

Legislative Assembly of Alberta

Title: **Wednesday, April 15, 1992**

2:30 p.m.

Date: 92/04/15

[Mr. Deputy Speaker in the Chair]

head: **Prayers**

MR. DEPUTY SPEAKER: Let us pray.

We give thanks to God for the rich heritage of this province as found in our people.

We pray that native-born Albertans and those who have come from other places may continue to work together to preserve and enlarge the precious heritage called Alberta.

Amen.

head: **Presenting Petitions**

MR. FISCHER: Mr. Speaker, I beg leave to present a petition from 158 teachers representing eight schools in the Wainwright constituency regarding the Teachers' Retirement Fund.

head: **Reading and Receiving Petitions**

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Speaker. I move that the petitions for private Bills that I presented to the Assembly yesterday be deemed to have now been read and received.

[Motion carried]

MS M. LAING: Mr. Speaker, I would ask that the petition I tabled yesterday be read and received.

CLERK:

We, the undersigned (Parents and Friends of Lesbians and Gays) respectfully ask the Legislative Assembly to urge the Government to protect our children, and other Albertans from discrimination based on sexual orientation.

head: **Introduction of Bills**

Bill 17 Irrigation District Rehabilitation Endowment Fund Act

MRS. McCLELLAN: Mr. Speaker, I request leave to introduce Bill 17, the Irrigation District Rehabilitation Endowment Fund Act. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, the purpose of this Act is to establish an endowment fund that will secure long-term financial support for the rehabilitation of the irrigation districts' water distribution infrastructure. It will ensure efficient and effective management of scarce water resources in southern Alberta and will provide ongoing support to the water users. This Act will also protect the economic contribution of the Alberta irrigation-based economy.

[Leave granted; Bill 17 read a first time]

MR. DEPUTY SPEAKER: The hon. Minister of Municipal Affairs.

Bill 20

Alberta Local Employment Transfer Act

MR. FOWLER: Thank you, Mr. Speaker. I request leave to introduce Bill 20, the Alberta Local Employment Transfer Act. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, the intent of the Bill is to distribute, as soon as third reading and consent of the Lieutenant Governor have taken place, a per diem payment of \$79.25 which has been funded through the surplus of the Alberta Municipal Financing Corporation, or the equivalent of \$200 million, to the municipalities of this province for their unconditional use.

[Leave granted; Bill 20 read a first time]

Bill 18

Mines and Minerals Amendment Act, 1992

MRS. BLACK: Mr. Speaker, I am pleased to introduce Bill 18, the Mines and Minerals Amendment Act, 1992.

Bill 18 proposes amendments which are primarily of a house-keeping nature. The amendments add ministerial authority to the levying of pecuniary penalties. It clarifies the process for requesting royalty recalculation, extends the period for record retention from five to six years, and adds a remedy of monetary compensation for mineral compensation.

Mr. Speaker, I look forward to the debate on Bill 18 during second reading.

[Leave granted; Bill 18 read a first time]

Bill 19

Mobile Home Sites Tenancies Amendment Act, 1992

MRS. B. LAING: Mr. Speaker, I request leave to introduce Bill 19, the Mobile Home Sites Tenancies Amendment Act.

The Bill will amend the Mobile Home Sites Tenancies Act, *Statutes of Alberta*, 1982, chapter M-18.5. It will make changes to the Act which I feel will achieve a fair and equitable balance between the rights and responsibilities of landlords and tenants in this area. Major amendments will allow tenants to dispose of, transfer, sublet, or assign their mobile home without interference or restriction, provide better security of tenure, recognize the tenants' right to privacy, and protect security deposits. It will provide landlords with a more effective means of dealing with those who substantially breach their tenancy agreement and make it easier for landlords to dispose of abandoned goods. The amendments will make the legislation relevant to contemporary needs and make the residential tenancy law in the province uniform.

Thank you.

[Leave granted; Bill 19 read a first time]

MR. GOGO: Mr. Speaker, I move that Bill 18, introduced by the hon. Member for Calgary-Foothills, and Bill 19, introduced by the hon. Member for Calgary-Bow, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

MS BETKOWSKI: Mr. Speaker, I am pleased to table with the Assembly the annual report of Alberta Health and the statistical supplement of the Alberta health care insurance plan for the fiscal year ended March 31, 1991.

MS M. LAING: Mr. Speaker, I wish to table a number of petitions signed by parents and friends of lesbian and gay people asking that sexual orientation become a protected category in the Individual's Rights Protection Act.

MR. DEPUTY SPEAKER: The hon. the Solicitor General.

DR. WEST: Yes, I am pleased today to table an answer to Motion for a Return 220.

MR. DEPUTY SPEAKER: The hon. Minister of the Environment.

MR. KLEIN: Thank you, Mr. Speaker. I'd like to file the 1991 annual report of the Canadian Council of Ministers of the Environment.

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

MR. MITCHELL: Thank you, Mr. Speaker. I would like to table documents outlining how it is that this government has increased taxes over 80 times during the Getty/Johnston era, from 1986 to 1992.

head: **Introduction of Special Guests**

2:40

MR. KOWALSKI: Mr. Speaker, in the public gallery today are 54 visitors from Barrhead elementary school. The students are accompanied today by a number of teachers, Mrs. Maureen Tansowny, Mme Margaret Cournoyer; parents Mrs. Adelheid Semler, Mrs. Moira Elder, Mme Carole-Andrée Beaupré, Mrs. Judy Böhn, and Mr. Al Blackmere. I'd ask our visitors to rise and receive the warm welcome of my colleagues in the Assembly.

MR. McFARLAND: Mr. Speaker, it's my pleasure today to introduce to you and through you 34 visitors from Hazel Cameron elementary school in Vulcan, Alberta. These children from the classes in Hazel Cameron are accompanied by their teacher Mrs. Sharon Cockwill, another teacher Mr. Dick Crosby, Mr. and Mrs. Gary and Val Lobdell, Mrs. Fay Nadon, Mrs. Kay Ellis, and Mrs. Diana Card. Would our guests please rise and accept the happiness of ourselves to have you here.

MR. DEPUTY SPEAKER: The hon. Member for Lesser Slave Lake.

MS CALAHASEN: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to members of the Assembly 11 students who are from the Kotchi-tan-mena program in Slave Lake. They are accompanied by their co-ordinator, Ms Arlette Barrette. These students are starting over again, as was indicated by the name that I just said, and I would like them to stand today and receive the warm welcome of this Assembly.

[Mr. Speaker in the Chair]

MR. SPEAKER: The Member for Edmonton-Strathcona.

MR. CHIVERS: Thank you, Mr. Speaker. It's my pleasure to introduce to you and to the members of the Assembly today a representative of the group of victims of the Bench Insurance fraud, Mr. Kelly Morton of Olds, Alberta. I'd ask that Mr. Morton stand in the public gallery and be recognized by the members of the Assembly.

head: **Oral Question Period**
Provincial Budget

MR. MARTIN: After eight consecutive deficits Albertans are looking hard at what they got for the at least \$15 billion and growing debt from this government. We have double-digit unemployment in our largest cities, qualified Alberta students can't get into our universities, and the number of Albertans on welfare is rising. Now the situation's going to get worse, Mr. Speaker, because it looks like our interest costs are also going to go up. We find out today that our province is now on credit watch by international credit agencies. My question is to the Premier. Will the Premier now tell Albertans how he will explain to these credit agencies that Albertans have gone from a so-called balanced budget last year to a \$1.6 billion deficit, and in this year we're now going to go up to another \$2.3 billion deficit, and that's only the general revenues, not the consolidated debt? How's he going to explain that?

MR. GETTY: Mr. Speaker, these are questions that are appropriately directed to the Provincial Treasurer, and I will make sure that he responds to the hon. Leader of the Opposition.

However, I would point out to him that these are sophisticated evaluations that are made. These people understand when revenues are dramatically lost. They're dealing with matters like this in the energy industry, with banks, other organizations, and countries and provinces all over the world, and they do understand these matters.

MR. MARTIN: Well, they're going to be warm and fuzzy and say, "Gee, Donny, we love what you're doing here." There's no doubt about it.

Mr. Speaker, this a very serious matter. Beyond the deficit that they're talking about, that they're acknowledging, if they lower our credit rating, that's going to cost millions of dollars more, and it will be adding to our deficit. The Premier is still in charge, not the Treasurer, I take it.

My question to the Premier is simply this, Mr. Speaker. Given that this government has certainly lost credibility with Albertans and is now losing credibility around the world, the questions they're going to be asking are very simple, straightforward ones, asked by both Albertans and the credit agencies: how does the Premier justify his total lack of action in addressing eight consecutive deficit budgets?

MR. GETTY: Once again, Mr. Speaker, we have been discussing these matters on almost a daily basis here in the Legislature, and as I pointed out to the Leader of the Opposition, these matters are understood by sophisticated investors and evaluating services. They know that Alberta has had the best record of financial restraint of any government in Canada. They know this. They know that Alberta is bringing in for the first time in history strict legislated spending controls. They know that Alberta is taking moves to make sure that this province, which is already the most financially sound province in Canada, will continue to be that way in the future.

MR. MARTIN: I'm sure when you give them that line, Mr. Speaker, they're going to break out laughing. The fact is eight consecutive deficits, \$15 billion in debt, Mr. Speaker. They look at the bottom line. The problem is that this government is so incompetent. We've have deficits in the good times as well as the bad. They could understand it if it was just in the bad times. The government's frankly doing nothing to help Albertans retrain for new jobs, and the welfare rolls are growing.

My question again to the Premier is simply this: how can the Premier justify a \$15 billion debt under his regime when average Albertans have virtually nothing to show for that deficit?

MR. GETTY: I don't know how he draws the conclusions he does. There's no question. The Provincial Treasurer has been very open and candid with the Legislature and the people of Alberta and has told them about the fact that we have had a resource revenue shock here, that we've had a dramatic loss of revenues, and that we've had to bridge our way from that loss onto building a stronger province in the future and at the same time work to reduce the deficit and the debt and at the same time make sure that our key programs of educating our children, of taking care of those who are disadvantaged and handicapped and our seniors and those who require health treatment and hospitals are maintained the best we possibly can. At the same time, Mr. Speaker, we're managing this loss of revenues.

Frankly, Mr. Speaker, nobody likes debt. The Provincial Treasurer has been very candid about that. But we are going to deal with it, and we're going to deal with it in a meaningful, effective way.

Now, Mr. Speaker, I know the opposition would have you believe that this province of ours is just a terrible place, just in terrible shape, just falling apart. All they have to do is travel and talk to the people of Alberta. They know this is a fine province, the strongest in Canada.

MR. MARTIN: Mr. Speaker, the province is okay. They've got to get rid of the government.

Senior Citizens Programs

MR. MARTIN: Let's go back to the budget. This government pretends to consult with seniors, but once again those who built this province have been betrayed. We see yesterday that the Provincial Treasurer was again misleading seniors, Mr. Speaker, and I quote from *Hansard*. He says, "This budget does not end . . . or take away from seniors in any way." Along with that, yesterday we had the minister for Seniors assuring seniors that no cuts would be made without consultation. How could they possibly say this when seniors' programs in this budget have been cut by some \$25 million? Cuts to self-contained housing, cuts to renters' assistance, cuts to independent living programs, cuts to home improvement programs, assured income, home adaptation programs: those are all cuts. My question to the minister responsible for Seniors is simply this: why did the government mislead seniors by saying that there wouldn't be any cuts without consultation when clearly there were cuts in this year's budget?

2:50

MR. BRASSARD: Mr. Speaker, I'm glad the member prefaced his remarks by talking about misleading the seniors, because it certainly isn't this minister or this government that is misleading the seniors, quite the opposite.

Let me tell you something about some of those programs. The home adaptation program that he's referring to is designed to

accommodate people with disabilities. This is a demand-driven program, and the demand is off. Naturally the amount of money involved in that program is going to be down accordingly. The seniors' home improvement program received the last application in 1989. It is in a declining stage. It's been replaced with another similar program, but it's in a declining stage, and naturally the applications for that program are reduced. So obviously the amount of money in that program has been reduced accordingly. The seniors' self-contained program: this is a program, Mr. Speaker, designed to put in apartments and other types of dwellings for seniors. We are building more units this year, not as many as last year, I'll admit, but there has been absolutely no change to that program whatsoever. The independent living program is the one that replaced the home improvement program, and it started in 1990. Perhaps the uptake isn't quite as much as we would have liked, but this again is a demand-driven program.

Mr. Speaker, should I go on?

MR. SPEAKER: I'm sure on the supplementaries, please. Thank you.

MR. MARTIN: Mr. Speaker, I'll tell you what's in a declining stage: it's this government and this minister.

Let's look at a specific program. Let's look at the most important cut here, and it was cut by \$8 million or close to it. Let's look at those self-contained units. Now, this budget shows that this will be cut by 20 percent, meaning that a lot of these people, if they can't move in there because there are already waiting lists, will have to move into more expensive institutions, such as nursing homes, Mr. Speaker. I want to ask the minister simply this.

AN HON. MEMBER: You're reaching.

MR. MARTIN: Not reaching at all. Mr. Speaker, this is what the seniors are saying.

Will the minister for seniors tell this Assembly how he plans to save money by forcing seniors into more expensive accommodation?

MR. BRASSARD: Mr. Speaker, I've said and I will repeat that here has been absolutely no change to any programs for seniors in this budget, and there will be none without consultation with those seniors. I had a very extensive consultation with those seniors, and we talked about a lot of these very programs. We talked about the medical alert program, that the hon. member referred to, and this is where we put a small transmitter around the neck of the individual to help them summon help. That is a demand-driven program. The Alberta assured income program is a demand-driven program. Those demands are off this year, and naturally the program reflects that. The program he referred to specifically, I already stated that we are going to continue to build units this year. There has been absolutely no change to that program whatsoever.

MR. MARTIN: What a bunch of bull. You've cut it from \$46.5 million to \$37.7 million.

Speaker's Ruling Parliamentary Language

MR. SPEAKER: Order. Order. Sorry to interrupt the flow, but that's one of the words we're not using in this place. Thank you. Let's just go with the question.

Senior Citizens Programs

(continued)

MR. MARTIN: Then what a bunch of baloney, Mr. Speaker.

To that minister who stands up. The self-contained housing program has been cut from \$46.5 million to \$37.7 million. How is that not a cut? Maybe he's using the Treasurer's math.

MR. BRASSARD: Mr. Speaker, the reason history repeats itself quite often is because people don't listen. It was just last year about this same time that this same hon. member talked about cuts to a program that we had actually increased by \$75 million. That is the same thing this time. I could talk about some of the programs that have indeed been increased in this budget. As a matter of fact, two of the seniors' programs, in spite of showing a \$1.5 billion deficit last year, received \$3 million by special warrant. We're not backing off from a commitment, and we're certainly not backing off from the commitment to consult with seniors before any change takes place in their programs. That is a commitment that we're living by.

Provincial Budget

(continued)

MR. DECORE: Mr. Speaker, the Treasurer and the Premier have been saying that Alberta's assets are now balanced with Alberta's liabilities. In plain language, both are saying that Alberta is broke. Alberta has received in direct payments from energy resources some \$53 billion since 1973. Mr. Premier, my question is this: will you explain to Albertans where all these assets have disappeared to?

MR. GETTY: Mr. Speaker, it's shocking. When his own party, under the leadership of Mr. Trudeau and Mr. Lalonde, saw assets and resources growing in Alberta, this Liberal leader, who was a member here, just kept his head down, took his mortgage work and a few other benefits, and never stood up once for the people of Alberta when the national energy program was ripping \$65 billion out of this province. That's where a lot of the assets went.

MR. DECORE: Mr. Speaker, I venture to believe that while the former Premier was drinking champagne, this Premier was probably in the back drinking champagne as well.

My second question to the Premier is this. Alberta's assets have gone from \$9 billion in 1986 to a less than zero position of \$1.3 billion. Our liabilities by 1996 will be \$10 billion greater than our assets. Why, Mr. Premier, have you put the province of Alberta in such great economic jeopardy?

MR. GETTY: Mr. Speaker, I know the hon. member is one to be very negative about this province, but the province is not in great economic jeopardy. I know the Provincial Treasurer will be glad to debate the figures with the hon. member because he has a history in the Legislature of using figures that turn out to be not correct, and I say that graciously.

Mr. Speaker, there's no question that this is the strongest province in Canada financially. The hon. member just has to look about this province and he'd realize that this province has got a tremendous future in front of it. We're building it, and it's going to continue to be the strongest province in this country.

MR. DECORE: Mr. Speaker, the Premier has taken this province from a have province to a have-not province, and he doesn't seem to recognize that, nor do the members opposite here. I'm amazed.

In answer to the question that the Leader of the Opposition put with respect to rating agencies, I don't understand, Mr. Premier, how you can say that they are going to understand and won't re-rate Alberta. I'd like to know what your strategy is to ensure that we're not negatively re-rated so that Albertans end up paying more money.

MR. GETTY: Mr. Speaker, over the years all provinces, the federal government go through these rating evaluations. Sometimes they go up; sometimes they go down. That's part of being current with their evaluations. What we will do is we will not be like the leader of the Liberal Party and the leader of the ND Party and talk about what a disaster Alberta is. We'll point out to them the assets of this province. We'll point out to them the future of this province. We'll point out to them how we are going to be able to not only be the wealthiest province in Canada now and the strongest financially but that our future will also maintain that rating, Mr. Speaker.

We've been very candid with the people of Alberta. The Provincial Treasurer said it several times in the last few days: yes, we have had a terrible resource revenue shock, but we're going to work our way out of it. I have this great confidence in the people of Alberta. When you deal with them in an open way, you tell them what the facts are, they're prepared to work with you and solve the problem. That's what we're going to do.

Education Policy

MR. DAY: Mr. Speaker, subsequent to a meeting yesterday between the education caucus committee and representatives of the Alberta School Boards Association I learned that one of the vice-presidents of that association who happens to be a Liberal candidate in the next provincial election has enunciated a Liberal policy avowing to eliminate Catholic school boards across Alberta. Though it doesn't surprise me that a Liberal would take such a discriminatory stand, this is an astounding position for a vice-president of the Alberta School Boards Association. My question to the Minister of Education is this: can he give my constituents, indeed all separate school supporters across this province, strong assurances that the government will not withdraw its funding for the Roman Catholic separate school system as this Liberal position would propose?

3:00

MR. DINNING: Well, Mr. Speaker, I can give my hon. colleague that kind of an assurance, but I'm afraid the Liberal Party across the way cannot. They want to cut spending. They want to save money by destroying the Catholic education system in this province. I must admit that I was concerned to read this new Liberal position. I certainly was concerned for the Calgary Catholic parents that I represent, and I really was concerned for the former chairman of the Calgary Catholic board, who now sits in the Liberal caucus across the way. Imagine the candidates' meeting when they get together and debate party policy.

Mr. Speaker, I can give the assurance to members of this Assembly and to all Albertans that we in this Progressive Conservative government support public and separate education in this province and that we support parents making the right choices for their children's education.

MR. DAY: Thank you for that clear assurance against that ludicrous position.

In the interest of gaining greater efficiency for Alberta tax dollars, is the minister either giving or receiving advice regarding rationalizing any school boards in the province?

MR. DINNING: Well, Mr. Speaker, the hon. member raises a very important issue, because all Albertans are saying to the people who spend their tax dollars, "Do it better; do it more efficiently." We in the provincial government are trying to focus our children's education more on learning and how well children are learning how to read or write or to do mathematics and science or to solve problems.

There are also opportunities for school districts across this province, and I look at the likes of Lethbridge public and Lethbridge Catholic, where they are working together to deliver special education to special-needs kids by one of those school boards. I look at a new resolution by Calgary board of education trustee Peggy Valentine calling for a better consolidation and co-ordination of transportation services between the two boards in Calgary. There are greater efforts in the delivery of in-service, Mr. Speaker, using consortia of school boards in the southern part of the province. All of these initiatives are within the ambit of responsibility and the current authority of all school boards across this province. We encourage them to do it, but we're not going to trample on their toes, as the new Liberal policy would do, by saying: you must do it, and we're going to eliminate Catholic . . .

MR. SPEAKER: Thank you. [interjections] Order. [interjections] Order.

Edmonton-Jasper Place, followed by Edmonton-Meadowlark.

MRS. GAGNON: Point of order, Mr. Speaker.

Fee Increases

MR. McINNIS: Mr. Speaker, methinks the problem is that the Liberals have too many positions.

Once again, Mr. Speaker, the provincial budget contains a very lengthy list of increases in user fees, licences, and charges. This year the tab is about \$16 million. It's an annual rite as much as the deficit spending, with nothing to show for it. Now we have \$40 drivers' licences, \$45 marriage licences, \$20 birth certificates, even youth hunting licences. I'd like to ask the Premier, because I notice that the cost of a permit to pollute under the Clean Air Act and a permit to pollute under the Clean Water Act is still zero, if he as the one who presides over the magic kingdom over there can explain why citizens pay till it hurts, but the big companies that pollute pay not one thin dime for their permits.

MR. GETTY: Mr. Speaker, I'm sure that in the course of budget estimates in committee we'll be able to get into all of the answers the hon. member is seeking.

MR. McINNIS: Mr. Speaker, the matter is of some significance, because in the Environment department there's a unit that costs us \$4.7 million that does nothing more than process the permits of Syncrude, Mitsubishi, Shell, Exxon, Daishowa, et cetera. I wonder if he could tell us today why it is that there's a \$4.7 million subsidy to that group in the permits section while every Albertan has to pay increased fees this year.

MR. GETTY: Well, Mr. Speaker, it's exactly because the matter is interesting and important that we take 25 days to discuss estimates here in the Legislature in committee. I'm sure the hon. member will have all the time necessary to talk about it.

MR. SPEAKER: Edmonton-Meadowlark, followed by Three Hills.

Provincial Budget

(continued)

MR. MITCHELL: Thank you, Mr. Speaker. The Premier consistently ignores the fact that his government has imposed more than 80 tax and fee increases since 1986, including the increase of the basic tax rate to 45.5 percent, imposition of a flat tax, the income tax surcharge, the increases in health care premiums for single people and families, the fuel tax, the hotel tax, the withdrawal of the renter's tax credit and the utility rebate, increase in motor vehicle registration, driver's licence fee increases, incorporation fee increases, standard campsite fees, a mechanic certification fee, rustic – it's far too long to try and finish this massive list of tax increases at this time. My question is to the Premier. When will the Premier stop deluding Albertans and admit that if anyone has an obsession with increasing taxes, it's this Premier himself and his government?

MR. GETTY: Well, Mr. Speaker, it's amazing for the hon. member to talk that way about the budgets that have been approved by this Assembly. It's this Assembly that takes the budgets, evaluates them, and then approves them. So it's done by the Legislative Assembly of Alberta represented by the people elected by the people of Alberta.

MR. MITCHELL: Mr. Speaker, I wonder when the Premier will admit that his tax cut in this budget of less than \$30 per Albertan is nothing more than a cheap political gimmick – and I emphasize of course the word "cheap" – that pales by comparison with the . . .

Speaker's Ruling Parliamentary Language

MR. SPEAKER: Order. Order. Would you care to withdraw your statement and use a different phrase, please, hon. member.

Provincial Budget

(continued)

MR. MITCHELL: The expensive political gimmick that pales by comparison with the massive tax increases that his government has imposed over the last six years.

MR. GETTY: Mr. Speaker, I must say that I'm pleased to be able to confirm to the people of Alberta – and the hon. member is giving me an opportunity here – that yes, we are cutting taxes to Albertans in this budget.

What I'm surprised about is the type of opposition that we have here on this matter, which is to oppose just for the sake of opposing. It's a kind of mindless opposition where you find that they want to be against everything. When there is a tax cut, they are against a tax cut. Now, that is the height of hypocrisy. We have had in the last week, Mr. Speaker, such a desire to be negative and to knock. First, they've been against a forestry development that would provide jobs for Albertans, but they must be negative, so they're against it. We've been discussing a tourism development that would provide jobs and economic activity for the city of Calgary, the area between Calgary and Banff. No, because they must be negative, they're against it. Now they're in the foolish, hypocritical position of being against a tax cut for Albertans as well. That's the worst kind of opposition for opposition's sake that I've ever seen.

MRS. OSTERMAN: Mr. Speaker, my question is to the Premier, and it's relating to our deficit and accumulated debt. My

constituents continue to be concerned, and in response to that concern I brought forward a motion last year that recommended a legislated framework that would tie expenditures to revenue. Now we see that in terms of the Budget Address the hon. Provincial Treasurer has indeed made some progress in that regard. He is saying that we should have a legislated ceiling on our expenditures. I wonder if the Premier would relate to this Legislature why this course was chosen as opposed to the one that was discussed last year.

3:10

MR. GETTY: Mr. Speaker, I'm very pleased that our cabinet and our caucus have recommended and are proceeding with legislated spending controls. While we have been able to keep spending on an annual increase basis at the lowest of any government in Canada, we want to ensure that now, when our revenues are dropping, rather than tie the spending to the revenues and try somehow to work on the gap there – we are saying that even when revenues come back, as they will, we are not going to allow those revenues to be put into greater and greater spending in programs. We are putting in a limit of a 2.5 percent increase this year, 2.25 next year, and down to 2 percent the year following so that when those revenues come back – and with faith in Alberta, obviously those revenues will – the revenues cannot go to spending. They must go to reduce the deficit and the debt.

MRS. OSTERMAN: Mr. Speaker, I appreciate some of that rationale, but I note in the Budget Address, and as the Premier's just indicated, that we are talking about a three-year program. Now, the Provincial Treasurer has made comments about when he hopes we will be able to achieve a balanced budget. I wonder if the Premier will explain to the House whether or not this legislation will have a sunset clause and how we propose to handle this particular situation beyond that three-year period.

MR. GETTY: Mr. Speaker, with the volatile nature of the economy in North America these days the government and the Provincial Treasurer, who's carrying the legislation, felt that to look out three-years was the most effective estimate a person or a government could make with any sense of certainty. As you know, we have had such dramatic ups and downs in our revenues that we did not want to lay out a plan that went beyond accurate forecasting. So we will consider during the third-year, I imagine, whether or not this legislation can be extended or made even more tight.

I should say this, Mr. Speaker. Remember, that these are maximums; they are not minimums. While there is a target of 2.5, 2.25, and 2 percent, I would hope that we can do better than that and that we'll reduce our spending even more.

MR. SPEAKER: Edmonton-Belmont, followed by Calgary-North West.

MR. SIGURDSON: Thank you, Mr. Speaker. My question is for the Minister of Labour and also to let the Premier know that we're not knocking everything. I for one am quite glad that there was a job-creation announcement in the budget. I'm sure that that's good news for a number of unemployed Albertans. Unfortunately, it seems to be a bit of a hollow promise. Yesterday 287 permanent and temporary government employees were given notice that their jobs were gone. In addition to that, there were 700 full-time positions abolished, 273 of which were in the Department of Family and Social Services, this at a time when we have record numbers of needy families trying to access social services. To the

Minister of Labour: I'm wondering if the minister can attempt to justify this move to slash jobs, which does not either stimulate the economy or guarantee quality of service to needy Albertans.

MS McCOY: Mr. Speaker, as everyone knows, we are going through a transition in this province economically, as is everybody in North America, and we are moving to a new economy. In doing so, of course, we must respond as a government as well. So we're going through some transitions here. In addition what we're doing of course, faced with a structural deficit, is looking at our own organization and making sure that we, too, respond to the exigencies of the time.

Now, we have looked very carefully at our civil service. I must say here, and let me say it publicly again, that we honour our civil servants, who are dedicated people working to serve Albertans, and over time we have moved to reshape the service so that it is concentrated and focusing on services that Albertans need. A thousand full-time equivalent positions have been cut this year. Most of those were vacant because our managers were anticipating the changes that are needed, so we were lucky enough to impact only 157 people. We are dealing with them in a way that we hope will enable them to get other jobs either in the private sector or with ourselves. But the emphasis has always been on service to the public, and we have accordingly been shifting our resources to frontline services.

MR. SPEAKER: Supplementary.

MR. SIGURDSON: Thank you, Mr. Speaker. Perhaps I could direct my supplementary to the minister of career development. The Minister of Labour talked about structural changes and the need to change the focus of the requirements of our society. The complete elimination of funding for the vocational training programs and other cuts to pre-employment training programs signifies that there's been a change of policy by this government. How is it that the government can find \$1 million to give to the tailor-made training program while at the same time cut \$5 million of funding from pre-employment training for people at the low end who really need this assistance to get back into employment? [some applause]

MR. WEISS: Mr. Speaker, I don't know what the applause is for other than for an inaccurate statement.

Mr. Speaker, I welcome the opportunity to have this discussion in detail when the department's estimates come forward, as well as the Minister of Advanced Education, because I'm sure the hon. member will be pleased to learn that there's some intertransfer relationship in regards to those funding projects as well.

MR. SPEAKER: Calgary-North West, followed by Calgary-Millican.

Economic Policy

MR. BRUSEKER: Thank you, Mr. Speaker. My question today is to the Minister of Economic Development and Trade. The government estimates show that for the 1990-91 fiscal year the government lost \$165 million on loan guarantees and this year only budgeted \$6 million. My question to the minister is: with Gainers, MagCan, NovAtel, just to name a few, still hanging over our heads, what has changed to suggest that we're only going to lose \$6 million this year?

MR. ELZINGA: Mr. Speaker, I'm not sure if the hon. member was in the Legislative Assembly yesterday or not when the leader of his party, the Member for Edmonton-Glegarry, put that exact same question to the Provincial Treasurer. I would refer him to *Hansard* of yesterday for the response.

MR. BRUSEKER: Well, then maybe he should read it himself because he'd see there's nothing there.

My supplementary then to the minister, to the \$6 million man. Since the government has finally adopted the recommendation of the Auditor General to record losses when they occur – and we know there are lots coming – will the minister agree to table on a monthly basis the losses that they incur so we know when we've used up that \$6 million?

MR. ELZINGA: Mr. Speaker, as the hon. member is aware, the public accounts were released by the Provincial Treasurer. It's under his responsibility which that detailing falls. I'm sure the hon. member will want to put that question to the Provincial Treasurer in the future. If he doesn't, I'm more than happy to take his representation and pass it on to the Provincial Treasurer.

MR. SPEAKER: Cypress-Redcliff.

Federal/Provincial Agricultural Support

MR. HYLAND: Thank you, Mr. Speaker. My question is to the Minister of Agriculture, and it's related to the announcement in the budget, the agricultural portion of that announcement, on the western economic partnership agreement, that part related to the Agriculture department and the replacement of the old nutritive processing agreements. I wonder if the minister can inform the Assembly when that information and those forms will be available for constituents that have been waiting for some time. When is it going to be available so that we can get to work on diversification?

MR. ISLEY: Mr. Speaker, the agricultural component of the western economic partnership agreement will be delivered through the Agricultural Development Corporation. They're currently in the final days, I hope, of drafting the agreement with the federal government and getting it ready for signature. The most practical date that I can suggest at this point in time will probably be about May 4, if we can stay on schedule.

MR. HYLAND: Thank you, Mr. Minister. A supplementary question. Can the minister assure the Assembly and assure constituents of mine that under this new program there will be a minimum of red tape so that once the project is accepted, we can get quick action, get it through, and get the business on the way?

MR. ISLEY: We will certainly do our best, Mr. Speaker, to achieve the objectives outlined by the hon. Member for Cypress-Redcliff.

MR. SPEAKER: Edmonton-Strathcona.

3:20 Bench Insurance Agencies Ltd.

MR. CHIVERS: Thank you, Mr. Speaker. My question is for the Minister of Consumer and Corporate Affairs. The legislative and regulatory vacuum revealed by the Bench Insurance fraud is exacting a terrible toll on the victims of that fraud. Kelly Morton's family stands in danger of losing the farm they worked hard for as a result of the \$80,000 that is still owing to them, and

the Agricultural Development Corporation continues to demand a \$10,000 payment by June 1 or they will take legal action in respect of it. Given the dire and urgent need of the Mortons and the other victims and given also the fact that the government shares some responsibility as a result of the legislative and regulatory vacuum, can the minister tell the Assembly what steps it intends to take in order to see that the victims are not forced off their farms?

MR. ANDERSON: Mr. Speaker, with respect to Bench Insurance I wouldn't agree with the hon. member's assessment regarding a regulatory failure. The government did, in fact, act as soon as it had the material available, called in the RCMP, froze the accounts, and pulled the licences of the agency involved, as well as dealt with the individual who was responsible for that agency.

I do have considerable sympathy for those who have been harmed by the collapse of the agency, and I have been discussing with the Minister of Agriculture the difficulties involved with the Agricultural Development Corporation loans which some of the people involved have interacted with. Mr. Morton's case is more unique than some others in that he had a settlement and now disputes that settlement. I met with him personally last week, and we continue to explore the many pieces of the puzzle that are there with regards to his insurance policies and the difficulty he's in.

MR. SPEAKER: Edmonton-Strathcona.

MR. CHIVERS: Thank you, Mr. Speaker. Well, surely the minister must agree that there is a regulatory and legislative vacuum, at the very least, if he says that there's no regulatory failure, and I'm wondering if the minister will please tell the Assembly what specific measures he intends to implement to protect consumers and prevent a reoccurrence in the future.

MR. ANDERSON: Mr. Speaker, the hon. member and I had this discussion last week in question period, and my answer would be the same. We certainly will assess the process that we go through at the moment with regards to the licensing of insurance agencies and the insurance council process. We will see if there aren't some other ways to better try and catch those who would break the laws of the province and therefore cause such difficulties. However, those would best be assessed once we know the full magnitude of the problem.

I have to emphasize for the hon. member that this is the subject of a police investigation. We are very much tied to that police investigation and moves or information given that might inhibit the proper administration of the law in that regards we could not share information on.

MR. SPEAKER: Calgary-McKnight, followed by Calgary-Fish Creek.

Students Finance

MRS. GAGNON: Thank you, Mr. Speaker. Wealth and competitiveness come from well-educated and well-trained people. My question is to the Minister of Advanced Education. How does the minister justify cutting student aid by 5.6 percent?

MR. GOGO: Well, Mr. Speaker, Alberta has a pretty good system of student financial assistance. As a matter of fact, when it comes to disadvantaged students and single parents we're the envy of Canada, with more than \$20 million to those special students.

In recognition of increasing tuition costs, Mr. Speaker, in this year's budget, which we'll get to in estimates, there's \$8.8 million more money available for student loans than there was in the last fiscal year.

MRS. GAGNON: Mr. Speaker, with this cut, student aid . . . [interjections] There is a cut. With this cut, and I repeat "cut," student aid will have declined 31.6 percent after inflation. Many students have to use food banks regularly. How does the minister expect students to survive while he continues to whittle away student allowances?

MR. GOGO: Mr. Speaker, I certainly don't want to be critical of the hon. member in terms of reading a figure out of an estimates book and reading too much into it. We spent a year reviewing tuition fees in the Student Finance Board, and they clearly told us a couple of things. One, we should check up on students who unfairly access that system. We put an audit system in place, and because of the audit system we were able to save \$4 million that we were able to use for other students. The second point is that for some years, in addition to the scholarship trust fund of \$100 million, we've been paying out from general revenue scholarships for the Pope, scholarships for the Queen, scholarships for other people, which now exceed \$2 million, and we've transferred that where it belongs, to the scholarship trust fund. So I look forward to the estimates because on balance we have saved the taxpayers of Alberta money while making \$8.8 million more available to students in this province.

Senate Reform

MR. PAYNE: Mr. Speaker, if I may, I'd like to direct a question to the Premier. The federal constitutional minister has recently indicated that he'd be prepared to consider a reformed Senate in which the provinces are represented equally. However, Mr. Clark has linked this important policy shift to a reduction of the powers or the effectiveness of a reformed Senate. I'm wondering: could the Premier outline to the Assembly today to what extent the government would be prepared to negotiate Senate effectiveness in exchange for provincial equality?

MR. GETTY: Mr. Speaker, it's true that there's been a great deal of intergovernmental activity being conducted recently, and the hon. Deputy Premier, who has been representing us in these meetings and doing it very well, will perhaps be able to augment my answer or respond to a supplementary from the hon. member if there is one.

On the matter of a triple E Senate, Mr. Speaker, the government of Alberta's position remains very, very firm. That is that any new Senate that we will support must be elected, must be effective, and must be equal. We will not support a Senate that does not have those principles within it.

We have always felt that the effective powers must be dealt with with a great deal of sensitivity. We did not want to merely have Parliament put into a deadlock where the House of Commons and the Senate merely stopped action between the two Houses of our Parliament. Anyone who has listened to our government or for that matter if they followed the Horsman report, the all-party committee report, they would know that we have always said that the powers must be built along these lines. I'll just take a moment, Mr. Speaker, because it is important to Albertans. In areas of exclusive federal jurisdiction, we could see that the Senate would not have extremely powerful powers, but in areas of exclusively provincial jurisdiction, we would want the Senate

to have tremendously powerful powers. We would want for sure an effective Senate to be able to stop a national energy program, as an example. Then in areas where we have overlapping jurisdiction – that is, the federal government and the province both exercise certain powers in some areas – you would have to have effective powers that are somewhere in the middle so that they can both fulfill their responsibilities.

So, Mr. Speaker, that has been the Alberta government's position on effective powers for some time. The committee's report also goes into the same type of recommendation. As more and more Canadians and other governments understand the Alberta government's position, realize how serious we are in terms of equal, elected, and effective, I'm looking forward to them seeing that this is the way our country should be built in the future.

3:30

MR. PAYNE: Mr. Speaker, perhaps I could direct a supplemental, then, to the Minister of Federal and Intergovernmental Affairs. I understand that his counterparts from across the country will be meeting here in Alberta at the end of the month. Could the minister share with the Assembly which areas of Senate reform will be on the agenda and whether or not Senate powers will be on the table?

MR. HORSMAN: Mr. Speaker, the last week has seen three days of meetings in which I participated and which necessitated my absence from the House. I'm sure all of the members missed my attendance. In any event, those were three days of full meetings with all governments represented, except Quebec unfortunately, and the two territorial governments and the four aboriginal groups at the table now. Those meetings took place in Halifax and then in Ottawa yesterday. There will be meetings here on the 29th and 30th, and then during the month of May every week at least two days and sometimes as long as three days will be taken in intensive meetings. So we're going through the process in a very detailed way, and I can assure the Member for Calgary-Fish Creek that all aspects of Senate reform are going to be dealt with in a very detailed and considered way.

We had preliminary discussions yesterday which took some hours. What we are achieving in this process, as the Premier has said, is a better understanding on the part of other governments of what Alberta is really proposing. I hope that that understanding will flow from those governments and through media coverage of the events to a better understanding by all Canadians that what we are proposing, what our select committee put forward and which will be debated in this Assembly before the meeting here on the 29th and 30th, is an instrument of Senate reform which will promote national unity in that it will have a federal Parliament which will function properly in a federal state.

I can assure members that I will appreciate their advice and their support as we go into these vital negotiations for the future of Canada.

Point of Order Imputing Motives

MR. SPEAKER: Point of order, Calgary-McKnight.

MRS. GAGNON: Thank you, Mr. Speaker. Under *Beauchesne* 409(7) it refers to prohibition against imputing motives. The personal attack questioning my motives must be withdrawn by the Minister of Education. My commitment and that of my party to Catholic education is stronger than ever. Catholic schools have provided excellent educational service to Albertans for well over a hundred years. [interjections]

MR. SPEAKER: Order. Order.

MRS. GAGNON: Shall I repeat what they didn't hear?

MR. SPEAKER: Hon. member, I assume they heard.

MRS. GAGNON: They were making so much noise, Mr. Speaker.

MR. SPEAKER: Well, hon. member, that seems to originate in various parts of the House at various times.

MR. WICKMAN: Yeah. The New Democrats are quite bad.

MR. SPEAKER: Order please.

It's happening in your own caucus right now.

MRS. GAGNON: Mr. Speaker, my party and myself will continue to be totally committed to the Constitution of Canada and to the public and separate school systems which it cherishes. The candidate was speaking on his own behalf, and his concern was about nonfunctioning school boards. I ask that the Member for Calgary-Shaw withdraw this comment imputing my motives. [interjections]

MR. SPEAKER: Order please.

MR. DINNING: Mr. Speaker, I'm sure that all members will look at the Blues, but I can assure this Assembly that this minister never imputed motives, never questioned the hon. member's motives, and if she wants to go back . . .

MR. DECORE: You sure did. Take it back.

MR. SPEAKER: Order. Order please. Edmonton-Glengarry, please control yourself. You're not helping the issue at all. This is still a parliament. [interjections] Order. The matter is between Calgary-McKnight and the Minister of Education. There will be no other comments from any quarter of the House.

The Minister of Education.

MR. DINNING: In fact, Mr. Speaker, I expressed sympathy and in fact support for the hon. Member for Calgary-McKnight having served in an earlier capacity as the chairman of the Calgary Catholic board of education and wondered aloud as to how this new member of the candidate team for the Liberals, presumably expressing Liberal policy – how that debate might unfold. I was relying on information that I received by way of newspaper articles. In addition to, I gather, some 15 people who attended the Liberal nomination meeting in Fort McMurray, all 15 people who witnessed and heard from this newly acclaimed – acclaimed, not contested – member of the Liberal team in the next provincial . . .

MR. SPEAKER: Order please, hon. minister. Let's be perfectly clear. We are dealing with comments about Calgary-McKnight. Any withdrawal or apology would be in the nature of any comments which may or may not have been made with respect to Calgary-McKnight. Again it points out the sometimes unreliability factor with respect to newspaper accounts, of which many of us are all too aware personally.

Would the minister like to make any concluding remarks? [interjection] Order. Edmonton-Whitemud, are you deaf of hearing? Please be quiet.

The Chair recognized and still recognizes the Minister of Education.

MR. DINNING: Mr. Speaker, if there is any doubt, I ask you to go back to the Blues and note that I supported the Member for Calgary-McKnight, expressed concern for her but questioned the new policy of the Liberal Party in this Assembly.

MR. SPEAKER: The Chair will review the Blues, and perhaps the matter can be dealt with before the conclusion of the day's business. Both the Member for Calgary-McKnight and the Minister of Education I trust will make certain that their schedules allow them to still be in the Chamber at the end of the day, please and thank you.

head: **Orders of the Day**

head: **Government Motions**

Provincial Fiscal Policies

12. Moved by Mr. Johnston:

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

[Adjourned debate April 14: Mr. McFarland]

MR. MCFARLAND: Mr. Speaker, it is with a great deal of pride that I rise today on behalf of the Little Bow constituency to deliver my maiden speech. I would like to thank the hon. Lieutenant Governor for his guidance to this House in the Speech from the Throne. We're very fortunate to have such a fine person as a vice-regent.

May I also congratulate you, Mr. Speaker, on the fine job that you've done during your second term in this important position. I've only served a short time in this Assembly, but already I notice the confidence, the nonpartisanship, and the knowledge that you've demonstrated in carrying out your duties.

Mr. Speaker, the formation of a political philosophy is a complicated process. It is influenced by such factors as family, friends, education, work, and our experience. The people of Little Bow are a conservative people. Now, many people say, "How can people in Little Bow be Conservative when they've elected Social Credit people, they've elected UFA people in the past, they've elected Representative and Independent members, but this is the only time that they've elected a first-time candidate of the Conservative Party?" I would like to give you a definition of what I feel a Conservative is. That's someone who raises grain, cattle, and eyebrows with their straightforward talk. A Liberal is someone who raises deficits, taxes, and hackles and takes credit for it. If I could take an example to prove it, I would, and that's to refer the members to the April 8 *Hansard* in which the Member for Westlock-Sturgeon – and I wish he were here today – stated that we need another national energy policy. Then I would refer him to the same source that I'm sure our Premier quoted this afternoon, Robert Mansell from the University of Calgary, in which he stated that Alberta in fact was robbed of some \$65.7 billion – billions of dollars – since the 1970s through the same policy that the Liberals would like.

3:40

The people of Little Bow truly are conservatives. They believe strongly in the family, they believe strongly in the democratic process, and they also believe in the superiority and the freedom of the individual. Mr. Speaker, my constituents do not believe in a government that dictates to people what they should do or what they should think. Little Bow is what's commonly called a grass-root constituency. The people of Little Bow are industrious, they're hard working, they're farmers, they're ranchers, they're

tradespeople, they're teachers, they're workers and small businessmen. In short, they're the backbone of Alberta. I believe the government should listen to the backbone of Alberta, to the grass roots, as we call them. I would tell you that I'm proud to be a part of the government that has promised to listen to the grass roots and to what Albertans have to say.

I consider it a great privilege to represent the people of Little Bow. The citizens of Little Bow are loyal to their representatives, and I promise I'll remain loyal to them. I promise that I'll convey their thoughts and their wishes through you, Mr. Speaker.

The members of this House may find it hard to believe, but in the 79 years since the creation of the riding of Little Bow, there have been only five elected MLAs, and I'm proud to be the fifth of that select group. I would like to just quickly name those former members because I have a great deal of respect for the history of this province. Mr. James McNaughton served in this House from 1913 to 1921. The hon. O.L. McPherson represented the people of Little Bow from 1921 to 1935. The hon. Peter Dawson not only was a Member of this Legislative Assembly from 1935 to 1963, but he also had the distinction of being the longest serving Speaker of this Assembly. Mr. Dawson was Speaker from 1937 until his death in 1963. I find it really amazing in this day and age that he could have traveled to and from the little village of Carmangay every weekend to continue to preach in the United Church every Sunday without fail. I'd like to assure you that some of those Sundays I dutifully sang in his choir, Mr. Speaker. Not good, but I sang.

I now come to the man who represented the constituency of Little Bow for almost 30 years, the hon. Raymond Speaker. Mr. Speaker was first elected to this Assembly in 1963 at an early age of 27 years old. As an MLA and former minister of two governments Mr. Speaker continuously exhibited the highest personal standards a member could have. I have the utmost respect for Ray Speaker and his dedication to the people of Little Bow, the province of Alberta, and this country of Canada.

Mr. Speaker, Little Bow is a beautiful part of our country, especially when it rains and when the wind doesn't blow too hard. We have a big, blue, beautiful sky and warm, dry winds and the wide-open prairie which have attracted people from throughout the province for years. It's very similar to the scenic wonders you find around the Banff-Cochrane area except Mother Nature decided she wouldn't bless us with a few rocks and the pine trees that you see on the western border. Instead we have the typical grasses of the prairie grasslands, which have defined the character of Alberta and Albertans in that area for many years. For centuries the unbroken prairies of Little Bow supported the nomadic life-style of the Plains Indians. These people moved along with the flows of the seasons and the changes of the migration of the buffalo. Today that same prairie is carpeted with crops and grazing cattle and supports some 15,600 residents in Little Bow.

Mr. Speaker, the people of my constituency come from a diverse ethnic background. They include the natives of the Siksika Nation, the sons and daughters and the grandchildren of many ethnic backgrounds in northern Europe and different parts of Asia. In addition, many people from all around different parts of this world have been attracted to Little Bow by the geographical beauty, the prospects of a growing provincial economy, and a quality of life that's second to none.

I'd like to share with you that we're not just an agricultural constituency, that we have had lots of people who have achieved a great deal of success in their own right from our area. We have half of this year's Canadian junior figure skating national championship from Barons. We have last year's Alberta winner of the

Soil Conservation Award, which is very prestigious in Alberta in itself. We have bull-riding champion Wes Cyr from Milo. We have a 1990 silver medalist and gold medalist in the 100-metre hurdle and the 400-metre hurdle for the dominion Legion championship for all of Canada.

The riding of Little Bow is one of the larger constituencies south of the Edmonton area. To put it in perspective – and I would like people in the cities to have it in that perspective when they pick up their papers and read about electoral boundary changes – if we flopped our riding over between Calgary and Edmonton, the longest point would cover some distance from the northern outskirts of Calgary to Wetaskiwin. There are eight public school boards within our riding, three separate school boards, two private school boards, and at least a dozen colony schools that want to be treated independently. There are also 16 town and village councils, many hamlets, all or parts of seven hospital boards, four counties, three municipal districts, and the Siksika Nation on the north end of the constituency. Mr. Speaker, we obviously do not have the huge population that city ridings do, but I believe that we in the rural constituencies have many more issues to deal with, and it is very hard to do so when you have to travel two and a half hours simply to cross your riding. Therefore, I think we deserve special considerations when it comes to the electoral boundaries.

Mr. Speaker, I'd just like to take this opportunity to mention that every town and village in our constituency, as in many other constituencies throughout Alberta, benefited from the community enhancement program, and each and every one of them was deeply indebted to the moneys that this province provided in accomplishing some of the upgrading. I stress "upgrading" not building new facilities. It brought together communities and service clubs more than ever before in accomplishing some of the goals that we had strived for for many years. I'd like to encourage this government to renew that program.

There's much to see and do in the constituency. I would like to point out that there are two scenic rivers winding throughout Little Bow. To the north is the Bow River; the Little Bow River meanders through the southern part of the riding. There are also, as a result of these two rivers, six very important man-made reservoirs which act as headwaters for existing irrigation districts within and without the constituency of Little Bow. They're not only used for water management, but they also provide recreation, municipal water, and domestic water supplies. These reservoirs – Keho Lake, Williams lake, Travers reservoir, Little Bow reservoir, Badger Lake, and McGregor Lake – offer some great year-round commercial and sport fishing.

Situated near the middle of the southern end of the riding, Mr. Speaker, east of Champion, is the Little Bow provincial park, which has been a favourite camping destination of many Albertans for many years. This was initially started as a joint project between two Lions clubs in the villages of Champion and Carmangay. Little Bow provincial park takes advantage of the recreational potential of Travers reservoir, where campers can utilize the reservoir for swimming, sun tanning, sailing, waterskiing, and wind surfing.

3:50

The northern part of my constituency is the home of the Siksika Nation. Today the Siksika Nation is in the process of implementing an economic plan which will have a positive impact on the quality of life within the reserve and throughout the constituency. Presently the Siksika Nation have completed a golf course and a resort complex, which has been made available to people from all over this province. They are also involved in some other

initiatives, which include an industrial site to manufacture pottery and jackets.

Mr. Speaker, the people of Little Bow take pride in their communities, and therefore we have several fine cultural and recreational programs to offer. We have museums, a horse-racing track at Milo, sports and agricultural fairs in many of the towns and villages, golf courses, swimming pools, hockey and curling rinks, baseball diamonds, rodeos, and much more. We feel that even though we may be rinky-dink towns, we're entitled to them as much as anyone else. I invite every member of this Assembly, irregardless of party affiliation, to come down and visit us this summer. I'm sure you will enjoy the experience.

Mr. Speaker, the people of Little Bow depend heavily on agriculture. As their representative in this Legislature I intend to make that my first priority. I have firsthand knowledge of what it's like and how difficult it is for farmers to try to survive in today's marketplace. Drought conditions and low prices of grain for nearly a decade have made it a struggle for many Little Bow farmers to survive. Maybe that's where we got the campaign slogan Fighting for Little Bow. For today's farmer it's no longer a case of only hard work. It's a case that you have to rely on a global economy, an economy where interest rates are often too high, and subsidies to farmers in Europe and the United States have created a situation where Alberta farmers feel that the future of their farms is out of their own control.

Mr. Speaker, I am pleased that in last month's Speech from the Throne this government pledged to listen to and work with Alberta's farmers in order to maintain their competitiveness in the global marketplace. I am pleased that this government in its budget speech pledged to nearly double the province's contributions to the gross revenue insurance program to nearly \$730 million.

Mr. Speaker, agriculture is critical to Little Bow, and we as a society need to recognize the difficult times the farmers throughout Alberta, not only just in Little Bow, are having. Not only that, we need to recognize as a society the basic requirements that these farmers and ranchers are providing not only to the rest of the Albertans but the rest of Canada and to parts of this world, that being cheap food. If anything, I feel that we subsidize the consumers. I believe that we should continue to support programs that help farmers defray the costs of high interest rates, and I also believe that farmers should have the first opportunity to lease back land that's been foreclosed upon.

Mr. Speaker, Little Bow has a fairly good mix of livestock and grain farmers. Approximately 60 percent of the farmers in our region are straight grain producers. The other 40 percent have livestock of some sort. The effect of this diversity is important both for individual farmers and the economy as a whole. In Little Bow we realize that manufacturers affecting agricultural production can leave us particularly prone to fluctuations in the production and the profitability of our products. Therefore, the farmers of Little Bow do not depend on just a few commodities to make their living. They invest in a wide range, and many, many are now turning to off-farm income.

In the northeastern part of the riding we have large tracts of leased land that are ideal for cattle ranchers. In the northern and northwestern parts of the constituency we have mixed farming, and in the south we have specialty crops that are made possible by an extensive irrigation system.

Mr. Speaker, the fair distribution of water in southern Alberta is important. Projects such as the Oldman dam and the proposed Little Bow dam are crucial not only to our survival but the viable economic entity of this province. Little Bow shares parts of three irrigation districts. They are the Bow River irrigation district to

the south, the Lethbridge Northern irrigation district to the south, and the Western irrigation on the northern fringe. These irrigation districts have made it possible for our farmers to grow a wide variety of specialty crops. Some of the crops in this area include sugar beets, onions, carrots, dry beans, dry peas, sweet corn, field corn, sunflowers, safflower, triticale, spearmint oil, peppermint oil, coriander, and maybe even the potatoes you ate last night. Not many people are aware of that.

Mr. Speaker, it is in the best interests of every member of this Assembly that we aim to maintain a stable working rural population in Alberta. The small businesses of Alberta greatly benefit from the economic activity generated by Alberta agriculture: transportation and communication, the production and wholesaling and retailing of the items farmers buy and sell, financial services, professionals - lawyers, accountants and veterinarians - and finally, the public services such as the roads, product inspection, and education that are necessary for the proper functioning of the industry. It's therefore essential that we as representatives of the people of rural Alberta put forward the best policies to help the family farmer and encourage small business.

I am pleased that the province along with the federal government has pledged to provide \$120 million toward the further diversification of western Canada. Mr. Speaker, I believe that we should continue to encourage programs through the Alberta Agricultural Development Corporation which provide loan guarantees and preferred interest rates to farmers and agribusiness. We must also move to encourage rural people to shop at home. The infrastructure of many small towns in rural Alberta will begin to crumble if people continue to go to the cities to buy their goods and services. We must be creative if we want rural Alberta to survive and prosper.

Mr. Speaker, I am pleased to note that in the Speech from the Throne the government stated that it is committed to maintaining quality health and social programs without simply increasing expenditures and taxes in order to ensure their efficient delivery. Little Bow has two hospitals serving the entire constituency. One is an active treatment hospital. It's the first of a few that were the new prototypical type. It's an active treatment hospital in Vulcan. The other is an auxiliary hospital in Carmangay. It was the first of its type - a pilot project, if you will - in Alberta which converted from an active treatment hospital to an auxiliary hospital with the guidance of the provincial government. I was proud to have been part of the board of that particular hospital that took a facility that was costing Albertans \$400 per day per patient bed and maintained an occupancy rate of 35 percent and converted it to a much needed, long-term auxiliary care facility which reduced the cost to a hundred dollars per bed per patient day. At the same time, that hospital now has a waiting list rather than a 35 percent occupancy rate. I think the people of Alberta should be proud of that and should be pushing for more of those types of facilities.

Mr. Speaker, STARS is near and dear to many people in southern Alberta. You wouldn't know what it's like until you have heard the stories of people who have had accidents 90 miles from nowhere and of the ambulance that got lost trying to find people who are bleeding to death. STARS is so important to people that Lions clubs, such as at Arrowwood, hold STARS benefits regularly. People that I am familiar with personally were in the process of losing land and had a roping benefit and turned all the proceeds not over to saving the farm but over to STARS. I'm very proud of that.

I must mention that the staff at the two hospitals have done an excellent job in meeting the physical and emotional needs of all the people in Little Bow. Quality health care is important to my constituency, and I'm pleased that the government will consult and

has consulted with the people of rural Alberta and is continuing to streamline the effective delivery of our system of health care.

4:00

Mr. Speaker, the education of our young people is extremely important to the people of Little Bow. We realize that we all need to work towards improving the achievement results that we so dearly want to have. Our students are prepared for the challenges and will accept the challenges of the next century. In Little Bow there are four high schools – on the west side of the riding, Blackie and Vulcan; one in the southeast corner at Vauxhall, and one in the central part of the riding at Lomond – all for a riding that would cover an area from Calgary to Wetaskiwin. The newest of these schools is nearly 30 years old. Aside from that there are elementary and junior high schools in four of the other towns throughout the riding.

My constituency has been experiencing an ongoing process of school centralization and cost cutting for several years. It's nothing new to them. Many students have made sacrifices in order to get a quality education. In fact, some children have to travel long distances just to get to school. Some spend as many as three hours a day on a bus. The school boards of Little Bow have cut back on staff as far as they can, and they simply cannot afford to cut back on programs any more. We have to think of our children and maintain a standard of quality education for all Albertans. Mr. Speaker, we cannot continue to lose students outside of the riding because of a lack of vocational programs. There is a limit to the amount of time our students can travel. Our so-called rinky-dink towns again are entitled to an equitable education as much as any other part of the province. [interjection] You're not going to forget that one.

[Mr. Jonson in the Chair]

Mr. Speaker, the constituency of Little Bow is a diverse and beautiful place. I'm proud to be the Member of the Legislative Assembly for Little Bow, and I'm proud to be an Albertan.

Thank you.

Point of Order Imputing Motives

MR. ACTING DEPUTY SPEAKER: Order please. Yesterday afternoon a point of order was raised by the hon. Solicitor General, and this being the next appropriate time to respond, I wish to do so. Upon reviewing the Blues and then the final copy of *Hansard* and that material relative to Standing Order 23(h) which was used – it refers to allegations being made – the Chair finds that the exchange amounted to a difference of opinion over the circumstances in which an event occurred. Therefore, the Chair does not find there to be a point of order. The Chair would refer hon. members involved and all members of the Assembly to *Beauchesne* 494 as a basis for my response.

There is a second item, and that is that I would also refer the hon. members involved to Standing Order 23(b)(i) and 23(j). The Chair would suggest that lack of close observation with respect to these two points led to the exchange and to the raising of the point of order and the exchange that followed.

Speaker's Ruling Referring to the Absence of a Member

MR. ACTING DEPUTY SPEAKER: Finally, the Chair would like to take this opportunity to request the co-operation of the Assembly with respect to another matter. It was noted yesterday afternoon that there seemed to be frequent violation of *Beauchesne*

481(c), which deals with referring to the presence or lack thereof of a member. While the occasional violation of this rule is understood – it is quite often done unintentionally – it is the Chair's observation that yesterday afternoon it was quite frequent. This rule is there to recognize that hon. members when absent from the Assembly are attending to important duties relative to the governing of the province in the service of their constituency, and the rule should be respected.

Thank you.

Debate Continued

MR. ACTING DEPUTY SPEAKER: The hon. Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I would like to address the budget, and I'd like to begin by just mentioning that I was intrigued by the statement of the new Member for Little Bow. I was impressed by his maiden speech, as I know we all were. I was intrigued, however, by his statement that his campaign slogan was Fighting for Little Bow and struck by the coincidence that no sooner than four weeks after his arrival in this Legislature the province has brought down yet another of seven consecutive deficit budgets. I'd say that's quite a fight he's put up for those Conservatives back there in Little Bow who love all those basic kinds of conservative values and sentiments.

This is in fact, I would argue, one of the key issues confronting this government, a government that last year bragged, in fact used Albertans' money to stand up and say that they had balanced the budget, that staked whatever political credibility they felt they had on a balanced budget. Eleven or 12 months later all of a sudden we see such a fundamental flip-flop on the issue of whether or not budgets should be balanced, what the virtues are of an unbalanced budget, how we could see 12 months ago a government argue so vehemently for its "achievement" of balancing a budget and 12 months later saying, "Hey, we don't really need to balance a budget; everybody should have a little debt."

I believe, Mr. Speaker, that if there is an issue in this budget debate, it is the credibility of this Treasurer. I would like to mention a few points which I think dramatically and seriously question the credibility of this Treasurer. We have a Treasurer who for seven consecutive years has brought in deficit budgets – seven consecutive deficit budgets – which will amount to, by the end of this year, an accumulated deficit in excess of 14 and a half billion dollars. He has done that in the midst of promising at least two dates at which his budget would be balanced and, in fact, on a third occasion indicating that his budget was balanced only to disappoint the members of this Legislature and I'm sure – I would hope – the members of his own caucus and certainly the people of Alberta on that third occasion, not having achieved what it was that he said he had in fact achieved.

What is even perhaps more disconcerting than the fact that he set objectives, bragged about those objectives, and then was patently unable to ever achieve those objectives is the fact that he has consistently misled Albertans about the size of his deficit. For example, for 1991 he wants to say that his deficit was only – only; I use his words – \$1.2 billion. It is true, Mr. Speaker, that in fact the General Revenue Fund deficit was only \$1.2 billion, but what the Treasurer fails to acknowledge is that that is not the only deficit for which he and his government are responsible and over which he and his government have control. The consolidated books of this province signed by the Auditor General of this province specify very clearly that the consolidated deficit in 1991 was not \$1.2 billion but was \$1.8 billion.

4:10

Now, the Treasurer will say somehow he's not responsible for the consolidated deficit. I point out what the Auditor General said on page 113 of his report.

Most of these activities together with those of the General Revenue Fund are included in the consolidated financial statements of the Province. For this reason, and you should listen to this,

the consolidated financial statements provide a more comprehensive accounting of the financial position and results of government operations.

This government didn't have a \$1.2 billion deficit in 1991; they very clearly had a \$1.8 billion deficit on a consolidated basis. The Treasurer will stand up and say he's not really responsible for the consolidated basis because, of course, he can't control the various agencies that account for the difference in \$600 million in deficit. Well, let me read the agencies that account for that difference. One of them is the Lottery Fund. Another one is the Alberta Mortgage and Housing Corporation. Others are the Alberta Government Telephones Commission, the Workers' Compensation Board, other commercial enterprises of the government. If the government of Alberta isn't responsible for picking up debt, deficits, overexpenditures incurred by the Alberta Government Telephones Commission, who is? If the Treasurer of Alberta, therefore, isn't responsible for \$1.8 billion in deficit, Mr. Speaker, who is?

That is a very critical question, because until we have a government that takes responsibility for the problems that it is creating, then there surely is, most certainly is no hope that that problem will ever be solved. For the Treasurer to say that he is not responsible for that extra \$600 million, for his caucus members to accept that misrepresentation is for them to agree that the government of Canada wouldn't have to pick up the losses on Canada Post. Well, of course they would. Everybody knows they would, and for years and years they had to. The fact is that not only has the deficit been consistent – perhaps one of the only consistent things that this Treasurer has done – but it has also been misconstrued in its severity by this Treasurer. Is that a question of confidence? Is that a question of credibility? Yes, it is, Mr. Speaker, without a doubt.

[Mr. Payne in the Chair]

Now, as if to give us some kind of reassurance about the level of deficit spending in this province, the Premier, the Treasurer, any other cabinet minister in whose face a microphone is put will argue that these haven't really been true deficits, that in fact what they have been are revenue losses. "Revenue shock," I think, were the words the Premier said today. Well, Mr. Speaker, you might accept that revenue shock idea once. In fact, in 1986 all of sudden revenues dropped from \$3.4 billion to \$1.3 billion. You might accept that that was unexpected and that that was a shock. You might even accept it twice. You might just accept a shock twice, as happened about two years later. But who with any sense of credibility would stand up and accept the third revenue shock and express that as the excuse for yet another deficit? At some point, and it isn't seven years later, a decline in government revenues is no longer a revenue shock. It is a brand-new revenue reality, and it is a revenue reality with which this government has yet to come to grips.

[Mr. Jonson in the Chair]

The Treasurer will try to reassure us. The Premier will try to reassure us by saying, "We have controlled-expenditure growth."

"In fact, I think we've averaged," they'll say, "2.3 percent a year for seven years." Mr. Speaker, again a question of the credibility of this Treasurer, because again he has misconstrued the facts. The fact is that his estimates of expenditure growth exclude critical items. They exclude growth in Capital Fund expenditure. They exclude growth in Heritage Savings Trust Fund capital expenditure. Perhaps more important than both of those oversights is that they also exclude this year the \$120 million increase in interest carrying charges. Well, for the Treasurer to say that everything is okay because he has limited expenditures and then to say, "I haven't limited expenditure on capital, so I'm going to exclude it, and I haven't limited expenditure on the Heritage Savings Trust Fund capital, so I'm going to exclude that, and by the way, I haven't limited expenditure on interest carrying charges," is to say that he has not limited expenditure. What is he saying? Is he saying somehow, "As long as I control program spending, all other kinds of expenditure increases can take off and I don't have to worry about that and it's all going to work out sometime in the future"? Well, how is it going to work out? We have a Treasurer who won't accept responsibility for the full deficit. We have a Treasurer who won't accept responsibility for all funding increases. What we have is a Treasurer who won't accept responsibility, who is therefore, by definition, without credibility.

The Treasurer goes on to reassure us that everything's okay because everybody else increases taxes but not this Treasurer. Well, we only have to look at his record to see that he has been responsible for in excess of 80 fee and tax increases over the last six years. These paragons of financial integrity in a financial discipline, who blame everybody else for everything – "We're not responsible for one-third of the deficit; by the way, we're not responsible for one-half of the expenditure increases" – are also refusing to take responsibility for 80 tax and fee increases over six years. I'd have to say that's – what? – about 14, 15 fee increases a year. That's just what we know about, because prior to last year's budget fee increases weren't specified in the budget document. So who knows how many others. In fact, they were referred to in general terms, but they weren't quantified for the public in the budget document. Mr. Speaker, this is not a legacy, not a tradition or a record that should instill in anybody any sense of credibility and confidence with respect to this particular Treasurer.

As if that isn't bad enough with respect to taxes, Mr. Speaker, where he has increased taxes and fees, the effect has been highly regressive. I'd like to point out some observations that I think are worthy of consideration. Over the time that this Treasurer has been Treasurer under the direction – and as I said yesterday, I use that word very loosely in this context – of the Premier, a single person with no dependants earning \$15,000 per year, not a lot of money, has suffered a 207 percent increase in taxes and user fees since 1986. Quite an accomplishment. An unmarried parent earning \$20,000 per year has seen his or her taxes and user fees rise by 141 percent. Well, in contrast, a single person with no dependants earning \$75,000 per year had to pay only 14 percent more in taxes and user fees. A family earning \$100,000 per year – a family consisting of one employed parent, one unemployed parent, and two children – has seen taxes and user fees rise only 15 percent since 1986. Not only do the Premier and the Treasurer not want to take some sense of responsibility for tax increases in this province, but when you analyze it with any kind of insight at all, it becomes very clear that they have been particularly selective in the way that they have increased taxes and fees in a very regressive way on the people of Alberta.

Lotteries continue to be a very, very contentious issue, Mr. Speaker. The lotteries issue is contentious because it is a great

deal of money which is public money in the hands of public officials for which there is no accountability to the public. It's hard to believe, in an era where people are demanding, expecting, clamouring for more openness, greater responsibility, and greater accountability in government, that the minister of public works with the support of his Treasurer, obviously, and the Premier can continuously and consistently argue that this money somehow is different, that this money doesn't have to come before this Legislative Assembly. In fact, it was interesting to note that the Premier was very clear today that everything was okay with respect to taxes because this Legislative Assembly had authorized all those tax increases. Well, if he's so keen to emphasize that, why is it that he hasn't expected and demanded, required that this Legislative Assembly authorize lottery expenditures and the manner in which lottery funds are raised?

It's not as though we in opposition are saying this alone. It's not as though we have made this up, Mr. Speaker. I would like to quote from the Auditor General's report where he says:

The minister responsible for administering the Interprovincial Lottery Act [must] determine a way to achieve appropriate accountability for all lottery revenues.

In particular, he points out that

the criteria established for determining the eligibility of projects were not complete.

Isn't that interesting?

A plan to indicate how Program funding would address community needs had not been prepared.

Instances were observed where the information provided by applicants was not sufficient to demonstrate the eligibility for funding.

These are all symptoms of a system that does not have sufficient accountability. How can this government be so selective in picking that limited number of things that it will do at the direction of the Auditor General and those very critical things that it simply refuses to do when also directed to do so by the Auditor General?

4:20

Mr. Speaker, I guess what is particularly disconcerting is that while the government is now claiming some sense of credibility or wanting to take some credit for the fact that it's actually coming up with what looked to be more realistic revenue projections – “Aren't we good guys because we've actually projected our revenues more realistically, and it's not our fault, therefore, that we're really going to have a \$2.6 billion deficit?” – the fact is that there is no plan of action for solving this deficit debt problem. None. Zero. Zip. We've heard a few mutterings. For example, the business cycle is going to solve the problem. Well, isn't that interesting? For seven consecutive years the business cycle hasn't solved the problem. I wonder if the Treasurer could specify for us how it is that he knows and when it is that he knows that the business cycle is all of a sudden going to turn in his favour and solve the problem.

Mr. Speaker, this is like waiting for a revenue lottery. This is like rolling the dice year after year after year and simply waiting for something out there to happen, again saying they're not responsible, again saying it's somebody else's or some other factor's fault, again saying it's revenue loss shock. Well, we've been shocked three times. You'd think they might have figured it out the first time. Maybe they could have figured it out the second time. They haven't even figured it out the third time. Well, if the business cycle isn't enough – so he gets pressed a little bit. Then he says, well, no, no, no; assuming 6 percent revenue growth and assuming a cap on expenditures – only those expenditures for which he wants to take responsibility, by the way, of 2.5 percent down to 2.25 percent I think and then down to 2 percent – somehow that's going to solve the problem.

If you add that up, if you take those assumptions and add up what the implications of those assumptions are, Mr. Speaker, what you will have is a continuing deficit over the next number of years of, beginning this year, \$2.3 billion minimum, \$2 billion next year, 1 and a half billion dollars next year, \$1 billion next year, \$600 million the next year, and that's if he gets 6 percent growth in revenues and that's if you control expenditures. He says the only way we could do it is to reduce expenditures by \$275 million a year, and then his own assumption is that he's going to allow expenditures to increase by upwards of 2 and a half to 2 percent a year for who knows how long into perpetuity.

He then says it's okay because we have a plan for better management accountability and control; we're going to bring in legislated spending limits. I've seen member after member and cabinet minister after cabinet minister, the Premier saying, “Hey, everything's going to be okay because we are going to control spending limits.” You know how they define control of spending limits? They're going to control the percentage amount by which special warrants can increase their total expenditures. Mr. Speaker, all that says is if they budgeted right in the first place, they wouldn't have to have special warrants at all. What are they offering us? Absolutely nothing. Just a shorter lease on their own inaccurate budgetary estimates and budgetary speculations. This is nothing more than a cynical political gesture to meet a real need for some sense of management process accountability and control.

Mr. Speaker, we have had three elements of a plan. One is the business cycle. The business cycle isn't going to save us. We don't know when, we don't know how – we don't control them – but somehow they're going to do it. I can see him on his knees praying as he writes the budget next year. Secondly, 6 percent revenue growth and a declining cap on expenditures. The cap, on the one hand, isn't a reduction of expenditures; it still allows an increase even though he says he needs a \$275 million annual reduction in expenditures. I ask the people in this caucus how they can sit in a meeting with that Treasurer and accept this drivel year after year after year. When do they understand that they have a responsibility, that they must take that responsibility and say to that Treasurer: “We're not stupid. We're not going to take it any longer”? Each one of these guys: where is it? What's their input? Where's the guy from Little Bow fighting for Little Bow against this Treasurer as he runs up a deficit that is out of control and shows us absolutely no plan by which he is going to solve that problem?

Then he says there's no crisis. There's no crisis? Mr. Speaker, I don't know how he would define “crisis.” He says we've been cautious. I'd like to see what the results would be if he hadn't been cautious. This is a terrifying prospect. This is a budget that is bankrupt of ideas and is presented by a Treasurer and by a Premier who are fundamentally without credibility in this province. If there is a crisis, and there is, it is a crisis of confidence in these people.

Then they say: “It's okay; we're stimulating the economy. That's what this budget is going to do.” If you add up the expenditure increase – and you take out, of course, interest because that doesn't stimulate the economy; in fact, a lot of that's paid outside this economy – it is less than 1 percent of the entire gross domestic product of this province. That's going to stimulate the economy? The tax cut, if you add it up, is less than \$30 in the pocket of every Albertan all year long. That's under \$3 a month. That's going to stimulate the economy, Mr. Speaker? You know how he could stimulate the economy? You know the one thing this Treasurer could do to stimulate the economy would be to stimulate people's confidence in his ability to manage this government. If he could demonstrate to people in this province that he has a plan of action to do something about getting the

deficit under control and about balancing the budget, that is the one thing that people are looking for right now to say, "Maybe I, too, could then have some confidence in this economy." I'll tell you right now, people are laughing at them. They are fundamentally laughing at them at the doors. When you knock on doors, and I'm sure I don't know when the last time these guys must have done it, they're laughing. They're terrified of these guys because they can't get this situation under control.

There are things that must be done, Mr. Speaker. First of all, we must put in place value-for-money efficiency audits. Why is it that this government doesn't want to have proper accountability? Why doesn't it want to have some assistance from an objective point of view looking over its management structure? What are they afraid of? Good management can only be achieved when you have accountable managers. There's nothing wrong with that. They should be pursuing it. They should be chasing it. They should be demanding it. Instead, they're running from it and handing us this cap on special warrant spending. Well, the height of cynicism. We need value-for-money audit powers for the Auditor General. We need sunset clauses on programs that seem to go on and on. Lottery spending is an excellent example. It goes on and on without any accountability: no assessment of what it is that we're supposed to do; no assessment of how the people of Alberta, through this elected body, want to have that money used.

Mr. Speaker, we need to have sunset clauses on programs. Admittedly, this government doesn't want to take responsibility for a good chunk of its capital spending because as I pointed out earlier, of course, the Treasurer takes responsibility for expenditure increases on the General Revenue Fund, but he doesn't count expenditure increases in his Capital Fund and in his Heritage Savings Trust Fund capital projects division. He doesn't count those as expenditure increases. Well, they are expenditure increases. What he needs to do is understand that we have to get on a pay-as-you-go Capital Fund basis because we cannot keep borrowing money to build things that we simply do not have the money for. We cannot put that burden on future generations, Mr. Speaker, pay-as-you-go capital spending. We must utilize this body, this Legislature and its members, much more effectively by having them play a more effective day-to-day operational role in the review of budgets and in the review of the expenditure of those budgets.

4:30

What we're arguing, Mr. Speaker – I know the Member for Edmonton-Parkallen doesn't like to hear this because he comes originally from a party that's so profoundly strong in the way that it would manage an economy and manage government expenditures. It must be agony for this particular minister to sit in that back bench and listen to this stuff that the Treasurer tries to jam down his throat. One year we've got a balanced budget. Aren't we great? The next year it's okay not to have a balanced budget. It's okay to have a deficit, in any event.

We need to have a greater role for people in this Legislature. One of the most important things is that we have subcommittees to review in detail given departments. They have the choice of deciding which departments they will review, and more important, Mr. Speaker, they can call whomever they want from that department to ask questions and to review activities and budget projections with those managers. That will hold management in government more accountable and push them and drive them to come to grips with the fiscal situation that we find ourselves in today and which is absolutely, fundamentally unacceptable.

It is almost unbelievable that this government would ask not only its own caucus backbenchers – I can't fathom how they ever

got this budget by those people – but would ask this Legislature and the people of Alberta to accept a budget of this nature. I will tell you, Mr. Speaker, that the members of my caucus certainly will not be supporting or accepting this budget.

MR. ACTING DEPUTY SPEAKER: The Member for Calgary-Mountain View, followed by Clover Bar.

MR. HAWKESWORTH: Thank you, Mr. Speaker. First of all, before I begin my comments on the budget and the motion in front of us this afternoon, I'd like to begin by complimenting and commending the hon. Member for Little Bow for his articulate and well-thought-out comments this afternoon. I appreciated listening to him.

I'd like to take this opportunity to welcome him to this place. I hope he's still not scratching his head too much, figuring out how to make sense out of all that goes on here. I will say to him that I'm sure there will be many opportunities when he and I will disagree from time to time in the months and years ahead, but I would like to point out to him that he and I share a lot in common. This afternoon he introduced the group from Hazel Cameron school in Vulcan, which happens to be my alma mater, and I'd just like to point out that I spent many of my formative years growing up in Vulcan and Little Bow constituency. I'll always be thankful for having that opportunity as a child, and I would just say that the way he described his constituency so vividly this afternoon brought some strong memories to mind. I'd like to . . . [interjection]

MR. HAWKESWORTH: Well, I wouldn't scratch too hard there, hon. member, but I just want to make those opening comments.

Mr. Speaker, I suppose as a member of the opposition I ought to be gleeful with this budget that the Provincial Treasurer introduced earlier this month. I mean, after all, the abundance of material that he's given us to criticize is a veritable feast. I hardly even know where to begin to criticize this budget, so one would expect that I ought to be gleeful at that prospect. In an election year on top of it, that we would have this budget and not some other one to go to the people of Alberta with should also provide me a great deal of glee and joy as well, I would think.

Mr. Speaker, I suppose if one were to look at it strictly in a partisan sense, the opposition couldn't be happier with the kind of budget that the Provincial Treasurer brought in. But I do want to say at the outset that criticizing this budget really gives me no joy, because what this budget does is confirm that the province has some very serious, deep-rooted problems with which we have to cope. It admits that the province is facing some fundamental weaknesses. It admits that the economic circumstances and the fiscal policies of this government are going to hurt a lot of people, and this budget finally admits that it's going to be an extremely difficult problem to fix. This budget admits to hard times, but fundamentally it acknowledges failure of past inaction by this government.

What are the problems that we're looking at with this budget, Mr. Speaker? A big deficit? Definitely. High unemployment? Definitely. Wasteful spending that runs unabated? Yes, definitely. A big debt that's saddling the future and nothing to show for it? Definitely. That's what we have with this budget.

I think before we begin looking at the details or the specifics, Mr. Speaker, we have to recognize the real problem for what it is. It's a problem of leadership. It's a problem of a lack of clear direction. There's a lack of clear policy. There's a lack of clear priorities. There's an unwillingness to recognize problems in one year, only to postpone recognizing them to a later year until long

after appropriate action can be taken. We've seen a pattern over the last couple of years that when this government finally acknowledges a difficulty, their response is too little and too late.

In addition to that, Mr. Speaker, is the element of unpredictability. We're not sure what's going to happen next. One year we're going in one direction. The next year we've changed course completely; we're going off in an entirely different direction. There's just no predictability from this government. So when we see the themes of confidence as part of agenda '92 – if I can use the letterhead from some of the material I've seen from the Treasurer's office, coming from this government – it doesn't ring true. This government squandered its credibility because of its leadership, so now at a time when the government needs credibility, it's not there. At a time when it needs leadership, people don't recognize it, so Albertans are confused and become disenchanted. All we see is a government of reaction, a government out of step, a government unsure, a government that's inconsistent. It's the posture of the bunker mentality that's being communicated here to Albertans.

After all, Mr. Speaker, actions and decisions can only be understood within a context. A year ago, in the face of all evidence to the contrary, this government stubbornly clung to the idea that it could balance the budget. It stubbornly refused to acknowledge what was clear to everybody else: a deteriorating economic situation. They knowingly and I believe falsely overestimated resource revenues in order to support or uphold some promise that had been made in the heat of the election campaign, and they were committed at all costs to prop up that commitment. Well, we knew a year ago that they couldn't do it, and their less than honest budgeting became clearer and clearer as the year unfolded. It soon became transparently obvious to all Albertans that they couldn't balance the budget and that their fiscal plan was in tatters. So when I make my comments about leadership, about actions and decisions, it's taken within that context.

This government last year talked about a plan. It's become clear that they had no plan. They talked about a balanced budget. It's clear they had no balanced budget. They talked about strong economic growth. It's clear that Alberta had no strong economic growth. They talked about confidence. Mr. Speaker, they have lost the confidence of Albertans.

4:40

Finally now, Mr. Speaker, they've been forced to concede that this shell game, these policies, these directions, these decisions in the past have been exposed for what they are. So we're in a situation of having to change course. It leaves one with the impression of barely concealed panic. There are no new ideas in this budget as they have abandoned their old ideas. They've abandoned the old and there's nothing to replace it, leaving an impression of a government that's not only bankrupt for money; they're bankrupt for ideas and for a plan. There is simply no way of being able to hide it any longer. The discredited, unrealistic budget that was brought in last year has finally had to be abandoned, so we're faced with the budget that the Provincial Treasurer introduced earlier this week.

I might say also, Mr. Speaker, that it's probably out of a degree of professionalism in the Treasury Department that the Treasurer's staff probably didn't allow the Provincial Treasurer much choice in any event. I don't believe that they themselves would allow the kind of budget that was foisted on us last year to be repeated a second year in a row.

Mr. Speaker, in the context of leadership, what did we get from this government? Well, it's easier to say what we did not get out of this budget than what we did get. What we did not get was a

plan. In years past I noticed with a great deal of interest that the Provincial Treasurer always included a chart. Last year in his Budget Address it appeared on page 14; in previous years it appeared as well. In this chart was always this graph that showed that the direction of the province's deficit was always headed downwards, always showed a direction towards a balanced budget. Well, we certainly know that the deficit has been headed down as we've gone deeper and deeper into that sea of red ink. This clearly has been abandoned in the current fiscal year. After all, that chart, that graph was always the key foundational policy for this Provincial Treasurer's fiscal policies, fiscal policies which by way of the motion in front of us today we're being asked to support. Where is that chart in this year's budget speech? Where can we find the chart that shows the direction for the future, that shows commitment and ongoing drive to balance the budget? I'm sorry, but if it's there, it completely evaded my purview. The key fiscal policy that this government has clung to traditionally for years is nowhere to be found in this year's budget.

What else was not in this budget, Mr. Speaker? Well, we find that wasteful spending still has not been cut. For example, we've made many suggestions about where this government ought to look to cutting wasteful spending, beginning with public affairs. At a time when the government wants to prop up its sagging public image, it spends more on public relations and damage control activities, most of them funded out of Public Affairs Bureau. We don't see much, in my view, in this area. In fact, one of the questions I raised yesterday was why one of the line items in public affairs, called Communications Planning or whatever, is going up by 400 percent.

Foreign offices. Mr. Speaker, we have six of them. The Provincial Treasurer this year said that he would cut one of them, in Los Angeles. We're saying that there are others there that could be cut, in terms of wasteful spending.

I'd like to know whether the government is going to continue to fund the round-the-world trips for the trade and tourism commissioner. The Provincial Treasurer indicated that future travel overseas by ministers would have to go through Treasury Board. It doesn't mean there's a commitment to making the cut, just that it's going to have to go through another level of decision-making.

The ad hoc funding for economic development projects. Vencap: we've had something on notice in terms of a Bill to recover the Vencap loan that was made from the heritage trust fund, not quite \$200 million. Where is that at? No announcements in this budget. I wait to see whether there's going to be anything in the legislation. A potential area for cuts.

All kinds of commissions and boards and bodies that this government has funded and has set up in order to provide all sorts of activities for backbenchers and government appointees. Many of them serve no useful purpose and could easily be abandoned. All we had in this year's budget was a rehash of a couple of decisions that were taken in years past. No clear directions in that area.

Past giveaways are still costing us lots of money, and no clear decision or direction from this government on what to do about them. This is the only government in Canada, Mr. Speaker, that could sell off a profit-making monopoly and do it at a loss. After all, the bungled privatization of AGT will cost taxpayers hundreds of millions of dollars, particularly around the requirement for them to repurchase NovAtel because of the mistakes they made in the initial offering prospectus. That's still going to haunt us and cost us in this year.

Regulatory failures have cost us in the past, Mr. Speaker, and from what I've seen in a couple of instances recently, Consumer and Corporate Affairs seems to be no more effective now than

they were in the past at preventing consumer frauds and rip-offs. A couple of them have already been acknowledged or raised in question period during this session, Legal Works in Calgary being one, Bench Insurance being another. How many others are there out there?

All kinds of sweetheart deals. The Olympia & York lease, Mr. Speaker, is still costing us money and will for many years. No indication from this government of cutting their losses on a lease such as that. We're very concerned about the rate of return on the investment guaranteed for the Swan Hills treatment facility, and we see that there's further money being plowed into that facility this year, seemingly without any kind of a plan or cap on that or accountability for it.

The farm credit stability program agreement. We estimate lending institutions are being paid lots of money to administer low-risk farm credit program loans when we already have the Agricultural Development Corporation that already has an administration in place that might very easily handle those accounts. You know, if you consolidated, you could save money.

We're concerned about the lack of getting proper revenues out of our forests. The kinds of fee charges from this government are minuscule compared to what they ought to be charging in order to get a fair price. There are millions of dollars there, Mr. Speaker, which Forestry, Lands and Wildlife appear not to be willing to pursue. One that was raised just this afternoon in question period: the environmental assessments, standards, and approvals within the Environment department cost lots. Why don't we try and recover some of that from polluting industries?

There's just a whole ream of them. I don't have time enough this afternoon to itemize them all, Mr. Speaker. These are just a few examples of some spending and priorities that have not been changed with this budget.

4:50

No real job creation in this budget as well, Mr. Speaker. Some token efforts, I suppose, towards municipal infrastructure, but the municipalities certainly aren't happy with this budget – they've made that very clear – because of what they consider the raiding of their money through the Alberta Municipal Financing Corporation. So if the Provincial Treasurer thought he might win friends and influence people at the municipal level, he has certainly not succeeded on that score with this budget.

I submit that there were a lot of tough decisions not taken in this budget. In fact, what this budget is all about is deferring tough decisions until after the next election. That's really what this budget is all about. You know, for all that they might say about their willingness to tackle them, really all we've got is deferral, and then watch out, Mr. Speaker, if this government's returned to office. The next government will really be faced with tough decisions. I think this government, as they did after their election in 1986, in particular that fiscal year '87 – you can see what kind of agenda they really have in mind. The agenda '93 is the one that concerns me even more than the agenda '92 concerns me.

AN HON. MEMBER: Fortunately, they'll never get another chance.

MR. HAWKESWORTH: Well, Mr. Speaker, as much as any other reason, I guess that's the one why this budget gives me no glee, recognizing that a new government will be in place. I don't relish the prospect of being the janitorial crew that's given the duty of going in and cleaning up the mess after the party is over. That's really what the next government is going to be asked to do.

It's what the governments in Saskatchewan, B.C., and Ontario have been faced with. I know a New Democrat government in Alberta will be faced with the same prospect.

Well, we all know what was not in the budget. What should have been? First of all, cuts along the lines that I've outlined. I could go into greater detail, and indeed I'm confident that my colleagues in the weeks ahead, as we go through the departmental budgets, will outline areas where we think cost savings could be achieved. We haven't seen cuts in the number of departments and cabinet ministers. I think if we want leadership, if this government wanted to communicate leadership to all Albertans, that's where they could have started. Their unwillingness or inability to do so clearly sent the message to Albertans that ordinary people will have to take it with cuts in levels of service, but for people in this government it's business as usual.

I'd say that we should have an open review, Mr. Speaker, much like the B.C. New Democrat government initiated shortly after taking office in the fall. They spent a million dollars. They called in Peat Marwick Stevenson & Kellogg. They said: the books and the administration of the government of the province of British Columbia are for you to go and review, and your report will be made public. We have no preselected conclusions for you to reach. We want you to give us an honest assessment.

Well, they did that, Mr. Speaker, and I think it was very revealing. The number of conclusions they reached, some of the discoveries they made when they opened the books, were very revealing, including the fact that there were more people on the payroll than showed up in the full-time equivalents. The previous government of B.C. was carrying a lot of people on contract that didn't really show up in the budget books. Given this government's so-called commitment to restraint and hiring freezes – the rhetoric, at least, is exactly the same as the previous Social Credit government in British Columbia – I wonder how many people are in the same situation here in Alberta.

What was most interesting was the final word, Mr. Speaker. It was sort of the concluding chapter of this report. They basically made a very sobering assessment of the fiscal situation facing the province of British Columbia. I quote:

The government will be facing a combined deficit for 1991/92 and 1992/93 that could be \$4 to \$5 billion or more. Balancing the budget will require a progression something like this:

- Reducing the deficit in 1992/93 below that for 1991/92; and in 1993/94 reducing it further.
- Balancing expenditures and revenues in 1994/95 or 1995/96.

And thirdly,

- Running a surplus in 1995/96 and/or 1996/97 equivalent to the combined deficits of the first three years.

Then they ask: "Can this be done?" Their conclusion was:

To bring the annual operating deficit down from \$2.46 billion to zero within four to six years will be . . .

And these are the words that I think should be taken to heart by everyone in this place this afternoon.

. . . an extraordinary feat; but one that is achievable.

Well, we certainly have a problem at least as big as that faced by the government of British Columbia. I note, Mr. Speaker, that their budget was introduced very recently and they've taken steps to reduce their deficit this year to \$1.7 billion, so at least in terms of their leadership, they're taking to heart some of the recommendations made in the Peat Marwick report.

First of all, Mr. Speaker, I think we need to have a similar open review like that of British Columbia. It will reinject credibility into the budget process, credibility which is sadly lacking and has been squandered by this government. I think we also need an honest assessment of our problems that would come from such an independent and open review. I've indicated that here it is. I

mean, it's for the public; I'm throwing it out on the table. I'm sure members of the government party at some point might like to stand up and quote from this document to make some point sometime in the future; I have no doubt about that. At least it's part of an open process, not a secretive process, and it's a key to accountability for actions that are taken, something that's been sadly lacking in this province.

Finally, Mr. Speaker, we have to have what's clearly lacking, and that is a fiscal plan, some idea of where we're going and a plan that the government is committed to over a longer term. There were seven steps indicated from Peat Marwick. I'll briefly highlight them for the information of members of the Assembly.

First off, "develop and enforce a fully integrated financial/policy framework for provincial operations." Secondly, "reduce current program commitments," while avoiding general across-the-board cuts. That requires a better program evaluation and aggressive cost avoidance strategy. Third point: redesign key programs. Fourth, limit salary increases to near the rate of inflation. Fifth, "improve the productivity of the public service." Sixth, "strengthen provincial revenue collection efforts." Finally, in light of the federal off-loading of cost, additional revenue will be required, and to recognize that.

They're all there, and I would encourage all members to review that report. There's a lot of detail in it and a lot of interesting comments made, and I'm sure many of them could be equally applicable to this province if we only had some openness in the budgeting process.

At a time when people are losing confidence in government, those of us who are in public office must ensure that the fiscal affairs and decisions that are taken in this place are responsible and directed towards meeting the real needs of people. What we got in this budget, Mr. Speaker, was nothing more than short-term politics that sees no further than the next eight-month time horizon. It's a budget that postpones solutions. It's a budget that avoids addressing problems. It's a budget that abandons any coherent policy. It's a budget that has an abundance of symbolic but largely empty gestures. It's a budget that attempts to appeal a little bit to everyone but ends up satisfying no one. Indeed, the general lack of leadership and direction not only alarms but angers a great many Albertans in every corner of our province.

Finally, Mr. Speaker, the lack of any clear fiscal policy makes a mockery of the motion in front of us this afternoon. There is no fiscal policy for us to support. That is fundamentally what's lacking in this motion and fundamentally what's lacking in this budget.

5:00

MR. ACTING DEPUTY SPEAKER: The Member for Clover Bar.

MR. GESELL: Thank you very much, Mr. Speaker. Thank you for granting me the floor. This afternoon we had the pleasure and opportunity to hear a most excellent maiden speech from the Member for Little Bow. That speech was graciously acknowledged by the Member for Calgary-Mountain View, and I'm sure it's appreciated. The speech was a direct, very forceful, and effective representation by our member on behalf of the residents of Little Bow and all Albertans.

Mr. Speaker, we may miss the former member for Little Bow. After all, he was around for a considerable period of time in this House. But we are very fortunate to have gained a member who is strong in his convictions and who is a definite asset to our provincial government.

MR. FOX: He's cute too. He's pretty cute.

MR. GESELL: He's also cute, yes. I didn't know you were that way inclined, hon. member.

He is a definite asset to our Progressive Conservative government. He's an asset to this Assembly and also to his constituents, all Albertans. Mr. Speaker, I'm proud to actually consider Mr. McFarland my colleague.

Mr. Speaker, before getting into the motion and discussing my support for the fiscal policies of this government, I'd like to deal with an error that I committed – a little bit of a housekeeping item here – on April 7. It was pointed out to me in a note by someone that obviously attends and listens to what occurs in this Legislature . . . [interjections] Most Albertans? Well, I hope so.

What I did, the error that I committed, was that I presented the same idea that a colleague of mine presented just a half an hour earlier. I refer to pages 300 and 304 of *Hansard*, where we indicated that the opposition party typically monopolizes the Order Paper, and so on. I don't need to read it; members can read it for themselves. We expressed the same idea. It wasn't verbatim, the same words, but they were very, very similar, and I forgot to give recognition to the Member for Drayton Valley for expressing that idea first. The Member for Drayton Valley did say those things first, and I agree totally with what he has said.

MR. FOX: What did he say?

MR. GESELL: Well, read pages 300 and 304 of *Hansard*. It will answer those questions.

MR. FOX: This year?

MR. GESELL: Yes, this year, hon. member.

Mr. Speaker, from time to time I also have lapses by not pronouncing my words just a hundred percent, and that was pointed out to me as well, and I want to apologize and ask the indulgence of the Chair. I'm perfectly bilingual for the constituency I represent, Clover Bar, where predominantly they speak English and German. I'm perfectly bilingual in that respect, but sometimes I get the two languages mixed up and I mispronounce some of the words, and I do apologize for that. I'll try to do better. I appreciate the criticism that's been given. I committed that lapse again today by mixing my kilometres and miles.

MR. ACTING DEPUTY SPEAKER: The Chair feels he must reflect that always there is latitude for introductory remarks, but the matter under discussion is that of the budget. Perhaps you could please proceed.

MR. GESELL: Thank you, Mr. Speaker. I'm on the budget. There are some questions asked by the hon. members in this House today, questions about leadership, confidence, and about what this budget is all about. I'd like to try to answer those questions that were posed by the Member for Edmonton-Meadowlark and the Member for Calgary-Mountain View. I wish to speak about the leadership and the direction our government is providing and which is outlined in this 1992 budget. This is a budget that addresses today's realities. It has some tough choices and a vision, and it is candid. But it shows distinct leadership, it provides confidence, and it implements tight fiscal control.

Let me just digress a little bit on the budget here. I'm on topic, Mr. Speaker. This morning I had a discussion on the budget with some of the leaders in my constituency – aldermen, councillors, trustees, chamber of commerce – to outline and give them some information about the budget, and that budget was exceedingly well received. There were certain issues that these leaders in my

constituency raised some questions about, but generally they were exceedingly happy with the budget, the balance that we are providing, the jobs, the confidence that we are providing in our budget, the tight fiscal control that's outlined in our budget.

Mr. Speaker, we cannot as a government ignore the economic realities that surround us everywhere. Locally, domestically, and internationally, markets have become stagnant. Consumer confidence has plunged, and in our competitive global marketplace, business, individuals, and government do not operate in isolation from each other. Hence, fiscal responsibility is a shared interest, and it is also, then, a shared responsibility. Spending control legislation, one of the initiatives that's put forward in our budget plan, this government's budget plan, provides for that shared responsibility, that tight fiscal control.

Mr. Speaker, even with those economic realities that are out there, our government has had the best expenditure management record of all Canadian provinces. Our economic growth has increased by .5 percent. When we compare with what has actually occurred in Canada, economic growth has declined by about 1.5 percent. That economic reality is there, yet we still have the best expenditure record of all Canadian provinces. Since 1985-86 program spending has been limited to just 2.3 percent per year. Other governments in Canada have had increases in their program expenditures about three times faster on average. While revenues of other provincial governments have grown on average since 1985-86 by about 7 percent, with the decrease in revenue growth our revenues have only grown about 1.5 percent. Yet our government has managed to maintain the quality programs that we have for Albertans, the employment opportunities, and the competitiveness out there. Now, that is leadership. Compare with the other provinces; we have done exceedingly well even with those declines in revenue growth. Only two provinces recorded employment increases, and Alberta was one of those provinces. One and a quarter million Albertans were employed in 1991, which is an increase of some 122,000 employees since 1985.

5:10

[Mr. Speaker in the Chair]

Is this the result of luck, Mr. Speaker? Well, maybe the opposition members would indicate that it is. The hon. members in opposition actually would want Albertans to believe that it is luck that brings those employment opportunities to Alberta, that brings those diversification strategies to Alberta. The opposition would like Albertans to believe it's luck that maintains the quality social programs that we have in Alberta. The opposition would like Albertans to believe that luck makes Alberta a competitive, viable, and vibrant province. Well, it's not luck. It's leadership by our Premier and it's leadership by our government that has brought these things about. It is not luck.

This province has had a successful economic record, which is based on the very sound basic principles of hard work, responsibility, and accountability. The question was asked by the Member for Edmonton-Meadowlark that we should provide additional responsibility to the Auditor General. Value-for-money audit was mentioned in there. Mr. Speaker, this value-for-money auditing is a management tool that is utilized within each department. It is occurring, and it is not within the mandate of the Auditor General.

As Albertans we are fortunate to live in a province where we have a rich resource base. We have a skilled labour force, highly educated, and technological developments that do now and will continue to bring new growth and achievement to our province. These achievements, Mr. Speaker, are the result of tough choices, tough decisions, and definite actions. That's leadership, the

leadership that is provided to diversify our economy and stimulate it to provide additional jobs, the leadership that plans for the future, that plans for long-term solutions. There is no quick fix here. This budget provides for future generations.

This budget also reaffirms this government's commitment to providing effective and efficient care for all Albertans. This is a budget that is facing the realities that are facing all Albertans. Government cannot be expected to be everything to everyone everywhere. We as Albertans have choices to make and a responsibility to deal with these choices, Mr. Speaker. The responsibilities need to be shifted to where they belong. We need to encourage Albertans to assume a number of these responsibilities, because let's face it: who is government? Government basically is the taxpayer. We must discontinue the attitude that government should do everything on behalf of everyone, because every time a constituent or an Albertan comes to me and says government should do this or government should do that, I have to get my hand in their pocket and take some money out in order to do those things that government is asked to do. That reality is there as well.

At the same time, we as a government must make choices and be responsible and accountable for our actions. Mr. Speaker, I believe we have and are doing just that. We have made choices to maintain the quality of care we provide for Albertans, yet we are also going to do that more efficiently and effectively. Firm legislation limits our government's spending, and the spending control legislation is a very critical and important part in that leadership, that tight fiscal control.

MR. FOX: Amen.

MR. GESELL: Thank you.

There were some questions asked in my meeting this morning on the budget with respect to our deficit and expenditures and spending. I explained the spending control legislation and how it affects those items. Mr. Speaker, the program spending limitation to no more than 2 and a half percent in '92-93, 2 and a quarter percent in the following year, and 2 percent in '94 and '95 effectively addresses those concerns that Albertans have with the deficit, with spending. That cap on the expenditures will provide cuts and reallocations in some of the programs, because the process, as I understand it in this budget, provides that if expenditures that are incurred in certain programs are above the budget limits, then that money has to come from another area within that department. There has to be a reallocation of funds, and if that cannot be done, then the item comes back to the Legislature for a decision.

Now, Mr. Speaker, in relation to that we have very conservatively in this budget estimated the revenues. We are, after all, a Conservative government. If revenues accrue to us that are above those estimates and because of the spending control legislation in place, those surpluses will go directly to the deficit and our accumulated debt, a long-term strategy to address the concerns that Albertans have. This government is listening to Albertans. We are paying attention to what Albertans are telling us, and we're taking definite action in accordance with what Albertans are telling us.

At the same time, Mr. Speaker, we as a government must make some choices, and we must be responsible and accountable for all of our actions. Our spending cuts that we've made in the size and the cost of government, in our overhead and in continued restructuring of essential programs, will ensure that we are accountable and able to respond effectively to all of the needs that

Albertans have. We do not need to do that by adopting the opposition philosophy of spend, spend, spend: the quick spend over there.

5:20

Mr. Speaker, not only do those reductions in expenditure occur throughout government – and they are detailed in the items that are calling for the restoration of our fiscal balance – but they start right at the very top. Those spending restraints, those fiscal controls, start right here with us in this House. As you know and as Albertans should know, we have a hiring freeze, a freeze on management salaries, and we have a freeze on all MLAs' salaries which continues until March 31, 1994. Not only that; there's leadership being shown by the members in this Assembly, by this government, for also addressing some of the pension issues and raising the contributions that MLAs make to their pension plan by 33 percent. So the efforts in leadership, the tight fiscal control, are not done at the bottom levels, as the members in opposition might want Albertans to believe. It comes from the top and goes all the way down in the total system that we have in place.

Mr. Speaker, we must remember that our government is only an extension of the taxpayer. Government only has access to revenues through taxation, but this government has maintained the lowest tax rate in Canada, thereby allowing Albertans to keep more of their income than any other province. Alberta taxpayers will have more money in their pockets. This is an indication of the confidence in Albertans. Unlike other provinces, Alberta is passing along a 1 percent personal income tax cut, in addition, I want to make it clear, to the 1 percent cut announced by the federal government earlier this year. The Member for Edmonton-Meadowlark was attempting to belittle that cut, but it is a substantial confidence builder, substantial leadership that this government is showing to Albertans to encourage individuals to diversify, to provide confidence, to help our economy. Not only individuals; we've done the same thing in our manufacturing sector and our processing sector by reducing taxation there from 15.5 to 14.5 percent in a two-stage process. This is an indication of the confidence that our government has in Albertans and in the economic management record of this government.

We're trying to build confidence out there. We've strengthened the economy through this budget plan, and we're providing jobs for Albertans despite the protestations by the members in opposition. Sometimes I feel that the doom and gloom that comes from those members – and I visualize it in my mind – is similar to those individuals that go around with a placard and say that the world will come to an end tomorrow at 12 o'clock, 12:30 in Newfoundland. I almost see the members in my mind, Mr. Speaker, with those placards that are saying doom and gloom; Alberta is going to come to an end tomorrow at whatever time. They continue to do that.

Mr. Speaker, I think it is the role of government to present a positive, well-thought-out, logical, measured strategy to assist Albertans into the future, to provide confidence, to provide leadership, to provide benefits, to provide jobs. How can Albertans have confidence in these members who claim every day that the sky is falling? The world is coming to an end, according to the opposition. Our government feels that it is more productive to concentrate on jobs, stability, and diversification.

On that note, Mr. Speaker, and in light of the hour I wish to adjourn debate. [interjection]

MR. SPEAKER: Order.

All those in favour of the motion to adjourn debate, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion carries.

Point of Order Imputing Motives

MR. SPEAKER: The Chair points out that earlier today the Chair did mention that there was a point of order that was to be dealt with before the conclusion of the day. Perhaps Edmonton-Kingsway was not present or didn't hear that.

The Chair has reviewed the Blues of the exchange between the Member for Calgary-McKnight and the Minister of Education. Copies of the Blues of the original questions plus the exchange at the end of question period on the purported point of order were sent to both hon. members. The Chair finds nothing in there that is derogatory with respect to comments from the Minister of Education to the Member for Calgary-McKnight, and I think careful perusal of the minutes shows that that is indeed true. Therefore, the request that was made by Calgary-McKnight to the Minister of Education, the Member for Calgary-Shaw, to withdraw his comment imputing her motives: there were no such comments made; therefore, there's no need for any apology to be made.

Thank you, hon. members.

MR. GOGO: Mr. Speaker, I move that the House do now adjourn in accordance with Government Motion 9, which was adopted by the Assembly on Monday, April 13.

[The Assembly adjourned at 5:28 p.m.]