

Legislative Assembly of Alberta

Title: **Monday, March 30, 1992**

2:30 p.m.

Date: 92/03/30

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

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

Amen.

head: **Introduction of Visitors**

MR. HORSMAN: Mr. Speaker, today we have two distinguished foreign diplomatic representatives in your gallery. I'd like to begin first by introducing the consul general of Spain, Mr. Antonio Jose Bullon. This is his first official visit to Alberta, and we welcome him here today. He's here at a time when his country is currently preparing for an exciting and, if I can say, full year of activities in Spain with the universal exposition, Expo 92, in Seville, which opens in April, the Olympics in Barcelona to be held this summer, celebrations of the 500th anniversary of Columbus' discovery of America, and the designation this year of Madrid as the cultural capital of Europe. I wish to extend to him and his fellow countrymen our sincere best wishes over the next year because they will be hosting visitors from throughout the world. We've always enjoyed a sound and productive relationship with Spain and look forward to pursuing further mutually beneficial opportunities with our Spanish colleagues and friends. I'd ask that my colleagues extend a warm welcome to our distinguished visitor.

Next, Mr. Speaker, I would like to introduce to you Mr. Tony Joy, the consul general of the United Kingdom, who has been posted to Vancouver since 1990. He has extensive dealings in private-sector relations between Great Britain and Alberta. He is standing in your gallery, and I would ask that we extend the same warm welcome to our distinguished visitor.

head: **Presenting Petitions**

MR. JONSON: Mr. Speaker, given that the Minister of Education has advised the Assembly that discussions with the Alberta Teachers' Association regarding the Teachers' Retirement Fund are about to resume, I wish to present the following petitions on behalf of 73 teachers in the Ponoka-Rimbey constituency and on behalf of the Minister of Career Development and Employment on behalf of 174 teachers from the Fort McMurray constituency.

MR. SPEAKER: Rocky Mountain House.

MR. LUND: Thank you, Mr. Speaker. I rise today to present a number of petitions from schools in the Rocky Mountain House constituency asking the government to get on with the TRF pension agreement, and I would hope that now that the talks have resumed, this will assist in coming to a good conclusion.

MR. BRADLEY: Mr. Speaker, I'm pleased to present a petition today on behalf of 130 teachers in seven schools in the constituency of Pincher Creek-Crowsnest in support of a timely resolution of discussions between the Alberta Teachers' Association and the government of Alberta regarding the Teachers' Retirement Fund.

MR. ADY: Mr. Speaker, in the interests of an early resolution to the TRF, Teachers' Retirement Fund, I would like to present a petition from eight schools representing 145 teachers.

MR. SPEAKER: Thank you.
Lesser Slave Lake.

MS CALAHASEN: Thank you, Mr. Speaker. In the hopes that representatives of the Alberta Teachers' Association will work in earnest to complete discussions regarding the Teachers' Retirement Fund, I am presenting petitions today from four schools in the constituency of Lesser Slave Lake representing 108 teachers.

MR. SPEAKER: Bow Valley.

MR. MUSGROVE: Mr. Speaker, I would like to present petitions from the seven schools in my constituency – that being four schools from Brooks, one from Bassano, one from Tilley, and one from Duchess – on being able to settle the retirement fund. I understand that negotiations have already resumed on that.

MR. SPEAKER: Grande Prairie, then Westlock-Sturgeon.

DR. ELLIOTT: Thank you, Mr. Speaker. On behalf of my colleague the Minister of Transportation and Utilities I am pleased to file the petitions representing 10 schools in the constituency of Peace River signed by 117 teachers urging an early completion of the negotiations.

MR. SPEAKER: Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. I rise to present a petition from 23 teachers in the Westlock elementary school asking that the government assume full responsibility for the total liability related to past service costs and adopt an acceptable plan for retiring that debt.

head: **Notices of Motions**

MR. STEWART: Mr. Speaker, I wish to give notice that I will rise after Orders of the Day are called to make the following motion:

That upon adjournment at 5:30 today the Assembly will stand adjourned until 2:30 tomorrow afternoon.

MR. SPEAKER: Thank you.
Edmonton-Calder.

MS MJOLSNESS: Thank you, Mr. Speaker. At the end of question period I'll request leave under Standing Order 40 to bring forward the following resolution:

Be it resolved that this Assembly congratulates the Northern Alberta Institute of Technology Ooks hockey team on winning the Canadian Colleges Athletic Association hockey championship on March 29, 1992. This is the NAIT Ooks' sixth title in the last 10 years. Be it further resolved that the Speaker of the Legislative Assembly convey to the players and coaches of the NAIT Ooks this congratulatory motion in his usual manner.

Thank you.

head: **Introduction of Bills**

Bill 13

Agriculture Statutes Amendment Act, 1992

MR. ISLEY: Mr. Speaker, I request leave to introduce a Bill being the Agriculture Statutes Amendment Act, 1992.

The purpose of this Bill is to make minor amendments to update and clarify various sections of the Brand Act, the Dairy Industry Act, the Irrigation Act, the Marketing of Agricultural Products Act, and the Meat Inspection Act.

[Leave granted; Bill 13 read a first time]

**Bill 276
Police Amendment Act**

MR. PAYNE: Mr. Speaker, I request leave today to introduce Bill 276, the Police Amendment Act.

This amendment, Mr. Speaker, would allow for an independent review process when citizen complaints are launched against a member of a municipal police force.

[Leave granted; Bill 276 read a first time]

head: **Tabling Returns and Reports**

MR. SPEAKER: The Minister of the Environment.

MR. KLEIN: Thank you, Mr. Speaker. As Albertans are helping us to write new water legislation for the province, I think it is appropriate that I file with the Legislature the documents leading up to that draft legislation. Included in the package are a discussion paper on water management principles, background papers on various issues, and brochures on the overall process.

2:40

MR. ANDERSON: Mr. Speaker, I'd like to file with the Assembly four copies of a consumer alert issued on March 26 regarding unauthorized insurance policies by Bench Insurance and also a news release issued today which indicates that the licence has been withdrawn from that agency. It indicates that the court has frozen accounts of that agency and where consumers can contact their agency or the department.

head: **Introduction of Special Guests**

MR. SPEAKER: The Member for Edmonton-Glengarry, followed by the Minister of Health.

MR. DECORE: Thank you, sir. I would like to take this opportunity to introduce to you, Mr. Speaker, and to members of this Assembly a distinguished Edmontonian, an Edmontonian who serves on the Canadian Multiculturalism Council and who has devoted years and years of service to the multiculturalism community. Robinson Koilpillai, if you would stand. Would the members give him their usual warm reception.

MS BETKOWSKI: Mr. Speaker, I'm pleased to introduce to you and members of the Assembly some visitors to our province from Kampala: Professor John Sebuwufu, principal of the Institute of Teacher Education; Mr. William Rwambula, principal of the National College of Business Studies; and Mr. Norbert Kagga, instructor/program head of the Institute of Teacher Education. These gentlemen and their institutes have been involved with Grant MacEwan Community College, the Northern Alberta Institute of Technology, and the University of Alberta in looking at our education system. Their current trip is focused on curriculum development. They are accompanied by Dr. Gerry Kelly, president of Grant MacEwan Community College. I would ask that they rise and receive the warm welcome of the Assembly.

MR. SPEAKER: The Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. It's a pleasure for me today to introduce to you and to the Assembly 23 members from the Kennedale District Girl Guides. They are seated in the public gallery, and they're accompanied by their group leaders Mrs. Carol Moeller, Mrs. Yvonne Tymchuk, Mrs. Melinda Hibbert, Mrs. Meleena Fulton. Also joining them is Mandy Mercer, who is a Girl Guide junior leader, and a Scout Tim Moeller. They're seated in the public gallery. I'd ask them to rise now and receive the welcome of the Assembly.

MR. McINNIS: Mr. Speaker, it's a pleasure for me to introduce the parents of one of our pages in this Assembly: James and Theresa Stephenson from the constituency of Edmonton-Jasper Place.

head: **Oral Question Period**

Federal/Provincial Fiscal Relations

MR. MARTIN: Over the weekend this government has been talking tough against the federal government, Mr. Speaker, I believe trying to whip up an election issue so that Albertans don't concentrate on their record of waste and mismanagement here in the province. But when it comes to real issues that affect Albertans, issues of the economy, this government has been largely silent and ineffectual. One of the causes of our growing deficit is the federal government renegeing on their responsibilities, and I'm talking about the 5 percent ceiling on the Canada assistance program funding and on the freeze on EPF funding. They're downloading onto the provinces, Mr. Speaker, causing havoc throughout the country. My question, then, to the Provincial Treasurer is this: will the Provincial Treasurer tell us how much these two freezes put in place by his federal party have cost Albertans in this fiscal year?

MR. JOHNSTON: Mr. Speaker, I would only be able to deal in round numbers of course, and I'm sure the Member for Edmonton-Norwood will forgive me for making that estimate. As I have said in dealing with the interim supply estimates recently, Alberta is in fact affected by changes in the way in which the flow of federal money to the provinces has occurred. Many provinces are in more difficult shape than Alberta, because we have a very strong fiscal position and a very strong economy, and therefore we're able to endure these kinds of changes much better than some provinces. Clearly, the impact of the cutbacks on the Ontario NDP government, for example, has added dramatically to that \$15 billion or so deficit that they're running there.

So as a result, Mr. Speaker, I can say here that in the case of, for example, established programs financing, if you look at the 1982-83 agreement and carry the commitments from '82-83 forward and then adjust for the changes which have been imposed unilaterally by the federal government, it is safe to say that in the years from 1982-83 to 1991-92 the impact on those programs, which flow through to universities and to our health care system, would have cost in aggregate the government of Alberta approximately \$700 million.

MR. MARTIN: Well, that's nice, Mr. Speaker. I asked about this year. I can tell the Treasurer it's probably cost us this year alone for those two programs \$230 million, if he's not aware of that. He can talk about the great fiscal position of the province. This is hurting us badly. It's hurting us in Alberta. Forget about Ontario or B.C. or anywhere else.

My question to the Treasurer is this: now that they're talking tough and yammering about the triple E and how we're going to

go to the wall over that, what political strategy is this government going to pursue to overcome this crippling downloading by the federal government? What are you going to do about it?

MR. JOHNSTON: This is not an idea that's suddenly occurred to us. We've been in advance of this problem for the past two to three years. I know the Member for Edmonton-Norwood is now taking directions from the Premier of Ontario in terms of this question period, but we've been well in advance of the way in which this issue has unfolded, so far in advance that if you look at the Western Premiers' Conference two years ago held by the four western provinces, at that time it was the first outline and definition of this problem. This is not a new idea, because there are no new ideas from the ND Party, as we well know. We've been on top of this. We've carried the argument constantly, Mr. Speaker, and we'll continue to do just that.

MR. MARTIN: The reality is that this is hurting Alberta's ability to deliver health programs and educational programs and help for the poor, Mr. Speaker. I didn't hear this government say boo about it when the two of them went down there to Ottawa. Where have they been?

My question, then, to the Treasurer or the Deputy Premier, either one of them, is simply this: if you're into this fight, is this government prepared to make this a major issue and to take the fight up against Ottawa on this particular issue, or are they just going to sit there?

MR. JOHNSTON: Mr. Speaker, this question from the Member for Edmonton-Norwood must have come out of this morning's conference call among all the NDP leaders. It must have been called by Audrey McLaughlin from Ottawa.

This question has been well addressed by the province of Alberta. We've been on top of it, as I said before. We've made the arguments constantly before, Mr. Speaker. It affects not just established programs financing. It affects the Canada assistance plan, and it affects other kinds of economic diversification programs, which in fact have not flowed fairly and equally to the province of Alberta. We have made this point time and time again, and we'll continue to do it.

MR. MARTIN: They're just shaking in their boots there in Ottawa. A fight like that and we'll have to give it up, Mr. Speaker.

Bench Insurance Agencies Ltd.

MR. MARTIN: I'd like to go to the Minister of Consumer and Corporate Affairs. Frankly, Mr. Speaker, we have another Principal-like fiasco where this government has this laissez-faire attitude towards protecting consumers. We have revelations this past week of over 600 unauthorized insurance policies issued by Bench Insurance Agencies. Now, what is remarkable about this is that this agency was able to sell these policies for more than a year without the government knowing of the problem. We now know that the minister has shut this agency down. It's sort of like shutting the barn door after the horses have gone out. My question is a simple one to the Minister of Consumer and Corporate Affairs. Basically, how could this happen? What kind of regulatory protection is in place to prevent people from selling fraudulent insurance policies to unsuspecting consumers?

2:50

MR. ANDERSON: Mr. Speaker, with respect to Bench Insurance, the hon. leader is correct. They did sell fraudulent insurance

policies, to the best of our knowledge from the information we have available. The agency is now closed, and the RCMP is in the midst of their investigation. We have additionally asked the court to freeze the bank accounts of the principal involved and of the agency accounts themselves.

Mr. Speaker, the powers that this Assembly has given to the department with respect to protecting individuals in this area are as strong as any that exist in the country. I say, however, to the hon. leader that much like a police officer does not know about a theft until it's reported, the insurance councils or the government did not know of this until March 19, when it was brought to the attention of the government. We do do cross-checks, spot checks from time to time. Those are on the books of agencies. We have no other way of knowing whether or not the insurance policy sold is an accurate one. The action has been taken. The charges will be laid as evidence evolves, and I am confident that we have done everything possible in this circumstance.

MR. MARTIN: Well, Mr. Speaker, I find it unbelievable that this could go on for a year without the government knowing about it. I think we have to go back to the drawing board on that.

There is a human face, of course, to this. We have the case of Kelly Morton, a Didsbury farmer who thought he was insured by Bench. After he lost his barn and 1,100 chickens in a fire, he now has to feed his family from the local food bank. He asked his MLA, the minister for Seniors, and that MLA told him that he should apply for welfare. I would hope that there's better advice coming from this minister, Mr. Speaker. My question to the minister is this: what is the government prepared to do for the victims of the Bench Insurance fraud?

MR. ANDERSON: Mr. Speaker, there's no question that the 600-plus people who were sold false policies by Bench Insurance have been wrongly dealt with. As is their recourse in law, they should pursue the company itself and the assets, which we've now frozen, to try and make maximum the potential for recovery. Under the Insurance Act, their agent who sold them the insurance has some responsibilities with respect to that as well. We hope that anybody who has lost dollars should be able to recover them. As with any crime – and evidence at this point suggests that this is a crime – there are victims, and we're doing everything we can to assist in that respect.

MR. MARTIN: Mr. Speaker, the responsibility for regulations ends up right here in this Legislative Assembly with this minister. As I said, it's very much like the Principal thing. It's hard to do it after the fact. Just to look at the future and hopefully learn from this, what is the government doing so that this will not happen again in the future? For example, would they consider requiring insurance companies to establish a compensation fund for victims of fraud?

MR. ANDERSON: Mr. Speaker, first of all, dealing with the hon. leader's preamble, there can be no similarity between this and previous failures. In this instance every aspect of the law has been dealt with, every possibility explored as quickly as the information has become available. Because a crime is committed does not mean that we in Consumer and Corporate Affairs, any more than the city police, can ever know the moment it's committed over the shoulders of citizens in the province. We always hope that people won't commit crimes, and we do everything we can to dissuade them.

In terms of what we will do in the future, I think the hon. leader's suggestion of a compensation fund is not a bad sugges-

tion, and it is one we will consider. What we are now exploring is to what degree the agents in this unique case have had their own insurance to cover that in an errors and omissions way. That may answer the concerns. It will take us some time to do that with all of the branch offices that Bench Insurance has in the province.

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

Constitutional Reform

MR. DECORE: Thank you, Mr. Speaker. There's no doubt that the majority of Albertans want triple E reform, the majority, that is, except for the NDP. [interjections] A bit sensitive there, a bit sensitive. My question is to the Deputy Premier. Does the Deputy Premier really believe that Alberta is going to see triple E reform, particularly from Quebec and Ontario, when the Premier and most of the members of his party continue to slap 7 million Canadians in the face by saying no, no, no to official bilingualism?

MR. HORSMAN: Mr. Speaker, at the outset may I say that I think, with due respect to the hon. leader of the Liberal Party – and it's seldom I come to the defence of the Official Opposition, but they did twice unanimously support the triple E in votes in this Assembly, and our select special committee report was unanimous with respect to support for triple E. So I don't know where he's coming from in his oblique attack on his neighbours. I think that may be the last time I come to the defence of the NDP in this Assembly, but nonetheless I think fair is fair.

Obviously in the course of the next several months there will be negotiations which will lead us into the discussion of triple E Senate as part of the constitutional package now under consideration. It was the view of the select special committee – and that will also be debated later on in this Assembly – that the subject of official bilingualism is not a constitutional issue and should be best left to discussions and dealt with in another way, and therefore we will concentrate our efforts on matters which are, in fact, constitutional. We have been in touch with, as I made it known on a number of occasions, Quebec to assure them of the fact that we recognize their responsibility for languages in their own province, and indeed we are recommending that be recognized officially within the Constitution of Canada in this current round. So I think the hon. leader of the Liberal Party is trying to mix an issue into the constitutional debate that really doesn't belong there.

MR. DECORE: Mr. Speaker, at a crucial time in Alberta and in Canada when the Premier of Alberta should have been around explaining and educating triple E Senate to Canadians . . .

AN HON. MEMBER: He was golfing, right?

MR. DECORE: That's right; our Premier was golfing. Now, my question to the deputy is this: will the Deputy Premier agree to convince the Premier that his sabre rattling is the wrong strategy at this time and to do what the Premier is good at and that is to get into his aircraft and convince Canadians that triple E Senate is the proper way to go? [interjections]

MR. SPEAKER: Order please. Let's start to hear an answer.

MR. HORSMAN: Well, Mr. Speaker, I'll wait until it quiets down just a mite. I assume from the comments that the leader of the Liberal Party has just made that he's never taken a holiday,

and I would think that every one of us is entitled to a holiday from time to time. The fact of the matter is that there are ample opportunities and there will be over the next several months for not only the Premier but myself as the minister responsible for constitutional matters to meet with and to deal with other provinces and the federal government relative to the issue of triple E Senate.

I am grateful to the people of Alberta for having told our select special committee loudly and clearly and consistently what they believe. I am also grateful for the participation of the other parties in the process of developing that report. Now we have that report, and once it is debated and hopefully passed, as I would assume it will be in view of the unanimity on this particular topic, then I think we will be able to explain carefully and clearly to other Canadians that we are promoting the triple E Senate as an instrument of national unity so that when we have a properly functioning Senate within the federal Parliament, that federal Parliament would be strengthened in a federal state so that it will indeed make this country more united and more effective. That is our role and our goal, and I hope I have the support . . .

MR. SPEAKER: Thank you, hon. member.
Supplementary, final.

3:00

MR. DECORE: Thank you, Mr. Speaker. A year ago the Premier of Alberta told Albertans that he was an Albertan first; yesterday he told Albertans that he was a Canadian first. The Premier has not shown clarity in dealing with constitutional issues. I'd like to know from the Deputy Premier what the strategy is, what the plan is in working with our government and those who believe in triple E Senate, in getting a plan to convince those who do not believe in triple E Senate to bring them on side. What's the strategy?

MR. HORSMAN: Mr. Speaker, I don't know where the hon. leader of the Liberal Party gets his advice, but in my years of dealing with the Premier, I have never ever heard him say anything other than that he was a strong Canadian, a Canadian first. I can tell you that that allegation is unfounded. He believes in a strong Alberta in a strong Canada. That's what this government believes in, and that's what we will support.

As I've told the hon. leader of the Liberal Party just now, we are now armed as a government with a report which outlines clearly what Albertans have told us with respect to promoting a reformed Senate, one which does indeed reflect the federal principle of Canada, at the same time respecting the democratic principle of Canada as reflected within the House of Commons. It is building on that strength of the democratic principle and adding to it the federal principle that we believe this federation of ours will succeed for many, many years yet to come. Unless we have that strength, we believe that the nation is in fact endangered. We will count upon nonpartisan support throughout this province and throughout Canada to promote this triple E Senate, because it is being advanced, as I said, as a principle of national unity, and it's on that ground that we believe we will be able to persuade the people of Ontario and Quebec and other provinces to support us in this quest.

MR. SPEAKER: Calgary-Fish Creek, followed by Calgary-Mountain View.

MR. PAYNE: Mr. Speaker, reports emanating from the Progressive Conservative Association convention this past weekend in Calgary suggest that the Alberta government has adopted an our

way or no way position regarding a triple E Senate. I'm wondering: can the Minister of Federal and Intergovernmental Affairs clarify why such a categorical policy position has been adopted prior to consulting the people of Alberta by way of the referendum proposed in the legislation introduced earlier in this sitting by the Premier?

MR. HORSMAN: Mr. Speaker, we have adopted the position based upon what Albertans have told us clearly and unequivocally over the past many years. It started back some years ago not just as a whim of this government; it started with a thorough consideration of the whole issue of reforming the second Chamber. It came to this Assembly on two occasions, was passed unanimously through this Assembly, and in the course of the select special committee hearings, we heard loudly and clearly that Albertans want to see Canada as a strong and vital country but that in order to do that we need to have a federal Parliament that functions properly in a federal state. We are just reflecting the views of Albertans absolutely as clearly as I have ever been able to ascertain them on any topic.

MR. PAYNE: Mr. Speaker, I'm wondering: can the minister advise the Assembly whether any consideration at all is being given to involving the federal Members of Parliament from Alberta in attempts to persuade Members of Parliament elsewhere in the country as to the national benefits of a reformed Senate in which equality of the provinces is paramount?

MR. HORSMAN: Mr. Speaker, the federal Members of Parliament who attended the weekend convention would certainly come away from that with nothing other than the absolutely clear message that the members of the Progressive Conservative Party of Alberta strongly support this principle. I think it's really now, and we will continue to make that point of view known to our federal colleagues. I've met with them on many occasions.

There are members from all political parties from this province in the federal House of Commons, and I would think that the people of Alberta should be letting their Members of Parliament know just what they think, because it's from the people that each of us who is elected draws our strength. The last time I looked, it was the same voters who elected me and the other members in this Assembly as elect the federal Members of Parliament, and I think it behooves the Members of Parliament to listen to those same people in the way that this Legislature has done in advancing our position.

MR. SPEAKER: Calgary-Mountain View.

Legal Works Management Corp.

MR. HAWKESWORTH: Thank you, Mr. Speaker. When Legal Works, a Calgary-based collections company, closed its doors last November, they left thousands of clients out in the cold with lots of unanswered questions. The Department of Consumer and Corporate Affairs apparently knew since at least last September if not well before that of significant irregularities in Legal Works' trust account. If that department had learned anything from the Peter Petrasuk fiasco, that knowledge should have set the alarm bells ringing, but apparently not. To the Minister of Consumer and Corporate Affairs: why was Legal Works' licence to operate not suspended or revoked or action taken in the courts as soon as the department became aware of these irregularities in Legal Works' trust account?

MR. ANDERSON: Mr. Speaker, with respect to Legal Works of Calgary the department did investigate in September and found that the trust account did not have the dollars in it that it should have and required an injection of funds, which took place by the Bank of Montreal and by the principals involved at that time. In the period that transpired between September and the end of the year, they also required an increase in the bond that Legal Works was required to hold, and it was thought both by the banks and by us that that should make the company operable on the basis that was required. Unfortunately, the management of the company or other factors did not make that the case.

MR. HAWKESWORTH: Mr. Speaker, a Legal Works employee phoned Consumer and Corporate Affairs and was told in effect that that department was very concerned about the way Legal Works was operating and they were qualified to lose their licence but that the department had not revoked it because they had determined it was not in the best interests of either the employees or the clients. This was exactly the same reason why this same department didn't shut down Don Cormie's AIC and FIC companies in the 1980s. I'd like to ask the minister: given this, how many scandals will it take and how many people will have to be hurt financially before this department finally does something to protect the public from these kinds of operators?

MR. ANDERSON: Mr. Speaker, I know that it may be of political benefit to the opposite side to try and tie every failure to the Principal Group failure, and if they want to, I'm afraid I have to tell the opposition that each year in Alberta there are a number of failures of companies. This is a place where we have great successes and we have some failures, like any other place in the world. In this case as in others, we have regulatory authority. We don't operate the company. We don't determine what the management is like. We don't try and predetermine whether it's a success or it's not a success.

In this particular case, I'm aware that an employee called the department and that that was the basis for the original investigation. I'm not aware of other data. I might say that the opposition members have had, I think, two press conferences on this issue indicating that I should take some action with information they've relayed. No one from that side of the House has ever called, has ever asked, has ever sent data or made a specific request. Surely if the members opposite are, as we are, concerned about working on behalf of consumers and of taking some action, we could at least expect them to bring to our attention any concerns they particularly have without the grandstanding or the attempt at . . .

MR. SPEAKER: Thank you, hon. minister, point made.

AN HON. MEMBER: Point of order, Mr. Speaker.

MR. SPEAKER: Point of order for later, yes. Thank you.
Edmonton-Meadowlark.

3:10 Alberta-Pacific Pulp Mill

MR. MITCHELL: Thank you, Mr. Speaker. The Al-Pac pulp mill project was to bring economic prosperity to northern Alberta communities. What two improvement districts have got instead are spiraling costs for the maintenance of their roads and their bridges but no extra revenues to cover these costs. To the Minister of Municipal Affairs: will the minister allow municipalities in the Al-Pac forest management area to charge fees on the

timber that Al-Pac cuts in order to cover the extra costs of maintaining the local infrastructure in these areas?

MR. FOWLER: Mr. Speaker, there's certain legislation covering the matter in respect to the taxing of forest management agreements, and while IDs are making certain representations at this time, these will be viewed and discussed with them at an appropriate time.

MR. MITCHELL: Mr. Speaker, I wonder whether the Minister of Municipal Affairs could give us a clear specification of what proposals he is considering to solve this problem. When is the appropriate time that he will discuss this matter with these improvement districts?

MR. FOWLER: Mr. Speaker, unfortunately it was necessary because of other commitments in the department to cancel the initial meeting with all of the IDs in this province this particular week, but I have established a new date at which I will be meeting with all of the IDs and will be discussing it with them at that time. I think that my first duty is to listen to their proposal before I start countering or attempting to tell them what I believe they should or should not do under these circumstances.

MR. FJORBOTTEN: Mr. Speaker, if I may supplement my hon. colleague's response by saying that the senior staff of the Department of Forestry, Lands and Wildlife along with the senior staff in Transportation and Utilities are having discussions with improvement districts that are directly impacted by their impact of forestry projects on their roads. We're very sensitive to that issue.

MR. MITCHELL: Why didn't you anticipate . . .

MR. SPEAKER: Order please. You asked your questions before. I'm sure you can come back another day.
Highwood.

Highwood River

MR. TANNAS: Thank you, Mr. Speaker. I'd like to direct my questions today to the Minister of the Environment. On a number of occasions in the past decade or so a shortage of water has occurred in the Highwood River and the Little Bow River area. Nineteen ninety-two looks like a dry year with low snowpack in the basin; therefore, it's potentially very stressful for the Highwood River. So the question is: is the minister prepared to issue water diversion guidelines for 1992 that are in no way less stringent than they were in 1991?

MR. KLEIN: Well, Mr. Speaker, as the hon. member points out, snowpack conditions are slightly below average, and this is general throughout the southern mountain range. With respect to runoff, we're expecting, generally, the runoff to be normal, but with respect to the Highwood River, the runoff will likely be below the long-term average for that particular river. We'll continue to monitor the stream flow, oxygen, and temperature conditions and react accordingly. I don't expect the guidelines to be any less stringent than they were the previous year.

MR. SPEAKER: Supplementary, Highwood.

MR. TANNAS: Thank you, Mr. Speaker. My supplementary question is again to the Minister of the Environment, thanking him for that answer. When will the minister announce the guidelines,

and what critical factors will be taken into account when these guidelines are addressed?

MR. KLEIN: The 1992 operating guidelines, as I understand it, will be discussed with the stakeholders at a meeting in High River on April 9.

MR. SPEAKER: Thank you.
The Member for Edmonton-Centre.

Natural Gas Sales to California

REV. ROBERTS: Thank you, Mr. Speaker. As the Minister of Energy, the Treasurer, and thousands of workers who have been laid off in the city of Calgary and throughout Alberta know, the oil and gas industry in this province is in one of its worst slumps in decades. Then as if to kick us while we're down, the state of California, that buys \$800 million worth of our natural gas, has decided to take advantage of deregulation and tear up existing gas contracts in order to get cheaper Alberta gas, and we'd lose millions of dollars in the process. What is the Minister of Energy doing to get California regulators back to the table to stop this costly gas war and to let them know that when it comes to buying precious Alberta resources, a deal is a deal?

MR. ORMAN: Mr. Speaker, first let me correct a statement made by the hon. member, and that is that this situation with California has nothing to do with deregulation. It has nothing to do with the free trade agreement. These are agreements that have been in place for 30 years. We have been standing up for Alberta's ownership of resources in that market. We have moved on the legislative side and introduced legislation just the other day to deal with situations like California.

The hon. member asked when we were going to get back to the table. I should let him know that we are at the table. Officials from California, Washington, Ottawa, and the province of Alberta are working on the energy consultive mechanism to deal with outstanding issues.

MR. SPEAKER: Supplementary.

REV. ROBERTS: Well, thank you, Mr. Speaker. In Bill 9 it looks to me like they're trying to reregulate the market not deregulate it. We'll get into that at second reading.

Four companies including Shell and Chevron have taken legal action against California buyers in order to recover lost revenues. Is the minister also prepared to take the legal route, take legal action, to ensure that in the settlement of claims it will include the millions of dollars owing to the people of Alberta that we have lost in royalty revenue?

MR. ORMAN: Mr. Speaker, the legal actions between producers into California and the state of California as regards the utility that is part of that legal action will determine whether or not in a court of law – and I would imagine it would be in an international court of law – to deal with concerns as brought forward in that action. The province of Alberta is watching it very closely. We have decided to take another course. It involves legislation and consultation, and we are working very closely with officials to that end.

MR. SPEAKER: Edmonton-Strathcona, followed by Westlock-Sturgeon.

Western Canadian Shopping Centres Inc.

MR. CHIVERS: Thank you, Mr. Speaker. On March 20 the minister of career development advised this Assembly that Joe Dutton's second venture, the Alberta venture, under the federal immigrant investment program would not expire until May 1992, but copies of that offering memorandum are not available through the Securities Commission. Will the minister, having reviewed the offering memorandum himself, table it in the Assembly so that the terms of the offering memorandum may be made public?

MR. WEISS: Well, Mr. Speaker, as indicated previously to the hon. member and members of the Assembly, this is an offering that's regulated under federal jurisdiction. I would add for the hon. member that at Mr. Dutton's own intervention, he has asked for it to be withdrawn. I believe the letter was written on February 28. The federal government complied with his request as recently as in the last few weeks, and the offering is now closed and final.

MR. CHIVERS: Mr. Speaker, the difficulty, of course, is that the minister himself did not take action. Is it not true that under the immigrant investment program it is possible for the province itself to revoke the approval given to the investment program?

MR. WEISS: Well, the information as alleged by the member, Mr. Speaker, is not correct, because there were no offerings that had been taken or subscribed to.

MR. SPEAKER: Westlock-Sturgeon, followed by Calgary-Glenmore.

Gainers Inc.

MR. TAYLOR: Thank you, Mr. Speaker. The Minister of Agriculture commissioned a report on the hog industry about one year ago. My information shows that that report was filed with him in early September, or six months ago. When will this report be released to the public?

MR. ISLEY: In due course, Mr. Speaker.

MR. TAYLOR: That's as I suspected, Mr. Speaker. Could it be that because the report recommended the sale of Gainers and that sale would indicate over a hundred million dollar loss by this provincial government and mismanagement, he's going to keep the report under the rug until after the next election?

MR. ISLEY: Mr. Speaker, I would suggest that the hon. member isn't as fully aware and familiar with the report and what the committee is doing as he purports to be.

3:20

Pacific Rim

MRS. MIROSH: Mr. Speaker, the business community in Calgary and around the province has expressed a concern about this province's global competitiveness and particularly its visibility in the Pacific Rim countries. Now with the budget restraint and travel expenses cut, Albertans have expressed a concern that this visibility in these countries, especially in trade missions, would be reduced. The Minister of Public Works, Supply and Services has just returned from Hokkaido, Japan, twin province, as well as Beijing, China, and the minister made an announcement with regards to signing contracts worth millions of dollars. Could the

minister explain to the Assembly whether or not these contracts are long term, and how do they relate to jobs for Albertans?

MR. KOWALSKI: Mr. Speaker, in the early spring of 1989 the government of Alberta signed an agreement with the China National Petroleum Corporation to undertake a joint venture in Beijing, China, to develop a China/Alberta petroleum training centre. A few days ago I had the privilege of being in Beijing to participate with the chairman of the China National Petroleum Corporation in the opening of that particular facility as well as to participate with the Chinese at the Fourth International Petroleum Equipment & Technology Exhibition. At that time, present at that exhibition were some 30 Alberta companies, and it was also our privilege to participate with four of them in signing contracts. They're Alberta-based companies out of Calgary that sell equipment and technology to the Chinese.

What is important, Mr. Speaker, very specifically to the hon. member, is that I believe very sincerely that there's goodwill between the people of Alberta and the people of China. The people of China have always looked very fondly at Canadians, and because of the efforts that this government has had since 1980 when it twinned with the province of Heilongjiang, there have been good relationships developed by various members of the Assembly, as well, who've gone there on behalf of the cities and the like. When Tiananmen Square occurred, China was isolated, but in recent years they have opened their doors. They have looked to the world, and they view Albertans and Canadians with a great deal of respect. Very specifically, I think the future for Alberta firms in the area of oil and gas technology and the further development of the Chinese resource and the export out of Alberta is very, very positive.

MRS. MIROSH: Mr. Speaker, how does the visit to Hokkaido, Japan, relate to jobs when you're talking about programs on volunteerism?

MR. KOWALSKI: Mr. Speaker, a second segment of four days was spent in Alberta's twin province, the state of Hokkaido in northern Japan. Two years ago, in 1990, Governor Yokomichi of Hokkaido led a delegation of nearly 900 Japanese that visited the province of Alberta. Those 900 individuals came here and spent several weeks in the province of Alberta and left a considerable amount of dollars.

When the government of Alberta met with the government of Hokkaido in a joint cabinet meeting, one of the items that Governor Yokomichi asked for more information on was the subject matter of volunteerism. Coincidentally, at that same time there was an international convention in Paris that passed a resolution that called on various states of the world to promote the concept of volunteerism. The United Nations endorsed that concept by resolution in 1991, and the first two states in the world that have signed a joint venture agreement on the promotion of volunteerism have been the province of Alberta and the state of Hokkaido.

Mr. Speaker, very specifically, in 1991 one Japanese firm, Ricoh, invented an employee incentive program and sent several hundred Japanese to visit the province of Alberta and also asked if there was a self-help group in Alberta they could help, and they donated \$20,000 to the Winnifred Stewart school in the city of Edmonton, an example of the generosity of those people. We're going to continue this effort towards volunteerism, and we will be reciprocating with a visit.

Fort McMurray Health Services

MS BARRETT: Mr. Speaker, in January of this year the Fort McMurray district health board decided without any public consultation or discussion or notice to amalgamate itself with the Fort McMurray general hospital board. The result has wreaked havoc in the community. The minister herself has been sent over 600 letters of opposition to this move. My question to the minister is this: given the outcry, given the public opposition to this move, will the minister now commit to requiring health unit boards to use a public means, a discussion means, a consultative means by which they change their own agenda?

MS BETKOWSKI: Mr. Speaker, the local governance of our health system here in Alberta is something that I think is a very important principle of a national responsibility and a provincial trusteeship. When two boards who are duly elected decide that they want a different governance structure within their community, I believe it's up to those two boards to make those decisions, not the Minister of Health to impose them from above.

MS BARRETT: Well, Mr. Speaker, the minister needs to be reminded that it took a ministerial order to allow this in the first place. Maybe the ministerial order should have been accompanied by a suggestion that they include the public in the decision-making.

I got a form letter response from the minister, just like all those other people objecting to this scenario did, in which she says that she's not going to intervene unless the health of the people in Fort McMurray is at stake. How can she assume that the health of the people in Fort McMurray is not at stake when more than \$200,000 earmarked for public health programs is now going to be jeopardized just by having to give severance packages to the two senior people they fired?

MS BETKOWSKI: Mr. Speaker, if you ever wanted a good example of why you don't want the New Democrats running the health system in this province, you just had it from the health critic of the New Democratic Party. I mean, here's a party which advocates that ministers make decisions for local communities, that ministers make decisions with respect to whom a local authority should hire in their administration, and the whole rhetoric that they give us about grass roots and listening to the people of Alberta is just toppled by their total inconsistency by saying that the minister should intervene. I don't accept that, and I won't accept that. The decisions that they make are decisions for which they are responsible to their own electorate, and that is the way that we believe the health system should be run in this province.

Workers' Compensation Board

MR. WICKMAN: Mr. Speaker, it has been confirmed that telephone conversations of injured workers have been taped by WCB officials. To the minister responsible for the workers' compensation: has this despicable invasion of privacy now been stopped for good?

MR. TRYNCHY: Mr. Speaker, the taping of telephone calls went on for some 18 months to improve the system within the Workers' Compensation Board. We've heard the case of improvement to the workers' compensation injury reduction program, and the taping of telephone calls was done for that purpose. That was done for 18 months, and as of March 13 the program has ended.

MR. WICKMAN: Mr. Speaker, to the Deputy Premier: will the Deputy Premier commit to table in this House tomorrow a list of any other government agencies or departments that have engaged in this type of activity?

MR. HORSMAN: No. I think that's the type of thing that would require much more examination. It really does belong on the Order Paper.

MR. SPEAKER: Edmonton-Kingsway.

Oh, okay. The minister, supplementary, briefly.

MR. TRYNCHY: Mr. Speaker, I was anticipating a supplementary just to advise the member that the taping of the telephone calls was done on the approval of the caller.

MR. SPEAKER: Edmonton-Kingsway was recognized and will continue, please.

Northern Steel Inc.

MR. McEACHERN: The Minister of Economic Development and Trade has consistently refused to level with Albertans about what's happening with Northern Steel. A year ago he was telling us that the company was making a profit and that they'd be able to sell it and get all the money back. Last October he had to admit that he had been overly optimistic, and he shut down the company and turned it over to the receiver. My question to the minister is: given his statement at that time that the taxpayers would only lose about \$2 million but that the receiver has been unable to find a buyer to operate it as a going concern, will he now admit that the taxpayers will lose closer to \$15 billion than the \$2 billion that he indicated? Or \$2 million.

MR. ELZINGA: Mr. Speaker, we see fabrications in this House, but I've never seen one like the hon. member suggesting we are going to lose \$2 billion or \$15 billion. I indicated to him the range that that loss would fall under: somewhere between a minimum of \$2 million or a maximum exposure of some \$13 million. When we receive the report from the receiver, I'll be more than happy to share that information with the hon. member.

I want to indicate to the hon. member, though, that there were a number of offsets with our involvement in Northern Steel. There were hundreds of jobs involved. The hon. member consistently indicated that we should shut Northern Steel down, having no concern for the jobs and the welfare of those people employed there, whereby we did have that concern. It's a concern that we're going to continue to have.

3:30

MR. McEACHERN: Well, Mr. Speaker, where are the jobs now? Another fabricator said that they could handle it.

My supplementary is really to the Treasurer. Given the similarities between Northern Steel and MagCan – that is, a receivership and no buyer in sight willing to operate the company as a going concern – how can Albertans take the Treasurer seriously when he says that the \$115 million of taxpayers' money is safe?

MR. SPEAKER: The time for question period has expired. Before we move on to one point of order and then on to Standing Order 40, might we revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

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

MR. SPEAKER: In this order: the Member for Little Bow, and then the Minister of Health.

MR. McFARLAND: Mr. Speaker, with your permission I'd like to introduce five members of the county of Vulcan No. 2 council who are with us today prior to meetings and attendance at the annual spring Alberta Association of MDs and Counties conference here in Edmonton. Would councillors Fisher, McDonald, Ericksen, Lahd, and Jones please rise and receive the usual recognition.

MS BETKOWSKI: Mr. Speaker, I earlier had the pleasure of introducing a group of visitors to our province from Kampala. I won't read the introduction into the record again, but I would ask Dr. Kelly of Grant MacEwan College to stand with our guests, and accord them the usual welcome of this Assembly.

Point of Order
Factual Accuracy

MR. SPEAKER: Point of order, the minister responsible for Seniors.

MR. BRASSARD: Earlier, Mr. Speaker, the Leader of the Opposition made allegations which I'd like to clarify. I wish to point out that I am not Mr. Morton's MLA, nor did I refer him to welfare. I would ask that he withdraw those remarks.

MR. MARTIN: Well, some other MLA did. If he didn't, I accept that. [interjections]

MR. SPEAKER: Thank you. Order. Order please.

head: **Motions under Standing Order 40**

MR. SPEAKER: Edmonton-Calder, Standing Order 40, speaking to urgency.

MS MJOLSNESS: Well, thank you, Mr. Speaker. I would respectfully request the unanimous consent of the Assembly. I'd also like to add that Edmonton truly is the city of champions. Thank you.

MR. SPEAKER: Is this where Flames fans should say that they hope there is an NHL strike?

The hon. Member for Edmonton-Calder has made a request under Standing Order 40. Those in favour of letting the matter proceed, please say aye.

HON. MEMBERS: Aye.

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

Hockey Championship

Moved by Ms Mjolsness:

Be it resolved that this Assembly congratulate the Northern Alberta Institute of Technology Ooks hockey team on winning the Canadian Colleges Athletic Association hockey championship on

March 29, 1992. This is the NAIT Ooks' sixth title in the last 10 years. Be it further resolved that the Speaker of the Legislative Assembly convey to the players and coaches of the NAIT Ooks this congratulatory motion in his usual manner.

MR. SPEAKER: Call for the question on the motion before us?

HON. MEMBERS: Question.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries, let the record show unanimously.

Adjournment of Today's Sitting

Moved by Mr. Stewart:

Be it resolved that upon adjournment at 5:30 today the Assembly will stand adjourned until 2:30 tomorrow afternoon.

MR. SPEAKER: Call for the question.

HON. MEMBERS: Question.

MR. SPEAKER: All those in favour of the motion, please signify by saying aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, by saying no. The motion carries. Thank you.

head: **Orders of the Day**

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

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

[Mr. Jonson in the Chair]

MR. DEPUTY CHAIRMAN: I'd ask that the committee please come to order.

Bill 7 **Appropriation (Alberta Capital Fund)** **Interim Supply Act, 1992**

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

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: Having heard the call for the question . . . [interjection] Order please.

The Member for Edmonton-Kingsway is recognized.

MR. McEACHERN: Thank you, Mr. Chairman. Bill 7 proposes that the Assembly agree to \$121 million expenditure so that the government can have some interim financing to get on with its expenditures under the Capital Fund program. I want to make a few comments about the Capital Fund.

The Capital Fund is a separate section from the budget, I think since the year 1984-85, and it's one way that the Treasurer has of isolating the expenditures which are different from the operating expenditures. They are for the production of facilities which can be used for a number of years down the road, so therefore it's assumed that the taxpayers can pay for those over a number of years while the buildings, roads, dams – a number of different capital works – are being used. That will supposedly bring benefits to the people of Alberta.

One of the unfortunate aspects of doing that is that it does leave the Treasurer with three different parts to his budget, and he can then manipulate numbers and give people false impressions. I did mention the other day that it does seem a little silly that a Treasurer stood up in the Alberta Legislature last spring and claimed to have a \$33 million surplus, as a matter of fact, on the operating side when in fact his capital expenditure side showed a \$286 million expenditure. That's one of the unfortunate aspects of dividing the two. It does confuse the people of Alberta, then, as to what's really the situation with the books of the province.

Of course, if you throw in the heritage trust fund expenditure of \$110 million that had no offsetting revenue either, then you find that the Treasurer really should have put the three together in a separate statement and said that the position of the budget is some \$300 million deficit rather than claiming, you know: great, we've got this wonderful balanced budget. It's part of the planned program of confusing the people of Alberta about what's actually happening with the budgetary process in this province. It's funny how members of the Assembly here really just hate to turn to page 38 of last year's document where last year's capital expenditures – you'll find them on page 38 under Net Cash Requirements – indicate that the government has a much bigger problem than what they were owning up to.

In the 1990-91 year the government also made a change in accounting practices so that this section where the Capital Fund is shown was quite different from previous years. I keep asking the Treasurer for an explanation of how or why these net cash requirements are so different between his budget estimate and his forecast. He doesn't seem to want to answer that question. It leads one to the suspicion that he put these numbers together . . .

3:40

MR. DEPUTY CHAIRMAN: Order please. Hon. member, order please. Not with respect to your remarks, but would hon. members please take their seats in the Assembly or at least a seat. Please proceed.

MR. McEACHERN: Mr. Chairman, the Bill indicates the areas of expenditures by title and doesn't give us a lot of details, but I want to have a look at a few of those numbers and compare them to figures from previous years.

The construction of advanced education facilities. The Treasurer is asking us for \$33.3 million compared to a total expenditure in the estimates last year of \$51.4 million, the year before of some \$70 million, and the year before that an actual of \$78 million. So the amount of dollars spent last year went down, if the public accounts bear that out. We haven't seen the public accounts yet. We're only within a week or two, I guess, of the new budget, and the Treasurer hasn't seen fit to give us the public accounts from last year yet even though it's my understanding that the Auditor General has been finished with them since sometime in October or November. The Treasurer for some reason doesn't want to release them to us to be able to confirm that \$51.4 million figure that I mentioned.

If the expenditures that are planned for this year are no greater than last year, then that means the Treasurer is asking us for some

60 percent of the amount of money needed for the full year for Construction of Postsecondary Education Facilities. The Treasurer should, of course, give us some idea why so much of that money is needed up front this year for that particular program.

In the Environment section you'll see that the construction of a special waste facility is going to cost us \$3.4 million in this interim supply Bill. That's compared to an \$8.6 million planned expenditure last year. So that's more in the normal range of around 30 to 40 percent of the amount of expenditures needed for the year.

I guess I just want to reregister my objection to spending money on that special waste management facility. The kind of deal the government made with the company is such that the company gets a guaranteed profit based on the value of the facility, and here we are using taxpayers' dollars to make a more expensive facility so we can then give the company a greater operating profit at the expense of the taxpayers again. What we're probably doing is changing that into a big enough facility so that we'll have to import wastes from other provinces to make it profitable, and that's a serious concern to Albertans. Certainly there should be a full discussion as to just what wastes and where they might come from and why we would want them being transported over our roads to that waste facility and also why they would make an arrangement with the waste management company that allows them to take a bigger profit if we the taxpayers improve their facility. So we pay twice for the same idea. Somebody on the other side should get up and answer that question. Otherwise, we really shouldn't give the government the okay to go ahead and spend these interim dollars.

The Municipal Affairs section has Construction of Social Housing, and they're asking here for \$5.7 million. That's compared to \$14 million planned expenditures last year, again in the normal range of around 40 percent of the year's requirements, if one assumes that that's what happens again this year. It's certainly a fact that New Democrats on this side of the House will be supportive of more social housing at this time. The housing problem for a lot of low-income Albertans is pretty obvious. If you listen to the kinds of concerns raised in your constituency offices, at least certainly in mine, a lot of people are having trouble with rent; and a need, for that matter, for the government to get on and proclaim its landlord and tenant legislation so that tenants get some protection anyway from the kind of increases that we've been seeing in rents in the last while.

The next item, Public Works, Supply and Services, has three parts to it: Construction of Health Care Facilities, Construction of Water Development Projects, and Construction of Government Facilities. I did ask a question the other day on the second of those three, the Construction of Water Development Facilities, and nobody answered it. Perhaps today, this being the committee stage of a Bill, the government might be more inclined to get into a dialogue and answer questions and discuss things back and forth. At least hopefully they would; that's what the committee stage is for. I don't know whether it should be the Minister of the Environment or the Minister of Agriculture or maybe the Treasurer, who has overall responsibility for the dollars of the province.

I pointed out that there's a number of different areas of the budget. That is, there's the normal general revenue budget; then there's the Capital Fund, which we are discussing particularly now; and then there's the heritage trust fund interim supply Bill as well. All three of those parts of the budget have money for the Construction of Water Development Projects in some form or another. It would seem to me that somebody on the other side, and I guess the Treasurer's the one with the overall responsibility, should take a look at all those numbers. I gave him the specific numbers for

the last couple of years in the House the other day. I would hope somebody on the other side would take a little time and explain why they are spreading the dollars for this particular item around in so many different places. I suspect that it's to make it confusing to anybody trying to keep track of just how much they're actually spending. This has been going on for 10 years or so, and of course it amounts to a lot of money in the long run. Literally over a billion dollars has been spent in waterworks, dams, irrigation, and construction of water development projects of one kind or another by this government over the last five or 10 years. Somebody on the other side should take some responsibility for doing a comprehensive explanation of what's going on in that area. I know we have had some debates about the merits of irrigation, but that's only one aspect of it, and since the expenditures are spread through three different parts of the budget, it makes it very hard to have a comprehensive look at that topic. I would expect somebody on the other side to comment and explain a little bit more about why it's a good idea to split it up this way, what the purpose of that is, what it accomplishes, and just what the overall plan or aim or direction is. Perhaps the minister of public works or the Treasurer would like to try that.

The next section, Transportation and Utilities, Construction of Economic Development Infrastructure, some \$19 million, follows on top of a \$30.7 million expenditure last year. Actually, I think the Treasurer indicated the other day that it might be more than 40 percent in this particular case. In any case, it's clear that the Alberta government is going to put a sizable amount of money into the infrastructure for Al-Pac. That's basically what this item is for. I want to take this opportunity to reiterate a point I think I made the other day, but perhaps it could stand some elaborating.

The Alberta government back in 1988 got a bee in its bonnet and decided that we should be diversifying our economy into forestry. Energy was in a certain amount of trouble, agriculture was in trouble, so maybe the government could diversify the economy by encouraging some capital development in the pulp and paper industry. They started telling the world that we were open for business for pulp mills. Out of that has come this Al-Pac project for which these dollars are geared. So we're going to build roads and, I think, a bit of a rail spur or something, some of the infrastructures anyway, for the Al-Pac mill. Now, it would seem to me that the Minister of Economic Development and Trade, since it comes under his department, should be here to give us a pretty clear indication of exactly what these dollars are geared for, but I would be surprised if anybody bothers to answer, if the past debates in this House on the interim supply Bill are any indication of the government's intention to explain what they're doing.

3:50

Nonetheless, I think it's incumbent upon the opposition to say that they don't like this kind of an expenditure. I don't see any reason why we should invite huge multinational corporations to come into this province and give them huge chunks of land as big as some other provinces in this country – or bigger than Prince Edward Island certainly, some of them as big as New Brunswick, the Al-Pac one I think being even bigger – and say, “You can run this part of the province as if you owned it,” which is basically what we do. We give them a forestry management agreement which allows them to run the area for 20 years, to dictate what goes on, what's developed there and what isn't, and charge such a low fee for stumpage that the Americans keep trying to make us charge a 15 percent export tax or else they will levy an import tax against our lumber products. Really it's a giveaway of our resources. It really implies sort of a mowing down of our trees as if they were a wheat field, a pulping of those trees and shipping

them off to the parent companies of the various multinational corporations that set up the subsidiary. In the case of Al-Pac, we've compounded the foolishness of the idea by actually giving them a big loan guarantee to help them build the plant in the first place.

Now, if anybody thinks that's a good economic initiative or way to develop our economy, then they've got to be thinking in terms of just a short-term fix and don't care about the pollution it may cause, about the mowing down of our forests, the destruction of a whole culture and way of life and an environment, an ecosystem. If they think it's going to be economical, even in the short run, they've got to be dreaming. All you have to do is look at the fact that Daishowa is already being charged by the federal government. I suppose I shouldn't use the word “charged.” They're certainly looking into and accusing them at this stage of selling their pulp to the parent company in Japan at fire-sale prices so that they don't have to declare any profit here in Canada. Therefore, they don't have to pay any tax in Canada, and the parent company in Japan will make all the profits and be able to pay taxes in Japan, but we won't see any particular benefit. For the sake of a few jobs we're going to pollute our rivers and mow down our forests and destroy an area of the province that could be used for a multinumber of things.

If we hadn't destroyed the Lubicon area, for example – they were hunting and fishing and trapping and making a living at it up until about 1978. Within three years the oil companies came in and destroyed the hunting and the fishing and the trapping, and the Lubicon have been on welfare ever since and have not been able to get a reasonable settlement to try to build another life-style for themselves. Now on top of that we turn Daishowa loose on them and start mowing down the trees. It seems to me a travesty of justice, Mr. Chairman.

What we're doing with Al-Pac is no better. In the Al-Pac case we've even allowed them to set up a bleached kraft mill, which should be obsolete. We shouldn't be having any more bleached kraft mills built. Of course, it means a certain amount of chlorine into the water. The newfound technologies they talk about with Al-Pac have not been proven, and the hearing process that decided to let them go ahead was nothing more than a farce on the part of the government and a way to get out of the fact that the first hearings came out clearly and said that more studies were needed on the effects on the environment.

This Capital Fund expenditure that the government is asking us to approve would be all very well if you just looked at it under very superficial and surface kinds of ways. The government has to run the province. They've got a majority government elected to do so. They've got a little more time in their mandate, so they're saying to the House, “We need some interim money to run the government until such time as we can get the full budget passed, and we'll debate all the details then.” Fine. But given the kind of record the government has and the mismanagement that we've been talking about in the House lately and the kinds of problems I've just put forward, the least you might expect is that the government would be prepared to answer some questions and talk a little bit about the direction they're going and why this is necessary, what's happening with these expenditures, and why they think they should be trusted with the kind of money they're asking us to spend. I realize it's only \$121 million here, but the general revenue budget and the heritage trust fund interim supply Bill: those two together added to this one come to \$4.4 billion in total. That's a lot of money, so we should be careful of the process by which we approve it, and there should be a relatively thorough debate on the directions and the implications of these expenditures.

I'm disappointed that we don't get more from the other side of the House in terms of what they have in mind with these things.

The Treasurer has not shown that he is prepared to account for the dollars of this province in a timely and reasonable way, yet he's quick enough to say: give me this blank cheque to spend some more money. I say that because we don't have the public accounts yet. We've said this over and over again. I hear no word from the Treasurer of when we might expect to get the public accounts. I suggested to him the other day that he would probably release them about the time he brings in his new budget so that the taxpayers of this province will have to look at the public accounts for '90-91, which we still don't have. That means we haven't had a good update from the government on where the province stands on its budget since March of 1990, almost two years ago. When we get the public accounts, that will update it to March 31, '91, almost a year ago. Those books have been ready since October or November, and still the Treasurer hasn't released them.

I can only conclude that he wants us to have to consider the '90-91 public accounts, which are the final figures for that year, and the forecast for '91-92 at the same time that we're looking at the new budget for '92-93. I don't think that's fair to the people of this province to have to try to take in three budgets all at once and have politicians and accountants bandying around numbers for three different years all at the same time: one set of numbers which is the hard and true numbers, another set which is a pretty good guesstimate, and the other number which is nothing more than what the government hopes to be able to do if, in fact, the Treasurer chooses to tell us exactly what he does intend to do this year, unlike he's done every other year where he gives us a budget that's about a billion dollars off what he really expects to happen. So it is a most extraordinary process that we go through.

It's also extraordinary, Mr. Chairman, in that we are now being asked to talk about the Capital Fund expenditures at committee. Supposedly the general revenue budget and the heritage trust fund expenditures are not on the agenda right now. Yet at the end of the discussion today all three of those will be passed and moved on to the next stage. The Standing Orders are so extraordinary. It does mean that the government, if they wanted, could just stay on, say, the general revenue budget, or any one of the three interim supply Bills for that matter, for the three stages – second reading, committee, and third reading – not ever put the other two before the Assembly, yet pass those other two as if they had been discussed. Or if there's something particularly embarrassing, let's say in the heritage trust fund, they could put the other two forward and leave the heritage trust fund out. Now, I know that the deputy House leader, as he was last year, was kind enough, and I'm sure as House leader now, this year, he will make sure that each one gets a turn. We did the second reading on the general revenue the other day, and we're doing the Capital Fund today, and I'm sure that when we move on to third reading stage, he will give us the heritage trust fund so that we get a chance to make some comments on each of those three sections. But it is rather extraordinary that any government would set up the rules in such a way that you can actually pass a Bill without ever putting it before the Assembly, as those rules do allow.

I would ask the government to look at the Standing Orders and think about trying to democratize the process a little bit more. It does seem to me that the people of Alberta have been demanding more and more democracy and the right to be heard and the right to be told the actual situation of what's going on. They really don't like that kind of rule on the side of the government that allows a government to pass a Bill that never even gets before the Assembly. I know that in a theoretical sort of way it's before the

Assembly, but you could pass two of those Bills without ever having anybody speak on them, the way the rules now stand. In fact, the way those rules read, you could wait until the last 20 minutes of a session of the Assembly and pass all three of them at any one of the stages by merely discussing one of them for about five minutes.

4:00

I think the government not only should acquiesce to the idea of more democracy, but they should be seen to be acquiescing to it and, therefore, change the rules so that could not happen. If the House leader would like some ideas on how to redraft the Standing Orders, I'm sure he would get some help and co-operation from the House leader on this side to come up with one that is more democratic than the present one.

Mr. Chairman, those are the kinds of comments I wanted to make. I think I'll just wind up by saying I don't really appreciate the Treasurer's leaving the three parts of the budget split and talking about the general revenue budget as if that was the budget. He often likes to refer to Ontario. They've inherited, of course, a horrendous situation there and are having a certain amount of trouble budgeting, but the losses in the Ontario case, the deficit in that first year are really no different or that much worse than the losses experienced by this government when they first came into power in 1986 as well, and this government inherited from a previous Conservative government, not even a different party. At least Ontario, when they brought in their \$9.7 billion deficit figure, said that that was the consolidated figure. Now, the year has been a bad one and they're having to update how big that deficit may turn out to be, but at least at the time from the best figures they had, they had put a comprehensive statement together and said: this is the consolidated deficit for the province of Ontario, or that's what we expect it to be this year.

The Treasurer has not done that. He has very carefully kept the three separate. He used to at least have the courtesy to put together the budget part and the heritage trust fund expenditures out of the capital projects division and talk about a combined deficit, so the capital budget was separate still at that stage, but now he's even taken the heritage trust fund expenditures out of that budget deficit part and kept that separate. So he has these two numbers off to the side and then was able to brag to people last year that he had a balanced budget or a surplus budget of \$33 million when in fact he didn't have, particularly when he knew that the Auditor General will throw in a few other things like some provincial agencies and commercial enterprises. He should have known better than to try to kid the people of Alberta he had a balanced budget.

He's now paying for that, of course, because nobody believes him anymore, whatever numbers he gives. I think what we're going to see in this coming budget is the Treasurer admitting that there will be some deficit from last year, but he will only admit to about half or less than half of the \$2 billion deficit for this year that we are just now finishing – on a consolidated basis that is; we're talking here about a \$2 billion to 2 and a half billion dollar deficit for the province of Alberta next year. That's our best guess, and our figures, I think, will be fairly accurate. The Treasurer will only admit to about half of those in his forecast. Then the Premier's attempts to stimulate the economy that he's been making so much noise about lately in getting ready for the spring election we expect down the road will just get lost in the misinformation and inaccurate numbers that the Treasurer puts forward, and it won't really, truly be a stimulative budget.

To be a really, truly stimulative budget you have to go beyond the \$2 billion to 2 and a half billion dollar deficit in this fiscal

year to a \$3 billion to a 3 and a half billion dollar deficit, because you will have to spend more money this coming year than you do in this year we're finishing if you're going to claim that the budget is a stimulative one. I just think that the Premier is going around saying one thing while the Treasurer is saying, "Well, I'm just going to hide those extra expenditures by not owning up to the real size of the deficit in the forecast for this year that we're just completing." And that's exactly what's going to happen. It's really quite funny, because here's the Premier, sort of born again, going to stimulate to economy, forgetting about the aim of balancing the budget and suddenly deciding that it's time to stimulate the economy because he wants to divert people's attention from his promise last year that he had a balanced budget, and the Treasurer is just going to sabotage that effort by admitting to only some of the deficit for the current year, this year that we're just finishing. Therefore, the stimulative dollars that the Premier is talking about spending will just be swallowed up in the inaccuracies of the Treasurer's budget and there won't be a stimulative budget at all.

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

MR. BRUSEKER: Thank you, Mr. Chairman. I just want to make a few comments about the interim supply Bill we have before us today.

We're looking, I guess, at Bill 7, Appropriation (Alberta Capital Fund) Interim Supply Act, 1992. One of the curiosities of this particular government is that perhaps one of their cornerstones, I guess in the sense of both meanings of the word, is shown very neatly here. We have seven votes before us in five different departments, and of course the beginning of each one is construction. I know this is a capital budget, but this is really something that this government has come to be known for. They like to build edifices around the province so they can point to them and say, "I built that for my constituents, and I built that for my constituents," and so on. Certainly we can agree with some construction projects, construction of schools, for example.

MR. DINNING: Hear, hear.

MR. BRUSEKER: I know the minister of Education clearly supports that concept, and I certainly do as well.

But when we look down this long list here, you know, there are some interesting ones. Again, I guess you see some doublespeak: Construction of Economic Development Infrastructure under the Department of Transportation and Utilities. I wonder if that means roads. It sure would be nicer if they would just put things in English instead of giving us a little bit of gobbledygook here and trying to hide some issues in here.

I guess, Mr. Chairman, I just want to make a couple of comments. The problem we're facing today in looking at this Bill and, I guess, the other ones that are going to be voted on today, is that we're looking at a third of the budget with minimal debate. I have some real serious problems with that whole process, regardless of what the money is supposed to be going for. We're looking at total expenditures of almost 4 and a half billion dollars and a very, very short time for debate allocated.

Just back to Transportation and Utilities: Construction of Economic Development Infrastructure is one of the ones we're being asked to vote on today, a \$19 million expenditure, yet the minister is not prepared to sit down and answer questions with the deputy or assistant deputies and say: "Well, here's what I want to do. Here's the whole long list of priorities that I'd like to show

you that I have, and out of this list of priorities I've selected items 1 through 5, or items 1, 5, 7 and 10." I'm not sure what they would do. I guess part of the problem is that there's no real explanation, Mr. Chairman, and that's the concern I have. I know the concerns of a lot of Albertans, even as recently as this weekend, saying, "Balance the budget." I don't think this kind of a process where we get a chunk of the budget here in interim supply Bills, a chunk of the budget later on in the general budget estimates to be discussed in separate times is really an appropriate means of debating the budget in total.

Advanced Education is one of the one's we're asked to vote on today. Well, why is not the Minister of Advanced Education saying: "Here's my total budget. Here is the capital works project part of it"? I'm not sure if they have any votes under Heritage Savings Trust Fund; not in this particular one, but of course then we have the general budget debate and the interim supply. Why aren't all the Advanced Education estimates before us at the same time with the minister, support staff, and then questions occurring? What we have instead here is a list saying we're going to construct some postsecondary education facilities, boom, \$33 million; no explanation of what, where, why, how, is this really necessary, or so on.

4:10

The problem we have with this whole budget process is that we don't get the real details that we need for all of these different listings. Bill 6, that I guess was dealt with earlier on, has a longer, much more extensive list, and again, in some cases, a one-word listing saying that under this department they propose to spend X millions of dollars. Well, I don't think Albertans are prepared to accept that; I certainly am not prepared to accept that kind of a budget process. I think the lack of debate time, the lack of clarity of what's going on, is really what's part of the problem. Part of the reason why we're having to deal with these Bills fairly expeditiously, of course, is that the end of the fiscal year is coming up rapidly and that has put an artificial constraint, a constraint, Mr. Chairman, that I would argue did not ever need to be there.

We heard debate earlier suggesting we should revise Standing Orders. Well, what if one of the revisions were to say: "The Legislature will start on February 1"? Or you could say it could start on the first Thursday of February, and then within two weeks after that you have a budget introduced. Then you have sufficient time to really debate the issues before us in terms of spending vast sums of money, instead of waiting until March 19, getting some interim supply Bills introduced, and then having to deal with them very quickly. Without really having the time to debate them to look at the issues, to look at the concerns, I don't think is really acceptable. We hear the word reform, capital R reform; we also hear the need for small r reform: what are we going to do to change and make this Legislature work better for the people of Alberta?

I don't believe, Mr. Chairman, that this system we have today of introducing Bills, three at one go, dealing with all of them at one time and then passing them on the strength of the government majority, is really the appropriate mechanism that Albertans want. I think we've seen that. We've certainly heard that. We see it in the news media today that a group of people got together on the weekend and were concerned about making a balanced budget, and they're not prepared to accept any more excuses. They're simply saying: "I've had to do it at home. We expect you, the government, to do the same thing in your home, which is the Legislature."

So, Mr. Chairman, while I don't have any particular points to deal with in terms of the particular seven votes before us in Bill 7, the interim supply Bill, I guess what I do want to articulate is simply a concern about the way this is coming to us in a piecemeal fashion, in a rather hurried fashion, and in a fashion that doesn't answer all the questions. For that reason I do have some problems with the interim supply Bills before us today.

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

MS M. LAING: Thank you, Mr. Chairman. I, too, would like to raise my concerns about the lack of democratic process. It seems to me that I look at this Bill and how can I make any intelligent comments about how this money is going to be spent? In fact, in terms of Bills 6, 7 and 8, a third of a budget is being spent with minimal detail being given as to how the money will be spent. There is no suggestion of priorities; there's no suggestion that we can call on ministers to justify why they are in fact choosing to spend the money in the ways they are. So what we have is democracy denied. It's circumvented; it's undermined.

It would be an easy matter for the Premier to call this House into session in mid-January. For goodness' sake, we could be in here when it's 40 below outside and outside when it's 30 above, instead of the other way around where there's no session until just a week and a half before the end of the fiscal year. We know that if we don't vote for these Bills, people will not get their paycheques, and yet these initiatives that are brought forward in these Bills have long-term consequences and implications. So how does one talk about Construction of Social Housing – where, when, how, by whom, why, to what purpose? There's no opportunity to get answers to those questions. Similarly, Construction of Health Care Facilities – what facilities? Where are they going to build? Who will they service? Who will pay for operating? None of these answers can be obtained at this time because, in fact, we don't have enough details.

I think that in operating in this manner this government is really defying the democratic principles that hold us together in this province, that should inform of government activity. To not call the House into session until late March and then say under pressing conditions that we have to bring forward interim spending – and it's not just for a month or two; it's a third of the budget. I would say that to talk clearly about how this money is being spent – we haven't heard from the Treasurer, who is advancing this Bill, as to how he plans to spend this money. We've just got it outlined very broadly and generally. I think that's just a real unfairness to the people and a lack of accountability. Nevertheless, we have to support it.

MR. DEPUTY CHAIRMAN: Are you ready for the question?

HON. MEMBERS: Question.

[The sections of Bill 7 agreed to]

[Title and preamble agreed to]

MR. JOHNSTON: Mr. Chairman, I move that the Bill be reported.

[Motion carried]

MR. JOHNSTON: Mr. Chairman, I'm assuming that we will also be reporting Bill 6 and Bill 8 as well.

MR. DEPUTY CHAIRMAN: Well, I must respond to the hon. Provincial Treasurer that the Chair's reading of Standing Order 61(4) would require us to go through the process of approving all of the interim supply Bills one by one at this time. The rule for putting them together comes at 5:15.

Bill 8

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

MR. DEPUTY CHAIRMAN: Are you ready for the question?

SOME HON. MEMBERS: Question.

MR. DEPUTY CHAIRMAN: Title and preamble: are you agreed?

MR. McEACHERN: Hold on a minute. It just seems appropriate with what's the policy at the moment to give the minister a chance to stand up and introduce the Bill at any given level. So I don't see why it has to be, you know, just bang like that, not giving him a chance to do that, and calling the question already.

MR. DEPUTY CHAIRMAN: Order please. Order.

The Chair recognizes the Member for Edmonton-Kingsway if he wishes to speak on Bill 8.

MR. McEACHERN: Thank you. Mr. Chairman, again we have an interim supply Bill on the third part of the government's budget. It's one of the parts of the budget that don't get called a part of the budget by the Treasurer when he claims he has a balanced budget, as he did last year. It's sort of a little expenditure of \$110 million that doesn't really count and is not part of the budget somehow.

I suppose what he does is use the fact that the money for this \$110 million expenditure that he spent last year – and whatever money he's going to spend this year, this \$55.9 million that he's asking for; we don't know yet what proportion that is of the total expenditures he's planning for this coming year, but I think he did say something the other day about it being nearer to 50 or 60 percent than the usual 30 or 40 percent on most interim supply Bills because he wanted some of the money up front for some of these projects. Maybe that was in the capital expenditure section, I'm not quite sure. In any case, if we take the \$110 million last year as the norm for what he might spend this year, I guess this would represent some 50 percent of the planned expenditures for the coming year. In any case, I suppose the reason the Treasurer tries to claim that the \$110 million doesn't need to be counted when he's talking about the balance sheet and whether or not he has a deficit in any given year is that this money comes out of the financial assets of the Heritage Savings Trust Fund.

4:20

Now, in 1987 the government decided to not put any further money into the heritage trust fund, so the highest level of dollar value in the financial section of the heritage trust fund was \$12.7 million. Each year since then the government has spent some of those moneys from the financial section of the Heritage Savings Trust Fund. They've done that under the capital projects division and then claimed, of course, that the capital projects division expenditures are really deemed assets and so, therefore, they keep this global sort of figure. In fact, I couldn't quite believe it when the Treasurer stood up in the House again and said: we still say there's \$15.3 billion in the heritage trust fund. That global figure, of course, doesn't change. You just take some money out of the financial assets of the fund and put it into the deemed assets

through the capital projects expenditures, and he says that nothing's changed.

The fact is that there are no compensating revenues to make up that \$110 million that he spent last year, because we take all of the earnings of the financial section of the heritage trust fund and bring them back into the general revenue account. There are no offsetting revenues to cover these expenditures. Therefore, the value of the heritage trust fund has gone down every year since March 31, 1987, when it reached a peak in terms of financial value of \$12.7 billion. It has gone down now to being just about \$12 billion right on: \$12.1 billion as of March 31 last year according to the Treasurer's figures.

That is really a kind of a way the Treasurer has of doctoring the books, so to speak, so that the people of Alberta don't quite know where they stand. Most of the people of Alberta really think that the heritage trust fund has all been spent, that it's all gone. It's really quite amusing to run into somebody who says, "Oh, the heritage trust fund's all spent, isn't it?" I say, "Well, no; it's really still there, and there's a certain amount of value in it." What I try to explain to them is something like this: the heritage trust fund is like a savings account, and while it isn't quite as big as it used to be – it's not \$15.3 billion like the Treasurer said the other day, and it's not \$12.7 billion, like the financial assets were at March 31, 1987 – it's just about \$12 billion right on. However, Professor Glen Mumey over at the university basically said that it was worth about \$9.3 billion. It might even be worth a little bit more than that. His problem in terms of all the assets that make up the heritage trust fund is, of course, those three Crown corporations that are pretty hard to evaluate since they're basically losing money each year and yet do have some value in terms of the assets they hold, if not the amount that the Treasurer thinks they do.

In any case, when people say that there's no heritage trust fund left, I usually say: "No, that's not really true. Just think of it this way: you've got a savings account, the heritage trust fund, and you've got a current account, the General Revenue Fund; what has really happened is that the overdraft on your current account is now greater than the assets in your savings account." That's what's happened in Alberta over the last six years. The general revenue account will, I'm afraid, at March 31, 1992, have an overdraft of very close to \$14 billion, and the heritage trust fund, according to the Treasurer, has about \$12 billion in it; according to Professor Mumey something a little bit less than that. But make no mistake that the expenditures that the Treasurer is asking to spend come out of the financial assets of the heritage trust fund, and there are no compensating revenues coming in.

Therefore, if the Treasurer really wanted to be straightforward with the people of Alberta, he would add together the general revenue balance and the Capital Fund budget balance and the heritage trust fund budget balance and come up with one figure that he would then put out to the people of Alberta and say: this is the budget deficit position for this year. But he doesn't do that. If we're using last year as an example, he claims a surplus of \$33 million in the budget and touts that number all over the world. Then, if somebody really presses him or somebody knows a bit more about the budget, he has to say, "Oh yes, there is this capital expenditure; oh yes, there is this heritage trust fund expenditure," and it gives a false impression of the books of this province. I don't think the Treasurer is being fair to the people of Alberta when he conducts business that way.

The thing that compounds it and makes it even more difficult to swallow is the lack of information given out about the public accounts of the province. The latest hard figures we have for this province for the budget situation, the public accounts figures, are

for March 31, 1990. We're within one day of being two years out of date. I submit to you, Mr. Chairman, that that's scandalous, totally ridiculous, totally uncalled for, unnecessary, unfair to the people of Alberta, unfair to the people of this Assembly. It is difficult enough to try to get inside the accounts of what's happening with this province even when the Treasurer releases the figures on a timely basis. Certainly they're mostly global figures. Often there are not enough details given; the budgets are very scant on details. Interim supply Bills are notoriously so, as the Member for Edmonton-Avonmore just said a minute ago in the debate on the Capital Fund part of these interim supply Bills. These figures are just one sort of heading and then all these numbers, and nobody explains anything about where they're going or why they're doing it.

The consequence of that is that when we do get into the real budget debate later – say we're talking about the Treasury Department halfway through June or near the end of June or maybe even into July – most of the money's already been spent. So here we are debating with a government that has set a budget that they're not going to change one nickel in, and in fact a lot of the expenditures have already been made before the item is even before the Assembly in any kind of a detailed way, not that the budget figures themselves when the real budget comes in have enough details so that you really can tell what's happening. There's still only half-baked information about most of the projects and where the money will go and what'll actually be done with it.

I remember that when I first got elected back in 1986, I spent a couple of weeks on the budget debate and I bumped into the Member for Edmonton-Gold Bar, who used to be on the city council in Edmonton before she was elected to the Legislature. We looked at each other: "Well, how's it going, and how are you finding it?" She said: the thing that bothers me most is that every decision about the budget has already been made before we ever get to the Assembly. Secondly, she said: I can't believe the lack of information in the budget as to what's being done with the money. Thirdly, she said: You know, the thing about decisions all being made already – when I was on city council, everybody used to complain about the way the council conducted its business. Sure, sometimes we had quite a bit of fighting, but at least at the end of the debate we made a decision that had some force to it.

[Mr. Schumacher in the Chair]

Here in this Assembly we can have whatever kind of debate we want, say as much as we want, ask whatever questions we want, and the ministers may or may not answer, but it doesn't matter a darn. They use their big numbers to outvote and pass the numbers as they were, regardless of what anybody had to say about them.

AN HON. MEMBER: It's called democracy.

MR. McEACHERN: If we're looking to democratize the Assembly, as a lot of people are talking about, it isn't to have more free votes. You people get upset about party discipline, but that's not the problem. The problem is that every decision is made by the cabinet before it ever gets to the Assembly, and nobody intends to change that ever. The backbenchers can complain back home about it a little bit to try to soften the decisions that people don't like, but in fact that's the problem. If this government was more willing to listen to suggestions for changes and amendments, I would think that we should even consider in our parliamentary system changing the idea of the budget being set and not one nickel being changed or the government falls because of lack of confidence in the cabinet. I think we should examine that

fundamental tenet of democracy that the parliamentary system in England developed if we're really going to truly have a more democratic process in this Assembly.

4:30

Mr. Chairman, it would be nice if the Treasurer kept us up to date on things a little bit better. It's funny; as we get more effective as an opposition, the government gets more and more secretive. Instead of replying by saying, "Here are the books, and you're wrong; this is the way it really is," they've become more and more secretive, hide the books longer, and kid the people more about what's really going on and make it that much more convoluted and difficult for them to find out what's really happening.

You know, I can remember getting the December 31 quarterly of the Heritage Savings Trust Fund on February 13 a few years ago, when we first got elected. We've never seen one in recent years before April, May, June. Sometimes we can't even get it then. The government won't release the quarterly statement for the end of the year, of course, until they get the annual one out, because the quarterly report might give away some of the secrets in the annual report, as if there's some reason for secrecy. I mean, it might allow the opposition to plan some questions for the start of the heritage trust fund hearings. Maybe that would be what the problem is. Maybe the Treasurer wouldn't want to come to a hearing of the standing committee of the heritage trust fund if the opposition had the books long enough to prepare some questions before he got there. What they do is give out the books one day and start the hearings the next so that the Treasurer can get in and out before they have time to really get a thorough perusal of the details in the annual statement. In fact, I suppose he wouldn't even hand out the annual statement then if he didn't have to hold the hearings. He'd hold it till the end of the year like he's done with the public accounts.

You know, private companies usually put out their annual statements about three months after the end of the year, certainly within six months of the end of the fiscal year that they happen to have. The Alberta government could do the same. They have a perfectly competent accounting department. The Auditor General is a very competent person and has a very good staff, as we have reason to know, and he chafes at the restrictions placed on him by this Treasurer in not allowing him to report on certain government-controlled companies and those kinds of things. He finishes with his public accounts on time. It's the Treasurer that won't release them. He just sits on the books. Why doesn't the Treasurer give us a December 31 annual statement of the heritage trust fund? There's no reason in the world. I'll bet you that it's already run off and sitting in his office waiting to be distributed, but we won't see it for a while yet.

Why is it that every year we have to ask for the books for Softco? When we got the last annual statement for Softco - that is, Alberta 354713 Ltd. - we were 27 months out of date for any information on that company. When he gave us the books, then we were still 15. We are now close to two years again. I've got a question on the Order Paper asking for them and I've phoned his office asking for them, but I've had no reply in either case. Lord knows when we'll get it.

If the Treasurer expects us to co-operate with him in giving him interim supply, then he should at least have the courtesy to make information available to us, to tell us a bit about what these expenditures are for and why and ask for our approval. But if he's going to continue to play this game of secrecy, not telling the numbers and holding information back as long and as much as possible, and either just sit in silence or get up and make some

rhetorical comments, then he doesn't really deserve the co-operation of this side of the House. I have a hard time believing that the back-bench MLAs on the government side of the House can sit and listen to all the various questions, requests for information, suggestions, and ideas that we put forward and then still accept the Treasurer's nonanswers as to what's going on and go ahead and vote a vote of confidence for the Treasurer. It's quite incredible that we should have to put up with that kind of lack of accountability, I guess, for a better word.

Mr. Chairman, in spite of the fact that we have to pass these Bills, I may vote against it just as a voice of protest to let the people of Alberta know that I don't like what's going on.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Question?

Oh, the hon. Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Chairman. I just had a couple of points I wanted to raise under this appropriation. One is - you'll be interested in this - I see there are funds for renewable energy. We know in this province that there is a great untapped wealth of energy that this province would be very well positioned, both in terms of wind and solar energy, to pursue even more vigorously than we have. There's some concern, in fact, that taking the money out of the trust fund lessens the involvement that the Department of Energy itself has in terms of promoting this. Nonetheless, the money's there, and I'm appreciative of it. I think we need to even emphasize what a wise and far-seeing investment these funds are in this very often underemphasized sector of our energy production.

I am not sure, Mr. Chairman, why the moneys for the Husky upgrader are not included. My understanding was that the moneys for the construction of the Husky upgrader in Lloydminster come from the trust fund account. It is a capital project. It must be some other account over there that the minister has, but I would like to know where it is and why it's not listed here. Some of us are concerned that they keep wanting to come back to the public trough for more and more and more money. It begins to almost feel like the Walter C. Mackenzie Health Sciences Centre in terms of a capital project that was budgeted for a certain amount but they keep coming back to the public trough for cost overruns. If it's not in this account, where is it, and how much more are we liable for for that construction?

Thank you.

SOME HON. MEMBERS: Question.

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

[Title and preamble agreed to]

[The sections of Bill 8 agreed to]

MR. JOHNSTON: Mr. Chairman, I move the Bill be reported.

[Motion carried]

Bill 6 Appropriation (Interim Supply) Act, 1992

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: The question has been called.

[Title and preamble agreed to]

[The sections of Bill 6 agreed to]

MR. JOHNSTON: Mr. Chairman, I move that Bill 6, Appropriation (Interim Supply) Act, 1992, be reported.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. SCHUMACHER: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills. The committee reports the following: Bill 6, Bill 7, and Bill 8. There were no amendments.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

head: **Government Bills and Orders**
head: **Third Reading**

4:40 **Bill 8**
Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Interim Supply Act, 1992

MR. JOHNSTON: Mr. Speaker, I move third reading of Bill 8, the Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Interim Supply Act, 1992.

MR. SPEAKER: The Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. Just a couple of words on the general principles of the Bill. I haven't addressed anything during committee stage because the whole procedure of the interim supply more or less assumes that in spite of the kicking and squealing of the opposition, things are going to go ahead no matter what you say. Maybe you can have it recorded to send back to the constituents. I suppose that's some good too, but in my constituency they find things more interesting to read than interim supply debates. At least, I haven't been able to get them to read it in the last six years, so I didn't spend that much time on it.

I wanted to suggest to the Treasurer that this method of doing business adds fuel to the Reform Party's argument that we should be legislating some method of stopping government from borrowing past a certain amount. I think it's worth bringing to the attention of the House, Mr. Speaker, that interim supply as it's used here by this government is a farce and lends support to those in our society who argue that electing politicians to look after the Treasury is like asking a kid to look after a carload of chocolate milk shakes: the first thing that's going to happen is that it's going to disappear. Also, I think it's time that this government starting giving pretty serious consideration to a referendum, if you want to call it that, or a proposition 13 as you had in the U.S., or more likely a system whereby interim supply, although it could be used for emergencies here and there, couldn't be used as is done here, to run past the budget.

Deficit budgeting is one of the things that is bothering a great deal of our taxpayers out there now, Mr. Speaker, and I think they'd like to see some form of control whereby the government could not run the taxpayers of this province into a per capita debt past a certain amount without having a referendum back to the public. That would force the minister to either increase taxes or have a referendum in order to increase debt. What we have now is that the minister has the best of both worlds. He can dodge the bitter pill of increasing taxes until after an election and at the same time increase debt willy-nilly with an acquiescent back bench that probably hasn't read the interim supply any more carefully than I have. It's just whenever they clap their hands together, they all get up and sing together and say "aye." That's no way to be running a major business or a major government like we do in Alberta.

I just wanted to put the Treasurer on notice, saying that I'm going to start working towards some system that will nail his leash to the ground, Mr. Speaker, so that as far as he can gallop will probably be the length of this Chamber, not all over the place with millions and millions, literally billions, of dollars of debt with none of us having any control over that and his back bench having even less control than we do.

Thank you.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Yes, Mr. Speaker. Just a few points; I've already spoken to some extent on this Bill at other readings.

I guess the Member for Westlock-Sturgeon said something about borrowing, and it made me think that, in a way, the interim supply Bill could be looked at as a borrowing, if you like, from the financial assets of the heritage trust fund, money being put into the capital projects division of the heritage trust fund and then spent. The only problem is that they don't get paid back and there's no intention to pay them back, even though the Treasurer adds them to the deemed assets and claims that they're still an asset and therefore the heritage trust fund is still worth as much today as it was before. As I said a while ago, I was flabbergasted when he stood up in the House the other day and said he still thinks there's \$15.3 billion in the heritage trust fund. According to the balance sheet I have from the quarterly statement of September 30, there's \$3.2 billion in these deemed assets, and as I recall, the Auditor General was very specific about telling him: "Look, you really can't count those as assets anymore. That money was spent, and you aren't likely to get it back." So the Treasurer should stop doing that. In fact, what he really should do with the \$110 million or so – whatever it is that he intends to spend this year, of which he's asking \$55.8 million right now – is shift these expenditures over to where they belong, and that is to the general revenue account. It would make a lot more sense, Mr. Speaker.

To continue to spend money without an offsetting revenue statement doesn't make any sense. What the Treasurer is doing by dividing his budget into three parts, like he does, is it allows him to say that we've got a surplus in the general revenue expenditures when in fact we haven't. Even if you look at those numbers closely, if he had been looking at his revenues and expenditures in a realistic manner, he should have known he would have a billion-dollar deficit in those figures instead of a \$33 million surplus, but he just changed the numbers to make it look good.

Apart from that, the Capital Fund and the heritage trust fund expenditures are separate, and they should all be put together in one comprehensive statement, as I said a few minutes ago. One way to do that and to simplify things would certainly be to take these expenditures that are made out of the capital projects

division of the Heritage Savings Trust Fund and put them back into the departments' budgets where they belong. So when we debate Agriculture, we would find the Farming for the Future program in the general revenue expenditures there, and the irrigation rehabilitation and expansion program, private irrigation development assistance, and so on. In other words, asking for this money out of the Heritage Savings Trust Fund is just a way to hide from the people of Alberta that you are spending money without really owning up to the effect it has on the budget.

The Auditor General, of course, doesn't allow the Treasurer to get away with that in the long run. He does a consolidated statement where he puts together all of those three aspects of the Treasurer's budget plus some commercial enterprises and some government agencies, provincial agencies, that need to be counted in, and he comes up with a consolidated statement.

I would like to say to the Treasurer that if he had recorded what was really being spent last year in his budget in a straightforward way to the people of Alberta, he would have estimated a \$1 billion to 1 and a half billion dollar deficit. But since we turned out to have a very difficult year last year, it's going to be even worse than that. The deficit will be \$2 billion to 2 and a half billion dollars, about \$2 billion on the general revenue side and about 2 and a half billion dollars on a consolidated basis, so it gives him a difficult position from which to work to stimulate the economy. As I was mentioning earlier, when the Premier says he wants to stimulate the economy, the Treasurer will have to bring in a budget in the near future of some 3 and a half billion dollars' deficit to really have, in effect, a stimulative budget. I doubt that he's prepared to do that because, as the Member for Westlock-Sturgeon indicated, of course the government is looking over its shoulders at the Reform Party people, who are not exactly in favour of having big deficits. Nobody is. Nobody wants us to have big deficits, but the government has been unable to balance its budget over the six years since the big downturn in the oil prices back in 1986, and they've got a built-in \$2 billion problem that they don't seem to know how to get around.

I guess one of the things we think is that if you were just to be a little more straightforward with the people of the province on exactly where you stand and where the money is being spent, it would be helpful. One of the things we should do, then, with the heritage trust fund is sort of reorganize it and take the expenditures under the capital investment division that the Treasurer is asking for interim supply on and put them back into the general revenue account.

The other thing that he could do is rationalize the rest of the heritage trust fund into two sections. I think my colleague from Calgary-Mountain View elaborated on that the other day, so I won't spend a lot of time on it. But the one division, the securities and investment division that we're suggesting, would encompass the cash and marketable securities section, the Canadian investment division, and the commercial investment division and would be the income-earning asset part of the heritage trust fund. All the other assets could be put into the Alberta research and development division, not unlike the present Alberta division but with a little different purpose. We certainly have to rationalize out of that the problems with those Crown corporations which are losing money and which the government claims are making money every year.

It seems to me there is a whole reorganizing of the heritage trust fund that would allow the people of Alberta in a more straightforward and simple way to see exactly where they stood with the heritage trust fund. It should also, of course, give us more up-to-

date and better information. I'm still waiting for the December 31 quarterly statement. The last one we have is for September 30, which is quite ridiculous. There's no need to be that far out of date for the members of this Assembly or the people of Alberta. The Treasurer could, of course, keep us up to date on a much more timely basis than that. I guess that about covers the aspects of the heritage trust fund.

4:50

Mr. Speaker, I was talking about misinformation in the heritage trust fund, and there is one other little point of misinformation out among the people of Alberta. They complain quite a lot about the loans to other provinces. I'm sure it's because they've heard about some of the low returns we've got back from Vencap in recent years, and they tend to project that onto these loans to other provinces and think that some of the other provinces haven't paid the loans back and the interest payments. Of course, I assured them that in fact the loans to other provinces were probably one of the best investments made by the heritage trust fund. For one thing, it was an astute political move on the part of the former leader that did this. It was pretty hard for Quebec and provinces in the maritimes to complain about Alberta having a lot of money in the heritage trust fund if they were in fact getting some of that money, even if it was on a borrowed basis at commercial interest rates. So it is, as I assure people, one of the better parts. The other provinces do not default on their payments, and it's one of the better income-earning assets of the heritage trust fund that is rock solid. They're usually relieved to find that.

It's really instructive and interesting that the people of Alberta have little good information about the heritage trust fund and trust the government's information so little that they ask those kinds of questions and sort of say that there isn't any money left in the fund, is there, and the loans to the other provinces were really disastrous, weren't they? "We're not going to get that back," and this kind of thing.

So I say to the Treasurer that he really shouldn't try to kid people that there's still \$15.3 billion in the heritage trust fund. He should be more timely in the release of information. He should be more forthcoming in his explanation as to why they need this interim supply Bill money. He should find a way – again, these expenditures on irrigation or water management should be put into perspective. Somebody should take overall responsibility and put them all together so we can see what's being spent each year without having to go through three different sets of books and try to figure out what each one is for and have three different ministers to ask about them in three different sets of discussions. The government just does a bad job of explaining to the people of Alberta what's going on. Of course, the final insult is that they don't even want to release the public accounts. I don't know how many times we're going to ask or how many times we're going to have to say this before the Treasurer actually releases them. As I said earlier, I expect he'll release them about the same time he brings in his budget so the people of Alberta will have to try to comprehend three different years' budgets all at once, and that's just very difficult to do, to keep all of that straight.

I raised the questions and made the points, and it would be really nice if somebody on the other side had some answers. But I guess we shouldn't expect it. We haven't got it before. We'll only get it when we form the government, and we'll do that soon.

MR. SPEAKER: Summation? Call for the question.

[Motion carried; Bill 8 read a third time]

Bill 6
Appropriation (Interim Supply) Act, 1992

MR. JOHNSTON: Mr. Speaker, I move third reading of Bill 6, Appropriation (Interim Supply) Act, 1992.

HON. MEMBERS: Question.

MR. SPEAKER: Call for the question.

[Motion carried; Bill 6 read a third time]

Bill 7
Appropriation (Alberta Capital Fund)
Interim Supply Act, 1992

MR. JOHNSTON: Mr. Speaker, I move third reading of Bill 7, Appropriation (Alberta Capital Fund) Interim Supply Act, 1992.

MR. SPEAKER: The Member for Edmonton-Centre.

REV. ROBERTS: Thank you, Mr. Speaker. Before this rushes its way through third reading, I'd like to have some clarification about an issue I think I've raised before. Again, I'm not expecting any answers, like the Member for Edmonton-Kingsway. It has to do with how we can responsibly continue to allocate funds to capital projects without knowing how, from an accounting point of view, the depreciation of these assets is being booked or accounted for. The depreciation allowance, as most of the Conservative members across the way will know, in private business is something that has to show on the books, and there are different ways of calculating depreciation.

I don't want to get into them all this afternoon, but I'll tell you something. You know, in this debate raging now between the values and virtues of the Canadian versus the American health care systems, I read something recently from the Heritage Foundation of Washington, D.C., a very right-wing think tank down there. Actually, one of the members on it is a former director of Crownx Canada, which as we know is a private, for-profit nursing home chain in Canada. He'd be interested in seeing this appropriation Bill here before us, because he was arguing that in fact it's unfair for Canada to look at its total cost for health care because if we were a private, for-profit system, as they are largely in the U.S., private hospitals there have to go out and raise money in the money markets and have to write that interest and depreciation and then show the depreciation on the books. It forces the costs up and the overall value of the asset has to be managed.

As we know in this province, hospitals last maybe in the neighbourhood of 20 years. We see them tearing down the 54 wing of the University hospital; I guess that's 30 years. Who's paying for these assets as they depreciate, Mr. Speaker? Now, here we're supplying another \$121 million for capital expenses throughout the province: postsecondary education facilities, special waste facilities, housing, hospitals, and economic development infrastructure. Maybe again it's in the public accounts or some other system that shows how this money's accounted for and how much of the money that we continue to pour into the upgrading or the capital assets of these projects pays for the depreciation. But as I say, it's a mystery to me, and it's being used against us by those who say we're not carefully accounting for these costs. Before this passes third reading, it would be very helpful to those of us on this side of the House, as well as for accountants throughout the province and others who are critical of us, to know the answer to some of these questions.

MR. SPEAKER: Thank you.

Additional? Provincial Treasurer, summation?

SOME HON. MEMBERS: Question.

[Motion carried; Bill 7 read a third time]

head: **Consideration of His Honour**
head: **the Lieutenant Governor's Speech**

Moved by Mr. Lund:

That an humble address be presented to His Honour the Honourable the Lieutenant Governor as follows:

To His Honour the Honourable Gordon Towers, Lieutenant Governor of the province of Alberta:

We, Her Majesty's most dutiful and loyal subjects, the Legislative Assembly, now assembled, beg leave to thank Your Honour for the gracious speech Your Honour has been pleased to address to us at the opening of the present session.

[Adjourned debate March 25: Mr. Ewasiuk]

MR. ANDERSON: I'm pleased to take this opportunity to say a few words with respect to the speech from His Honour the Lieutenant Governor. I would first like to echo the congratulations echoed by many other members to His Honour for the gracious speech and the manner in which he's carrying out his responsibilities, and to say once again to you, Mr. Speaker, how much your leadership in a difficult position is appreciated.

I might also add a personal note with respect to changes in your own staff, the Table officers in this House. I know you may well regret the loss of others, but I think you've chosen wisely in the appointments you've made. I look forward to working with the new staff that have been appointed to the House and particularly, too, with your Clerk Assistant, whom I have spent so many years with and who has done such an excellent job in her work with committees from back in the days when you and I were dealing with the Senate reform issue that's now so topical in this House.

5:00

I would, as well, like to thank the members who moved and seconded the Speech from the Throne. Those colleagues of mine in the House well represented the feelings of Albertans when they responded to the speech and to the challenges that Alberta now faces in this country and with our province.

If I could, I would like to take this opportunity to thank the citizens of Calgary-Currie for what is now the 13th year that they've given me the privilege of representing them in this Assembly, as your constituents have you, Mr. Speaker. It doesn't seem like 13 years some days, and then on other days it seems like it could have been a bit longer than that. It has been an experience one could not get any other way, and it has been an honour, above all, to represent the citizens of the province.

Having now been mindful of the time I've spent in the House, I'd like to make a few remarks about our democracy in general and our system and problems that we now face in our nation. However, I know that my constituents would want me to first start with the statement that above all in this province at this time they are concerned most with the economy of the province. I am sure pleased that that has been recognized in the Speech from the Throne and the programs of this government.

There is no question that many citizens in my constituency have faced a difficult time with jobs, particularly in the energy sector, and look forward to the further development of our diversification programs, which have given us stability at this time of difficulty

in that particular area. My constituents tell me from time to time that above all they want us to deal with the economy in an honest, straightforward manner and in a manner which will try and determine in the long run the system in which they can progress and obtain jobs for their children as time goes along. I believe that the Speech from the Throne has those elements and has that plan and recognizes that at this particularly difficult time for some Albertans, we must be a government which stimulates the economy yet still recognizes the overall need of economic restraint and economic planning for the future of our province.

Mr. Speaker, Calgary-Currie is a microcosm of urban communities in the province. As members know, this constituency has those who are students at Mount Royal College, those who are soldiers in our armed forces stationed at Canadian Forces Base Calgary, and it has citizens from all walks of life, all occupations, all backgrounds, and all points of view. The latter is sometimes a challenge to represent but nonetheless makes it more interesting and has the benefit of allowing me the best in advice and thought in terms of the points of view that Albertans have in the province.

I would like to say, Mr. Speaker, that next to the economy and jobs, many of my constituents express continuing concerns about the nation and the position we find ourselves in at this time in Canada's history. It's difficult for many to understand why a country with such benefits, a country with so many possibilities, a nation which is considered second to none in the world is now balancing on the edge of potential destruction. Those constituents that I've talked to state over and over again that they want me to ensure that that nation stays together, that those benefits we've received are enhanced, and that opportunities for the future are there.

They also, Mr. Speaker, have indicated firmly that it is now the time in the history of this country that the new vehicle we design for the future of our nation has within it the mechanisms that are required to make every Canadian equal and every province equal in terms of protecting its ability to work in the best interests of its citizens and to deal with the future possibilities that are there in the province of Alberta or in the province of Prince Edward Island or other parts of the nation. The opportunity that I've had, the special privilege to work on the Select Special Committee on Constitutional Reform has once again given me an opportunity to talk to Albertans throughout the province and has made the opinions of Albertans more apparent to me with respect to the strong position that we must take for our nation and for the position that we have within our nation.

I must here congratulate the hon. Deputy Premier and chairman of the select special committee for the way in which he handled the difficult deliberations of that committee. Having served on a number of them in the Assembly, it's my belief that there has been no committee better dealt with than that particular committee, and the chairman deserves the lion's share of the congratulations for that work.

I would also like to say to members of the committee from all sides of the House – Liberal, ND, and Conservative – that by and large I felt we worked in a co-operative manner and in a manner in keeping with the desire of the citizens of this province for us to do away with partisan concerns in this debate and to concentrate on what Albertans want us to do in this national debate. I look forward to further discussion on that when the motion now before the Assembly comes up for discussion.

But a couple of things are clear. We must continue to fight, as the Premier indicated on the weekend, for an equal, elected, and effective Senate in this province, and not because it's a cliché. It is because it is a principle. It is not a demand of Alberta as a parochial place wanting something only for its own vested interest.

In fact, the majority of Senate proposals that are now on the table might well give Alberta more seats than an equal Senate, but the citizens believe firmly that only through the concept of an equal body to represent the equal partners in Confederation will we be able to ensure that the principles of our federation are taken into account and dealt with correctly. Nobody has questioned the paramountcy of the House of Commons in terms of the body that operates the nation, in terms of the body which represents the population according to its numbers in this country. But any suggestion that a Senate also be based on the same philosophy flies in the face of the requirement for a Senate of Canada. If we have a Senate based in any way on representation by population, we do away with the reason a Senate needs to be in place in this nation. I endorse the remarks of the hon. Premier that it is not a matter of Alberta trying to be inflexible in the face of the needs elsewhere in the nation, but rather of Alberta saying to all Canadians, "Here is a principle which we can all gain through, which we can all have as a safeguard on our democratic system, and is it not time that we recognized that need?"

5:10

I'd just like to very quickly deal with a couple of arguments that are often made against an elected, effective, and equal Senate, particularly the equal portion. There are those who say it would be unfair to the two large provinces in the nation and that those two large provinces now have 23 percent each of the current Senate, and why should they go down to 10 percent of a reformed Senate? To those people I say, "What has 23 percent ever done for the province of Ontario in the current Senate, or what has the 23 percent of the members that the province of Quebec has done for the province of Quebec?" I've yet to have anyone answer that that has been of benefit to those two parts of our country. So the question is invariably there: is not 10 percent of something worth a lot more than 23 percent of a body that has been totally ineffective in our nation?

There is another argument that's often used against the concept of an equal Senate, and that is the belief that 17 percent of the population, the four Atlantic provinces and Saskatchewan and Manitoba, could overrule something that the House of Commons put in place and, therefore, a small portion of Canadians could overrule the will of the majority. But I ask again: is there anyone in this House or elsewhere who believes that we should enact a Bill that fundamentally changes the nature of or is not to the benefit of those six provinces? Would we want six provinces in our country to be disadvantaged by a decision of the federal government? I know that I would not, and I would not want that done to Alberta, nor would I want to see it done to other parts of our nation in terms of passing a Bill which was totally against the feelings and the wishes of such a large portion of our very diverse nation.

Mr. Speaker, moving from the constitutional topic – and as I said, I would like to address that further in the future – I want to just say a couple of words about this Assembly. It has been a long time that we've sat in this Assembly together. It is an Assembly with traditions and values that stem many years back in history, and to some extent those of us who have so honoured those traditions through the years are now being faced with challenges from members of our public, members in my constituency, who are saying: "Are you fully representative of the needs that we have today? Are we in a position that the Assembly, the system we have here and now, still represents all in the way that it was originally intended?" I think the answer, by and large, is yes, but at the same time we have to take a look at how we can do things better. There have been proposals suggested which would

perhaps reduce the partisan nature of the various parts of the House. I might say, not from a government perspective but from the perspective of a member of the Legislature who's been elected to serve here, that it is time that we consider options, that we look at ways of operating that allow the constituents that we represent to know that their interests are represented first and foremost.

I again would like to indicate that the Speech from the Throne has a number of propositions in it and at least a suggestion that we would take a look at reforms in this Assembly. The constitutional committee has specifically suggested that a committee be established that would look at our process and free votes and the concepts of operating in different ways. Citizens around this province had suggested that in fact we consider that seriously. They tied that to constitutional change. They said that if we're going to change the way our nation works, we should also look at the way our Legislature works and deal with that appropriately.

Mr. Speaker, noting the time, I would like to move to adjourn this particular debate and hold other remarks until another day.

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

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

AN HON. MEMBER: No.

MR. SPEAKER: Carried.

head: **Royal Assent**

MR. STEWART: Mr. Speaker, His Honour the Honourable the Lieutenant Governor will now attend upon the Assembly.

[The Deputy Premier and the Sergeant-at-Arms left the Chamber to attend the Lieutenant Governor]

[The Mace was draped]

[The Sergeant-at-Arms knocked on the main doors of the Chamber three times. The Associate Sergeant-at-Arms opened the door, and the Sergeant-at-Arms entered]

SERGEANT-AT-ARMS: All rise, please. Mr. Speaker, His Honour the Lieutenant Governor is without.

MR. SPEAKER: Sergeant-at-Arms, admit His Honour the Lieutenant Governor.

[Mr. Speaker left the Chair]

SERGEANT-AT-ARMS: Order!

[Preceded by the Sergeant-at-Arms, His Honour the Lieutenant Governor of Alberta, Gordon Towers, and the Deputy Premier entered the Chamber. His Honour took his place upon the Throne]

5:20

HIS HONOUR: Please be seated.

MR. SPEAKER: May it please Your Honour, the Legislative Assembly has, at its present sitting, passed certain Bills to which, and in the name of the Legislative Assembly, I respectfully request Your Honour's assent.

CLERK: Your Honour, the following are the titles of the Bills to which Your Honour's assent is prayed.

[The Clerk read the titles of all Bills to which third reading had earlier been given]

[The Lieutenant Governor indicated his assent]

CLERK: In Her Majesty's name His Honour the Honourable the Lieutenant Governor doth assent to these Bills.

SERGEANT-AT-ARMS: All rise, please.

[Preceded by the Sergeant-at-Arms, the Lieutenant Governor and the Deputy Premier left the Chamber]

[Mr. Speaker took his place in the Chair, and the Mace was uncovered]

MR. SPEAKER: Be seated, please.

[At 5:26 p.m. the Assembly adjourned to Tuesday at 2:30 p.m.]

