

## Legislative Assembly of Alberta

Title: **Monday, April 13, 1992**

**2:30 p.m.**

Date: 92/04/13

[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: **Tabling Returns and Reports**

MS BETKOWSKI: Mr. Speaker, I'm pleased to table with the Assembly the annual report for 1991 of the Utilization Monitoring Committee of Medical Services. A copy will be distributed to all members of the Assembly.

head: **Introduction of Special Guests**

MR. TRYNCHY: Mr. Speaker, it's my pleasure today to introduce some 60 people from the constituency of Whitecourt: 50 students and 10 adults. Before I ask them to rise, there's a young lady, Carmen Blake, who was a finalist in the provincial soil conservation poster contest. They're seated in both galleries. I'd ask them to rise and receive the welcome of the House.

MR. SPEAKER: Redwater-Andrew, followed by Edmonton-Avonmore.

MR. ZARUSKY: Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and to the Assembly three gentlemen from the Redwater-Andrew constituency: Mr. Nick Kutash, reeve for the county of Two Hills; Mr. Albert Topolnisky, councillor, county of Two Hills; and Mr. Paul Chomay from the village of Thorhild. They're here to observe question period and maybe introduce it in their council meetings. I'd ask that they rise and receive the warm welcome of the Assembly.

MS M. LAING: Mr. Speaker, it gives me great pleasure today to introduce to you and through you to members of this Assembly 29 students from J. Percy Page high school, which is in the constituency of Edmonton-Avonmore. They are accompanied by their teacher Ms Julia Kendal. I would ask that they now rise and receive the warm welcome of this Assembly.

MR. SPEAKER: Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. I would like to introduce to you and through you to the Legislature six students and their teacher from the Alexander Indian reserve school. They are Tracy, Anita, and Malinda Arcand, Kim Paul, Juanita Cardinal, accompanied by their teacher Tim Margetts. Would they stand and receive the recognition of the Legislature.

MRS. McCLELLAN: Mr. Speaker, it is my pleasure to introduce to you and through you to members of the Assembly the 1992 national soil conservation poster winners. They are seated in the members' gallery, and I would ask that each one stand as they're introduced and remain standing. The poster winners are Eric Brandley, Karren Leishman, and Michael Balderson, all from

Magrath, and Carmen Blake from Whitecourt. The winners are accompanied by their family members as well as Barb Shackel of Alberta Agriculture, Bryan Hearn from the Alberta Conservation Tillage Society, and Alan Stewart from PFRA. Please provide all of our guests with the customary warm welcome.

head: **Ministerial Statements**

**Soil Conservation Week**

MRS. McCLELLAN: Mr. Speaker, today marks the beginning of National Soil Conservation Week. During this week governments and conservation groups across the country will be raising awareness of soil conservation issues in an effort to educate the public about the causes of and solutions to soil degradation. In recent years we've all become more sensitive to environmental issues and have reduced waste, increased recycling, and learned to show greater respect to the land, water, and air. To a farmer environmental protection is nothing new. The land provides a living and therefore must be protected, nourished, and replenished. All levels of government, together with producer groups across this province, have dedicated themselves to the task of preserving this valuable yet fragile resource.

Mr. Speaker, this year will see the conclusion of two highly successful conservation agreements, the Canada/Alberta soil conservation initiative and the Canada/Alberta soil, water, and cropping research and technology transfer agreement. After careful review of past experience our department is developing a new long-term strategy to ensure that the soil remains productive and that agriculture remains an integral part of our economy.

This week, Mr. Speaker, government, producers, private firms, the media, and concerned individuals will be joining us in hosting a wide range of activities aimed at educating the public about soil conservation. The Provincial Museum will feature a soil conservation display. Rural Alberta households will be receiving a conservation tabloid. A theatrical production entitled *Creatures of Habit* will be premiered. Producers and department experts will be making themselves available to the provincial media to spread the word about this important issue.

I enlist the help of all members of the Legislature in trying to promote soil conservation. You have received a kit containing among other things an article written by former Calgary Flame Lanny McDonald, who incidentally was raised on a farm in my constituency, an area which has experienced the challenges of devastating soil erosion but which has reclaimed and restored the land through sound land management practices. Mr. Speaker, I would like to say how pleased I am that Lanny McDonald has agreed to help out with our awareness-raising activities.

I invite all Albertans to participate in some of the many activities planned and learn how they can become a part of the solution. Soil conservation is not in the hands of the person next to you. Soil conservation is in our hands, yours and mine.

Thank you.

MR. MARTIN: Well, Mr. Speaker, I don't have the statement in front of me, but I listened intently, and I think it's a very good ministerial statement. As we talk about the environment and the future, surely one of the most important things is the soil that we grow our food on. Certainly we would support the minister in terms of this week being declared Soil Conservation Week.

Mr. Speaker, as the minister mentioned, all farmers that I know of, at least, have great respect for the land. They have no choice but to have that respect for the land for future generations. I would say also to the minister that the future of the family farm, the financial squeeze that they're in and the cash flow problems

– and this has been told to me by farmers. Sometimes they do things to their land for the quick fix; in other words, sometimes they have no choice, they feel. They overuse chemicals or pesticides or whatever. So I think we have to deal with both ends of it: the debt, the problems that the family farm is facing. If we don't deal with that end of it, I suggest to you that in the short fix people will be doing things to make the quick buck, and I don't necessarily blame them for that. Sometimes it's just survival, Mr. Speaker.

2:40

I would also commend the minister for, I think, a very good choice in Lanny McDonald, an excellent choice and somebody that's respected right across the province. It's her constituency, but as she knows, my hometown is Delia. If I may say so, I used to play against his father, and he was certainly mean on the boards, I'll tell you.

So all in all, I support the minister's statement, Mr. Speaker.

### Speaker's Ruling Ministerial Statements

MR. SPEAKER: Just a small procedural difficulty. As the Leader of the Opposition pointed out, it is customary for copies of ministerial statements to be delivered not only to the Leader of the Opposition but also the Chair before they're delivered. Please and thank you.

On this day it's nice to note a good, successful Calgary Flame, since they've now been eliminated from the play-offs.

head:

### Oral Question Period Municipal Financing Corporation

MR. MARTIN: Mr. Speaker, frankly this government has been evasive in its answers to our questions about the fate of the \$300 million surplus in the Municipal Financing Corporation. We now know why. We now know that the government plans to take some money for the General Revenue Fund and pay the balance back to municipalities through AMPLE grants. Last year it was lottery grants. This year it will be the Municipal Financing Corporation surplus, whatever it takes to inflate the revenues and make the deficit look smaller. That's what this exercise is all about. My question to the Minister of Municipal Affairs: as the advocate for local governments why did the minister allow this raid on revenues that we believe rightfully belongs to the municipalities?

MR. FOWLER: Mr. Speaker, I think the hon. Leader of the Opposition is well aware that the Budget Address is being made this afternoon, and what he is questioning refers to the 1992-93 budget. While I may of course, as expected, be in a position to respond to some of those questions, I think the people of Alberta have a right to hear the Budget Address as delivered by the Provincial Treasurer this afternoon.

MR. MARTIN: This is not a secret anymore. It's been told to the mayor of Calgary. We know it's coming down, so don't hide behind the budget. Let's answer the questions now.

Mr. Speaker, what I'm saying to the minister is that this is a little bit like me being charged too much for my credit card, and then the credit card company turning around to the bank and saying, "You can have some, and then we're going to share the rest with the rest of Albertans." That's really what it's about. Now, my question to the minister is simply this: doesn't the minister see the basic unfairness of taking money from local authorities, who paid high interest rates during some very tough times? Surely this money should go back to them.

MR. FOWLER: This government, of course, agrees completely with the hon. Leader of the Opposition, Mr. Speaker, and has set that plan in stage long before the questions that have arisen today. In fact, I am pleased to advise this Assembly and all members of it, for those who have not been able to determine it from past budgets and accounts, that this government has in fact helped with the debt management of municipalities in the amount of approximately \$2 billion up to this year. [some applause]

MR. MARTIN: The backbenchers can clap all they like and pound all they want. That wasn't your money; it's the taxpayers of Alberta.

What we're talking about is a very specific program, Mr. Speaker, where you're basically going to raid that money that they paid too much for. My question is simply this: how is it fair when some money goes to AMPLE grants, which basically benefit all local authorities, and it's not going back to the people who contributed it? How is that fair?

MR. FOWLER: It's most distressing to get that kind of question, which indicates as proof positive that the Leader of the Opposition has no understanding at all not only of our budget process but where the money comes from and where it goes. Mr. Speaker, I wish to advise that the money that has been distributed to date, the \$2 billion, does in no way, shape, or form belong in some manner to the municipalities. It does, in fact, belong to all Albertans, as most of it comes out of the General Revenue Fund.

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

MR. MARTIN: Mr. Speaker, I'd like to designate my second question to the Member for Edmonton-Calder.

### Social Policy

MS MJOLSNESS: Mr. Speaker, there are thousands of children living in poverty in Alberta, but obviously they are not a priority for this government. The throne speech mentions nothing about helping these children. There are many issues relating to poverty, but one consequence is that children go hungry, which has a serious effect on their ability to learn. One possible solution is a breakfast or lunch program in schools, which was endorsed at the Alberta Teachers' Association conference on child poverty this past weekend. I'd like to ask the Minister of Family and Social Services: given that food programs work to help these children and that business and community members are prepared to share in the delivery of these programs, will the minister now agree to take immediate action and develop programs in schools where there is a need for these kinds of programs?

MR. OLDRING: Let me first of all say that I think all of us in this Assembly share the concern as it relates to child poverty. It's something that needs to be addressed not only at a local level and a provincial level but a national level. It's also of interest to note that as we look at national statistics, through the most recent information I've been provided with, we find out that the lowest level of growth as it relates to child poverty is occurring in Alberta and in Manitoba. Now, Mr. Speaker, I don't know if that's a reflection on the governments of those two provinces, but it's also interesting to note that the highest rate of growth is occurring in Ontario and in British Columbia.

As it relates to the suggestion that we need to make more food programs available in schools, that's occurring. It's occurring here in Edmonton, it's occurring in Calgary, and it's occurring

through a partnership arrangement. In some instances it's available as a result of additional funding being made available through the Ministry of Education. In others, Mr. Speaker, it's the community responding . . .

MR. SPEAKER: Thank you hon. minister.  
Let's go. Supplementary.

MS MJOLSNESS: Mr. Speaker, in most cases it's the community responding. This government's done very little to help these children.

We'll move on to something else. Children experience the effects of poverty before they are even born because inadequate food for the mother jeopardizes the healthy development of the fetus. My second question to the minister is: given that the extra food money available to pregnant women on social assistance is a mere \$20 a month, will the minister now agree to increase the supplementary benefit, which has not been increased in almost 10 years?

MR. OLDRING: Mr. Speaker, again this government and the taxpayers of Alberta are responding with almost a billion dollars to support our supports for independence program, almost a billion dollars invested in helping those Albertans that genuinely need help. Our commitment is substantive, and we're going to continue to make sure that we provide for those essential necessities that Albertans require: food, shelter, clothing, medical, dental, optometric needs. The list is exhaustive. We offer a very comprehensive program of support.

MS MJOLSNESS: We're talking about unborn children, Mr. Speaker.

The minister developed the supports for independence without public input, and the minister was told this weekend at the conference that this program isn't working and that people were not consulted. My last question to the minister is: will the minister promise that before he implements any major changes to existing programs or develops new programs he will consult with service deliverers and recipients to ensure that these programs are effective?

MR. OLDRING: Well, again, as is so often the way with the members opposite, the member is ill informed. To suggest that we didn't consult Albertans as we went through massive changes to our supports for independence program is absolutely wrong. I can tell the member unequivocally that I personally met with hundreds of community agencies and frontline social workers across this province. I met with one frontline income supports worker from every office in Alberta, myself and that frontline worker. Mr. Speaker, I met with advocacy group after advocacy group. I met with single-parent mothers who are on our system – exhaustive consultation. We on this side of the Assembly believe that consultation is important. We know that we don't have all of the answers, and we don't pretend to have all of the answers. That's why we place such a high emphasis on working with Albertans, consulting with Albertans, and partnering with Albertans: to make sure that we provide the adequate solutions.

2:50

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

#### Auditor General's Report

MR. DECORE: Thank you, Mr. Speaker. When someone is in big financial difficulty, like the provincial government finds itself

in now, they often employ accounting techniques that are, to say the least, weird. Mr. Premier, when the Attorney General of our province in his most recent report says that the deficit is \$1.8 billion, why do spokesmen from your government tell Albertans that it's substantially less?

MR. GETTY: I think, Mr. Speaker, that the hon. member meant to refer to the Auditor General instead of the Attorney General in that case.

I find it strange, Mr. Speaker, when we know that the Provincial Treasurer will be dealing with the provincial budget in an hour from now, that the hon. members continually want to try and anticipate things that he'll be saying there.

MR. DECORE: The Premier isn't listening. I'm talking about the Auditor General's last report, which was tabled last Friday.

My second question to the Premier, then, is this. Independent analysts, including the Auditor General in his most recent report, say that the debt picture for Alberta is substantially greater than the \$11 billion figure that the Premier and other spokesmen of his government use. Why, Mr. Premier, are you only telling half of the story to Albertans?

MR. GETTY: Well, Mr. Speaker, the hon. member said I wasn't listening. I was gracious to him in trying to guess whom he was referring to when he said the Attorney General. He must have been referring to the Auditor General, and I tried to point that out to him.

Mr. Speaker, when you talk about half the story, anybody who has any sense about a balance sheet surely knows that you don't do as the Liberal leader tries to do: first of all, you try and get only liabilities. Now, what kind of a balance sheet is that? A business would never do that. Individuals would never do that. Governments don't. You have liabilities, yes, but you always put beside them assets – a tremendous list of assets in this province. For the hon. member to say that we are in some kind of a crisis or something in terms of debt is absolutely false.

MR. DECORE: Mr. Speaker, the Premier needs to read the Auditor General's report. That report says that the debt situation for Alberta is some \$15.7 billion. The Premier and the Treasurer and the other spokesmen of government are saying \$11 billion. Why not tell us the truth? Why not tell Albertans the truth? Why not give a proper accounting to Albertans, Mr. Premier?

MR. GETTY: Again, Mr. Speaker, I guess there were three or four questions there. You are being very nice to the hon. leader of the Liberal Party today. I guess he needs help. He says that he feels worthless here.

The member and the Provincial Treasurer have been using different bases to try and make certain arguments. The member throws in things that the Provincial Treasurer points out are funded in a different way or shown in a different way. Now, if he just waits, he'll have the Provincial Treasurer here for the budget, and I'm sure he'll be pleased with the budget, Mr. Speaker.

I draw again to his attention – perhaps it's the profession the hon. member practises – that nobody puts up just liabilities. People put up assets and liabilities. If you have liabilities – sure, no one likes liabilities, but you have them – then you have things like your heritage fund. You have your resources. You have your forests. You have your lands. You have your buildings, bridges, roads. We have a tremendous province here. It's just sad, in a way, that the hon. member is so negative about this magnificent province of ours.

### Speaker's Ruling Anticipation

MR. SPEAKER: Before we continue, the Chair needs to point out that all three caucuses were contacted earlier today to say there would be no questions about the budget. The Member for Edmonton-Glengarry has been skating a very thin line with respect to this. [interjections] Thank you, hon. members.

The Member for Highwood, followed by West Yellowhead.

MR. DECORE: A point of order.

MR. SPEAKER: Take your place, hon. member. Thank you. It was duly noted.

### Highwood River

MR. TANNAS: Mr. Speaker, I'll direct my questions today to the Minister of the Environment. Many people in my constituency of Highwood are concerned about the low snowpack in the mountains and therefore the consequent low runoff in the streams. Last week a meeting was held involving users and interest groups in the Highwood area to discuss with the members of the Department of the Environment the guidelines for 1992 diversions. I ask the minister: did anything useful come from this meeting that his department can act upon?

MR. KLEIN: Mr. Speaker, I guess one useful thing that came out of the meeting was that it was not an acrimonious meeting. I understand that they weren't shouting at one another, which is a good start. You know, there's an old saying that whiskey's for drinking and water's for fighting over.

Basically, there were a number of recommendations put forward, and those recommendations are under consideration now. We did take the interest groups down to the proposed diversion site and went through the program with them. In very short order we hope to have those guidelines in place.

MR. TANNAS: Mr. Speaker, I'd like to again ask my question to the Minister of the Environment and be a little more direct. I would ask the minister if any specific guidelines for minimum flow in the Highwood River were established or even approached in this meeting.

MR. KLEIN: Mr. Speaker, relative to minimum-flow guidelines, we're looking at basically what was put in place last year. Certainly there were requests to have those guidelines increased, and we have that under consideration. We have to keep in mind that we have an obligation to the irrigating farmers on the Little Bow. There has to be that balance: we have to maintain the quality of the water on the Highwood River, and at the same time we've got to make sure that those with licences to draw water in fact get their allocation of water.

I must stress once again, Mr. Speaker, that the answer to this question is to get on with the enhancement of that diversion so that we can perhaps capture the flush or otherwise store that water so that the irrigating farmers can have a constant and assured supply of water.

### Tourism

MR. DOYLE: Mr. Speaker, Albertans are aware at a time of growing budget deficits of the importance of eliminating government waste. That is why it's distressing to read in the Auditor General's report that the department of tourism has awarded

contracts worth over \$500,000 without public tender. How could the minister of tourism justify spending hundreds of thousands of dollars per year on contracts and consulting studies, some of which aren't even tendered, while at the same time continually cutting funding to regional tourism associations?

MR. SPARROW: Mr. Speaker, the Auditor General's report is a very thorough one, and the deputy minister of the new Department of Tourism, Parks and Recreation has thoroughly gone through the report. Adjustments and processes have been put in place that are in agreement with the Auditor and will be followed through to make sure that in the future problems similar to those he found will not reoccur.

MR. DOYLE: Mr. Speaker, at the same time that this government is spending hundreds of thousands of dollars on the consultation process called Toward 2000 Together, the minister of tourism is spending tens of thousands more on a parallel process called Tourism 2000 chaired by the Member for Banff-Cochrane. I'd like to ask the minister: at a time of growing budget deficits, why did the minister not join the Tourism 2000 initiative with the Toward 2000 Together initiative, thereby avoiding needless duplication and saving taxpayers money?

3:00

MR. SPARROW: Mr. Speaker, last fall the Premier, the Minister of Economic Development and Trade, and the Minister of Energy launched a very major project: Toward 2000 Together. Along with that, other departments of government dovetailed similar processes so we could get good information from our sector industries to create an economic thrust for this government into the future.

Tourism 2000 is a very necessary process as tourism is our third largest industry in this province and is dovetailed and part and parcel of the Toward 2000 initiative and will be a part of the final document when it comes out.

MR. SPEAKER: Edmonton-Meadowlark, followed by Wainwright.

### Auditor General's Report (continued)

MR. MITCHELL: Thank you, Mr. Speaker. Earlier today the Premier kept saying that liabilities cannot be considered in isolation of the province's long list of assets. Well, my question to the Premier is: will he give us his reaction to the Auditor General's report that the net assets of this province under his direction have declined from \$8.6 billion to \$464 million over the first five years of his term in office? [interjections]

MR. SPEAKER: Order please. At least let the gentleman start. [interjection] Order, Westlock-Sturgeon. [interjection] Order.

MR. GETTY: Mr. Speaker, obviously the hon. member will want to argue points about the Auditor General's report with the Provincial Treasurer when he returns. Surely the hon. member knows that the assets of this province are huge when compared to the liabilities.

MR. MITCHELL: So is the debt.

MR. SPEAKER: Supplementary. Now you can ask your question instead of shouting it across.

MR. MITCHELL: I'd be very happy to go into the details of this Auditor General's report with the Premier. Thank you.

My second question is: given that the Premier has presided over a 94 percent decline in assets in this province while he's been the Premier and that soon there will be no assets left and we'll be in a negative position, will the Premier please admit that one of the great, overwhelming legacies that he will have left this province is that under his direction – and I use the word loosely – this province has become a net debtor province in this country?

MR. GETTY: Absolutely not, Mr. Speaker. This province is healthy and strong. This province has assets, resources, financial strength unmatched by any province in Canada. Now, it is true that the members of the Liberal Party try to knock Alberta as much as they can. It's kind of a mindless sort of opposition: being negative, negative all the time. All you have to do is travel this province, see our resources, see the fact that while the rest of North America has been in a recession, Albertans have continued to build and grow. This has been the strength of this province. Basically, it's the people of this province working together with their government to keep this province growing.

MR. SPEAKER: Wainwright, followed by Edmonton-Belmont.

#### Free Trade

MR. FISCHER: Thank you, Mr. Speaker. My question is to the Minister of Agriculture. Alberta produces nearly half of the beef cattle in Canada. One of the major markets is in the U.S. The American cattle industry has become very upset with what they claim is the flow of subsidized beef into their market, creating unfair competition under the Canada/U.S. free trade agreement. They are referring to the national tripartite beef stabilization insurance program that we have here in Canada. I would like to ask the minister: does the tripartite stabilization program contravene the free trade agreement?

MR. ISLEY: Mr. Speaker, I think we could probably take it from the pork situation, where the countervail is still in place against the live hog, that there is some chance that the Americans might be able to justifiably argue subsidization from the tripartite program. I think that, on the other hand, they would have a hard time proving hurt to their industry.

MR. SPEAKER: Supplementary, Wainwright.

MR. FISCHER: Thank you. My supplementary question is: have you had any official indication from the Americans regarding this issue, and if so, what are we doing about it?

MR. ISLEY: No official communication at this point in time. The stage it's at, as I understand it, is that a group of cattle producers in the state of Washington are lobbying their system to get an investigation under way. Whether that investigation will proceed or, if it proceeds, whether it will lead to a countervail is too early to predict.

MR. SPEAKER: Edmonton-Belmont.

#### Social Assistance Policy

MR. SIGURDSON: Thank you, Mr. Speaker. I'd like to direct a question to the Minister of Family and Social Services. Last week the minister said that his new client benefit cards would unload responsibility back to those individuals that are receiving

social assistance. These cards will collect information that was previously gathered by social workers in their personal communications with their clients. The new card system is going to take away an important avenue for social workers to assist their clients and help their clients return, hopefully, to the work force. I'm wondering if the minister sees this change in program delivery as a way to reduce the workload of social workers by eliminating face-to-face contact and just turning them into collectors of data and paper pushers.

MR. OLDRING: No, Mr. Speaker.

MR. SIGURDSON: Fairly concise; I appreciate that, Mr. Speaker.

The change in the program to client cards significantly changes the role of the department and the relationship that social workers have with their clients. Will the minister today guarantee in the Legislative Assembly that the change in program will not privatize the services and the work that is currently being done by social workers in the Department of Family and Social Services?

MR. OLDRING: Mr. Speaker, the member is making a quantum leap to come to that conclusion; I don't know what would prompt him to do that. Again they're misinformed.

#### Energy Revenue

REV. ROBERTS: Mr. Speaker, the public accounts released last Friday show that the government received close to \$2.7 billion in nonrenewable resource revenue in the '90-91 budget year, and this included the revenue windfall of hundreds of millions of dollars resulting from the Persian Gulf crisis during that year. Despite the fact that the Gulf war had already ended by the time the Provincial Treasurer brought down the budget last year, the Treasurer estimated that the nonrenewable resource revenue would be over \$3.2 billion for last year, more than 20 percent higher than the year in which the Persian Gulf windfall accrued. Given that the Minister of Energy's department is responsible for energy market analysis, will the minister confirm that the estimates for nonrenewable resource revenue for last year's Budget Address were made up by the Provincial Treasurer and not based on recommendations from his department?

MR. ORMAN: Could he repeat that, Mr. Speaker?

REV. ROBERTS: Boy, they're all blowing it so badly over there, Mr. Speaker, if they can't understand how there was a windfall in the earlier year and a \$1.2 billion deficit last year.

Mr. Speaker, the fact is that every spring at this time the Provincial Treasurer inflates his oil and gas royalty estimates and it's the Minister of Energy's department which ends up looking like fools at the end of the year. Now, to prevent a repeat of the hiding of last year's \$1.2 billion decline in royalty revenue, will the Minister of Energy this year issue quarterly reports updating the real royalty revenue picture during the year instead of dropping a bad news bomb at year's end?

MR. ORMAN: Mr. Speaker, the hon. member has to wait about 52 minutes for some of the answers to his questions, and I just suggest that he do that.

#### Day Care Monitoring

MRS. HEWES: Mr. Speaker, for the second year in a row the Auditor General's report contains a serious indictment of the

Department of Family and Social Services' failure to monitor day care programs. My questions are to the minister. Why is the minister allowing this situation to persist?

MR. OLDRING: Mr. Speaker, again it's an area that we have made some substantive changes to as a result of consultation and input from Albertans. As the member knows, we are now completing the final stages of putting together a new regulations manual. It's in the hands of parents right now, and I look forward to receiving their recommendations. I'm satisfied that once that's implemented and in place, the Auditor General will find that a very satisfactory solution to the matter the member has raised.

3:10

MRS. HEWES: Mr. Speaker, the situation of Smurfville and the lateral transfer of the Calgary regional manager indicate quite to the contrary.

The Auditor General further says that government licensing officers have not felt qualified to do assessments. What is the minister doing to correct that situation?

MR. OLDRING: Again, Mr. Speaker, we always take the recommendations brought forward by the Auditor General very seriously. He's made a number of them, and I can assure the member opposite that we intend to act upon all of them as we always do, just as quickly as possible.

MR. SPEAKER: Smoky River, followed by Vegreville.

#### Waste Management

MR. PASZKOWSKI: Thank you, Mr. Speaker. Several months ago the Minister of the Environment announced a pilot program to deal with waste management in large, rural, depopulated areas. Part of that area included my constituency of Smoky River. Is the minister in a position to share some of the issues that have come forward in the development of this program?

MR. KLEIN: Thank you, Mr. Speaker. I appreciate that question in light of recent comments by the hon. Member for Edmonton-Jasper Place where he referred to programs in this province as Mickey Mouse programs and all the minister does is wander around the province handing out cheques to Boy Scout groups. Well, I would like to explain what's happening in the Peace River region alone where 38 municipalities are participating on a co-operative basis, where consultants have commenced a detailed study relative to an integrated waste management and recycling program. The data phase now is being completed. Alternative waste management and recycling strategies will be explored over the next few months. Local economic development opportunities will be identified. Six public meetings are planned during the course of the study throughout the region to solicit public input. A further six public meetings are planned to present the draft report in late summer. The study is scheduled for completion in late August. There is tremendously strong interest and support throughout the region for this particular kind of program. That is not a Mickey Mouse program.

MR. SPEAKER: Supplementary.

MR. PASZKOWSKI: Thank you, Mr. Speaker. I assure you, Mr. Minister, that there are no Mickey Mouses in the Peace River country.

To the minister: what do you see this program achieving?

MR. KLEIN: Well, Mr. Speaker, first of all, a master waste management plan for the region will be developed, including comprehensive recycling proposals. Efficiencies and economies will be identified through co-operative efforts by municipalities within the region, additional opportunities for municipalities to divert more waste from landfill and help Alberta achieve our goal of a 50 percent reduction in municipal solid waste by the year 2000. Opportunities will be identified for local recycling industry development. The Peace region initiative will tie together existing Alberta waste management programs and projects such as the Beverage Container Act, the resource recovery grant program, and the waste assistance program under the Action on Waste umbrella.

I have to commend the hon. Member for Smoky River. I was going to say "Peace River," because we're talking about the Peace River in Smoky River. This initiative, and I'm sure it will be . . .

MR. SPEAKER: Thank you, hon. minister of topography. [interjection] Thank you. Let's get this straight.

#### Acadia Valley Land Transfer

MR. FOX: Mr. Speaker, it's been brought to my attention that the Department of Forestry, Lands and Wildlife is proposing to cancel several long-standing cultivation leases in the Acadia Valley area, then trade these lands to the municipal district in exchange for tax recovery lands currently held by the MD. The MD will then dispose of these lands on an open-tender basis without apparently paying much attention to the existing leaseholders. I'd like to ask the minister: given that these cultivation leases have been in the same family for generations and in many cases they're very crucial to the farming units, I wonder what assurance the minister can provide the current leaseholders that they will be given the first option to purchase when these lands are offered for sale by the MD.

MR. FJORBOTTEN: Mr. Speaker, I appreciate the concern raised by the hon. member. The municipal district of Acadia Valley approached us as a government to consider a land swap. They have some land that is environmentally sensitive or there are a number of conservation factors involved, and they would like to trade it to us for some of the land that we already have. Some of the land that we would trade has leases on it, and in one case that I'm aware of I think it's been in the same family for about 40 years. There is a concern about what would happen.

The assurance that I've given is, number one, we've made no final decision. There has been no decision made between the municipal district of Acadia Valley and the government. Secondly, I would assure the hon. member that we're certainly listening to the concerns that are raised. Thirdly, I would say that any leases that are presently there would be honoured by the municipality for the length of the lease. What I can't assure the hon. member is how the MD of Acadia Valley would handle it after the lease term expires, but I would expect it would be by auction.

MR. FOX: Mr. Speaker, I appreciate the reasons behind the proposed transfer. I'm wondering if the minister would be willing to make as a condition of transfer that the MD must offer the lands for sale to the existing leaseholders at competitive public offering before making other arrangements with it.

MR. FJORBOTTEN: Well, Mr. Speaker, since no final decision has been made, I'll certainly take that representation into consideration and raise it during the negotiating process.

MR. SPEAKER: Calgary-North West.

**NovAtel Communications Ltd.**

MR. BRUSEKER: Thank you, Mr. Speaker. Last week we finally got a chance to look at part of the NovAtel story in the financial statements that showed a deficit of \$278 million to the end of 1990 and a further \$70 million for operations guaranteed by the government for 1991. This amounts to a third of a billion dollars. Considering this corporation has never made a profit, my question to the minister responsible for NovAtel is: what has his department done to stop this hemorrhaging of tax dollars?

MR. STEWART: Mr. Speaker, as I've indicated on other occasions in the Assembly, NovAtel continues to operate. It operates within the financial umbrella, the arrangements that were made, and the management committee continues to hold discussions with interested parties with respect to NovAtel. In due course announcements will be made.

MR. BRUSEKER: Well, another part of that story, Mr. Speaker, is that NovAtel was to repay \$200 million of the loans in 1991. My supplementary, then, to the minister: did they repay any of it?

MR. STEWART: Mr. Speaker, as I indicated, the company operates under the auspices of the management committee. It operates within the authorities granted to it, which have been made public before. The results of the previous year were given to the public in order to make them fully understand the basis of operation, and in further course announcements will be made.

MR. SPEAKER: Westlock-Sturgeon.

**Drought Assistance**

MR. TAYLOR: Thank you, Mr. Speaker. This question is to the Minister of Agriculture. On March 25, not quite two weeks ago, I asked him in this House how the government could square the idea of asking a farmer, Mr. Greene in the Carmangay area, to fess up and surrender land; otherwise he wouldn't qualify for the drought assistance program. The minister promised he'd be right back. I talked to him last night; he had not heard from the minister. When is he going to call him?

MR. ISLEY: Mr. Speaker, I have reviewed the situation that the hon. member is alluding to. I will be contacting the producer to see if he will give written consent to release any of his file into this Legislature.

MR. TAYLOR: Mr. Speaker, this is a very serious matter. The one at the centre of it, that has a chance of losing the farm, is waiting. I think it's very important not just to read the file but get on that blower and talk to him.

MR. ISLEY: Mr. Speaker, I find it very strange, with the number of people that phone my office direct and with the number that write direct, that the only communication I've received from this individual to date seems to be on behalf of him through the hon. Member for Westlock-Sturgeon. I'm sure this gentleman, if he is anxious to talk direct, will phone immediately.

MR. SPEAKER: Calgary-Millican, followed by Edmonton-Avonmore.

3:20

**Canmore Golf Resort**

MR. SHRAKE: Thank you, Mr. Speaker. For many days now the NDP Member for Calgary-Mountain View has been attacking the proposed tourism project in the Canmore corridor. [interjections] One fool at a time, please.

This is a major alpine golf and hotel resort which should bring millions of dollars into the province of Alberta and, I felt, hopefully would help the economy, maybe create jobs or something. Could the hon. minister of tourism please advise the Assembly as to what analyses your department has about the value of alpine golf courses?

MR. SPARROW: Mr. Speaker, there has been a lot of talk about the Canmore alpine development that has taken place and has approvals at the local level to proceed. Not only will it be a five-star hotel with 500 rooms; it will also have an 18-hole golf course. When the market study was done by our department, it showed that immediately there is a need for four 18-hole golf courses in the short term. In the longer term it's more like between eight and 10 courses could be used in that area.

What is the value? The value of the project is about \$161 million in its first phase. What is the value to the province of Alberta? It's about \$11.7 million in provincial tax revenue just during construction and during operations about \$2.5 million in tax revenue each and every year. On top of that, there are other values. There are values to all of us in Alberta, especially Calgarians. Some \$60 million per year will be spent by tourists, increasing our tourism spending. The majority of those tourists will be going through Calgary, sir. [interjections]

MR. SHRAKE: Thank you. In spite of what's claimed by the NDP, Calgarians do support tourism.

Mr. Speaker, perhaps the minister could advise us after the allegations of: something's wrong; something's bad. There's a small piece of Crown land involved. It's a very small part of the total project. Could the minister advise us? Has this been through the environmental processes? Is this small piece of land in some way a great, monstrous rip-off? I don't know; it's 20 acres or something.

MR. SPARROW: Mr. Speaker, since I've been minister of tourism, this project has been one the department has been working on. Previous to my joining the ministry, Alberta Housing was working on this identical site for many years with the town to create a development of this nature. Because of the lands that were approved for it, through the existing lands that were owned by Alberta Housing, lands were set aside for environmental purposes right within the project. The golf course expands into a few acres of public lands that you mentioned and that the Minister of Forestry, Lands and Wildlife described very adequately, at market value. Those acres are only needed because we wanted to make sure that the environmental concerns on-site were looked after, and they definitely were, by Alberta Mortgage and Housing prior to the Natural Resources Conservation Board Act coming into place.

MR. SPEAKER: Edmonton-Avonmore.

**Family Support Strategy**

MS M. LAING: Thank you, Mr. Speaker. My questions are to the minister responsible for women. Our Minister of Family and Social Services, by requiring mothers of children over the age of two to be in the paid labour force or in places of training, fails to

recognize the contribution to society of women who stay at home to raise their children. Or else he thinks these women are second-class citizens who do not have a right to make meaningful choices for their families. My question: will the minister now advocate on behalf of Alberta women to have abolished policies that do not recognize that women are best able to make good choices that will serve the needs of their children and Alberta society?

MS McCOY: Mr. Speaker, I have for several years now been advocating that women have many valid choices and that we shouldn't presume to make them on their behalf and that our policies should in fact be designed to help those women make choices that leave them economically independent.

MS M. LAING: Well, Mr. Speaker, I had hoped the minister had heard the woman at the conference on Friday who felt her sister had no choices.

My second question is to the Premier. The Premier has said in this House, and I quote:

Our initiative is to strengthen the family, to provide reasons why the family is stronger, why mothers will stay in the house, in the family while not having care outside of the house.

How is it, Mr. Speaker, that the Premier allows the Minister of Family and Social Services to have policies that force mothers of young children out of the house and into the paid labour force against their wishes? Is he not punishing poor women and their children in ways that will prove detrimental to Alberta?

MR. GETTY: No, Mr. Speaker.

MR. SPEAKER: Might we have permission to revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

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

MR. SPEAKER: First, the Member for Edmonton-Highlands, then the Minister of Advanced Education.

MS BARRETT: Thank you, Mr. Speaker. It's my pleasure on behalf of the Leader of the Official Opposition to introduce a number of distinguished guests in the public gallery. They sat through question period and, I understand, are probably here for the budget. They are mayors and deputy mayors from around the province: Their Worships Mayor Jan Reimer from Edmonton; Deputy Mayor Richard Magnus, Calgary; Mayor Betty Collicott, Fort McMurray; Mayor Ted Grimm, Medicine Hat; Deputy Mayor Dale Kelley, Wetaskiwin; Deputy Mayor Dan Oneil, Airdrie; and Mayor Maurice Fitzpatrick, Leduc. They were joined earlier by Deputy Mayor Oscar Blais, Grande Prairie, and Mayor Anita Ratchinsky, St. Albert. They are standing in the public gallery, and I'd ask all members to join me in welcoming them.

MR. GOGO: Mr. Speaker, on behalf of my colleague the Member for Lethbridge-East, the hon. Provincial Treasurer, we have visiting with us today from Gilbert Paterson community school in Lethbridge-East some 25 grade 8 students, along with two of their teachers Mlle Lorraine Methot and Mr. Steve Danyluk, along with a student teacher Miss Marya Oordt, and one parent Dr. David Major. I don't know if they're still here. Perhaps they're in the

public gallery. If so, I'd ask them all to rise and please receive the very warm reception of the members of the House.

**Point of Order**  
**Explanation of Speaker's Ruling**

MR. SPEAKER: Edmonton-Glengarry, on a point of order.

MR. DECORE: Mr. Speaker, your comments after my questions were – I think I'm paraphrasing them correctly – that I was somehow skating close to offending rule 409(12) of *Beauchesne*; that is, anticipating debate that was going to take place later this afternoon. I would request the Speaker to provide some clarification to me so that I can better understand this comment. The questions that I put to the hon. Premier related to figures that were taken out of the Auditor General's report that was tabled last Friday, a report that is for the period 1990 to 1991, really quite distant from that which we will be debating as at 4 o'clock today. I just need some guidance on that point.

MR. SPEAKER: The Chair will accede to the request of Edmonton-Glengarry after complete examination of the Blues so that we can indeed pick up all the subtle nuances that were there.

head: **Orders of the Day**

3:30

head: **Government Motions**

**Adjournment for Easter Recess**

9. Moved by Mr. Stewart:

Be it resolved that when the Assembly adjourns on Wednesday, April 15, 1992, at the regular hour of 5:30 p.m., it shall stand adjourned to Thursday, April 23, 1992, at 2:30 p.m.

MR. SPEAKER: Discussion?

HON. MEMBERS: Question.

[Motion carried]

MR. SPEAKER: In accordance with previous agreement after discussion between the House leaders of all three parties, the House now stands adjourned until 4 o'clock sharp. The bells will be rung at the usual warning time before the House reconvenes.

[The Assembly adjourned from 3:31 p.m. to 4 p.m.]

MR. SPEAKER: Order.

The Honourable the Provincial Treasurer.

MR. JOHNSTON: Mr. Speaker, I have received certain messages from His Honour the Honourable the Lieutenant Governor, which I now transmit to you.

SERGEANT-AT-ARMS: Order!

MR. SPEAKER: The Lieutenant Governor transmits estimates of certain sums required for the service of the province for the 12 months ended March 31, 1992, and recommends the same to the Legislative Assembly.

The Lieutenant Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 1993, and recommends the same to the Legislative Assembly.



The Lieutenant Governor transmits estimates of certain sums required from the Alberta Heritage Savings Trust Fund for the 12 months ending March 31, 1993, for the purpose of making investments pursuant to section 6(1)(a) of the Alberta Heritage Savings Trust Fund Act in projects which will provide long-term economic or social benefits to the people of Alberta but which may not necessarily by their nature yield a return to the trust fund, and recommends the same to the Legislative Assembly.

The Lieutenant Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 1993, and recommends the same to the Legislative Assembly.

The Lieutenant Governor transmits estimates of certain sums required for the service of the province for the 12 months ending March 31, 1993, and recommends the same to the Legislative Assembly.

Please be seated.

10. Moved by Mr. Johnston:

Be it resolved that the messages of His Honour the Honourable the Lieutenant Governor, the estimates, and all matters connected therewith be referred to the Committee of Supply.

[Motion carried]

11. Moved by Mr. Johnston:

Be it resolved that the Assembly do resolve into Committee of Supply, when called, to consider the supply to be granted to Her Majesty.

[Motion carried]

head: **Budget Address**

12. Moved by Mr. Johnston:

Be it resolved that the Assembly approve in general the fiscal policies of the government.

MR. JOHNSTON: Mr. Speaker, this budget addresses the uncertainty surrounding the economy and recognizes the fiscal realities that lie ahead. Premier Getty promised an economic action plan this year to boost confidence and get the economy moving. This budget delivers on the Premier's commitment to Albertans.

This budget also sets out for Albertans the magnitude of the fiscal problem we must face together. As well, strict new legislative controls on spending are proposed to reinforce our commitment to expenditure management. Within the proposed limits this government, together with Albertans, will have to make difficult choices to bring spending in line with revenue.

### **The Economic Outlook**

To put the Alberta economy in perspective we need to review the economic situation in the United States and the rest of Canada, our two largest trading partners.

#### **North America Waiting for Recovery**

The Canadian economy has been mired in recession since the spring of 1990. The Bank of Canada's single-minded fight against inflation in central Canada caused the current economic downturn. Once the recession began, the Bank of Canada reduced interest rates too slowly. The imposition of the federal GST in January 1991 seriously damaged consumer confidence. It also imposed a

real burden on businesses across Canada. The Canadian economy did show some signs of growth at the time of my budget speech last year. However, the recovery faltered in the second half of 1991, dashing the hopes of unemployed Canadians.

The United States went into recession in late 1990, about six months after Canada. Their downturn has been shorter and shallower than ours. However, the U.S. recovery, like Canada's, has been very sluggish. Economic weakness is also evident in the United Kingdom, Germany, and Japan. The gloomy news from outside the province has affected Albertans' confidence. As well, the weak performance of our major trading partners has directly affected Alberta.

#### **Commodity Markets Weak**

Depressed world commodity markets have also hurt the economy. International subsidy wars battered grain prices and pushed 1991 realized net farm incomes to their lowest levels in 20 years. The energy industry had to cope with difficult circumstances in 1991. Over the last few years expectations of rising natural gas prices have driven energy activity. The sharp decline in prices last year dramatically changed these expectations. Oil prices were also disappointing. In response, Alberta's oil and gas industry has laid off staff and cut back investment.

#### **Alberta Continues to Grow**

Despite these problems Alberta has been able to avoid the worst of the North American recession. I estimate that Alberta's economy grew by .5 percent in 1991. While modest, Alberta's growth compared very favourably to the 1.5 percent decline for Canada as a whole. The Alberta economy performed well in the ways that really count: generating income and creating employment for Albertans.

Last year employment income in Alberta increased by 5.6 percent to over \$33 billion. This was the fastest growth in Canada. It was more than double the Canadian average and six times the growth in Ontario.

#### **14,600 Jobs Created in 1991**

Continued employment growth was a key reason for the relatively strong increase in income. The number of employed Albertans increased by 14,600 last year. This is 2,600 more than I forecast in last year's budget. Alberta was one of only two provinces where employment increased in 1991. Because of our favourable employment picture, net in-migration totaled almost 19,000 people last year.

While employment grew at a reasonable pace, the labour force grew even faster. As a result, our unemployment rate averaged 8.2 percent in 1991, an increase of 1.2 percentage points. Nevertheless, Alberta continues to have more of its working-age population employed than any other province. Over 66 percent of all working-age Albertans had jobs last year. This compares to less than 60 percent for Canada. A record 1 and a quarter million Albertans were employed in 1991, an increase of 122,000 since 1985.

As you can see, Mr. Speaker, despite some difficulties there was a lot of good news for Alberta in 1991. Opportunities for 1992 and beyond are promising.

#### **Farm Income Improves**

For the first time in years there are signs of improving conditions for our farmers. International wheat prices have increased by 30 percent over this time last year. Oilseed prices have also

firmed. Livestock production should continue to grow, contributing to a diversified agricultural sector. In 1992 there will be substantial payments to our farmers and ranchers from the gross revenue insurance plan, the net income stabilization account, and other farm support programs. Overall realized net farm income should more than double from the very low levels of last year.

There is renewed hope for a GATT agreement that would significantly reduce agricultural export subsidies and further strengthen export prices. It appears likely that such an agreement would require changes to the Crow benefit. We will continue to urge the federal government to pay the Crow benefit directly to producers.

### **Natural Gas Exports Grow**

The outlook for natural gas export volumes to the United States and to the rest of Canada continues to be promising. The environmental superiority of natural gas as a clean-burning fuel bodes well for future gas demand. The use of natural gas for cogeneration by electric utilities is rising. Western Gas Marketing Limited has recently signed two supply agreements worth \$1.6 billion to Alberta producers over the next 20 years.

The Iroquois pipeline to the U.S. northeast is now complete. This pipeline has the capacity to ship over 200 billion cubic feet per year of Alberta gas to this rapidly growing market. I also expect that gas export volumes to California will benefit from the construction of at least one additional pipeline.

#### **4:10**

Alberta's natural gas export volumes to the United States should increase in 1992 to 1.5 trillion cubic feet. By 1995 I expect that our U.S. gas exports will have grown to nearly 2 trillion cubic feet, giving us close to a 10 percent share of the United States market.

### **Diversification Continues**

Alberta's forestry industry will be another source of strength in 1992 and future years. Investment totaling \$1.9 billion has taken place in the past five years. In addition, Alberta-Pacific is constructing a major pulp mill near Athabasca at a cost of \$1.3 billion. After work on the pulp mill is completed in 1993, Al-Pac plans to build a paper mill worth \$300 million.

Alberta has emerged as one of Canada's major forestry producers. Using state of the art technology, Alberta companies are minimizing the environmental impact of forestry projects. I expect that the volume of pulp and paper exports will increase by 10 percent this year and by another 35 percent over the next two years.

Prices have begun to recover from their 1991 lows. Prices increased earlier this year and are expected to increase again by the summer.

Our growing pulp and paper sector is generating substantial spin-off investment, further diversifying our economy. To meet the needs of the forestry industry, Alberta companies have invested about \$275 million in new chemical facilities. These plants will also supply producers outside the province.

Alberta's petrochemical industry continues to expand. Construction of a \$350 million gasoline additive plant near Edmonton has recently been completed. In Fort Saskatchewan Dow Chemical is building an \$800 million world-scale petrochemical facility to produce ethylene and its derivatives for domestic and international markets.

Exciting developments are also taking place in industries that are becoming new engines of growth for the evolving global economy.

In the aerospace field Pratt & Whitney is building a plant in Lethbridge.

In the area of medical research Alberta's accomplishments have been impressive.

- The University of Alberta has been named the top research centre for diabetes in North America by the U.S. Institutes of Health.
- The University of Calgary has opened a world-class centre for arthritis and joint injury research.
- An Alberta biotechnology company has announced an agreement with a major international firm to develop anticancer drugs.

Alberta's successes are due in part to this government's support for science and technology. The Alberta Heritage Foundation for Medical Research, the telecommunications research laboratories, the networks of centres of excellence, and the Alberta Research Council all support pioneering research.

We are encouraging Alberta industry to develop and utilize advanced technology. The commercialization of research will generate high-skill, high-paying jobs for Albertans.

### **Lower Inflation and Interest Rates**

Perhaps the most important economic development over the past year is the drop in inflation. In January 1991, following the introduction of the GST, the rate of inflation reached nearly 7 percent. Since then, the inflation rate has fallen to about 2 percent, a level that Canadians have not seen since the 1960s. Most inflationary pressures have subsided, and virtually all analysts expect that inflation will remain at low levels for several years.

The Bank of Canada's fight against inflation, however, was waged at a very high cost. Over 350,000 jobs have been lost in Canada since the recession began. We must ensure that we do not give up the inflation gains that have cost unemployed Canadians so much. Some recent public-sector wage settlements in Alberta have not reflected the new low-inflation environment. The public sector must not trigger a return to high inflation and thereby undermine Alberta's competitiveness.

Lower inflation and the weak Canadian economy have led to a sizable decline in interest rates. Since the summer of 1990 the prime rate for business loans has dropped by over 6 percentage points. The decline in nominal interest rates has allowed the dollar to fall from a high of over 89 cents U.S. to around 84 cents. The lower dollar will benefit Alberta's export oriented economy. However, it remains overvalued relative to its U.S. counterpart. Of greater concern is the high level of inflation-adjusted interest rates. Canada's real rates have risen sharply in recent months and are among the highest in the major industrialized nations. High real rates discourage industry from making the investments needed to respond to the challenges of the global marketplace. I will continue to press the federal government to bring about lower interest rates and allow a lower exchange rate so that Canada's economy can realize its full potential.

### **The 1992 Outlook**

The fundamentals for a modest economic recovery in North America are now in place. Unless there are further adverse developments in interest rates, I expect the Canadian and U.S. economies to strengthen by the summer of this year. Overall, the economies of both countries should grow by 2 percent in 1992. The Alberta economy should also strengthen this year. Exports, responding to the recoveries in the United States and the rest of

Canada, are expected to be a significant source of strength. Natural gas will lead export growth.

Alberta's diversification will continue in 1992. I expect that Alberta businesses outside the energy sector will increase their real investment by nearly 10 percent this year. Oil and gas investment, however, is projected to decline by over 15 percent. As a result, total business investment is expected to increase by about 1 percent this year. The outlook for consumer-related spending should be brighter, provided Albertans' confidence in the economy improves. Lower interest rates have made houses, automobiles, and other consumer durables more affordable. The recently announced reductions in down payment requirements and changes in RRSPs have also made it easier to buy a house.

Taking into account these factors and the initiatives that I will be announcing in this budget, I expect Alberta's real gross domestic product to increase by 2.5 percent in 1992, to nearly \$67 billion. Our economy should create over 15,000 new jobs.

### **Economic and Fiscal Strategy**

Confidence is critical to economic growth this year. Albertans are taking a cautious approach to spending because they are concerned about their jobs. Businesses are waiting for better sales before they expand employment. Action is required to inject confidence and create jobs. However, the government faces a very difficult fiscal situation.

### **Resource Revenue Shock**

Alberta suffered a resource revenue shock last year. Natural gas prices were the major disappointment. Most analysts had expected gas prices to rebound last year. Instead, the average Alberta wellhead price dropped sharply, to about \$1.30 per thousand cubic feet, the lowest level in 15 years. Prices were almost 25 percent lower than estimated in last year's budget. Oil prices averaged about \$20.75 per barrel in U.S. funds, well below the budget estimate. The overvalued Canadian dollar compounded the weakness in energy prices. Reflecting the problems in the energy sector, bonuses and sales of Crown leases plummeted and corporate income tax revenues dropped sharply. Nonrenewable resource revenue in 1991-92 was down nearly \$1.2 billion from the '91 budget estimate, and corporate income tax revenue was \$200 million lower. As a result, the deficit was over \$1.5 billion last year.

Our 1992-93 fiscal plan assumes that there will be no recovery in resource revenue. A lower exchange rate and higher natural gas sales volumes will assist resource revenue this year. However, oil prices are likely to average only \$19 per barrel, down over 8 percent from last year. Natural gas prices are expected to decline by a similar percentage to about \$1.20 per thousand cubic feet. This means that the deficit will increase in '92-93.

### **Choosing the Sensible Course**

Some would argue that drastic action is required to offset the unexpected drop in resource revenue. That would be unwise this year. This government will not hurt Albertans by sharply raising taxes or slashing health, education, or seniors' programs when the economy is struggling.

Others would argue that massive government spending is required to strengthen Alberta's economy. This would be an even more serious mistake. We must not compound the fiscal problems resulting from low resource revenue by abandoning this government's tight control of spending. As Albertans and other Canadians have learned only too well, it is easy to add spending but very difficult to cut it.

This government has chosen the sensible course for these difficult times. As I said earlier, Mr. Speaker, the world economic slowdown has affected our economy and eroded Albertans' confidence. In addition, the resource revenue collapse has led to a serious fiscal imbalance. We have adopted a dual strategy to deal with the two problems, a struggling economy and large deficits.

- Our economic strategy addresses the current economic concerns of Albertans. This budget announces Economic Agenda '92. Our agenda has four initiatives to build confidence and create jobs. To keep the economy growing, we'll be forced to tolerate a high deficit this year.
- Our fiscal strategy addresses the fiscal imbalance over the medium term. We will introduce firm spending limits starting this year. We will continue to restructure programs and cut internal government operations.

More could not be done this year without jeopardizing the economy. Tough choices lie ahead as we move to restore fiscal balance over the business cycle.

### **4:20 Economic Agenda '92: Confidence and Jobs**

Mr. Speaker, I will first describe the details of Economic Agenda '92, our four-point plan to strengthen the Alberta economy and create more jobs for Albertans.

#### **1. A Tax Cut for Albertans**

At the First Ministers' Conference on the Economy Premier Getty proposed a co-operative approach among governments to spark economic growth. He was the only national leader to call for a personal income tax cut. The federal government responded by reducing federal income taxes in its February budget.

Mr. Speaker, this budget cuts provincial personal income taxes for Albertans. The Alberta basic income tax rate will be effectively reduced by one percentage point, starting with July paycheques. Our generous selective tax reduction will provide additional tax benefits to low-income Albertans. Our objective is to stimulate the economy as quickly as possible. This government will put \$35 million back in Albertans' pockets in this second half of '92. The combined provincial and federal tax reduction will total \$65 million this year. In 1993 our tax cut will be worth over \$70 million to Albertans. The Alberta and federal tax cuts combined will amount to over \$200 million next year.

This will be a powerful confidence builder for Alberta consumers, Mr. Speaker. Albertans will have more money to spend. More spending will mean more sales for businesses and more jobs for Albertans. We will put dollars in the hands of Albertans and let them make their own spending decisions. Albertans already pay the lowest personal income taxes in Canada. They do not pay a provincial retail sales tax. This budget enhances Albertans' already substantial tax advantage. Alberta will continue to be the best place in Canada to live and work.

#### **2. Improving Alberta's Competitiveness**

The intense global competition for manufacturing jobs requires that our corporate tax rates be competitive. Over the last few years the competitiveness of Canada's corporate tax system has been eroded. I am encouraged by the measures in the recent federal budget that reduce taxation of manufacturers and processors. Unfortunately, some provinces are likely to move in the other direction this year. One already has.

This government will spur investment and the creation of quality jobs for Albertans. The corporate income tax rate for

large manufacturers and processors will be cut from 15.5 percent to 14.5 percent, in two stages. The reduction will be half a percentage point on July 1, 1992, and a further half a point on January 1, 1993. Smaller manufacturers will continue to benefit from Alberta's 6 percent tax rate for small businesses. We will also increase the capital cost allowance rate on purchases of manufacturing machinery and equipment from 25 percent to 30 percent, effective February 26, 1992. This parallels the change announced in the recent federal budget.

Our measures will reduce taxes on Alberta manufacturers by about \$7 million in '92-93 and \$15 million next year. This government is improving the competitiveness of our corporate income tax system. We are concerned, however, about the overall burden of commercial and industrial property taxes levied by municipalities, school boards, and the provincial School Foundation Program Fund. Alberta is the only province where machinery and equipment are included in the property tax base. We are reviewing possible changes as part of the local government financing review. As a first step, this government has frozen its mill rate on commercial and industrial property for this year.

### 3. Support for Small Businesses and Rural Alberta

This government is committed to working in partnership with our farmers, ranchers, and businesses. In November 1991 we announced additional support over 16 months for our agriculture industry. Through the end of '92-93 Alberta's commitment to the net income stabilization account program will cost \$40 million. We are providing nearly \$60 million to extend the Crow benefit offset program. An additional \$23 million has been committed to maintain grants under the Alberta farm fuel distribution allowance at 4 cents per litre for gasoline and 10 cents per litre for diesel fuel. In this budget we will provide \$91 million for Alberta's contribution to the gross revenue insurance program. This is nearly double last year's funding. Our total support for agriculture will exceed \$730 million in '92-93.

Last November we also introduced royalty holidays for oil wells drilled by March 31, 1993. By encouraging oil exploration and development, this program is assisting Alberta's energy producers and service companies.

In this budget I am pleased to announce Alberta's participation in the new western economic partnership agreements. A total of \$120 million will be provided over the next four years in co-operation with the federal government to encourage further diversification of our economy. This budget includes \$25 million for the first year of this program. The agreements will target support to selected priorities. Agriculture and food processing and geological research will be encouraged. Our expanding tourism, culture, and communication technologies will be assisted. Funding will be provided for businesses, community, and northern development. Reforestation and forest management will be expanded. Funding allocations for some of the agreements are still subject to final federal approval. This initiative will strengthen rural Alberta. Small businesses will be helped to expand their markets and take advantages of new opportunities.

### 4. Capital Works Job Creation

At the First Ministers' Conference, Premier Getty proposed that work-intensive capital projects be accelerated to provide jobs as quickly as possible. Alberta's municipal leaders have also recommended that high priority be given to investment in local public works. Mr. Speaker, I am pleased to announce a special Alberta local employment transfer. This year we will provide \$200 million in onetime per capita grants to municipalities to

support infrastructure improvements and increase employment. This transfer represents the present value of the remaining payments that have been scheduled for the next five years under the Alberta municipal partnership for local employment. AMPLE has provided \$276 million already over the last six years to our local partners. This year's transfer fulfills our commitment to AMPLE. To finance the Alberta local employment transfer and help boost the economy, we will transfer a surplus of \$300 million from the Alberta Municipal Financing Corporation to the General Revenue Fund. This is the right time to use the surplus retained earnings to create jobs for Albertans.

Other major capital projects will also add to construction employment. We will provide \$68 million to continue construction of the new Grant MacEwan Community College campus in Edmonton and the professional faculties building at the University of Calgary. Over \$175 million will be spent to construct and modernize health facilities. Redevelopment of the Royal Alexandra hospital and the Cross Cancer Institute in Edmonton and the Holy Cross hospital in Calgary will continue. We will spend \$61 million on housing projects for senior citizens and low-income Albertans. Over \$40 million of this expenditure will take place in rural Alberta, as will \$66 million in spending on irrigation and water management projects.

In total, this government will support \$1.4 billion of capital construction this year, an increase of more than 15 percent from '91-92.

### Economic Stimulus for Alberta

Mr. Speaker, Economic Agenda '92 will provide economic stimulus at a time when it is needed. We are assisting entrepreneurs and rural Albertans. We are improving the tax competitiveness of Alberta manufacturers. We are accelerating local employment initiatives. We are cutting Albertans' taxes. Our economic action plan will protect current jobs and provide new jobs for Albertans.

### 4:30 Protecting Essential Services

This budget also protects Albertans' essential services. Total funding for health, education, and social services will increase by 5 percent this year. As announced in January, health care institutions will receive a 4 percent grant rate adjustment in '92-93. Schools and postsecondary institutions will benefit from a 3 percent grant rate increase. These increases exceed the expected inflation rate of about 2 percent. We're giving health and education organizations time to prepare for the new fiscal realities. Our resources are limited. Alberta taxpayers cannot afford open-ended programs where spending is driven solely by demand. We must continue to restructure our programs to control costs.

### Health Care: Maintaining Access and Affordability

Health care is the largest expenditure area of this government. In 1992-93 over \$4.3 billion will be spent to meet the health needs of Albertans. Health costs across Canada have more than doubled in the last 10 years. This rapid increase is threatening Canada's health care system. The problem has been compounded by the significant decline in federal support for health care. Our government is committed to protecting the universality of Alberta's health care system. This requires action to ensure that our system remains affordable. We are working with health organizations and professionals to manage available resources more efficiently and target those resources to the areas of greatest need.

Progress is being made. Two years ago we began implementing our new acute care funding plan. The plan reallocates

funding among hospitals, based on the severity of patient needs, and rewards hospitals that make the most effective use of their resources. As a result, hospitals are consolidating administrative functions, eliminating unnecessary duplication of services, and reassessing their capital spending requests. Preventative and community care programs offer cost-effective alternatives to institutional care. In this budget we will increase funding for more home care by nearly 10 percent, to \$72 million.

The government has already reached an agreement with the Alberta Medical Association that puts an expenditure limit on insured medical services. The government and physicians will work together to control spending pressures while protecting the quality of care Albertans receive. In accordance with our policy that health care premiums must cover 50 percent of the cost of basic health services, premiums will increase on July 1, 1992. The new rates will be \$27 per month for singles and \$54 per month for families. This is an increase of less than 4 percent. Seniors and low-income Albertans will remain exempt from paying premiums.

Action is being taken to ensure an affordable and more efficient system of health services in Alberta, a system that will meet changing needs in the 1990s.

### **Education: Meeting the Challenges**

Quality education is critical to our long-term prosperity. Educational institutions must ensure that students receive the training needed to succeed in the rapidly changing economy. Canada spends more of its national income on education than almost all other industrialized countries. Alberta's total spending on education is the second highest per capita in Canada. This government's funding of basic and advanced education will exceed \$3 billion in '92-93. We must continue to improve the results that Albertans are getting for their tax dollars.

Provincial funding for education will be increasingly tied to performance. Far too many Alberta students fail to complete even a high school education. Beginning with the '92-93 school year, the province will introduce a two-count system for payments to school boards. Grants will be based on student enrollment not only at the start of the year but also near the end of the year. This will provide an incentive to keep students in school. We will also develop a new student information system. This system will enable the province and school boards to track and assess student performance more accurately.

This government is encouraging increased private support of our postsecondary institutions. The Universities Foundations Act, which was passed last year, provides more generous tax incentives for contributions for universities. Legislation will be introduced this session to extend these provisions to public colleges, technical institutes, and the Banff Centre. We must find new approaches that will improve the quality of education and training in Alberta within available resources.

### **Help for Those in Need**

Our social assistance program is facing serious cost pressures due to high in-migration and unemployment. Social assistance spending in 1992-93 is expected to reach \$940 million, an increase of more than \$220 million since the national recession began. The federal government has shifted more of the cost of helping the unemployed to the provinces. Ottawa has restricted eligibility for unemployment insurance and imposed a ceiling on federal cost sharing of social assistance programs in Alberta, British Columbia, and Ontario. The total cost to Alberta of this federal cap on social assistance payments will exceed \$80 million by the end of this year.

This government will continue to help Albertans in need; however, our ability to pay is not without limit. Available resources will have to be stretched further. We must continue to restructure our programs to keep them affordable. Changes to benefits under the supports for independence program will be implemented later this year while continuing our commitment to provide a basic level of support to those Albertans most in need. At the same time, we must make better use of our social assistance dollars to encourage clients to re-enter the work force. Disincentives and barriers to training and employment will be addressed.

Alberta seniors receive an unmatched range of programs and services. Many of these programs are unconditional and benefit seniors regardless of their income or need. As our population ages, the costs of these demand-driven programs are rising. At the same time, more people are retiring with comfortable incomes and considerable assets. We believe that after consultation with seniors, our programs can be adjusted in ways to ensure that our available funding is better targeted to those who require assistance. Albertans' tax dollars must be directed to those most in need.

### **Meeting Special Needs**

Despite our limited resources, Mr. Speaker, some special priorities require funding this year. In this budget we will

- increase funding of initiatives to deal with family violence by 25 percent to \$8.5 million,
- provide \$2.4 million more to continue foster care reforms,
- increase by almost \$10 million income support under the widows' pension and assured income for the severely handicapped programs,
- budget \$3.6 million more to expand community-based services to disabled persons,
- provide \$2 million to assist the town of Peace River and the residents affected by the recent flood, and
- add over \$6 million in funding to clean up abandoned industrial sites and conduct testing on possible Edmonton area waste disposal sites.

### **Directing Resources to Essential Services**

This government has reallocated resources to Alberta's essential services. Spending on health, education, and social services will rise by almost \$350 million this year, bringing the total increase since 1985-86 to \$2.2 billion. These programs now account for 70 percent of our program expenditure, compared to just over 60 percent seven years ago. Expenditure on other programs and government administration has been reduced by over \$400 million since 1985-86.

### **Cuts in Federal Support for Essential Programs**

Over the past decade the federal government has off-loaded part of its deficit problem onto the provinces. Ottawa has unilaterally cut federal cash transfers for health and advanced education on numerous occasions and has discriminated against provinces like Alberta on social assistance payments. In 1992-93 alone these federal actions will cost the Alberta government over \$850 million in lost revenue.

This severe erosion of federal support for Canada's most important programs is unacceptable. Clearly, new arrangements for fiscal federalism are required. Provinces must have the means to fulfill their constitutional responsibilities. The federal government has ignored provincial demands for reforms. I will continue to press hard for a transfer of additional tax room from the federal government to the provinces in exchange for a reduction in cash

transfers. This would place our essential programs on a more secure and stable financial basis.

### **Restoring Fiscal Balance**

Mr. Speaker, I have already described our economic strategy and plans to protect essential services in this transition year. I will now turn to the second major focus of this budget, restoring fiscal balance. The objective of our fiscal strategy is to bring expenditure in line with revenue over the medium term. As I said earlier, the '91-92 deficit was over \$1.5 billion. The deficit will increase again in '92-93 to nearly \$2.3 billion. This is clearly a very serious problem. The deficit must be tackled with determination and a strong collective will. The problem cannot be solved overnight.

The key difficulty has been resource revenue. After the energy price collapse in 1986-87, private-sector experts expected that oil and natural gas prices would return to an upward track within a year or two. By 1990-91 resource revenue had recovered by about \$1 billion, or 67 percent, from the low of four years earlier. We expected a further increase last year. This was based on the widely held view of energy experts that natural gas prices had bottomed out and would rebound in '91-92.

The experts were wrong, and so were we. Rather than increasing, natural gas prices dropped sharply last year. In addition, oil prices weakened more than expected in the wake of the Gulf war. As a result, resource revenue fell by over \$600 million in '91-92, wiping out more than one half the gain achieved since the revenue collapse in '86-87. Resource revenue will be a serious problem again this year. I do not expect any recovery from the decline of almost 25 percent last year. Resource revenue in '92-93 is forecast to be about the same as it was in 1988-89.

#### **4:40**

Other general revenue is also expected to be flat this year. Heritage fund investment income will be lower because interest rates have fallen, and we're not planning any major privatization initiatives. Excluding the Alberta Municipal Financing Corporation transfer, total revenue is forecast to fall by \$461 million in '92-93 on top of the \$621 million decline last year. Total revenue will be almost 10 percent lower than it was two years ago.

Alberta is not alone in facing budget problems. Virtually every Canadian government is confronting a difficult fiscal situation. However, the reasons for their deficits are not the same as in Alberta. The revenue of other governments has grown on average by 7 percent per year since 1985-86, compared to an increase of just 1.5 percent per year in Alberta. The strong revenue growth elsewhere did not lead to balanced budgets because program expenditure grew almost as fast as revenue.

### **Expenditure Management Record**

This government's tough expenditure management has kept spending in check. Since 1985-86 we have limited program spending growth to just 2.3 percent per year. Other governments in Canada have increased their program expenditure almost three times faster on average. We held program expenditure almost flat last year. It was only 0.4 percent above the '90-91 level, due in part to our November restraint program.

This year program spending will increase by 2.3 percent. We are providing the funding necessary to stimulate the economy and support our essential social programs. Spending growth in '92-93 will be the same as the average annual increase in our program expenditure since 1985-86. This government has the best

expenditure management record of any in Canada. Mr. Speaker, we have worked hard to get the best value for the taxpayer's dollar.

### **Hiring and Salary Freeze**

In November 1991, when it was clear that a fiscal correction was necessary, Premier Getty announced an in-year restraint program to control government administrative costs. The measures started at the top. The salaries and allowances of MLAs, cabinet ministers, and the Premier have been frozen since April 1, 1989. The freeze was extended to March 31, 1994. As a result, the salaries and allowances of elected officials will be frozen for a total of five years. Other actions included

- a one-year freeze on civil service management salaries,
- a one-year freeze on hiring for salaried positions, and
- cuts in discretionary spending, including travel and hosting.

In this budget, Mr. Speaker, I am announcing further actions to cut internal government operations as part of our plan to restore fiscal balance. The hiring freeze and management salary freeze will be extended to March 31, '93.

### **1,000 Government Positions Cut**

Employment in the civil service will be cut by about 1,000 full-time equivalent positions this year. Because of the hiring freeze we expect only minimal layoffs. More than 2,000 permanent positions for which funding was cut in this or previous years will be eliminated. This will ensure that the positions are not filled when the hiring freeze ends. Including this year's reduction, provincial government employment will have been cut by close to 4,400 full-time equivalent positions since '85-86. The Alberta civil service will be smaller in '92-93 than it was 15 years ago.

### **Wage Restraint**

All public-sector employers and employees must recognize the new low-inflation environment and act accordingly. This government has shown leadership by its freeze on the salaries of both elected and management officials. I welcome the action by some local authorities that followed our lead. However, a few school boards have agreed to wage increases far above inflation. A recent arbitration award in the health sector is also a concern. These contracts must not set a pattern for other public-sector wage increases. This government will not ask provincial taxpayers to fund excessive contract settlements by local authorities.

### **Pension Reform**

Last July the government released its proposals for reforms to the five pension plans administered by my department. After extensive consultations, the government, pension boards, and major stakeholders reached agreement last month on changes to the two largest plans, the local authorities and public service pension plans. Consultations are continuing on changes to the other three government-administered pension plans. Updated actuarial estimates for all plans and the new financing agreements for the two largest plans will cut the unfunded liability from \$5.5 billion to \$1.2 billion, a reduction of \$4.3 billion. This major accomplishment enhances Alberta's fiscal position and safeguards provincial taxpayers.

Changes are also being made to the MLA pension plan. Pension contributions by MLAs will be increased by 33 percent. Former cabinet ministers and other elected officials will not be allowed in the future to receive Alberta pensions while still sitting in the Legislative Assembly or holding a government appointment.

### Government Offices and Agencies Cut

To downsize government, we are reviewing the need for existing offices, boards, agencies, commissions, committees, and task forces. Last year we discontinued the Electric Energy Marketing Agency, the advisory council on career development, and the McDougall Centre advisory committee. We also consolidated several boards and committees with other organizations. These included the Historic Sites Board, the Alberta Fish and Wildlife Advisory Committee, the Alberta Integrated Planning Advisory Committee, and three arts foundations. This year, Mr. Speaker, we will close the Alberta government office in Los Angeles. In addition, all appointments to boards and task forces will be reduced by 10 percent where permitted by legislation.

### Travel and Hosting Spending Down

In 1985-86 expenditure on travel and hosting totaled \$66 million. Despite significant increases in prices, we have cut travel and hosting by more than 20 percent, or \$14 million. Further steps will be taken in '92-93 to control travel costs. All out-of-country travel by ministers or civil servants will require approval by Treasury Board. Vehicle mileage allowances will be frozen. The restraint on travel spending announced in November will continue in the '92-93 fiscal year.

### Publication Costs Slashed

The government produces a wide range of publications, including annual reports of government departments, agencies, and Crown corporations. All publications will be reviewed to determine if they are still needed. Production costs will be cut. Glossy, full-colour annual reports will be eliminated. The number of copies printed will be reduced. Our objective is to reduce the cost of government publications by 50 percent. We will balance the need to reduce costs with the public's need for information on government programs and operations.

### Reducing the Cost of Government

Overall, funding for 11 departments and 14 government agencies, boards, and commissions will be cut in '92-93. Half of the government departments will spend less than they did in 1985-86.

### Legislated Spending Limits

Mr. Speaker, to reinforce our commitment to expenditure management, this government will introduce spending control legislation during this session. The legislation will set firm limits on government spending. Growth in ordinary program spending, including any in-year increases from special warrants, will be limited to 2 and a half percent this year, 2 and a quarter percent next year, and 2 percent in '94-95.

In each year's budget the increase in ordinary program expenditure over the previous year's forecast will have to be less than the legislated limit. After the budget is approved, special warrants will not be allowed to increase spending authority beyond the limit. If a spending increase that would exceed the annual limit is required, the government would have two choices: reduce other spending authorizations to offset the increase, or recall the Legislative Assembly to approve a special supplementary appropriation.

4:50

The expenditure limits will ensure that Alberta does not fall into the trap of spending more when revenue improves. We will not allow what happened to other governments to happen here. Mr.

Speaker, additional revenue will go directly to improving the bottom line. Periodic financial statements will be published to keep Albertans informed about the government's finances. The legislation will keep our taxes low. Increased spending in one area will have to be accompanied by cuts in other areas. The best way to guarantee taxpayers value for their money is to place legislated limits on spending.

### Tough Choices Ahead

The spending limits will be a maximum, not a floor. We are determined to eliminate the deficit over the business cycle. Revenue growth of 6 percent per year on average is about the most that can be expected from growth in the economy unless energy prices climb sharply, Mr. Speaker. That would not be enough to balance the budget by 1996-97 if expenditure rises at the legislated rates. A further fiscal correction of \$1.1 billion, or \$275 million per year, will be required. Generating an additional \$1.1 billion in revenue would require major tax increases. For example, personal income taxes would have to be increased by one-third or fuel taxes increased by 20 cents per litre.

This government will seek a better solution. If revenue growth is not sufficient, we believe Albertans would prefer even tougher controls on expenditure than specified in the legislation. After seven years of tight control, there are no easy places left to make large cuts in spending. Every program is considered important by those who receive the benefits. Health, education, and social services are already being restructured. Other programs and government administration have been slashed by over \$400 million since 1985-86. Cost savings will have to be sought in all programs. Sacrifices will be required from all Albertans. The government will ask Albertans for their advice on what services should be reduced or ended. The Premier has directed ministers and government MLAs to consult their constituents and report back on how best to achieve our objectives. We will work together with Albertans to restore fiscal balance.

### Economic and Fiscal Renewal

In summary, Mr. Speaker, this budget sets out a medium-term strategy to eliminate the deficit. This budget

- cuts the size and cost of government overhead,
- continues the restructuring of essential programs, and
- proposes firm legislated limits on spending.

This budget also takes immediate action to strengthen the Alberta economy. Our Economic Agenda '92

- enhances the competitive position of our manufacturers,
- assists small businesses and rural Alberta,
- provides \$200 million for local infrastructure, and
- cuts Albertans' personal income taxes.

Mr. Speaker, this budget builds confidence and creates more jobs for Albertans.

The future is bright for Alberta. The inflow of investment and people into our province shows that this is the place to be. Albertans pay the lowest taxes and keep more of their income than residents of other provinces. Our people services meet the needs of Albertans. I am certain, Mr. Speaker, that in partnership with Albertans, we can make the necessary choices for a stronger Alberta.

MR. SPEAKER: The Leader of the Opposition.

MR. MARTIN: Mr. Speaker, I beg leave to adjourn debate. [interjections]

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

HON. MEMBERS: Aye.

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

13. Moved by Mr. Johnston:

Be it resolved that the messages of His Honour the Honourable the Lieutenant Governor, the 1992-93 Capital Fund estimates, and all matters connected therewith be referred to the Committee of Supply.

MR. SPEAKER: Discussion? Call for the question.

[Motion carried]

14. Moved by Mr. Johnston:

Be it resolved that pursuant to Standing Order 58(6) the number of days that the Committee of Supply will be called to consider the 1992-93 Capital Fund estimates shall be two days.

[Motion carried]

15. Moved by Mr. Johnston:

Be it resolved that the messages of His Honour the Honourable the Lieutenant Governor, the 1992-93 estimates of proposed investments of the Alberta Heritage Savings Trust Fund capital projects division, and all matters connected therewith be referred to the Committee of Supply.

MR. SPEAKER: Is there a call for the question?

HON. MEMBERS: Question.

[Motion carried]

16. Moved by Mr. Johnston:

Be it resolved that the Assembly do resolve itself into Committee of Supply, when called, to consider the 1992-93 estimates of proposed investments of the Alberta Heritage Savings Trust Fund capital projects division.

[Motion carried]

[At 4:57 p.m. the Assembly adjourned to Tuesday at 2:30 p.m.]