

## Legislative Assembly of Alberta

Title: **Tuesday, May 19, 1992**

8:00 p.m.

Date: 92/05/19

### head: Committee of Supply

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: Order in the committee, please. It being 8 o'clock in the evening, the Committee of Supply is happy to come to order, I hope, for the purpose of considering the estimates of the Department of Public Works, Supply and Services. Before calling that matter though, might there be unanimous consent in the committee to revert to the Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Carried.

The hon. Minister of Energy.

### head: Introduction of Special Guests

MR. ORMAN: Mr. Chairman, I'm very pleased to introduce to you some guests from the province of Alberta and from the country of Cuba. As you may have noticed, I just passed on a gift that I had from the minister of industry from Cuba, which was a Havana cigar. In that our Provincial Treasurer is a connoisseur of cigars, I saw fit to pass it on to him in honour of this occasion.

Mr. Chairman, I had the honour of having dinner with some very distinguished guests, and I'd like them to stand and be recognized by the Assembly. This evening we are joined by Mr. Marcos Portal, who is the Minister of Basic Industries from Cuba. With Mr. Portal we have the chairman and chief executive officer of Sherritt Gordon, Mr. Ian Delaney. He is joined by Mr. Bruce Walter, president of Sherritt Gordon. Along with this delegation is the assistant to Mr. Portal, Mr. Luis Perval. They are joined by Mr. Otero, Dr. Weir, Mr. Kushnir, Mr. Khan, and Mr. Wellhauser. I'd ask them all to stand and receive the traditional welcome of the Assembly.

### head: Main Estimates 1992-93

#### Public Works, Supply and Services

MR. CHAIRMAN: The estimates that are being presented this evening are found on page 267 of the main book with the elements commencing on page 107.

The hon. Minister of Public Works, Supply and Services.

MR. KOWALSKI: Thank you very much, Mr. Chairman. Thank you very much as well for pointing out where in both the estimates book and the elements book the hon. members will find the estimates for the Department of Public Works, Supply and Services.

Mr. Chairman, the total budget that we're looking at for fiscal 1992-93 under the General Revenue Fund for activities undertaken by Public Works, Supply and Services amounts to \$508.7 million. There is as well another \$194.9 million that's in the Capital Fund, but these Capital Fund estimates will be reviewed later in this session.

Mr. Chairman, what I'd like to do at the outset is give you a very brief overview of some of the highlights with respect to this department, and I've also had circulated with all members of the Assembly a document which basically is titled 1992-93 Committee of Supply Opening Remarks put forward by this minister. Because of the short time that's allocated to each and every one of us to

participate in these debates, the ideas and points that I wanted to bring to the attention of all hon. members are such that they would not allow me to have them done within the time allocated for speaking. So I hope that all members will receive these comments and perhaps take a moment to review them as the evening goes on.

Mr. Chairman, this department, the Department of Public Works, Supply and Services, is a very diverse department responding to a whole variety of services for the people of Alberta, services ranging from office space to institutional facilities, such as correctional centres and hospitals, to the purchasing of the infrastructure that we need, varied examples, from computers to cars to pens to pencils and paper. Perhaps a few statistics, though, at the outset that members might find of some degree of interest.

First of all, Mr. Chairman, the Department of Public Works, Supply and Services is responsible for the operation and maintenance of a multibillion dollar physical plant encompassing approximately 2,500 owned and 500 leased buildings throughout this province. Secondly, we co-ordinate and manage a significant number of capital construction projects on behalf of various government departments and agencies which include 60 hospitals, two health units, four reservoir projects in this fiscal year. In addition, this department is managing and directing the major expansion of the Pine Ridge Forest Nursery in Smoky Lake on behalf of the Department of Forestry, Lands and Wildlife. This initiative, of course, is being funded through the Alberta Heritage Savings Trust Fund.

We'll be providing as well in this budget grants in lieu of taxes amounting to some \$47 million to 200 Alberta municipalities, and the level of funding that we have in this budget, Mr. Chairman, reflects mill rate increases anticipated in fiscal '92-93. As well we're responsible for purchasing lands for departments' program use and for the Edmonton/Calgary restricted development areas. Public Works, Supply and Services is actively pursuing the disposal of lands which are administered by this department and are surplus to the program requirements of the province. We anticipate in fiscal '92-93 that in fact we should be able to offer to the public surplus land in the value of some \$21 million.

As well approximately 630,000 square metres of space is leased from the private sector for government departments and agencies with an annual budget of approximately \$93 million. The government itself occupies 2.3 million square metres of owned space of which 600,000 square metres are property managed by the private sector on a contract basis, while 1.7 million square metres are managed through in-house people either using departmental or private-sector trade staff.

The Department of Public Works, Supply and Services operates one of the largest centralized data-processing facilities in Canada on behalf of government departments and agencies. The services are delivered through four data centres in Edmonton and Calgary and consist of seven computers serving over 14,000 terminal devices across the province, and this is an area that privatization has come to the fore in. As well we have approximately 4,400 motor vehicles and a total of 12 aircraft for use by government departments and agencies. We're responsible as well, Mr. Chairman – and this is one of the growing issues of the day – for the storage of approximately 310,000 cubic feet of records. The volume of records would equate to the size of one football field with records piled approximately five feet high.

The Public Works, Supply and Services staff complement is 2,135 permanent positions. That's today. Since 1982-83, one decade ago, the number of permanent positions has been reduced by approximately 1,400 with virtually no layoffs. Of these 1,400 positions approximately 60 percent of the work previously undertaken by these positions is now contracted to the private

sector, and the remaining 40 percent reduction has been accomplished via streamlining of the organization. Mr. Chairman, I think that's worthy of just repetition: in 1992-93 the staff complement will be 2,135 permanent positions; 10 years ago it was 1,400 positions larger than it is today.

As well, Mr. Chairman, Public Works, Supply and Services acts as the central purchasing agency on behalf of all departments and processes approximately 10,000 purchase transactions per year with a dollar value approaching some \$270 million. Some examples of higher dollar volume purchases include \$40 million on road building materials, \$30 million on gas, oil, and chemicals, and \$15 million on vehicles and other forms of heavy equipment.

The responsibilities that I have also include support and development assistance to major exhibitions and fairs throughout the province of Alberta. Capital assistance grants are provided to approved agricultural societies which conduct fairs. Rebates and pari-mutuel tax collection are provided to approved societies which operate race courses, and the 1992-93 budget for grants and pari-mutuel tax rebates totals approximately \$2.9 million.

In the document that I had circulated, and I will have tabled in a minute or two from now, are also comments on points made with respect to a new initiative to be taken in terms of delivery of a capital construction project known as the new agricultural building in the community of Lacombe. It's a unique approach. I have also provided comments with respect to Olympia & York which will coincide with the comments that I provided to the House earlier in this session, Mr. Chairman, some more specifics on that. I've provided an update with respect to the federal building, the building that's located within a couple of blocks of where we're standing here tonight. A situation that all members will recall: we have asked for submissions from the world in terms of what we might do with respect to this federal building, and we're looking to a June 4, 1992, deadline to take a look at the number of submissions that are currently under way.

I've provided comments as well as to our policy with respect to the disposal of surplus properties. All members will recall that it was about a year ago that we signed an agreement with the Alberta Real Estate Association, an agreement called the area agreement, that basically has realtors throughout this province being involved in the disposal of surplus lands that we would declare as such, and it is proving to work very, very well throughout the province of Alberta.

#### **8:10**

Comments as well are attached with respect to the initiatives that we've taken in the area of biomedical waste management, and of course we have two private-sector firms currently involved in the development of that infrastructure within the province right now.

Comments are also included, Mr. Chairman, with respect to the Oldman River dam, and all members will know that I've said time and time again in this Assembly that the Oldman River dam is probably the most important water development project ever undertaken. I think it's very important that all members should be aware of that.

In the estimates themselves vote 4.8.10 has an allocation of dollars which is for mitigation: wildlife and fisheries habitat monitoring, wildlife and fisheries species monitoring, water quality monitoring, the riparian vegetation monitoring, wetland projects construction, and the monitoring of mercury levels in fish. That's part of the mitigation process that we are currently doing on behalf of other departments within the government. Over the next several years, Mr. Chairman, these responsibilities will be duly trans-

ferred to other departments of government, particularly Alberta Environment, but at the moment we're dealing with that.

There are several pages of specifics, Mr. Chairman, with respect to the initiatives we've taken under our green plan. Members will recall that it was about a year ago that I indicated in questioning in the House that we had approximately 40-some different kinds of products that we're currently providing to users within the government of Alberta. That number has now increased, as I stand before you tonight, to over 250 types of different recyclable, environmentally sound products that we are now offering as part of our green plan.

We've had an opportunity in the past, Mr. Chairman, as well to talk about the western purchasing information network, an instrument that we've invented to allow private entrepreneurs irrespective of where they are located in the province of Alberta to basically have access to contracts that they might be able to bid on, and it's a growing item of increase and importance throughout the province.

Mr. Chairman, I'd like to spend a minute or two dealing with some of our privatization initiatives. I made mention of them a few minutes ago, but there are a number here that I think are important and worthy to talk about again. When I gave the statistics that in 1992-93 our staff complement would be 2,100-plus and that was 1,400 less than it was 10 years ago, that could only have happened with the instruments and the philosophy of privatization that has been initiated over the last 10 years.

At the outset in 1965 Public Works, Supply and Services commenced privatization of all architectural and engineering services associated with the design of buildings. Today 100 percent of all architectural and engineering services are privatized, and the 1992-93 budget for these services is over \$8 million. Prior to 1965 building construction was undertaken by a combination of in-house staff and the private sector. In 1992-93 all construction is undertaken by private-sector construction firms, and building construction expenditures in the 1992-93 fiscal year are expected to be approximately \$54 million. In 1992-93, Mr. Chairman, expenditures in reservoir development projects will be \$18.6 million. These projects will be undertaken using private-sector resources. In 1983 all property management of government facilities was undertaken by in-house staff. By the end of the last fiscal year approximately 40 percent of our property management in government-owned buildings was privatized, representing annual expenditures of approximately \$40 million.

As mentioned previously, Mr. Chairman, we are commencing to dispose of surplus government property utilizing real estate firms. Commissions in fiscal 1992-93 could approximate some \$500,000. In 1978 my department started to use auctioneering firms to dispose of surplus equipment. In 1988 we began to auction vehicles through the private sector, and a pilot project in 1991 wherein specialty items were disposed of through auctioneering firms was very successful. We will continue to use auctioneering firms, and I expect that sales through private auctioneers will approximate \$3.5 million in fiscal 1992-93.

In addition to the above, the repair and maintenance of office equipment was totally privatized in 1988. In 1984 we started to privatize printing services by eliminating one Quick Print centre in Calgary, and in 1991 the two Quick Print centres in Edmonton were amalgamated with the central duplicating plant. We privatized the operation and maintenance of four water bombers in 1986. Approximately \$7 million in computer processing and \$16 million in systems development have been privatized. In 1985-86 the warehousing and distribution of building supplies and furniture was privatized through the use of standing offer agreements. Mr.

Chairman, this is an area that we continue to work hand in hand with all interested parties throughout the province of Alberta.

As well there are sections in the report that I will table dealing with Alberta Lotteries, video lottery terminals, the Lottery Fund. I'm going to conclude, Mr. Chairman, by just making a few comments with respect to the accounting for lottery revenues. I've indicated on previous occasions that I'd be absolutely delighted to be invited to Public Accounts to deal with these things, but I would like to respond to issues recently raised in the House concerning the accounting for lottery revenues. As the minister responsible for lotteries and gaming I wish to reiterate that lottery revenues are administered in accordance with prevailing legislation. While these estimates of Public Works, Supply and Services do not deal with the Lottery Fund per se, the avenue that I'd be very, very pleased to deal with in terms of discussion on them would be the Public Accounts Committee itself.

Mr. Chairman, this is a large budget in a time of difficult finances for the province of Alberta. We've indicated, as the Provincial Treasurer has in his budget speech that came down several weeks ago, the percentage that we were basically using in terms of capital throughout the province of Alberta, and I think that we've got a fairly balanced budget in terms of what's expected of us. It covers all aspects of life within the province of Alberta, from the American border to the border with the Northwest Territories and of course between Saskatchewan and British Columbia.

I would like to point out as well, Mr. Chairman, that the staff that we do have in Alberta Public Works, Supply and Services are in my view among the hardest working, the most dedicated, and the most professional that I've ever had the privilege to be associated with since the time that I arrived in this building in 1974, and I've had the privilege of being involved in a number of different departments, including one as a deputy minister of a particular department. I'm just very, very pleased with the level of competence, the level of performance, and the fact that there are very few people that I've ever met associated with Public Works, Supply and Services who recognize that their work day does not begin until 8:15 and the work day must end at 4:30. In fact, quite the opposite is true. I've never had any difficulty at all getting ahold of any professional in that department that I wanted to get ahold of seven days a week. They were always ready to respond.

Mr. Chairman, the Deputy Minister of Alberta Public Works, Supply and Services is Mr. Ed McLellan, and he's here with us tonight. I'd like him to rise because I want all members of the Assembly to know what he looks like. If they have to deal with him through my office, he'd be very, very accommodating.

Government in 1992 may not be quite as simple as it was in years gone by, and there's one other gentleman that I would like to introduce to you tonight. He joined the government of Alberta and the public service of Alberta in 1954. He'll be retiring this year after 38 years of service with one department, the Department of Public Works, Supply and Services. In 1954 the total budget for the Department of Public Works, Supply and Services in the province of Alberta was \$15 million. In those days, Mr. Chairman, work wasn't given out by way of contract. We've become very sophisticated in 1992. The minister of public works in 1992-1993 simply can't hire somebody to do a \$10 million or \$12 million project, but in 1954 that's the way it was done. You simply hired people to do the work that you wanted to, and we've become increasingly more sophisticated. I want to thank the assistant deputy minister of accommodation services, Mr. Herman Lucas, for 38 outstanding years with the public service in the province of Alberta. He'll be retiring from the public service by

the end of June 1992, and I know that you would all want to wish him well. Herman, would you please . . . [applause]

Mr. Chairman, I would be very pleased to take my place in this chair and respond to any and all questions. I wanted to provide a greater amount of text than would normally come by way of just the minutes allocated for the verbal presentation because I think it is important that all members in the Assembly should be aware of these other very important initiatives in the Department of Public Works, Supply and Services. I know the pages have circulated to all members a copy of a more complete text, and I'd like to have tabled with the Assembly the appropriate number of copies, the remainder.

Thank you, Mr. Chairman.

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

MR. HAWKESWORTH: Thank you, Mr. Chairman. I'm pleased to be able to make a few comments tonight, and hopefully some other members of my caucus will be able to raise some of their questions and concerns tonight if I don't get to them all and if there's time permitting. I appreciate the overview that the minister has given us this evening, but I think that when it comes to some of the details, maybe the questions I ask will give him cause to stand and talk in a little bit more detail about some of the specifics of the votes in front of us.

8:20

I won't leave on vote 3, but I'd like to start there, Mr. Chairman, because I notice that under Contract Management, which includes property management, Lease Escalation Contracts, Tenant Services Contracts, there's a fairly hefty increase in some areas in terms of percentages. I'd like to begin by particularly talking about the Olympia & York project and commercial leases generally. You know, when I look across my city of Calgary – and I think the same can be said here in Edmonton – we see lots of high vacancy rates in terms of the commercial core projects: good quality, triple A rental office space. So when I see big vacancy rates, I ask myself: surely in a time of supply and demand the greater the supply, presumably the price should go down. Yet I see in our votes here that the minister's asking for almost another \$2 million under vote 3.6. I just wonder what's behind that. Hearing him talk about all the privatization going on, et cetera, et cetera – I hear the Provincial Treasurer talk about reducing the size of government – presumably the amount of space required is going down, and at a time when there are high vacancy rates, not only should the space requirements be going down but the price for that space as well. Rather than going down, I see it going up. I don't know; maybe the minister has an explanation for it. I'm intrigued certainly by his explanation for the Olympia & York lease, and I see that he's gone into it at least in some detail in the notes that he's tabled this evening.

I asked a realtor friend of mine the other day, "Can you tell me what a net effective rent per square foot is when it comes to commercial real estate?" He says that it's whatever you want it to be. I said, "Our minister was bragging about a rate of \$8.75 in the Legislature the other day." He said: "Oh, could he only get it down that far? He should have been able to come up with a net effective rate per square foot of \$3 anyway, if he was worth his salt." This is a meaningless figure, Mr. Chairman, and really what is of concern is the bottom line in terms of the dollars that are going out. It's close to \$10 million a year for 400,000 square feet. I don't know about your algebra or your math or whatever, but it works out to about somewhere between \$23 and \$24 per

square foot. That's a premium of about \$10 to \$12 over the existing market rents in this city. So, you know, there's an extra \$4 million that Albertans are paying for that particular lease.

The minister always impresses me, and I have a lot of respect for his ability, at least in terms of explaining his point of view. I notice that Olympia & York is in the news a lot these days for other reasons. One was almost left with the impression that the whole Olympia & York empire is going down because the Minister of Public Works, Supply and Services had been able to negotiate such a low rental rate for the Edmonton Centre project. I would just like to ask the minister, though, in the terms of the lease whether there is any contemplation of what might happen in the event of a change of owner. Is there any possibility that the Alberta government might end up being able to own that building? Or is there any possibility, in terms of other assets that the Olympia & York empire is shedding these days – if that one goes on the market for a good price, is the minister prepared to reduce our tax requirements over the years ahead by pursuing a purchase of that building? Maybe then I could stand here and praise him for his foresight, if he were able to do that.

The minister also made reference to the federal building. I just find it interesting that the provincial government took it over just about five years to the day, back in April, I guess, of 1987 when the announcement was made that the province was taking over the federal building. I just wonder: is this the way things are done in his department, to wait four and a half year years from the time they assumed ownership to the time that they actually began to solicit proposals from the private sector. He says that he's going to have a decision by the end of the summer. Hopefully that's the case, but given the pace that things have moved so far, I'm just somewhat sceptical on that score. I'd just like to have some idea of what the reasons for the delay really were.

I also notice under vote 3, Telecommunications, that two of the items have increased dramatically, Telecommunication Services, Projects and Network Management, Projects. The first increased by 24 percent; the second by 131 percent. I'm just wondering whether these are attributable to cost overruns, some new initiative, or are these the indirect cost now to the Alberta taxpayer for privatizing Alberta Government Telephones? Is this a result of some fee increase or rate increase that's being passed on to the government through Public Works, Supply and Services?

I'd just like to make another couple of notes or questions for the record. Under vote 2, Land Assembly, Historic Sites are down significantly. Any particular reason for that? I also notice that the cost for acquiring lands around Buffalo Lake have now dropped by about a million and a half dollars a year. I take it that indicates nearly all the lands are probably completed for land acquisition, although I would note that even at \$2,665,000, it's \$2,665,000 too much to be spending. That's one project I haven't been convinced is required.

Moving along to vote 4, Mr. Chairman, a big drop here in Advanced Education. I'm just wondering whether all the work has been done or whether this is indicating a pullback in terms of the role for the Alberta Vocational College. I note, for example, that Lac La Biche and Slave Lake are two areas that have been reduced significantly, by five hundred and some thousand for Lac La Biche and a million dollars in Slave Lake. Again, is that the completion of a project, or is there some other reason that would explain that?

I find it interesting, Mr. Chairman, that as we move on to Education we see that the Alberta Distance Learning Centre in Barrhead gets \$75,000 that wasn't there last year. I'm just wondering whether this is related at all to the contract for the *Barrhead Leader*. As you remember, some of the employees in

the department were laid off and then rehired by the *Barrhead Leader* for \$2 per hour less than they were making as provincial employees. I presume that's one of the benefits the minister would claim for privatization. The *Leader* pays them \$2 per hour less, and the provincial government pays the *Leader* \$2 per hour, so the taxpayer doesn't save anything. But the employees are out-of-pocket, and the *Leader* gets money from the government. I'm wondering if it's the \$75,000 figure that appears in vote 4.6.1.

### 8:30

Moving along, I find a couple of new votes here that have been raised. Under Environment, the Oldman River Dam, Pincher Creek, \$250,000. Well, this is money that did not appear in the previous, comparable '91-92 estimates, so I would be intrigued, of course, to know whether this has anything to do with the official opening expenses for the Oldman River dam later in July. This is the opening ceremonies that include VIP luncheons, although it's not clear who gets on the invitation list. I was intrigued by something called a Parade of Power. I don't know whether the Minister of Public Works, Supply and Services will be at the head of the parade or not and who else might be joining him, but I'm wondering if the parade has anything to do with that \$250,000 vote in 4.8.10.

As well my colleague for Edmonton-Highlands has in recent days been raising the question of operating funding to the George Spady Centre here in Edmonton. I see that there's a \$40,000 figure from Public Works, Supply and Services, so I guess that would be a capital appropriation of some sort, yet here we have a centre with this investment that's going to be closed all summer, at least during the days, because there isn't enough funding from AADAC to keep it open through the summer months. I don't know. I find it interesting that we'd be giving money for that when they don't have enough operating funds. I'd just like to know what gives, as well.

Mr. Chairman, I also see new votes here for the Government Centre, Edmonton, and the Legislature Building, Edmonton. That's the one we're in. I don't know whether this has to do with the sound system that was recently installed in the Assembly or if this is just preventative maintenance, \$150,000. This \$250,000 figure, I'm wondering if that has anything to do with the cost of the federal building and the proposal call process that the minister referred to in his opening remarks. Certainly there's some work that needs to be done in the annex, but I don't know whether that's what's being proposed here.

Vote 4.17.8, Sewage Treatment Plant, Kananaskis Country. I don't know whether this is for hotel development, whether it's investments for the new golf course that's been proposed by friends of the Premier there at Kan-Alta Golf Management, or whether there's something else along with that \$200,000 in Nakiska or some other facility. I'd be interested to know why that's required and why that wasn't made a condition of the building permits when those hotels were initially developed. Why is it that every time we turn around we see that development in Kananaskis keeps being subsidized from every pocket we can find, from this government at any rate?

I don't know whether my colleague from West Yellowhead will, in terms of his tourism critic responsibilities, have a chance to talk about the West Glacier tourism information centre, Mr. Chairman, but I'm intrigued to know why we are once again spending money for a tourism centre in Montana. Also, I've heard it said that inspection teams to supervise the construction of this project happen to proceed down to Montana in groups of four. I don't know how much substance there is to the rumour. I don't know whether it's just a coincidence that four is a nice round number for a round of golf or whether that has anything to do with it or not.

I notice that there are staff layoffs throughout the Alberta Research Council, recently announced, significant changes there. I see there are some reductions in the capital spending over at ARC, particularly at the Clover Bar facility at least, but there are increases there as well. I'm just wondering what gives. At a time that some reductions are taking place, why is it that more capital is being put into the buildings, and why is it that capital development is having that priority, or is it simply nothing other than preventative major maintenance?

I'd also like to raise a question, Mr. Chairman, about a tender that apparently was recently reviewed or recently published or somehow came into my hands via my colleague from Edmonton-Jasper Place. It's titled Specifications: Valleyview Health Centre, Volume 2 of 2, Electrical/Mechanical; Roman Kujath Architects Ltd., Edmonton. In terms of the preoperational cleaning and chemical treatment section there's a clause here called "Acceptable Agency," which is identified. I don't need to necessarily identify it for *Hansard*. I'm just wondering why a particular clause like that is in a document such as this. Presumably the Valleyview Health Centre is tax funded. In terms of its capital development are there no other agencies that can provide the kind of engineering that's acceptable? How does an engineering service company get identified as the sole acceptable agency in a tender document? I'm just curious about that.

I don't know what to think of it, but it seems somewhat irregular to me. If we're going to be wanting to make the best of the competitive system, let's make the best of the competitive system and not write our specifications so narrowly that only one particular agency, company, or whatever can be used. This was my concern that I raised earlier in question period with the Provincial Treasurer regarding the letting of a computer tender some several months ago. In the fall I had complaints brought to my attention by competing companies who could easily do all the work required in that tender, but because the specifications were written in such a way, it made it virtually impossible for anyone but the successful company to win that tender. Their price was a million dollars over the next two or three competitive bids. It was not a situation of cost plus or anything like that; it was a set price tender. So if there were any difficulties, it would have been the expense of the individual companies themselves. There was no danger of that to the taxpayer.

In a situation like that people wonder why is it that specifications are being written in a certain way so that it effectively shuts the door to competition. That was a concern to me that I raised in question period. Here's another example that's been provided, and I just would like to say to the minister that competitive tendering can become a game and take on the appearance of being competitive, but if the specifications are written so tightly that competition isn't allowed to exist, it becomes a hidden tax subsidy to a few favoured corporations. I don't think the system benefits by that kind of action.

I notice that the minister has talked about a green plan. I don't want to be critical of any efforts that are being undertaken by anybody in government, any individual or any minister, to try and become more environmentally friendly and sustainable to the environment, so I'll take the minister at his word and commend him for some of his actions. I might point out that the hon. Member for Edmonton-Jasper Place began some of the process of getting this government committed to recycled paper by buying a package of it and demonstrating that it can go through our xerox machines very well, thank you very much, and in so doing, could demonstrate that recycled paper is every bit as good to use as virgin-fibre paper. But I would like to ask the minister some questions about recycled paper: how much recycled paper

currently consumed by government services was produced in Alberta, and how much of the recycled paper used is chlorine free and how much of it is acid free? I think once we start getting down to some of those criteria, we might find that there are some new areas in which the green plan needs to be developed.

#### 8:40 Grant to Alberta Racing Commission

Moved by Mr. Hawkesworth:

Be it resolved that vote 6.0.1 be amended by reducing the amount by \$2,580,000 and further, that the committee recommend in its report that individuals benefiting from appropriations in vote 6, Control and Development of Horse Racing, receive benefits subject to income testing to determine need.

MR. HAWKESWORTH: Finally, Mr. Chairman, I'd like to table an amendment for all the members of the Assembly. We've heard a lot about restraint these days from this government, and we've heard a lot about how the government, particularly the Minister of Family and Social Services, is implementing or looking to income testing for people who are going to benefit from programs that are provided by the Alberta government. Well, what's sauce for the goose should be sauce for the gander.

I'm proposing, Mr. Chairman, that this committee recommend to the Legislature and to the government that benefits from vote 6, the Alberta Racing Commission, be in proportion to an income-testing method to determine need. It seems to me that at a time that we're asking parents of handicapped children to be income tested in order to receive benefits under the handicapped children's services, if it's come to that, if it's come that far that we're in that kind of desperate financial state for the province of Alberta, then there are other people as well who receive benefits from this government, particularly vote 6, Grant to the Alberta Racing Commission.

There are other people who could also be subjected to the same kind of policy. I know that horse racing means a lot to our particular Premier, and there's nothing wrong with it, and I support him if that's what he wants to do. But I just see that people who receive benefits, if we're going to require parents of handicapped kids to be income tested, then let's do the same. I'm sure that we could save a significant amount of money in this vote if that were the policy adopted by this government. So that amendment I'd like to place on the floor this evening, Mr. Chairman.

MR. CHAIRMAN: Speaking to the amendment, the hon. Member for Edmonton-Calder.

MS MJOLSNESS: Thank you, Mr. Chairman. I have just a few comments to make in support of the amendments offered this evening by the Member for Calgary-Mountain View. It seems like we've got some rules for certain people in our society and other rules for others, and I think this amendment really speaks to an issue of fairness and what in fact are priorities of this government.

The Member for Calgary-Mountain View talked about the handicapped children's services, and in this area we're talking about families that are struggling in many cases to keep their child with a disability in their home. There is talk now that the government will undertake some income testing in the future for these struggling families, even though we know that it's more cost-effective for these families to keep these children at home. It's also an issue of quality of life for these families and these children. But, Mr. Chairman, like I say, there is a proposal by the government that these families will have to undergo income testing.

If we take a look at people that are receiving the assured income for the severely handicapped, again, Mr. Chairman, not all Albertans qualify for this kind of an income program. Certainly the department of social services looks at the disability, but they also consider the financial situation of these people that are applying for AISH. I do know that if you happen to be working and your income level is over a certain amount, you do not qualify. If your spouse is earning so much money, you do not qualify. They definitely look at your income, and there are strict regulations when it comes to how much income you can earn.

When we take a look at people on social assistance, again, we have very severe income testing for people qualifying for social assistance. People must give a total disclosure of any income, and recently we have seen this government requesting information on winnings at bingo or any lottery money they may win. They have to claim that, and they have to claim any interest on their bank accounts. They have to declare any income from child tax credits or the family allowance. So certainly the department, when it comes to social assistance, is definitely looking very closely at any income that people may have. Even though many of these people are absolutely destitute and are allowed next to nothing before they qualify, again, Mr. Chairman, the government sees fit to look very closely at their income. The recent report from the women's advisory council points to how detrimental these policies are and how regressive they are in terms of enabling people, especially single parents who happen to be women, to get ahead in their lives.

So it seems to me what we're talking about with this amendment is fairness, Mr. Chairman, and we're talking about the government's priorities. Certainly it seems to me that if we see fit to income test all these mentioned groups, I would think the government would see fit to also look at individuals benefitting from the horse racing and the gaming commission. So I would hope that members of the Assembly would support this amendment.

MR. KOWALSKI: Mr. Chairman, unless there are individuals speaking in favour of it, I was. . .

Mr. Chairman, perhaps it would be helpful for my two hon. colleagues to understand what they've just said and what they've just done. I know sometimes there can be some confusion when issues aren't raised in the Assembly, but I would like both of them – the Member for Calgary-Mountain View and the Member for Edmonton-Calder – to refer to the 28th annual report of the Alberta Racing Commission that was tabled in this Assembly a little earlier in this year.

What these two individuals are doing with the amendment is basically saying that dollars should be taken away from the horse industry in this province, an industry which employs over 6,000 people, essentially stewards, jockeys, and that sort of people. Six thousand jobs, Mr. Chairman. Here's the way it works. These are not in the normal General Revenue Fund. What we do is put a pari-mutuel tax on all the dollars that are waged at the race-tracks in the province of Alberta. In 1991 the total volume of racing pari-mutuel betting in this province was \$230 million. What the province does is tax 5 percent of that; 11 and a half million dollars comes to the Provincial Treasurer. We then rebate a certain percentage of those dollars back to the horse racing industry, the very industry that was taxed, and this year it will amount to \$7,580,000.

Now, the province has already taken from these people \$4 million that has gone into the General Revenue Fund to assist handicapped, disabled people. There seems to be a conception that these dollars go to some big, wealthy, horse owner. They don't,

Mr. Chairman. They go back to the 6,000 stewards, trainers, "little people" in our society, some who have very marginal skills who find that this is one form of employment that's very important to them. If anybody has ever visited a track and seen the individuals that they're attempting to reduce income for, nothing could be more terrible than what's being suggested or recommended. It just can't be that these two members, both from urban centres, one from Edmonton and one from Calgary – and I'm sure a great number of their constituents are the people we're talking about – that if they asked members to support this amendment, would be taking money from them and their livelihoods, hard-earned money to help their wives, their spouses, their children. A lot of these people have marginal skills. I've talked to the horse-racing commission, and I've said we should try and do something to make sure that some of these people have greater access to education so that they might be able to enhance their skills. We're talking about people who essentially earn their livelihoods transporting manure at a racetrack. To have the Member for Calgary-Mountain View and the Member for Edmonton-Calder stand up in this House and want to deprive them of these very limited dollars that they have I think is sacrilegious. I'm just delighted that I had an opportunity at least to let them know. I'm looking forward now to the Member for West Yellowhead. If he wants to stand up and say, "Take some more money away from the little people in this province," that's just terrible, Mr. Chairman.

#### 8:50

MR. HAWKESWORTH: Mr. Chairman, I just asked the hon. minister to read the motion. The motion says, "receive benefits subject to income testing to determine need." Did he read that? I hope he did, because if he understood what the motion is getting at, it's quite simply that you use income testing to determine who should receive benefits or not. That's exactly what the Minister of Family and Social Services is proposing for families of handicapped children in this province. It seems to me the same could be applied to people in the horse-racing industry as well so that those who are making the big buck will not get the subsidy through this vote. That's what the motion is intended to do so that those who are in need or have an income that would put them below a certain threshold – of course they wouldn't be cut. This is quite explicitly getting at those in the high income bracket. He should read the motion on the floor before he gets into debate.

MR. CHAIRMAN: Edmonton-Kingsway on the amendment.

MR. McEACHERN: The minister has put out into this House an awful lot of poppycock over the last few years, but this is one of the best I've heard yet. Who does he think he's kidding? I know that some of the jockeys and some of the people that work hard around the horses aren't all that well paid. It's a rather strange business, horse racing. I like horse racing. I'd like to have more time to go down to the track and bet on the horses, but it's hardly an essential industry for the poverty-stricken people of this province. Don't give me that kind of nonsense.

The fact of the matter is that the minister just said that of some \$230 million we tax them at 5 percent, so then we turn around and give most of the tax money back to the business. Now, I'm sure the Premier would be glad to get some of that back. I mean, he has horses, and he's involved in the race industry. Maybe some other members around here are. What's wrong with a little income testing to see if they need it? You know, we finally do it on the royalties for oil companies. When this government first started handing back royalties to oil companies – you know, you

take the royalty from them and then you decide to give some back, right? I mean, these poor, poverty-stricken multinational oil companies that developed our industry in this province really needed some help, right? Initially there was no income testing at all, no relation to how much money they were taking out of this province. Initially there were no performance guarantees, nothing. Eventually after a lot of years of complaining they finally started to set some limits on it. You know, \$1 million or \$2 million to any individual company instead of \$60 million to Imperial like they got, I think, in one of the first years when they brought it in.

As the Member for Edmonton-Calder pointed out, this government is quick enough to tell individuals who need help for their only livelihood, people on social assistance, "Boy, you'd better not have any money." You know, I've got an example that just really infuriated me a year or so back. A young couple - he was a WCB problem, a sore back, and she with cerebral palsy and in a wheelchair. They were together for five years, were able to have a little girl. They'd been living together for five years and had been getting some home care help. When the parents of this couple said, "You know, we're going to take you on a holiday to California and give you a chance to get married in Vegas on the way down," do you know what the people in Social Services told them initially, until I got on the phone? Then they didn't have the guts to say it straight to my face, but they certainly had already told them and implied it. They said: "You can't take the money for those tickets and go to California. You've got to take those dollars and put them in the bank and live on them next month and save the taxpayers some money." Now, that's the mentality that this government pushes down through the bureaucracy onto people that really need some help. That's incredible. They ended up letting them go but, good lord, what an attitude.

#### Point of Order Relevance

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

MR. CHAIRMAN: The hon. Member for Wainwright is rising on a point of order.

MR. FISCHER: Mr. Chairman, we're on public works tonight, not on social services. I'd like you to bring the member back to public works.

MR. CHAIRMAN: Hon. member, the committee is discussing an amendment to vote 6, which involves income testing. All members should bear in mind what is before the House.

#### Debate Continued

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

MR. McEACHERN: I'll keep it short, but I do think it's fair to have a couple more examples, because I think they're exactly appropriate. If you are going to have income testing for people that really need help, then I think it's fair for us to propose income testing for people that are playing around at horse racing. I mean, what a ridiculous statement the minister just made about that.

All during the '80s people on AISH in this province were getting \$720 a month maximum. This government bragged about topping it up: a wonderful program and everything else. Every time the Canadian government increased somebody's grant through the CPP a little bit, this government took that much money off them. We saw a boom period in terms of growth in the gross national product in this province and in this country all through the mid-80s; '82 through about '88 it was over 3 percent every

year in the gross national product growth, 4.2 percent average. This government never increased the amount of money those people on AISH got, people who have been certified by a doctor never again to be able to look after themselves. They never got an increase in that period. Every time the federal government increased their amount of money by \$15, this government took it away from them.

Now, that's the kind of society you guys have been building, and now you've got the gall to stand up in the House and tell us that we shouldn't demand some income testing from the Premier for his horses and handlers of his horses and his horse-racing activities. Well, I think it's a fair thing to ask.

I could go around to a couple of other examples. How do you treat single, employable males in this society right now, even though 10 percent of them are officially unemployed and probably 15 percent are unemployed, because of course a lot of them have not . . .

SOME HON. MEMBERS: Order, order.

MR. McEACHERN: Well, it's perfectly appropriate. You guys have kept them in such poverty. Something like \$470 a month is all they can qualify for. If they had a vehicle, it's long gone. If they had any personal possessions, they've pawned them. I know people that want a job so bad they can taste it, some that are on the edge of wondering what they're going to do next and whether or not they're going to be able to survive. Do you think that \$470 a month is enough to live on? Yet you're quite prepared to hand back \$7,580,000 to people who are playing around with horse racing. I don't care if some of them are running it pretty tight for their livelihood. It's a sport, okay? It's not something that they have to do. I know some of them make their living at it, and it's a tough life for some of them, but the people that play that game, the people who own the horses usually have enough behind them that they could treat their people better if they wanted. It's not for the taxpayers of this province to give these people taxpayers' dollars back when we don't have enough money for WIN House, we don't have enough money for single employable males that can't find a job in this wonderful economy that you guys like to keep bragging about all the time.

I think what the minister had to say was scandalous, and I think this motion should be passed. I'd like to see some of you do some means testing on this kind of an issue instead of picking on the poor people in our society that can hardly afford to live on the social services you give them.

MR. CHAIRMAN: The Member for West Yellowhead on the amendment.

9:00

MR. DOYLE: Thank you, Mr. Chairman. The amendment which comes out of this 28th annual report of the Racing Commission:

. . . vote 6.0.1 be amended by reducing the amount by \$2,580,000 and further, that the committee recommend in its report that individuals benefiting from appropriations in vote 6, Control and Development of Horse Racing, receive benefits subject to income testing to determine need.

Mr. Chairman, I thought it was important that I read that amendment because many members, especially the government members, and the great employees that the minister has sitting above us here perhaps did not get a copy of it. Although the government members got it, they quite often don't read it; they just pitch it in the garbage. I wanted to make sure that those in the gallery knew exactly what amendment we were speaking on.

The Member for Edmonton-Kingsway pointed out very clearly that the income testing to determine need certainly is a good thing. In fact, in the riding of West Yellowhead pari-mutuel betting is something that has in some ways saved some of my constituents money because they now have a theatre in some of the hotels and the government of course doesn't collect the taxes on the fuel that they used to use when they came racing into Edmonton to get to the racetrack. Fortunately or unfortunately, in the town of Edson that was put in the hotel owned by the president of the provincial Conservative Party, and no others were allowed to have that installed. But perhaps they were the best bidder on that.

Mr. Chairman, the Member for Calgary-Mountain View's amendment surely fits right with some of the tax dollars that have been wasted in this province on some of the big shots that own horses. Indeed, many of them are poor because they might have had the wrong horses or just didn't have horses good enough to win.

The pari-mutuel betting around the province by the use of hotels is in one sense a good idea. I believe the minister stated some time ago that the Gaming Commission were pursuing these video slot machines, and they promised that the bars with strippers would not get into the video slot machines.

MR. CHAIRMAN: Try to keep to the amendment, hon. member.

MR. DOYLE: I'm speaking to the cuts to the Gaming Commission, Mr. Chairman, the amendment on the means testing for some of the people who need some funding.

Many years ago I was raised on a farm. I know what the minister was talking about when he said we had to haul the waste out of the barns, the stoneboat in those days. Of course, there was no money, but it's good that the minister has been helping some of these poor people cleaning the stables and keeping them clean.

Mr. Chairman, I would also say that I find it strange. They said when the Gaming Commission was pursuing these video slot machines that they would not be put in bars with strippers. Why has Joe Shoctor gotten video slots for the Saxony hotel when that bar continues to employ strippers?

MR. CHAIRMAN: Order please. We're dealing with means testing on income. We're not dealing with what's going on with slot machines in bars.

MR. DOYLE: Thank you, Mr. Chairman, for keeping me on line with the amendment, but this was part of the Gaming Commission so I thought perhaps it was part of this amendment. It's something that should be stopped, and by cutting the \$2,580,000, it would indeed stop that. Perhaps if that money was saved, we could go back to putting some better funds into programs like the community facility enhancement program, which expired in September '91. So the saving of this \$2.5 million of this department would not necessarily be spent, but perhaps some of it could help to top up such good programs as the community facility enhancement program, providing that they were handled in an appropriate way.

The Racing Commission for many years has brought revenue into the province. In fact, the 28th annual report that the minister referred to very clearly identifies how much has been brought in. The amendment of the hon. Member for Calgary-Mountain View's amendment would stand well behind many Albertans who believe that the income testing should be determined only by need.

Mr. Chairman, I don't want to take up all the time of the House to mention our feelings on this, and I appreciate the time you allowed me to speak this evening.

[Motion lost]

### Public Works, Supply and Services (continued)

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

MR. WICKMAN: Thank you, Mr. Chairman. I first want to acknowledge the, I've got to call it, fine document that the minister responsible for public works laid down in the House. It is refreshing to voluntarily get some of that information that at times we in opposition find very difficult to obtain. It doesn't answer all my questions, but it does answer some of the questions, so it'll shorten some of the questions that I will have.

I just want to make some general comments, and I want to refer specifically to some votes and then raise a few issues and conclude with an amendment.

Now, first of all, I want to just briefly touch on a few topics. In the minister's document he makes reference to the RDA, to the lands that will be disposed of in the restricted development area. I would hope that now we're getting that issue to bed so those lands that aren't required will be disposed of, so those property owners can get on with utilizing that particular land in some other fashion.

There is reference made to the aircraft and vehicles: 4,400 vehicles and 12 government aircraft. Seeing that the minister is in the mood to supply us with information, I would be interested in getting a copy of the logs of those 12 government aircraft. One air traffic controller told me that the government aircraft is the second best utilizer of facilities over at the Municipal Airport. Now, maybe there was some exaggeration there, but I would venture to say that there's a great number of flights taken on those 12 planes that are owned by the government.

Also, I would not mind seeing an agreement that was executed by the government and Olympia & York. There's always been some question and will continue to be some question as to just how fair that particular agreement was to the taxpayers of Alberta and other owners of office towers downtown.

Also, Mr. Chairman, reference is made to surplus lands that are being disposed of other than the RDA. I can recall the Member for Westlock-Sturgeon asking for a listing of all those lands that were going to be disposed of or were disposed of, an interim report every six months. I don't believe that was ever complied with.

Another comment that I have to make, Mr. Chairman, deals with the annex. The Member for Westlock-Sturgeon raised this, and the minister insisted on a vote in the House. That's the question of the small amount of additional dollars that were required to complete some renovation that was being done on the second floor. A deal had been worked out: in exchange for that, some other space was being given up here in the Leg. Building to accommodate, I believe, a request of the Speaker. Anyhow, it was a good deal all around. The minister took exception to statements that the Member for Westlock-Sturgeon made and held some kind of an artificial, improper vote here in the Assembly; nevertheless, ordered that work be halted. To this day, which is a year later or possibly it's two years later, that space is still sitting there empty. That space is not being utilized. That space is there, and it could be utilized, and there could be that swap that was to go through, but because the minister was offended by some gentle remarks of the Member for Westlock-Sturgeon, heels were dug in, and we see that space sitting there going to waste. That could be utilized so much better than it is at the present time.

Now, let's go specifically to some of the votes. I have a number of questions here. I can understand that sometimes there are difficulties answering all the questions in one particular evening, so I would hope that written responses will come at an

appropriate time to these other questions that are raised. We look in vote 1, and there is an overall increase in expenditures of 2.4 percent. We see Salaries, Wages, and Employee Benefits accounting for the majority of the increase, 3.3 percent. Three questions in this area. First of all, where specifically does this department fit into the government's overall plans for downsizing and relying more on the private sector when it comes to providing services? Secondly, why an 82 percent increase in the purchase of capital assets for this department? Thirdly, with a 14.1 percent reduction in permanent full-time positions from 184 to 158, why has this department budgeted for a 3.3 percent increase in salaries, wages, and benefits?

#### 9:10

Then I look, Mr. Chairman, at vote 2, Land Assembly. Here we see a 73.8 percent reduction in this year's budget estimates from last year, down from \$22.8 million to \$6 million, which brings to mind two questions. Why is there a 22.6 percent increase, \$350,000, for Administrative Support when the rest of the department has slashed its budget estimate for the year? Secondly, in previous years the government has under Multi-Departmental Services repaid approximately \$15 million dollars a year to the government Land Purchase Fund. Why is the government not making that similar transfer this year?

[Mr. Jonson in the Chair]

Then I go to vote 3, Mr. Chairman, Management of Properties. We see an overall increase of 2 percent in this vote from last year's budget estimates. Question: under this government's downsizing initiatives why is this department increasing designated moneys to acquire and pay for leased properties? That refers specifically to votes 3.3.2, 3.3.3, 3.6.2, and 3.6.3. Secondly, an increase of \$4.1 million: why is this department faced with this increase? Is it a result of increased maintenance costs of the acquisition of new leases for the government? I want to go just a bit here to Lease Escalation Contracts being budgeted for an increase of 16.5 percent or \$1.1 million. Can the minister tell us why this increase during this period of tough economic times when costs should be going down?

Vote 4. Here we see a decrease of 5.2 percent. It's good to see that reduction in capital expenditures, and we would like to see, as a matter of fact, the government rank its priorities, its commitments, and its projects in terms of taxpayers in Alberta and to drift towards that paying with cash; in other words, pay as you go. I believe that is the way that someday some new government, hopefully shortly, will come along and implement those types of policies that see new initiatives such as pay as you go.

I look at vote 5, Central Services and Acquisition of Supplies, and here we see a very, very minor reduction. We need to cut expenditures within government departments. What will the government do to encourage reduced spending in other government departments as well as this, being that the minister is a member of the overall caucus? Then we look at vote 5.5.1, and here we have the initiatives to reduce government travel costs. The question I have here is: why has air transportation only been reduced by .2 percent? We've heard all the talk about the reduction in travel that is meant to be achieved.

Vote 6 deals with the control and development of horse racing. I do get out to the track on occasion. I find it to be a very, very interesting sport. They call it the sport of kings for a number of reasons. My understanding - and it equates partially to the amendment that had been before us - is that 5 percent of the purse money or the overall pari-mutuel betting is taken in the form of

a provincial tax, and then those dollars are given back to horse racing in various parts of the province. It's not really a direct grant from the taxpayers of Alberta; it's a method of giving back to the horsemen dollars that had been received through the pari-mutuel betting. The other option I guess would be that government could simply claim that money, that 5 percent tax, and not give any back. So I don't have a problem with that particular system of control and development of horse racing because I think it has to be recognized that yes, there are needs within our society. I support those needs, those essential needs of shelter, of food, and so on, but at the same time there are industries that have to be recognized that are there to the benefit of all, and horse racing is an industry.

Vote 7, Lotteries and Financial to Assistance to Major Exhibitions and Fairs. Here we see an increase of 51 percent and an overall increase in grants of 52.1 percent or \$1 million. Now, why? That I would like an answer to.

When we talk in terms of vote 8, the gaming policy, here we see an increase of 18.5 percent or \$600,000. This increase is in the operating costs, I assume, of the department through the additional enforcement of gaming policies.

Those are the questions that I have specifically that pertain to the votes, but I have a number of issues that I'd like to have the minister address. One is the question of donations that are made to charitable organizations and causes through his department. I'd like to know specifically how he goes about determining who gets those items that are declared surplus and how the value of those goods is recorded.

Secondly, I'd like to know when Public Works, Supply and Services will be ready to hand the Oldman dam project over to the Department of the Environment. I'd like to know specifically what additional steps may be planned in terms of Greening the Hill, which is the expression that is used and is touched on to a fair degree in the document, the opening remarks submitted by the minister, but possibly he has other ideas further down the road that he wants to see implemented.

I'd like the minister to speak about the interprovincial trade barriers in western Canada, the memorandum of agreement. I'd like to know the value of total procurement contracts placed on this network in the last fiscal year.

Mr. Chairman, I want to get into one of the topics that I have the opportunity to raise quite often when it comes to this particular minister. That refers to lotteries, and that refers to what's happening here in the province of Alberta in terms of it slowly becoming a gambling mecca. We see Sport Select, we see video machines, we see a great escalation of gambling. In our caucus we have simply taken the position that it's time to slow down, that it's time to develop a master plan, a vision, that it's time to get input from Albertans: is this what is really, really wanted?

I guess the concern that I have - it's not only that we see it happening in Alberta. I was reading about some of the initiatives brought forward recently in the budget in the province of Ontario and when speaking to people in Ontario. They're even going to plunge ahead, escalate ahead at a faster rate, it appears, than Alberta when it comes to opening resort-type casinos and such. I would hope that we don't have that type of situation happen here in Alberta. There are many of us who enjoy a bit of gambling, myself included. Las Vegas is there, Reno is there, and so on and so forth. I don't want it to happen in Alberta. If I wanted that type of environment to live in, possibly I'd consider living in Reno or Las Vegas, but I don't. It's a nice place to visit, but let's not go overboard with this whole gambling escalation that has occurred.

The video machines raise an interesting question. Reading the documentation, it's clear that all those facilities that are controlled by age are eligible to make application for video machines, but how specifically is the minister going to determine – or whoever is going to determine – which of those facilities are going to receive approval, which will actually receive the machines? I'm sure that every one of them won't. That brings to mind the question of lottery distributorships as well. I'm still not clear to this day exactly how lottery distributorships are awarded. Who decides whether this store in Hinton or the store across the street should get it? Why are there instances where it's pulled away from one and given to somebody across the road, even though the one across the road isn't doing the same type of volume? There has to be a strategy there that I'm not aware of that has to make a bit of sense.

9:20

The whole question of lottery dollars has raised many, many ears in Alberta. We've seen many examples of questionable expenditures within the area of lottery revenues. We all recall the infamous briefcases. We recall the trip to Japan. We recall the dollars that have been given to the Edmonton Eskimos and the Calgary Stampeders through some lottery-type system, and even if all of this could be justified, we can't be sure because of the accounting procedure that is used, the fact that it doesn't come under general revenues. I would suggest to the minister that Albertans are going to continue to get more and more vocal on this matter till eventually the day will come – and it's not too far down the road – where this government or some other party that forms the government is going to do what the Auditor is asking for because people are becoming more and more concerned. They're becoming more and more concerned with the politicking that is being played with lottery dollars, the cheque signing, the cheque presenting ceremonies that go on, and the ability that the minister and members of the government side of the House choose to take upon themselves to try and get those bonus points. One thing I would really, really like to do is be able to really get right down to the very, very fine tuning as to exactly what happens in that whole system of CFEP dollars, which again the Auditor criticized in terms of its handling: the sloppiness and the lack of determining that there were needs for those dollars and the involvement of government MLAs.

On that particular note, Mr. Chairman, I'm going to present my amendment, and I'll have this distributed.

### Lottery Funds

Moved by Mr. Wickman:

Be it resolved that the Committee of Supply recommend in its report to the Assembly that the department responsible for lotteries comply with the recommendations of the Auditor General and transfer all of Alberta's lottery revenues directly to the General Revenue Fund.

MR. WICKMAN: Now, I know that the minister in his overview that he presented attempted to rationalize why that wasn't necessary, why Albertans would prefer the dollars to come in this method rather than general revenues in that they saw this, I guess, as a different type of dollar, and they saw it being used for a different purpose. All the rationalization in the world is not going to get around the fact that we have an Auditor that has made it very, very clear that the way it is being done at the present time is not proper, that it would offend anyone with any background in accounting at all. I know there are some members on the

government side that have some background in accounting, and they're the first ones that should be standing up in this House and saying, "I support the amendment as presented by the Member for Edmonton-Whitemud because he's talking in terms of accountability; he's talking in terms of implementing a practice that conforms with proper accounting, with proper procedures, proper principles of accounting for expenditures." This type of system as proposed in the amendment, Mr. Chairman, would do away with the perception the public presently has that lottery dollars are not handled in a method that is in the best interests of Alberta taxpayers.

We see that the minister talks in his report of there being net revenues of \$111 million in the previous year, I believe it is. That's a great deal of money, and with video machines now coming on board and expanding, we could be talking in terms of \$130 million, \$140 million. Where's it going to stop? Just how big does this slush fund, this cash cow grow until finally somebody takes control of it and says: "That's not the way it's to be done. We've got to do it properly"? I would say that rather than wait till that time, we do it properly at the present time.

Mr. Chairman, on that note I'm going to conclude my debate on the amendment and allow the other members that wish to speak to speak on it.

MR. DEPUTY CHAIRMAN: Speakers on the amendment? The Member for Taber-Warner.

MR. BOGLE: Thank you, Mr. Chairman. I rise to speak against the amendment put forward by the Member for Edmonton-Whitemud. I wish to draw to his attention just for the record that the external auditors of Ernst & Young have repeatedly reported that the activities of the corporation and Alberta Lotteries are in accordance with generally accepted accounting principles.

We've had the debate in this Assembly many times, Mr. Chairman. I suppose if the hon. Member for Edmonton-Whitemud wishes to use up the time tonight dealing with amendments on issues previously covered rather than dealing with the estimates of the department, that's certainly the hon. member's right, but clearly the activities of the lottery revenues has been dealt with at some length. The dollars are accounted for. I can certainly verify that the many, many organizations in the Taber-Warner constituency which have received funds through a variety of programs, whether it's the Wild Rose Foundation, the Recreation, Parks and Wildlife Foundation, or the community facility enhancement program to mention but three, are extremely grateful for the assistance which has been provided, assistance which in most cases has come as matching dollars, so that the activities of a local group, and in some cases being groups like a curling club organization replacing an ice plant or the local rodeo association improving their facilities and grounds or other recreational or cultural facilities in the area – those are all well appreciated.

I repeat, Mr. Chairman, if the hon. member wants to waste the time of the committee rehashing grounds which have already been dealt with, then that's certainly his right, but I for one would like to see us get back to the estimates of the department.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Kingsway, followed by Cypress-Redcliff.

MR. McEACHERN: Thank you, Mr. Chairman. I rise to speak in favour of the motion. We had a big debate in this House a number of years ago when you brought in Bill 10 to set up a special lottery pot that the minister could use as a slush fund. Nobody on either the Liberal side or the New Democrat side has

complained about some of the people that get the lottery money. That is not what is at stake here. Much of the money goes to very worthwhile organizations, and most of them are handed out on a reasonable basis, at least to the extent that we can follow it and what we watch, but what is not right is that the expenditures that they represent are not brought to this Assembly as part of a budget so that we can peruse it beforehand and discuss it before the main decisions are made about who will get it. Those decisions are still made by the minister, or whoever advises the minister, and in secret as far as this body is concerned, and all we get is the after-the-fact information. That is not an acceptable way to handle tax dollars, because make no mistake, these are tax dollars. Raising lottery funds is nothing more than a tax on the poor, which brings me to another economic point I wanted to make in relation to this issue.

It seems to me that the Horatio Alger dream that you could go from rags to riches by hard work in this society – in this North American society that everybody thinks is so wonderful, or at least some people try to claim it is – has been dead for a long time in this country and in the United States where it originated. What governments like this government have done is replace it with a lottery so that people can put a few dollars on the line hoping to God that they can get out of poverty. So it's a tax on the poor is what it is. It's like the Romans: give the poor circuses. It's much the same kind of thing: put ads on the television and tell them how they're all going to get rich so they'll put more money into the lottery. Well, if it's a tax on the poor, why aren't those tax dollars expended through this Assembly through proper appropriation Bills, the same as any other moneys? Of course, they should be, and it's ridiculous that the government can get by with saying, "Oh, no; it's okay for the minister to do it," and hand it out to this group, that group and then account for it afterwards. That's not good enough. The Auditor General says it's not good enough, we say it's not good enough, and after the next election it'll get changed.

9:30

MR. DEPUTY CHAIRMAN: The Member for Cypress-Redcliff.

MR. HYLAND: Thank you, Mr. Chairman. I've been sitting here in disbelief hearing the comments made, at least by the two previous opposition speakers when they talk about the misuse of money associated with lotteries, with the community facility enhancement money and others. When they're saying that, they're insulting the people in my constituency, the hardworking volunteer people who put up 50 percent of the money on these projects. Some of them are senior citizens' projects. Some are swimming pools in towns. Some are parks, where two or three towns have got together to develop parks. There are a whole bunch of different programs.

MR. McEACHERN: You totally misquoted what I said.

MR. HYLAND: You had your turn to speak. I didn't interrupt you.

Mr. Chairman, they want to put it all in a pot into the Legislature, into the estimates, so they can approve it somehow. It's a magic thing. We just heard a number of members a few days ago bring up a phantom document that they found somewhere or dreamt up about the future of a project within culture and recreation and parks that receives some money from lotteries and some money from general revenue. You know, there are a lot of problems with that program because there are too many people involved in it. I've talked to people on the ground floor, and they

try to get projects through groups, whether it's cities or towns or whatever. There begins to come so much administration. The beauty of many of the lottery programs is that people can access them, small groups can access them, senior citizens' groups. A group put together to develop a park can access these programs directly, and they have to sign the documents and report two years hence how the money was spent. Now, what's misuse? What's so bad about that?

Mr. Chairman, when I went through my constituency with this program, I met with the municipal councils, rural and urban, and we developed a program where the people would bring forth ideas of how they wanted to develop and what money they had for matching. They submitted them to the councils, the councils went through them, and through a process of negotiation we accepted some. Some we didn't accept. Some they used other programs for. We worked at it together. I mean, if others didn't do that, that's their problem. If you can't work with municipalities, why dump the whole program because you can't get along with it? It makes no sense. Instead of saying that it's a misuse of money, let's have some facts. Let's not accuse good, honest, hardworking volunteers of misusing our money. Put something on the table. Give us some facts. Give us some examples. Let's see them. Don't just talk in general terms that it may be a misuse of money.

Thank you.

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

MR. HAWKESWORTH: Thank you, Mr. Chairman. I can't resist the invitation from the hon. Member for Cypress-Redcliff to put some facts on the table. I'd be quite happy to put some facts on the table. They're found on pages 63 and 64 of the Auditor General's report for the fiscal year 1990-91. If he wants facts, that's where he can find them. The motion on the floor, the amendment, has to do with accountability. That's what we're talking about. The Auditor General's report talks about accountability. The New Democrats are suggesting to the government that the issue is an issue of accountability. It's not an issue of the recipients, of who received it or who didn't receive it. You don't have to sacrifice accountability to provide funding to groups in this province. You can provide funding to groups in a responsible, accountable way. That's what we're suggesting and that's what the Auditor General is suggesting needs to be done when it comes to lottery funds. The reason the Auditor General has said that this is a matter of concern to him is that not only is there a lack of compliance with the legislation but, to use his words, "my primary concern is a lack of accountability for the disbursement of some lottery revenues." And here are some examples; here are the facts:

Alberta's share of the net lottery revenues is not paid to the Lottery Fund until after the Corporation makes the following payments on behalf of the Province:

(a) for expenses incurred by the Provincial Marketing Organization.

There's a recipient for you. Haven't heard them talking about that across the way.

(b) for expenses incurred by the Province's Program and Services Office to administer the payment of grants from the Lottery Fund.

There's a recipient we haven't heard about, and here's one that we haven't heard about from the members opposite:

(c) to the Government of Canada.

Oh, well, we can't be accountable for the lottery funds, because we're all concerned about the recipients of the lottery funds; i.e., the government of Canada. Come on; please, give me a break.

The Auditor General concludes:

The funds used to make these payments are part of Alberta lottery funds which have not been publicly accounted for.

That, Mr. Chairman, is the issue. Money is being spent that's not being accounted for. It has nothing to do with the hardworking, sincere, solid members of our communities all across the province who participate in the community facility enhancement program. That's a red herring. If you want to set up a community facility enhancement program, you can do that under the General Revenue Fund. You can do that under the Lottery Fund. You can set up a vote in the estimates and disburse some money and account for it. Asking for accountability doesn't mean that you have to sacrifice worthwhile programs. It just means you have to sacrifice a cozy slush fund for the Minister of Public Works, Supply and Services. That's all that has to be sacrificed here. You sacrifice a cozy little arrangement with the government of Canada. That's what has to be sacrificed. Make it more public; make it more open; make it more accountable: that's what the Auditor General's talking about. Let's do it. What's wrong? What's holding them back? Why don't they want to be accountable? Why don't they want to make these payments up front? What is there, some sort of backdoor arrangement or what? I mean, why can't this be done through the normal . . .

#### Point of Order Imputing Motives

MR. TANNAS: A point of order, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Order. The Member for Highwood on a point of order.

MR. TANNAS: Under 481(e) or Standing Order 23(i), imputing motives. I think if we talk about a cozy little slush fund for anyone, that's an imputation of motive, and I would ask that the hon. member reconsider those ill-considered words.

MR. HAWKESWORTH: Well, Mr. Chairman, the point is accountability. The Auditor General says that there have to be better ways to achieve appropriate accountability for all lottery revenues. I agree with the Auditor General. I agree with the motion on the floor. I don't know why it is that the government members seem so reluctant, after many years, to adopt the Auditor General's report. I guess the actions speak for themselves. People can make their own conclusions about cozy arrangements that are so comfortable that the government finds it difficult to accept or implement change. So I'll let people draw their own conclusions. I just wonder why it is that the arrangements we have in place can't be made more accountable. And why can't we do it without dragging in, as hostages to the debate, all sorts of groups and individuals, worthwhile projects and worthwhile endeavours all across the province? Those projects, those individuals, those initiatives, could always be funded through the General Revenue Fund or through a separate Lottery Fund if the government wanted to set up the estimates that way. There's nothing to impede accountability except their own inertia and clinging to the past.

Thank you.

9:40

MR. DEPUTY CHAIRMAN: Further on the point of order, Member for Highwood?

MR. TANNAS: Yes, Mr. Chairman. I find the words being used here, "slush fund," in the *Concise Oxford Dictionary of Current English*. A slush fund is a fund for illegal purposes; bribery, for example. That's why I take objection to that kind of language.

Accountability: certainly we all stand behind that, and I support the member. But his use of "a slush fund" is beyond the pale. [interjections]

MR. DEPUTY CHAIRMAN: Order please.

Did you wish to comment on the point of order, Edmonton-Kingsway?

MR. McEACHERN: Yes.

MR. DEPUTY CHAIRMAN: Please proceed then.

MR. McEACHERN: The member turns out to be awfully sensitive. What we're really talking about here is the way it is set up. Whether the minister uses it for some kind of illegal purpose or not is not the point. The point is that it's set up in such a way that he could do that if he wanted. Therefore, to call it a slush fund, as compared to . . .

MR. DEPUTY CHAIRMAN: Thank you, hon. member. You've explained your point.

Further on the point of order?

The Chair will review various parliamentary sources further, but at this point a quick review of *Beauchesne* and the reference that was made to Standing Orders would not indicate that in the context in which it was used, the term was unparliamentary.

#### Debate Continued

MR. DEPUTY CHAIRMAN: Further debate on the amendment.

MR. SHRAKE: Mr. Chairman . . .

MR. DEPUTY CHAIRMAN: On the point of order, Calgary-Millican?

MR. SHRAKE: On the amendment.

MR. DEPUTY CHAIRMAN: Edmonton-Kingsway, followed by Calgary-Millican.

MR. McEACHERN: Okay. I just wanted to straighten out the Member for Cypress-Redcliff. Nobody on this side cast any aspersions on the people in community leagues that work so hard to get money. I work with the people in my area, and they have applied for grants from the lottery funds. I accept that these people work hard and do a good job. Certainly nobody on this side in any way impugned them, and I resent you standing up and telling us what we said, in incorrect words, and then turning around and beating up on us for it. I think it's totally ridiculous.

When I do work with my constituents to apply for those grants, I think what we all resent is that there is no real, known process by which you know - well, there is a process. There are certain things you can apply for, and there's an application form and that sort of thing, but we know that it's at the whim of the minister as to how many dollars there are in that program and whether or not it will be granted. I think that's what is wrong with the idea of having the Lottery Fund controlled by an individual minister. If there were an estimate in the budget that said that X number of dollars will be given for this and that and the other program, then people might have some idea where they stand and what the limit is on what they're applying for and under which rules and what different kinds of programs there are. This body would have approved those expenditures. We wouldn't have tried to control each one individually, obviously. Obviously, the minister and his

people still have to do some individual deciding. Nonetheless, there are some guidelines and some rationale and some debate beforehand about where and under what programs those moneys are allocated through the estimate process. That's really what we're asking for, and I don't think that it's too much to ask. To hand it to an individual minister and give all the responsibility to him and to only have him accountable after the fact is not acceptable. That's what we're saying.

MR. DEPUTY CHAIRMAN: Calgary-Millican.

MR. SHRAKE: Thank you, Mr. Chairman. I think we go through this each year as we go in Committee of Supply. The opposition will be whining, gnashing their teeth, and crying that they don't have enough time in Committee of Supply to ask all their questions. Then we come in here, we sit here, and we get these motions, these amendments. We get all kinds of silly ones, sometimes cutting the minister's salary to \$3, sometimes to \$1. We spend the whole night going through the nonsense of these motions. Then they talk and they talk on these amendments, not asking questions of the minister who is sitting here to answer the questions. We've got all this expensive staff sitting up there observing. I really see them sometimes shaking their head as they hear these amendments. Anyway, they drone on and on listening to their own voices, and we don't hear intelligent questions. Then they whine later.

Anyway, let's go to this notice of motion.

MR. McEACHERN: You don't give us time to ask questions.

MR. SHRAKE: Now we have the Member for Edmonton-Kingsway trying to be a wit tonight, and he's only come here half equipped.

As we go through this notice of motion, we go through this again and again. Calgary is a city which receives money out of this lottery money. In that city we are known as a city of volunteers – they have some in Edmonton, too, you guys – and these volunteers, they work. They give their time, their energy, and their money, millions and millions of dollars' worth of time. We're probably, in Alberta, one of the best areas in the whole world for volunteers who will serve on committees, work with children, seniors, the sick, and the lame, but they need tools to work with. These tools are often a community hall, because often a little building – they need an office; they need something to help them provide these services.

So with this lottery money – and we were talking of a three-year period, roughly about \$30 million a year. Thirty million dollars is a lot of money, yet it wouldn't carry the health system for a week. Four days, five days is all it would carry it. A lot of the people who buy these lottery tickets feel a little better if they know this money's coming back into the community. We could transfer this quite easily all into the general fund – it would be swallowed up – but this is a way of giving them back some of their lottery money to get some facilities. Without the facilities you cannot have those programs, and among those are programs for the young people. The Boy Scouts, Cub Scouts, and Beavers: for them to hold their meetings, they need a hall. They can't afford to go rent commercial space. They use the community halls; they use the church halls; they use Scout halls. In Calgary they do anyway. And you get your Girl Guides and you get your Brownies. You get your youth programs. The seniors receive some of this money. There again, these seniors are old, but they're not dead. They like to get out and get together at bingo with the other seniors. For whatever it's worth, a lot of your

medical people say that this is good for them. Often they will apply for a little grant because they've only got so many bucks to fix up the hall, fix up their meeting place, and they get a little of this lottery money.

We could go on and on. I really wish the Member for Edmonton-Kingsway would only get the books that have been provided, the information that's been provided by the minister, read that stuff and see where that money's gone and tell me about those programs, tell me if he would like to cut some of those programs out.

No, Mr. Chairman, I think the minister's done a good job in the last three years with that CFE grant program, with the lottery money. It was done well. As far as saying, "Well, it's not accountable," that's nonsense, and folks know it. In fact, when it comes to Public Accounts, I'm sure he will answer your questions there, or perhaps if you had questions instead of debate, he would answer your questions here. The other thing is, if you just read the material that's been provided, you probably wouldn't even have that many questions or you wouldn't have these misconceptions that somehow this is slush fund money. No, sir. Read your material and see where the money went and what happened. A lot of your constituencies got that money. You go down and talk to those groups that received that money. Talk to them, for goodness' sake. Please talk to them and ask them: "Is this program something that you really wanted? Is it needed? Did you feel, when this community facility was built in your community, that you really wanted that money, or did you just apply for it out of fun or some funny reason?" I'm sure, then, they'll tell you.

So if you ask the citizens at large out there, this is probably one of the few areas that's using some of this lottery money going back to the community, going back to the people, and I think they like it. Ask the people and I think they'll tell you, instead of silly motions here.

Thanks, Mr. Chairman.

9:50

MR. DEPUTY CHAIRMAN: The Member for West Yellowhead.

MR. DOYLE: Thank you, Mr. Chairman. I stand in favour of the notice of motion from the Member for Edmonton-Whitemud. There are some real reasons that the lottery funds have to be handled a different way – i.e., going into the General Revenue Fund – that would stop some of the things that have happened in the past that were not appreciated much by some of the taxpayers in Alberta. I'll get to that, but I want to first say that indeed the community facility enhancement program has been an excellent program and has been paid for 50 percent and sometimes more by the municipalities or by private individuals in the ridings of West Yellowhead that I know of for sure.

I supported many of those applications. In fact, they were all handed out to well-qualified volunteer groups, very hardworking groups. I believe that the riding of West Yellowhead got its fair share of the lottery funds. Of course, like anybody else we'd always like to get a few more dollars, but somebody has to make the decisions on that.

Had this money been in the general revenue, Mr. Chairman, perhaps something wouldn't have happened like happened to the senior citizens, a hardworking, dedicated group from the town of Grande Cache, who worked very hard to build a seniors' place in Grande Cache, a pioneer cabin. They were approved in the amount of \$26,000-plus to assist them in the finishing of their facilities. Well, sometime last year in about October, the seniors came to see me while I was visiting my constituents at the Steelworkers' Hall in Grande Cache and wanted to know if I

could have the cheque that had been approved some weeks before. They had run up bills with their electricians, their plumbers, their carpenters, the tradespeople in the town of Grande Cache, and the lumberyard. Those people were hurting to get paid after some months had passed. They had been told approximately two months prior to that that their \$26,000 was approved and the MLA had the cheque. Well, of course they asked if I would give them that cheque, but I didn't have the cheque. After some phone calls and some discovery, it didn't take very long to figure out who had it. It was the member from the riding of Whitecourt, the minister supposedly responsible for Occupational Health and Safety.

Mr. Chairman, after some time went by and some phone calls were made to try and get this cheque, because the senior citizens from Grande Cache were depending on the community facility enhancement grant – they had put their fair share of sweat equity and other moneys into it . . .

MR. DEPUTY CHAIRMAN: Hon. member, I fail to see how this is related to the amendment, which deals with this matter being in the General Revenue Fund.

MR. DOYLE: Mr. Chairman, speaking to the amendment, if it was in the General Revenue Fund, there would be some scrutiny as to how these cheques were handed out. Would they be handed out the day they were printed, or would the cheques be allowed to float around and used whenever somebody else felt like delivering it? These senior citizens got an overdraft at 21 percent, costing them somewhere over \$600. Then, lo and behold, after we finally tracked this culprit down, the minister flies there in a government plane on the Friday afternoon and delivers this cheque, another expense that would be scrutinized, I'm sure, by this Legislature if it was handled through the General Revenue Fund. It was not taking the government plane to fly to a very remote community; it could have been sent there by government courier that goes there every day, or it could have been delivered by somebody else or by the local post, and they wouldn't have had to pay this 21 percent on an overdraft. It's a shameful, shameful way to handle the lottery funds and the support of local volunteer groups like the senior citizens of Grande Cache and anyplace else in the province.

Mr. Chairman, I think if the minister does not want to put it in the General Revenue Fund, he'd better find a different way of delivering these cheques on time, because these people are the ones that earned it; these are the ones that deserve it.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Whitemud, followed by the hon. minister.

MR. WICKMAN: Mr. Chairman, I'd like to make . . .

MR. DEPUTY CHAIRMAN: Is there a point, hon. minister?

#### **Point of Order Concluding Debate**

MR. KOWALSKI: I have a point, Mr. Chairman. This is the motion put forward by the Member for Edmonton-Whitemud. Shouldn't he be closing the debate now?

MR. DEPUTY CHAIRMAN: There's no rule requiring that. I could ask the Assembly if he can close debate, in which case you would like to speak. Yes, all right. Hon. minister first, then, please.

#### **Debate Continued**

MR. KOWALSKI: Mr. Chairman, just a few points for clarification here with respect to perhaps the misconceptions. Sometimes

I think the discussion is very rambling with respect to this amendment. Questions were raised as to why would money go to the federal government from the Western Canada Lottery Corporation. I've indicated in previous days in this Assembly about annual reports that are put out by the Western Canada Lottery Corporation, the Alberta Lotteries, as to why. Perhaps I should read from the report, giving commitments to the federal government. I quote from page 20, called Federal Tax Expense:

Taxes are paid to the Federal Government by the Western Canada Lottery Corporation based on a specific formula. This payment is in lieu of the collection of GST on lottery ticket sales to the consumers and is in addition to the GST paid on goods and services purchased by the Corporation.

Listening to the Member for Calgary-Mountain View, you'd think there was something sinister. Well, the Western Canada Lottery Corporation has to pay taxes. Mr. Chairman, this information is all public; it's all known to anybody who wants to access it. It's all freely available, and it's all audited by the chartered accountancy firm of Ernst & Young. How these things get in here – I know that sometimes the boys want to have a little fun on Tuesday night. But it's also important, as the Member for Calgary-Millican has pointed out, to use the time that's available in the Legislative Assembly to be pertinent and relevant to what's at hand.

Mr. Chairman, to my friend from West Yellowhead. I listened very carefully to what he was saying. One thing that's very, very important to this government is to stay in touch with the people. It's extremely important, in fact, for elected people to stay in touch with the people, all people. Ministers of the Crown are given duties, asked for in their Executive Council to be members of the government, and one of the things that all of my colleagues take a great deal of pride in is in fact reaching out, hearing people, talking to people, being a part of the people. I hope that the Member for West Yellowhead is not overly sensitive to the fact that from time to time he regularly rises in the House and he says to colleagues of mine, "Are you aware of this? Are you up to date on this? Do you know about this?" Well, I hope, then, the counterargument to that is that when a member of Executive Council visits the constituency of West Yellowhead, he wouldn't feel overly sensitive. I can only assume that he would want us to, and I hope that if the group in his constituency were to come and say to me as a minister of the Crown, "Can you help us?" he would find it okay for me to visit those constituents in his constituency. I know he comes to mine. He hasn't always told me when he comes to mine. I hear about it. I hear nobody's ever shown up to visit him, but nevertheless, I've heard that he's come.

I hope that it works both ways, because we're all servants of the people and it's very important. If colleagues in this Assembly in fact are close to the people and want to deliver cheques, I think that's important. It gives them a chance to meet new people. It gives them a chance to come up to date on exactly what their concerns are, their issues are. It gives them a chance to learn as well what further can go on, and it all complements one another. It's all part of a very important system, and I sincerely hope that that would be continuing and continued always.

Accountability is very important. I listened very carefully to submissions made, but I think one thing that is very clear is that there is accountability under the statutes, the legislation, that this Assembly's approved, Mr. Chairman. Staying in touch is paramount to it all, and the system that we have of reporting and accountability is in place with respect to the Lottery Fund. It would seem to me that if we wanted to create a new bureaucracy and an added bureaucracy, we could do that, but it's also very important to make sure we maximize our efficiency and our

effectiveness to the people of Alberta. It's my humble opinion and my humble view that the system that is in place today is very, very effective and very, very efficient and thoroughly accountable.

As far as the Auditor General, I've responded to some of those concerns on previous occasions in the Assembly. I would point out again that the Auditor General has indicated in one place in his report that the minister perhaps has allocated funds that didn't really uphold the guidelines that the minister himself is the author of, and I have to admit quite freely that this is true on two occasions. On two occasions I have allocated lottery dollars to two Victims of Violence organizations, one in Red Deer and one in Sherwood Park. In both cases these were self-help groups in those communities that basically did not have matching funds, but the arguments that they presented to me were of such a magnitude in terms of family violence, in curbing family violence and overcoming and dealing with family violence, that I found it necessary in fact to use the discretionary power that I have under Bill 10 to allocate those dollars to them, and I've said that publicly before.

**10:00**

I've also heard: "Why isn't the government doing this? Why isn't the government responding to this?" I hope, then, it doesn't also happen that when the government does do that, in fact the minister who does it gets criticized. The hon. Member for Edmonton-Calder is consistently standing up and saying: "Why aren't you putting more funds here? Why aren't you putting more funds there?" Well, I have done that. I have done that on two occasions, and the Auditor General has raised it. He didn't give you the specifics, and I would really look forward in Public Accounts or some other place to point out the very specifics, because there is nothing secretive about any of this. It was to help people in need, and I think that's what we're all about, what we're supposed to be doing.

Mr. Chairman, I think how we're handling the Lottery Fund is very defensible, and I think the amendment is really unnecessary.

MR. DEPUTY CHAIRMAN: Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Chairman. In view of the passing time and in view of the fact that we still have the main motion in front of us, I'll make my closing comments very, very brief.

There has been reference made to volunteers. I raise the question of volunteers because it was brought forward by a government member as we were talking in terms of this amendment, so I have to assume that makes it appropriate to again make reference to volunteers. Nobody, but nobody, that I have heard of has in any way accused any volunteer of misusing money. That is taking things to an extreme to leave that impression. There have been some good arguments that have been put forward here this evening, and I think it's important that we look at it very, very briefly. What we're talking in terms of here is a minister that has control of a substantial amount of money, a substantial amount of money that the Auditor General is saying is not done properly. I have to give the minister credit for it. He's a master of a passing game, a type of politics that is becoming a thing of the past. I don't think there's any other MLA in this House, for example, that would have in their constituency a Monopoly game with all the businesses of their constituency on a board with a big caption, "Ken works for you." Only the Member for Barrhead would have that type of, let's say, communication. It's a style of politics that is quickly fading, and it's good that it's fading.

It's been talked in terms of the importance of this amendment, the importance of this type of debate. It is very, very important,

Mr. Chairman, and there was reference made that we could use this opportunity to ask questions. I think there are some very, very important questions that could be asked, important questions, for example, in terms of accountability, in terms of openness, in terms of fairness, in terms of honesty. What is more important to Albertans, to taxpayers at this particular time than government, elected representatives, demonstrating accountability, openness, and fairness? This type of process that we presently see does not allow for that. That raises all kinds of questions, and that is why these questions are so important. That's why these questions should be answered. That's why these questions are asked, but again these questions will not be answered tonight. We recognize that. Certainly we go through this exercise year after year and will continue to go through it until eventually the matter is resolved.

One question from the top of my head, for example, Mr. Chairman: is the allegation made by the Member for West Yellowhead correct? That a minister of this Crown would actually hop on a government plane to fly to Hinton to present a cheque in a constituency where there is a member – if that is a correct allegation, I find that incredible and I find that an extreme abuse of power, extreme abuse of authority, extreme abuse of taxpayers' dollars, and I would hope that the member was wrong in his allegation, and that type thing never did happen with the Member for Whitecourt, that the Member for Whitecourt would refuse to participate in that type of exercise.

I'm not optimistic that all members will support the amendment, but I would hope that at least a majority would.

MR. DEPUTY CHAIRMAN: Ready for the question on the amendment?

SOME HON. MEMBERS: Question.

[Mr. Hawkesworth rose]

MR. DEPUTY CHAIRMAN: I thought we had an informal agreement that we'd now have the question.

MR. HAWKESWORTH: Pardon me?

MR. DEPUTY CHAIRMAN: The Chair was of the understanding there was an informal agreement that we would have the question at this point.

MR. HAWKESWORTH: Well, I'm standing, and I wanted to ask the minister a question on his remarks.

MR. DEPUTY CHAIRMAN: Calgary-Mountain View.

MR. HAWKESWORTH: Mr. Chairman, I want to make this point clear. The minister was, I guess, somewhat critical of my quoting from the Auditor General's report regarding the reasons given by the Auditor General for the payment to the federal government out of the Lottery Fund. He quoted from the Western Lottery Corporation's annual report. I haven't seen that, but I'm sure he'll table it because of having cited those reasons.

The Auditor General said that the Lottery Fund pays money to the government of Canada "under a Federal-Provincial agreement to compensate the Federal government for its withdrawal from the lottery field," i.e., the federal government gets a compensation payment for agreeing not to involve itself directly in the lotteries. I'd like to ask the minister responsible if the Auditor General was factually incorrect in terms of the statement that appears in the

Auditor General's report, because obviously his recommendation follows from the facts that he's outlined. If the minister feels that he was factually wrong, I'd like him to say so. It makes no reference to the GST or tax or anything else, although presumably you could call it a tax for whatever purposes. In essence, the Auditor General has said that it's a compensation plan to the federal government for vacating the lottery field. If the Auditor General is factually incorrect in that statement, perhaps the minister responsible could tell us if that's the case.

MR. DEPUTY CHAIRMAN: Ready for the question?

SOME HON. MEMBERS: Question.

[Motion lost]

MR. DEPUTY CHAIRMAN: The hon. Deputy Government House Leader.

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. JONSON: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions of the Department of Public Works, Supply and Services, reports progress thereon, and requests leave to sit again.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries.  
Deputy Government House Leader.

MR. ANDERSON: Mr. Speaker, tomorrow afternoon it's intended that we will again sit in Committee of Supply to debate the estimates of the Solicitor General.

[At 10:09 p.m. the Assembly adjourned to Wednesday at 2:30 p.m.]