering why the Treasurer shouldn't be able to do the same thing with the cash and marketable securities section of \$4 billion. It's a huge pot of money that sits there as a slush fund. It can be used for all kinds of things, and I don't understand why the Treasurer shouldn't give us what those moneys are invested in and some kind of a breakdown on what kind of interest they're making.

Talking of interest on the heritage trust fund, the earnings of the heritage trust fund, I want to spend a few minutes on that. It's

incredible to me that the Treasurer thinks he can earn \$1.55 billion out of the heritage trust fund in this fiscal year we're just now completing on a \$12 billion investment when at the same time he's claiming that on the expenditure side it's only going to cost him \$1.05 billion to finance a \$12 billion debt.

9:50

AN HON. MEMBER: He made good investments.

MR. McEACHERN: Well, it's pretty incredible. I know interest rates have been falling all this year, but in fact his borrowings, \$10 billion of it, were done before December 31, 1990. Then last year he borrowed 3 and a half billion dollars from February through to October.

Chairman's Ruling Relevance

MR. DEPUTY CHAIRMAN: Order please, hon. member. Order please. The Chair has been waiting with some patience for you to come around perhaps to the estimates under consideration, and I would refer to Standing Order 23(c). Could we deal with the capital projects division, please, and the estimates before us.

MR. McEACHERN: It's a general discussion on the budget of the province, and there are three aspects to the budget of the province.

MR. DOYLE: Just the heritage trust fund.

MR. McEACHERN: I know. It's a general discussion on the heritage trust fund. Where do you think this money has to come from for these expenditures? Out of the cash and marketable securities section or some other part of the heritage trust fund that has to be sold? It's not possible to just talk about these expenditures and not talk about where the money comes from, so it's perfectly reasonable to discuss these other aspects of the heritage trust fund.

Debate Continued

MR. McEACHERN: Now, if he can actually achieve a \$500 million gain from earnings on \$12 billion, compared to borrowing \$12 billion, then that's wonderful. That's some kind of miracle. Now, we know that he was probably counting in there some of the assets of the heritage trust fund that he was going to sell, and they did sell some shares in AGT. I believe they gained, according to the press releases, something like \$185 million, but that does not make up \$500 million, and the Treasurer has still to address that question in this Assembly. We did ask him questions about that in the last go-round. But that question is related to the heritage trust fund and where the money comes from and where it goes.

Another thing, of course, is the 1 and a quarter billion dollars that we've been getting out of the heritage trust fund each year in terms of investment money to put into the general revenue account over the last few years. It's really kind of a false figure, because about \$350 million to \$400 million of it comes from three Crown corporations, some of which I've mentioned already: the Alberta Mortgage and Housing Corporation, the Agricultural Development Corporation, and the Alberta Opportunity Company. Those three companies do not make money. They are actually social programs, which we agree with. They're reasonably good programs. They could be better, perhaps. Certainly they do achieve some things. I've got some strong criticisms about Alberta Mortgage and Housing Corporation, but the intent is certainly good, some of the low-cost seniors' housing and that sort of thing. But I'm looking at them now as the government claiming that they are

investments. In order that they can make enough money or have enough money to pay their debentures out to the heritage trust fund, to pay the interest on those debentures, we have to put money in out of the general revenue account.

So you end up with this money going in this nice little triangle from the general revenue account into the companies, who then pay their obligations to the heritage trust fund. Then we brag about how much money we get out of the heritage trust fund and put it back into the general revenue account. About a quarter to a third of the money coming out of the heritage trust fund as earnings of the heritage trust fund comes from these three Crown corporations that have been losing money since 1981. The people of Alberta's minds must be just boggled at the thought that these are income-earning assets. So it's not only time that the Treasurer quit taking money out of the financial assets of the heritage trust fund and putting them into these various projects – and I'm going to comment on some individual ones in a minute – it's also time that he got sorted out with the Alberta Mortgage and Housing Corporation, the Agricultural Development Corporation, and the Alberta Opportunity Company and set them up in some kind of way so that we don't get this false impression about the amount of money that the heritage trust fund is making for the people of Alberta. In fact, I chided the Auditor General the last chance I had. Why did he spend two and a half pages talking about the deemed asset problem when we all know that? It's old hat to everybody in Alberta now. Why didn't he spend some time talking about this other little runaround that the Treasurer gives us? He said that the Treasurer insisted on doing it that way and that each one taken by itself is accurate in and of itself, but he agreed that it did give a false impression to the people of Alberta as to how much the heritage trust fund was making for the people of Alberta. There isn't an accountant around that doesn't know that if they've taken a look at it.

Anyway, I wanted to look briefly then at some of the individual items on the heritage trust fund schedule. I don't know if it's the Treasurer's idea or whose idea it is, but irrigation works get an awful lot of money from this government. The money is split into the three different parts of the budget. Some of the money comes from the Heritage Savings Trust Fund, the \$25 million that the Treasurer himself mentioned a few minutes ago. Front-end loading: the money's up front, and hopefully then that will be most of the money needed. Last year that agricultural section got \$33.8 million, and the year before that \$33 million, probably most of the money in that section, I would suppose. But there is another section under Environment that gets another \$10.8 million in this capital projects division of the heritage trust fund. The Capital Fund itself has development of water projects for \$10 million, and the budget itself last year in the interim supply Bill – the environmental budget puts \$15 million into water works and irrigation.

[Mr. Schumacher in the Chair]

It seems to me what the government has done in order to sort of divert people's attention or to make them think that the number's smaller than what they're spending on irrigation in this province is they've spread it around into three different budgets in hopes that nobody will ever put it all together and say, "Hey, you guys, how come you're putting so much money into this, and is it paying off?" They fragment it off into three or four different sections of the budget. That's a rather weird way to finance something. It makes it very difficult for the people of Alberta to understand exactly what's going on, and I think perhaps that's the intention.

The other question I wanted to ask the Treasurer: is any of the \$9.5 million in Urban Park Development going to go to the city of Edmonton for a continuation of Capital City park? That's a project that was started many years ago, and the government spent \$40 million on it. It was an excellent project, and it beautified the river valley and made it accessible to a lot of people in the east end of the city. But there is some need to extend it into the west end. That's been held up for a few years as the government's been running tight budgets. There was some Urban Park Development item in the heritage trust fund expenditures since then, but it was for other specific cities. What I wanted to know, then, if the Treasurer could answer: is any of that \$9.5 million for the Capital City park?

Those are my comments and my questions, Mr. Chairman.

MR. CHAIRMAN: Ready for the question?

The hon. the Provincial Treasurer.

MR. JOHNSTON: A few quick points, Mr. Chairman. I'm obviously always interested in the comments from the opposition party: the New Democratic Party – the NDP Party, sic. That's right.

Number one, Mr. Chairman, I have not and have never said that the heritage fund is less than \$15 billion. We do display it in two different fashions. There are financial assets of \$12 billion or so, and there are deemed assets of \$3 billion or so. The total amount of the fund is still always fixed at around the \$15 billion amount. Where the member got the nonsense and the misinformation from, I don't know, but we have never changed the view, and I never have changed my view. As long as this Legislative Assembly says to the Provincial Treasurer how the display and how the reporting will take place in the Heritage Savings Trust Fund, then I will adhere to that authority. I will not follow any other rule, in particular a rule from the Member for Edmonton-Kingsway.

10:00

Secondly, Mr. Chairman, I think I understood the Member for Calgary-Mountain View well when he said that he thought irrigation projects should be ended. I don't want to put too-fine words in his mouth, but if that is the inference, I'm sure my colleagues in the southern part of the province will be interested in that view. In much the same way, we hear about the rinky-dink aspects of the Liberal Party's hospital position. I know my colleague recognizes the importance of irrigation in southern Alberta. I don't think, to remember his words precisely, that too much money has been devoted to irrigation.

We have made the commitment. It's a commitment which was started in 1975. To some extent we remember that day today: the March 26, 1975, commitment. It was confirmed by the people of southern Alberta on March 26, 1975, when they returned many of the people who are sitting around here today. I don't think, Mr. Chairman, that we're going to back away from the commitment to southern Alberta to ensure that they have an ample supply of water, both for agricultural purposes and also for municipal purposes, to ensure that value added in agriculture diversification, the economy there, and assured supply of industrial water is available. That's what that rounded policy has done over the 17 years since March 26, '75.

Now, I know my colleague understands that. I don't think he was saying that we should shorten the money committed to agriculture. In fact, the Associate Minister of Agriculture during the course of last year negotiated a new position with the irrigation districts down there, which is a renewed five-year commitment which we announced last year.

This is not the time, perhaps, to have the fullest possible debate about the use of the heritage fund in these areas. I will simply make the mental note from my colleague from Calgary-Mountain View and see if he wants to develop it further when we bring the full estimates forward from the heritage fund.

At this point, Mr. Chairman, I can't tell you specifically whether or not the urban parks program will be in this particular interim supply directed towards anything in Edmonton. I can say that it is a remarkable success story, the way in which the urban park program has evolved. That's why I say, when I refer specifically and somewhat with endearment to the deemed assets of the Heritage Savings Trust Fund, that it is these kinds of capital projects which have been able to distinguish the creativity of Albertans in directing these resource revenues to their own needs for a lasting capital investment. In my mind the government's investment in the Capital City park in the case of Edmonton and the Calgary major park and even the one in Lethbridge and other smaller cities has in fact opened and provided access in a park form for urban residents. I think that was creative. It was the right use of heritage fund money, and we're not going to change our view that it was an important investment of heritage fund dollars.

Mr. Chairman, I will end there now. You know full well that we'll have an opportunity to debate this in some detail when the budget is brought down sometime in the next little while. I'm sure that then we'll have a much wider, more full . . . And perhaps I will listen more carefully to some of the comments make, but at this time I think I've given a full explanation. We've had enough questions. I think I've replied to most of them, and I think the Legislature should support, at least in interim supply, the request for money for the early part of '92 as I have suggested.

Thanks.

HON. MEMBERS: Question.

MR. CHAIRMAN: The committee is ready for the question, the schedule relating to the Alberta Heritage Savings Trust Fund capital projects division.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. SCHUMACHER: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions and reports as follows: all resolutions relating to the interim supply estimates of the General Revenue Fund, the Capital Fund, and the Alberta Heritage Savings Trust Fund capital projects division for the fiscal year ending March 31, 1993, have been passed. I wish to table a list of these resolutions voted upon by the Committee of Supply pursuant to Standing Orders.

MR. SPEAKER: Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.
Government House Leader.

MR. STEWART: Mr. Speaker, I would request the unanimous consent of the House to revert to Introduction of Bills.

MR. SPEAKER: Request for unanimous consent has been made. Those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried. Thank you.

head: **Introduction of Bills**

Bill 6

Appropriation (Interim Supply) Act, 1992

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 6, Appropriation (Interim Supply) Act, 1992. 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.

[Leave granted; Bill 6 read a first time]

Bill 7

**Appropriation (Alberta Capital Fund)
Interim Supply Act, 1992**

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 7, Appropriation (Alberta Capital Fund) Interim Supply Act, 1992. This is 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.

[Leave granted; Bill 7 read a first time]

Bill 8

**Appropriation (Alberta Heritage Savings Trust Fund,
Capital Projects Division) Interim Supply Act, 1992**

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 8, Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Interim Supply Act, 1992. 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.

[Leave granted; Bill 8 read a first time]

[At 10:09 p.m. the Assembly adjourned to Friday at 10 a.m.]

