

Legislative Assembly of Alberta

Title: **Friday, June 12, 1992**

10:00 a.m.

Date: 92/06/12

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy.

As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving both our province and our country.

Amen.

head: **Introduction of Visitors**

MR. ORMAN: Mr. Speaker, I am very pleased today to introduce to the Members of the Legislative Assembly the minister responsible for petroleum resources for Albania, Mr. Abdyl Xhaja. He is accompanied by Mr. Nestor Babameto. I met the hon. minister at the National Petroleum Show in Calgary and invited him down to Edmonton for meetings and to see how our Legislature works. I'd like the minister to stand with his guests and receive the welcome of our Assembly.

head: **Presenting Petitions**

MR. BOGLE: Mr. Speaker, I would like to file with the Assembly a petition signed by 40 constituents from the Warner-New Dayton area. The petition requests that the government of Alberta raise the legal drinking age from 18 to 21 and that we review our censorship laws as they relate to crime, violence, and sex on television and in the movies. The petition further requests the federal government to change the Young Offenders Act and to review the Charter of Rights as it relates to crime.

head: **Introduction of Bills**

Bill 35 Lottery Fund Transfer Act, 1992

MR. JOHNSTON: Mr. Speaker, I am pleased to introduce Bill 35, the Lottery Fund Transfer Act, 1992. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 35 read a first time]

Bill 37 Financial Administration Amendment Act, 1992

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 37, the Financial Administration Amendment Act, 1992. This is a money Bill, and His Honour the Honourable the Lieutenant Governor has been informed of the contents of this Bill and recommends the same to the Assembly.

MR. McEACHERN: How much?

MR. SPEAKER: Order. We're not going to have this day carry on in that way, like yesterday.

[Leave granted; Bill 37 read a first time]

Bill 38 Alberta Income Tax Amendment Act, 1992

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 38, the Alberta Income Tax Amendment Act, 1992. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, the Alberta Income Tax Amendment Act is a tax reduction for Albertans. [interjections]

MR. SPEAKER: Hon. members, at first readings it really is not the custom of the House to be making comments.

[Leave granted; Bill 38 read a first time]

Bill 39 Alberta Corporate Tax Amendment Act, 1992

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 39, the Alberta Corporate Tax Amendment Act, 1992. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been advised of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, Bill 39, the Alberta Corporate Tax Amendment Act, 1992, is a tax reduction for Alberta corporations involved in manufacturing and processing in this province.

[Leave granted; Bill 39 read a first time]

MR. SPEAKER: Additional introductions, Bill 302, Edmonton-Meadowlark.

Bill 302 Environmental Bill of Rights (No. 2)

MR. MITCHELL: Thank you. Mr. Speaker, I request leave to introduce Bill 302, Environmental Bill of Rights (No. 2).

This Bill recognizes the right of the people of Alberta to a healthy and sustainable environment and provides Albertans with adequate remedies to protect and conserve the environment, including protection for whistle blowers, and the right to access government information relating to the environment and its protection.

[Leave granted; Bill 302 read a first time]

MR. SPEAKER: Westlock-Sturgeon.

Bill 304 Office of Treaty Commissioner Act

MR. TAYLOR: Thank you, Mr. Speaker. I request leave to introduce Bill 304, being a Bill to set up the office of a treaty commissioner modeled on the office in Saskatchewan that has successfully brought together aboriginal peoples in the provincial and federal governments, thus facilitating the settlement of treaty claims.

[Leave granted; Bill 304 read a first time]

MR. SPEAKER: Edmonton-Meadowlark.

Bill 310**Forest Industry Development Administration Act**

MR. MITCHELL: Thank you. Mr. Speaker, I would like to introduce Bill 310, the Forest Industry Development Administration Act.

This Bill would end the conflict of interest within the Department of Forestry, Lands and Wildlife by moving the forest industry development branch to the Department of Economic Development and Trade, thus allowing the department of forestry to concentrate on the conservation of forests, fish, and wildlife.

[Leave granted; Bill 310 read a first time]

Bill 311**Dairy Industry Amendment Act**

MR. TAYLOR: Mr. Speaker, I request leave to introduce Bill 311, the Dairy Industry Amendment Act.

This Bill would exempt tofu-based products from the Dairy Industry Act, thus allowing such products to be legally sold in Alberta and giving Albertans a greater freedom of choice in the food that they consume.

[Leave granted; Bill 311 read a first time]

head: **Tabling Returns and Reports**
10:10

MR. ISLEY: Mr. Speaker, today I'm tabling the required copies of the Alberta Agricultural Products Marketing Council annual report. I'm also filing a copy of a press release that was issued earlier today in recognition of the fact that today is Farmers' Day.

MR. GOGO: Mr. Speaker, I'm pleased today to table the annual reports of the following technical institutes: the Northern Alberta Institute of Technology, the Southern Alberta Institute of Technology, and the Westerra Institute of Technology.

MR. DINNING: Mr. Speaker, I'm filing with the Assembly today four copies of a consultation paper that is being distributed across the province regarding a single diploma for high school graduation.

MR. TAYLOR: Mr. Speaker, I'm filing today the required copies of two letters to a caucus member from the Solicitor General's department and from the Phoenix institute in Calgary showing that indeed the reason that the clients referred to the Phoenix program, the Wood's Homes, declined was because the Solicitor General himself cut off the referrals.

head: **Introduction of Special Guests**

MR. SPEAKER: The Member for Drumheller.

MR. SCHUMACHER: Thank you, Mr. Speaker. It is indeed a pleasure for me this morning to introduce to you and through you to all members of the Assembly 27 students from St. Anthony School in Drumheller. They are accompanied by their teacher Mr. Gerry Hamilton, parents and helpers Mr. Jerry Machacek, Mrs. Louise Lynch, Mrs. Carla Erickson, Mr. Frank Kalman, and Mrs. Holly Guterson. They are seated in both the members' and public galleries, and I would ask them all to stand and receive the traditional warm welcome of the Assembly.

MR. SPEAKER: The Minister of Family and Social Services.

MR. OLDRING: Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and through you to the Members of the Legislative Assembly 45 students plus parents and teachers from West Park elementary school in the constituency of Red Deer-South. The students are accompanied by teachers Mr. Drew Allred, Mrs. Pat Churchill, Mrs. Wilma Klassen and parents Mrs. Kris Bellamy, Mrs. Margaret Perrin, Mr. Tom Beebé, Laurel Douglas, Cathy Hardy, and Michelle Campbell. They are seated in the members' gallery, and I would ask them to rise and receive the warm welcome of this Assembly.

MR. SPEAKER: The Leader of the Opposition.

MR. MARTIN: Well, Mr. Speaker, I'm hoping that the people are here. I'd like to introduce 37 Eastwood school students from Edmonton-Norwood. They're accompanied by their teachers Mr. Kuziemy and Mr. Kascak. I'm told they're seated in the public library. Sorry; the public gallery. I'd ask them to stand and receive the warm welcome of the Assembly.

MR. SPEAKER: If they want to go to the public library afterward, that's okay. We're glad they came here first.

head: **Oral Question Period**
Constitutional Reform

MR. MARTIN: Mr. Speaker, I guess we should welcome back the Deputy Premier. I understand he's been having a good time in Ottawa. The latest attempt, though, at finding common constitutional ground in this country wound down in Ottawa yesterday, I understand, with – at least I hope – a faint glimmer of hope that the country may yet be saved. The government of Saskatchewan has put forward a proposal for Senate reform that has attracted interest from a significant number of provinces. I'd say to all members that the time has now come for statesmen, not politicians, as we deal with these difficult constitutional issues. My question: will the Deputy Premier update us on the status of Alberta's position in the constitutional negotiations, specifically with regard to Saskatchewan's proposal?

MR. HORSMAN: Thank you. Mr. Speaker, I will be providing all members with a record of the proceedings that have gone on to date. That document was being put together late in the afternoon yesterday in Ottawa. I don't have copies of that yet, but by the beginning of the week all members will be in receipt of that document, and I think that will show what we have been dealing with and obtaining some considerable success on a broad range of issues.

On the subject of Senate reform, it has been an intense few days in Ottawa. Relative to a proposal now put forward by Saskatchewan, we have indicated that we will seriously consider that document and see how the elements that we have been seeking, primarily as laid forth in the select special committee report relative to Senate reform, those elements of our select committee and reflecting the views of Albertans, fit into what is now advanced by the Saskatchewan proposal.

I should tell you, Mr. Speaker, that the logjam between those supporting a triple E Senate and those supporting what they call an equitable model looked like it was almost impossible to overcome. It was really as a result of some remarks from Premier McKenna of New Brunswick that I picked up and then relayed to our Premier and he then relayed to New Brunswick and then Quebec was brought in and then Saskatchewan and the other parties, that this whole thing started to come together. We are

very interested in what Saskatchewan has proposed, because when it comes to dealing with matters affecting vital provincial interests, the provinces would be represented absolutely equally in terms of the voting power of the members of this new body. There is obviously concern about continuing the name of Senate, given the fact that the current Senate is in such disrepute.

So I think that we're serious. It was a serious suggestion. Obviously it requires intensive review, though, and we are going to embark on that in the next few days.

MR. MARTIN: Well, Mr. Speaker, one of the major considerations from this government, I've always understood, is that they are concerned about the possibility of a future national energy program. This proposal appears to go some distance towards that by giving equal voting on matters regarding new taxation on natural resources, which seems to satisfy that part of it. The Deputy Premier says that they're looking at it. Obviously they haven't adopted it. I'll come at it a different way. My question: what reservations does the Deputy Premier have, then, about the Saskatchewan government proposal?

MR. HORSMAN: Well, the hon. Leader of the Opposition is quite correct in saying that this appears to resolve, if accepted, that very major concern to Albertans, but we want to make sure that it does with absolute certainty. The reservation we would have relates to how the so-called equitable voting process might be brought into play. That would not give equal weight to all provinces' elected members. That is what we're going to examine: whether or not there would be anything that that weighted voting concept would have in terms of impacting on provinces.

I'm not ruling it out. I want the members to understand that we welcome this initiative as a very thoughtful and considered approach by the provinces that were working together to achieve a triple E. Our Premier has been in lengthy conversations today with Premier Romanow, and I will of course continue my ministerial conversations over the weekend with the Attorney General of Saskatchewan and others who are concerned about seeing this advance and with Quebec and Ontario, because we know that unless those two provinces can support major changes, they will not come about. The federal government obviously still has to be shown that what is in the proposal will meet with their approval because, keep this in mind, the federal government has an absolute veto on any constitutional changes whatsoever. Too much attention has been focused on the provinces and not enough on the fact that the federal government alone could stop this.

10:20

So we are seriously considering it. I hope that early next week we will be able to be more definitive. We did welcome the initiative. We participated in working towards it in a sense that we want the issue explored. We are very serious about it, and we are very thankful that Premier Romanow, quite frankly, was able to stand considerable pressure just to collapse on the issue. He did not, and we very much appreciate the role that he has played.

MR. MARTIN: I might say to the Deputy Premier that New Democratic governments always bring forward thoughtful processes.

Mr. Speaker, just to follow up. I hope that this government along with the federal government and other governments are in a nation-building process and not contributing to the destruction of our country. Time is somewhat of the essence here. I'd ask the Deputy Premier: can he be a little more specific on what the time frame is where they're going to respond formally to the

Saskatchewan proposal, and is that then going to lead to a First Ministers' Conference? If he could update us on that.

MR. HORSMAN: I hope that the Leader of the Opposition's optimism relative to the positions of New Democratic governments would transfer to Ontario, and if he can help us at all in that respect, I would be very grateful indeed. I say that because the hon. Leader of the Opposition has in his conversations with me been very clear that this is not a partisan issue relative to Alberta in terms of seeking for the people of this province the opportunity to see the second Chamber in the federal Parliament really act in a federal context, as it should. We hope, obviously, to signal to not just the other partners in Confederation and the federal government but through discussions with our cabinet and caucus and as a result of these telephone conference-type of arrangements as early as possible, very soon.

As we left the meeting yesterday, all governments, the territories, the aboriginal representatives made it clear that we want to move very soon because Canadians need to be reassured that this phase which is now ended will be replaced by another phase of constitutional reform which will lead us to ensuring that this country remains a strong and united Canada. That commitment has always been here on the part of this Legislature, and all members, I trust, will join with me in indicating that we are determined to keep Canada whole.

Provincial Debt

MR. MARTIN: Mr. Speaker, earlier on today the Treasurer gave us some very interesting information. Remember last year's so-called balanced budget? Then he came back in June and said: I've got a balanced budget, a \$33 million surplus, but shucks, let me borrow another \$2 billion just in case. Well, the same old story continues. He says: this year's deficit will be \$2.4 billion, but shucks, folks, trust me; I just want to be able to borrow an extra \$4 billion. Now, my question to the Treasurer is: if his projections are right, which they never are, why is he asking the Assembly to authorize an additional \$4 billion in debt borrowing?

MR. JOHNSTON: Mr. Speaker, the Bill introduced today of course is consistent with the financial plan which has been debated here and introduced in the budget. As I said last year, two things: first of all, we come back to the Assembly to ensure that everyone, including all members of the Assembly and all Albertans, understands how the province is managing its debt to this point, and we have put on the table already this past session full information as to the amount of outstanding debt. Currently, Mr. Speaker, we have had a full debate in the Legislative Assembly about the estimates.

We're now into the second phase of the financial plan of the province which requires us from time to time to borrow money. First of all, we'll be borrowing money to finance the deficit and the capital projects of this province, including universities and health care projects which have been announced. Secondly, Mr. Speaker, we need to have the flexibility inside those numbers to refinance some debt which was borrowed in 1985-86. All in all, this is a reasonable plan. It's square with the fiscal plan that we've put forward and of course would allow us to go from sometime in the middle of '92 right through to '93 when the Assembly rises again.

MR. MARTIN: This is the absolute drivel that we got last year about their balanced budget.

Mr. Speaker, we have a government totally out of control here. You already acknowledged the capital projects; that's supposed to be in your budget for \$2.4 billion. What are you covering up? Why are you now asking for \$4 billion extra? That'll take our debt to 17 and a half billion dollars.

MR. JOHNSTON: Well, again, Mr. Speaker, the member gets off in space here. I know it's Friday morning and he's been traveling the province and hasn't had a whole lot of support at the meetings that he's gone to. I know there's a sense of frustration that he really has not provided an alternative to any of the policies which we've offered. I can understand the problems he has, and sometimes I even feel sympathy for the Member for Edmonton-Norwood.

Mr. Speaker, what we're doing here is presenting to Albertans a reasonable plan which will manage our position for the current fiscal year. As a matter of fact, last year we had limits of \$13.5 billion, as the member pointed out. We ended the year at about \$12.2 billion. We had that flexibility, I agree, but we have to have the flexibility because we now have some outstanding debt which will mature this year, some \$2 billion, and obviously to be able to manage your position, you have to have the flexibility. That's essentially what we're doing.

I'm sure, Mr. Speaker, that as time progresses, you'll see that our forecast this year is pretty close to accurate. I can report, although I don't want to guess where we stand, that in fact the price of oil already this year has been far above our forecast. We're not making any particular change in our forecast, but we have had good signals, and I think that currently our forecast is right on point.

MR. MARTIN: Mr. Speaker, flexibility for this Treasurer is like giving matches to an arsonist.

Mr. Speaker, the fiscal plan that he's talking about, this great fiscal plan, is to go more and more and more in debt, up to 17 and a half billion dollars. This is nonsense. To ask us to come back and give him the right to borrow more without telling us why - we want to know why. Isn't the mismanagement with the MagCans and the NovAtels and all the rest of the mismanagement part of the reason that you have to come back and ask for more?

10:30

MR. JOHNSTON: Mr. Speaker, over the course of the next couple of months, between now and the end of July, we'll have ample opportunity to debate the balance of these fiscal Bills that I introduced. There are some important additional Bills coming, and when you see them all together, you'll see the framework of the policy.

Here's how the policy will really work, Mr. Speaker. What we have done is presented to Albertans a reasonable plan which currently supports the high level of services that we provide to Albertans, including a major focus on health and education, and we have balanced that by reasonably adjusting our position today to take account of a downturn in the economy around the world which has impacted here. That's why I complemented our borrowing position today by introducing two key Bills. Those two key Bills, in fact, are tax cuts for Albertans. Now, Albertans know that we want to get the economy back on track. You saw today that the prime rate is coming down, and now we're going to complement that and provide that additional injection of confidence by cutting taxes. No other government in Canada except the federal government has had the initiative to cut taxes. All other socialist governments have been increasing taxes. We are about to embark on a revival of this economy. We're going

to make it grow. We're going to generate jobs, and we're going to do it on a reasonable plan basis. [interjections]

MR. SPEAKER: I'm sure that in about three or four weeks' time hon. members are going to miss this kind of morning.

Edmonton-Glengarry, on behalf of the Liberal Party.

NovAtel Communications Ltd.

MR. DECORE: Thank you, Mr. Speaker. My questions are to the minister responsible for NovAtel. Albertans have learned that their moneys have lined the pockets of entrepreneurs in the United States, paid wages. They've learned that interest charges have been paid using Alberta taxpayers' moneys and that day-to-day operations of corporations in the United States have come from Alberta taxpayers' moneys. I've learned from a senior executive of NovAtel that other working capital arrangements have in fact been made with other corporations in the United States. I've learned that the nature of those agreements are a term of seven years, that the first two years of the term are interest free, that the next five years' costs are capitalized. In other words, interest charges are put back into capitalization and capitalized. I've learned that moneys were used to buy land and to buy buildings. I've learned that moneys were used for day-to-day operations and, we know, used for paying wages. My first question to the minister is this. The minister defends the usual marketing practices of NovAtel. I want to know from the minister whether he approves of the way these working capital arrangements were made with American corporations.

MR. STEWART: Well, Mr. Speaker, as I indicated previously, the parameters for the financing that was granted to purchasers of cellular systems in the United States were established by the NovAtel board in 1988. The basis of those parameters provided for financing for the equipment itself and, indeed, some working capital for start-up costs and, also, acquisition of those things that are pertinent and relevant to the establishment of that cellular system. That's the basis of the financing arrangements they entered into. Whether those were the correct decisions by NovAtel at that time or not, it was taken in the context of marketing initiatives. If they wanted to be involved in the market in the United States, and obviously NovAtel at that time did, then they made those sort of arrangements as part of their marketing thrust. The hon. leader questions that decision. I think there are a number of unanswered questions with respect to all aspects of NovAtel, and that's particularly why we have made an attempt to have absolutely everything reviewed in the fullness of all details and to make sure that those answers are there.

MR. DECORE: Mr. Speaker, it's true that I question those obscene working capital arrangements. Obviously the minister does not question them; he continues to defend them.

My second question to the minister is this: my source, the senior executive at NovAtel, tells me that there are other corporations that got these kind of working capital sweetheart deals. Mr. Minister, tell us the names of the other corporations.

MR. STEWART: Well, Mr. Speaker, the unusual type of circumstances that have been raised in this House and indeed we've seen in the media pertain primarily, I think, to one corporation: General Cellular Corporation. That was part and parcel of a settlement that the management committee that was established entered into in order to prevent that particular company from going into bankruptcy. That account is now settled. It was an account

of some \$78 million. It was settled in the neighbourhood of \$33 million because they were able to prevent it from going into bankruptcy. Now, whether that was the right decision on behalf of the taxpayers or not, that's again the reason why the Auditor General should review that and every other aspect of that portfolio.

MR. DECORE: Mr. Speaker, we know that General Cellular in California got \$80 million of taxpayers' money: \$60 million for systems financing, \$20 million for day-to-day operations. For the record, Mr. Minister, are you saying that no other American corporations got the sweetheart working capital arrangements from NovAtel and the taxpayers of Alberta?

MR. STEWART: Mr. Speaker, what I am saying is that at the time that the management committee was put in place, when we had to take back NovAtel, which was in January of 1991, there were three accounts that were outstanding, in default, at that point in time, one of which the hon. member has referred to was settled, and I've given the basis upon which that was settled. The other two are still restructuring and hoping to resolve those with the management committee. That's the basis that they found the situation, and the basis of their instructions that we gave to them was to clean up those accounts and make the best possible decisions in the best interests of the taxpayer.

Constitutional Reform

(continued)

MR. DAY: Mr. Speaker, my question is to the Deputy Premier. The so-called Saskatchewan proposal seems to focus the equality provision on natural resources as being a provincial jurisdiction and that on that particular area equality should exist, but there are other areas of jurisdiction that are important to Alberta and that we have discussed. There's the area of looking, for instance, at taxation. There are a number of different areas that are very important. I'm wondering: though the focus has been appropriate for the triple E and for the equal, have other areas been minimized in terms of our own concerns in jurisdictional areas because of our focus simply on the triple E?

MR. HORSMAN: Well, I think that the use of the national energy program as an example of what could happen and what did happen to the smaller provinces when the full weight of Ontario's demands were placed on the west in particular has perhaps been . . . It's been extremely important to point that out as one thing that might be resolved by having an effective Senate in place, but there are many other aspects, obviously, that are of concern as well.

The Saskatchewan proposal as we see it initially would also move significantly to prevent those types of things happening in other areas of vital concern to the provinces. That was the term that leapt out at me in the news report of Premier McKenna's statements: in areas of vital concern to the provinces there should be the principle of equality. Now, that type of wording was discussed with the Attorney General of Saskatchewan as he left on the Challenger jet to go to New York to pick up his Premier, and I know it was discussed with the Premier of Saskatchewan as they were putting together their proposal on the return visit to Ottawa.

So while we've concentrated, obviously, on using the national energy program as an example, we are not confining our concern to that alone. In my view we are examining the Saskatchewan proposal very carefully to see that it is much broader in its scope than just relating solely to nonrenewable natural resources.

MR. DAY: Mr. Speaker, the federal government, it's very clear, controls the country through its weighted population base in central Canada and also through the provisions in the Supreme Court. There's virtually absolute, total control. When the Deputy Premier has confronted the NDP Ontario government and the Liberal Quebec government with the challenge to look to the national interest in terms of the equality provisions that we're putting forth, to take it beyond provincial need and power bases and look to the national interest, what has been their response?

10:40

MR. HORSMAN: From the discussions which we've had with Quebec – and obviously they're not negotiating with us at the table, but I went on Monday of this week and met further with my colleague the minister of intergovernmental affairs – we're moving to a pretty good understanding of how important it is to Quebec as well as to Alberta and other provinces to see that there is a body within the federal Parliament which has an interest in ensuring that the federation works.

I have to say that in Ontario's case, they have been slow to move in terms of that, but I was encouraged towards the end of the discussions, particularly yesterday, and from my reports on this meeting that took place with Mr. Clark, Mr. Romanow, and the other provincial Premiers at the meeting that Ontario is seriously considering this concern as well. While they haven't yet indicated their intention to respect the principle of equality of the provinces in the Senate, Premier Rae did point out more than once that they recognized that in the interpretative clause, the Canada clause, the principle of the equality of the provinces will be part of that clause and that the amending formula itself provides in some instances for the equality of the provinces.

So I'm certainly not ruling out at this stage that Ontario can be persuaded that it is in the national interest to have a federal Parliament which recognizes the federal principle in the second Chamber. We're going to make that point over and over again with them during the course of the next few days, and I hope that at the end they will accept that principle as well as the other provinces that have done so, and I hope the federal government will accept that principle.

MR. SPEAKER: Thank you, hon. minister.
Edmonton-Avonmore. Calgary-McKnight.

Women's Shelters

MS M. LAING: Thank you, Mr. Speaker. My questions are to the Minister of Family and Social Services. In spite of the government's rhetoric about increasing support to initiatives dealing with violence in the family, Edmonton's WIN House faces its first budget deficit, a deficit of \$90,000. The 2.5 percent grant increase fails to meet the 4.5 percent increase in core costs. My question to the minister: given that the overburdened community already provides almost one-third of the projected funding, will the minister now commit to meeting the shortfall?

MR. OLDRING: Mr. Speaker, the ratio of funding varies from community to community, and some are better able to function and operate within the parameters that we've established in the past. The member knows that I'm committed to continue to work with the Alberta Council of Women's Shelters. We're in the process right now of establishing an appropriate funding model. Obviously we'll take into consideration the circumstances that are affecting a very valuable community resource here in Edmonton, being WIN House, but outside of that nothing more can be done.

MS M. LAING: Well, Mr. Speaker, we see this government being able to send millions of dollars down to the U.S. to buy off highpriced executives. It would be nice if we saw a similar initiative to our shelters.

Mr. Speaker, this deficit is based on a budget which provides very inadequate salaries for workers. For instance, a crisis worker is paid a starting wage of \$21,600 a year, and that's a shame. Workers agree to very low wages because to do otherwise means that shelters will close. How does the minister justify the intensified exploitation of workers caused by forcing shelters into deficit funding situations?

MR. OLDRING: Well, again, Mr. Speaker, as I pointed out and the members knows, it is a partnership situation, where we're working hand in hand with communities. Communities on a local basis, in establishing their own priorities, are raising some of the funds. We're assisting them with funds on a provincial basis. In terms of salaries that are paid, those are something that are established between boards of directors and societies that are running the various facilities across the province. That is something that they'll have to address.

MR. SPEAKER: Calgary-McKnight.

French Education

MRS. GAGNON: Thank you, M. le Président. In a meeting with the French-Canadian society of Alberta on March 10 the Premier promised that the Bill amending the School Act, giving Francophones management of their own schools, would become law within six to eight weeks. Three months later that legislation hasn't even been introduced. Alberta would receive positive recognition nationally for taking a leadership role in this issue, and this would be consistent with Alberta's support for the Canada clause, which protects English and French minorities. My question is to the Deputy Premier: where is the Bill?

MR. DINNING: Mr. Speaker, I believe that the government will be bringing forward legislation to amend the School Act within the next week.

MRS. GAGNON: That's wonderful, Mr. Speaker. I would like to ask the minister then: in regard to the special federal/provincial funding arrangements which will cover the costs of implementation, will you be accessing those as soon as that Bill is promulgated?

MR. DINNING: Yes, Mr. Speaker.

Electric Utility Rates

MR. PAYNE: Mr. Speaker, it's now been about a decade since the Electric Energy Marketing Agency was formed in an attempt to pool the generation and transmission costs of the three generating utilities in Alberta thereby averaging electricity costs for our consumers. As the Minister of Energy well knows, many of our constituents in Calgary and in the rural south feel that the goal of averaging electricity costs has not been achieved and that they are subsidizing unfairly the power costs of consumers here in Edmonton and in northern Alberta. In view of these public perceptions – there obviously is widespread interest in the work of the review panel now reviewing this sensitive issue – can the minister bring the members up to date as to the panel's progress and activities?

MR. ORMAN: Mr. Speaker, as all hon. members know, the original mandate of the Electric Energy Marketing Act, which came forward in the early '80s, was to foster balanced economic growth across the province. We felt that in 1992 it was an appropriate time to review those original objectives set out in that original policy. We felt that by putting together a public panel of seven respected Albertans to hear from Albertans, it was important to engender wide public discussion because Albertans from all corners of this province are going to have to come to terms with the manner in which electric energy is distributed and generated and transmitted in this province.

The EEMA review panel has had four meetings to date – I believe it just concluded its meetings in Fort McMurray yesterday and the day before – and will continue with, I believe, three other meetings in the province, Mr. Speaker. I would hope that from the 800 written submissions and the 200 oral presentations that Albertans are measured in their response, do consider the best interests of the province in economic development, and that the panel is able to make the right decision for all Albertans.

MR. PAYNE: Mr. Speaker, given the intense interest of electricity consumers throughout the province in the review panel's findings and eventual recommendations, can the minister provide us with his best estimate as to when the review panel's work will be completed and the report presented to the government?

MR. ORMAN: Mr. Speaker, I'm tempted to use a term that the Deputy Premier uses, and that is: in due course in the fullness of time. But I'll resist using that terminology, and I will say that it is my hope that by sometime during the end of August and the first part of September, we will have a final report back from the panel. Thereafter the government will have to come to terms with the original mandate and whether or not the changes should be made to be contemporary with 1992.

10:50

MR. SPEAKER: Edmonton-Kingsway.

NovAtel Communications Ltd.

(continued)

MR. McEACHERN: Thank you, Mr. Speaker. Yesterday a U.S. based cellular analyst said that NovAtel was seen by neophyte rural cellular operators as having a direct pipeline into the pockets of Alberta taxpayers. She went on to describe that NovAtel's system of financing approach was very unprofessional. To the minister responsible for NovAtel: how can this minister continue to claim that NovAtel followed normal business practices in extending credit when all the evidence so far suggests that NovAtel was simply used as a cash cow by cellular companies in the United States?

MR. STEWART: Mr. Speaker, as I explained earlier, the basis of the financing arrangements that were entered into were entered into by the NovAtel board in the parameters set back in 1988 on the basis of their marketing operations and the nature of the competition and what the competitors were doing. As to the extent that those decisions were appropriate or not at that time, I leave that for the Auditor General to look at, as he will in the fullness of time.

MR. McEACHERN: It sounds like the minister is backing off from his previous stand, but let's follow up a similar line. Other U.S. analysts have described NovAtel's financing terms as more

like venture capital arrangements than normal systems financing. In fact, we have examples of them funding operating costs and paying bank debts. [interjections]

**Speaker's Ruling
Interrupting a Member**

MR. SPEAKER: I'm sure hon. members have enough courtesy left in them to listen to the Member for Edmonton-Kingsway as he puts his question.

NovAtel Communications Ltd.
(continued)

MR. McEACHERN: To the minister: apart from generously lining the pockets of some self-styled executives of neophyte American companies, can the minister explain to the taxpayers of Alberta what good has come out of NovAtel's disastrous foray into systems financing?

MR. STEWART: Quite frankly, I'm having a little difficulty even working a question out of the hon. member's comments. Mr. Speaker, the basis upon which the decisions were made at that time by the NovAtel board as I say were in the context of the times, the marketing conditions that prevailed in the industry. Those decisions were made by that board at that time, and now I think it's time to re-examine those and see whether they were appropriate and in the best interests of the taxpayers.

MR. SPEAKER: Calgary-Mountain View, followed by Edmonton-Meadowlark.

Provincial Debt
(continued)

MR. HAWKESWORTH: Thank you, Mr. Speaker. Rating agencies recently and once again reduced Alberta's debt rating. The only thing dropping faster is this government's popularity and their prospects of being re-elected. To the Provincial Treasurer: when the rating agencies lowered Alberta's credit rating earlier this year, were they aware that the Provincial Treasurer would be raising our debt to \$7,000 for every man, woman, and child in Alberta?

MR. JOHNSTON: Mr. Speaker, this is in the area of pure speculation, which the member is well known to be involved in. He always forecasts the worst scenario. What he has obviously done is taken the maximum exposure, and that's not exactly what we're intending to do. The point that has to be made is, as I've said already to the Member for Edmonton-Glengarry, that if you take the current debt levels we have today, which have been passed by this Assembly, fully debated here, and add to it the projected deficit, which has been fully debated in this Assembly and well understood by Albertans, you'll then need additional opportunity to finance that level of borrowing. That's why on a responsible parliamentary basis we come back to the Legislative Assembly every year to ensure that Albertans understand what's happening.

I think that's why, Mr. Speaker, we're in this process of now discussing with Albertans how it is we can reduce some of these programs to ensure that they're more client sensitive, so that we can rethink some of the ways in which these government programs are being expended. We're simply setting forth the alternatives. You've seen already that my colleague the minister responsible for Seniors, the Minister of Health as well have embarked on this process. This particular debate is quite helpful, and I appreciate

the two members raising it because it does focus on the fact that Alberta has to do better in the future. We have to manage better in the future, we have to control the deficit, and all of this plan will do just that.

Mr. Speaker, I can assure Albertans that we're in the process of managing our way out of it. We have to have the additional flexibility obviously, as we have indicated. This is a very simple arithmetic calculation. To take it down the road of speculation, as the member has just done: it's just like all the other socialist policies, absolutely in a dream world.

MR. SPEAKER: Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. For many Alberta families their share of the provincial debt is now bigger than what they owe on their own homes thanks to this government raising the debt ceiling to 17 and a half billion dollars. Last year the Provincial Treasurer made the argument that all he needed, a \$2 billion increase in the debt ceiling, was for short-term rescheduling of debt. It's the same argument he gave the Leader of the Opposition earlier this morning. Now with Bill 37 he's admitting: "Oops. Sorry, folks. I just spent it all." Well, there's more than a little error there. Will the Provincial Treasurer now admit that when he said last year in this Assembly that he needed a higher debt ceiling simply to reschedule Alberta's debt, he was misleading this Assembly and all Albertans?

MR. JOHNSTON: Not at all, Mr. Speaker. That is in fact wrong, and anyone who says that is in fact shading the truth and is misleading the Assembly himself. What we did last year was present a balanced budget to Albertans. This government believes in a balanced budget. This government will achieve one. As we explained in our Budget Address in the early part of the session . . . [interjections] Well, it's Friday morning; welcome to the jungle. [interjections] That's right.

Mr. Speaker, we see that the members of the opposition party always put the worst case scenario forward, because they live in a world that unless there's a suggestion of something going wrong, they have nothing to talk about. They don't like to talk about the prospects and opportunities that exist in this province, and that's what we're talking about. We know that there's a great opportunity for us to bring forward a fiscal plan which does in fact balance the budget. In the next day or so I'll be introducing spending control legislation which will control the size of our program spending and which will assure that if in fact any increases in revenues take place - as I have referred to already, the price of oil is up - then of course that will go right to the deficit number.

Last year, Mr. Speaker, as I explained, we had a revenue shock. The deficit entirely was caused by the drop in oil. That's exactly what's happened. It's fortunate we had the flexibility . . . [interjections]

MR. SPEAKER: Edmonton-Meadowlark.

Freedom of Information Legislation

MR. MITCHELL: Thank you. Mr. Speaker, this year's Speech from the Throne promised freedom of information legislation. In the face of the NovAtel fiasco, as embarrassing as it is for this government, it's pretty clear that the government is going to renege on that promise this session. My question is to the Minister of Technology, Research and Telecommunications. What role has this minister, who is also the House leader with authority over the Legislature agenda, what role has he played in ensuring that the freedom of information legislation will never see the light of day in this Legislature in this session?

MR. STEWART: Mr. Speaker, clearly the question is not within the area of responsibility of my portfolio.

MR. JOHNSTON: It sounds like the rooster that thought the sun rose to hear him crow.

MR. DECORE: Weaseling out, weaseling out.

MR. SPEAKER: Order, hon. member over there. [interjections]
Obviously, you knew that it was going down a false track, so let's see what you have for your supplementary.

MR. MITCHELL: I resent that you would make that editorial comment, Mr. Speaker.

Speaker's Ruling
Questions outside Ministerial Responsibility

MR. SPEAKER: Take your place. [interjection] Take your place. [interjections] Take your place, hon. member.

MR. MITCHELL: You have no right to make that comment.

MR. SPEAKER: Take your place, hon. member.
Hon. member, if you check *Beauchesne*, you'll see that it was not within the responsibility of the minister. It's quite clear to you, quite clear to everyone else, and for you to get so riled up about that is too bad. Maybe you'll go back and study some *Beauchesne*.

MR. DECORE: Well, let's get some answers from these people.

MR. SPEAKER: Order, hon. member.

MR. TAYLOR: You're just supposed to drop the puck . . .

MR. SPEAKER: Order, hon. member.

MR. MITCHELL: I have another question.

MR. SPEAKER: Hon. member, you do not have another question. Take your place, hon. member.

MR. MITCHELL: You can't handle it yourself, Fred?

MR. SPEAKER: Sit down, hon. member.

MR. MITCHELL: He has to jump in and save you. Maybe he'll save Dick.

MR. SPEAKER: Sit down, member.

MR. MITCHELL: Maybe he'll save Stan Nelson. He needs it. [interjections] That is such a weak argument.

MR. SPEAKER: Order, hon. member.

11:00 **Orders of the Day**
head: **Committee of Supply**

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: If the Committee of Supply could come to order.

head: **Capital Fund Estimates 1992-93**

MR. CHAIRMAN: This is the final occasion for consideration of the Capital Fund estimates. Just for members' review, we have completed consideration of votes 1 and 2, and when the committee rose on its last occasion to consider these matters, we were dealing with vote 4, I believe.

The hon. Member for Edmonton-Jasper Place.

MR. McINNIS: Actually, just to be a little more precise, at the moment that we adjourned, the minister of public works had moved I think votes 4, 5, 6, 7, and we were sort of discussing them in unison. So if I may, I would like to address a few comments to that group of votes, specifically to vote 7, Construction of Economic Development Infrastructure, which is a grant in the amount of \$34,600,000 in support of the Alberta-Pacific project.

Transportation and Utilities
7 - Construction of Economic Development Infrastructure

MR. McINNIS: I think it's important that all members and the general public realize that this section in the Capital Fund is in fact borrowed money, so what we're talking about is borrowing an additional \$34.6 million to give by way of grant in support of the Al-Pac project. This is part of an infrastructure package which was announced to cost the taxpayers \$75 million, again all borrowed money. There was a special warrant passed on February 28, 1991, in the amount of \$1.9 million to get the ball rolling so to speak. In the fiscal year just concluded, there was borrowed an additional \$30.7 million, and now the government is back to the Assembly asking to borrow another \$34.6 million to give to the Alberta-Pacific project.

Now, I believe a lesson has been learned in the case of the Alberta-Pacific project, not necessarily by the government but certainly by Albertans, that governments no longer should have the right to make these kinds of secret deals with industries which pollute our environment. The Al-Pac EIA Review Board reflected the concern of Albertans that there was not enough information to justify this project on environmental grounds and for that reason suggested that there should be a certain amount of scientific work done on the river before the project was licensed, the look before you leap proposition.

They also recommended that an environmental impact assessment and public review of the forestry management agreement be completed so that it could be assured that an adequate supply of wood would be available in an environmentally acceptable fashion. Well, unfortunately both recommendations were rejected by the government, and the government proceeded in the very early part of 1991 to approve this particular project.

I should point out that the \$75 million grant, all borrowed money to Al-Pac, is part of a \$162 million package of grants in aid of the pulp industry in the province of Alberta, which is all borrowed money as well. Of course, in addition this project receives loan assistance, which I'll refer to briefly later on, in the amount of \$400 million as part of a total package of \$1,110,000,000 in loans and loan guarantees to these projects. So this particular appropriation of borrowed funds in the amount of \$34.6 million has to be seen in the context of that whole financial package which now totals \$1,270,000,000 in support of very few projects; in fact, seven in total. So it's part of a very large package.

Al-Pac, of course, is a foreign-owned company. The total potential Canadian shareholder involvement in this company is 15 percent of the total. Mitsubishi Corporation has 45 percent, quite

a complicated structure, and they're in partnership with Kanzaki Paper company, which has 25 percent, and a company called MC Forest Investment, which is also a Mitsubishi joint venture subsidiary. So it's in the main a foreign-owned corporation.

I think it's appropriate that we have some discussion about the economics of this particular project in view of the fact that the government wants to borrow another \$34.6 million to throw at it. You know, there has been very little public review and dialogue concerning the economics of the project. In the Al-Pac EIA Review Board a few studies were done, but there was not a lot in the mandate of the environmental impact assessment review board dealing with the economics of the project except in one area: the proponents put forward a socioeconomic impact assessment which was done by Price Waterhouse. The Al-Pac EIA Review Board did a review of it, done by Praxis Associates in Calgary. They found that the claims that had been made by the company in respect of local employment were wildly exaggerated, and in fact I would say that's pretty much been the experience to date so far.

Certainly people in the town of Lac La Biche feel that there's been an underwhelming amount of local employment in the project to date. They met officials from the town of Lac La Biche, held meetings in the town of Athabasca under the name of the Al-Pac project development program, and I think it's fair to say that coming out of that, the local municipalities feel that the degree of employment opportunity that's available to them is considerably less than was expected. So perhaps it's fair to say that the company did exaggerate some of the employment claims. I know I recently received an analysis of the local content of construction work up to March of 1992, and the finding was that the local content was approximately 28 percent of the jobs. A total of 168 jobs were available in the construction period to local people. Among aboriginal people that figure was considerably less: only 54 jobs or 9 percent of the total. Now, I'd remind members that the construction phase of the project is where you'll have the greatest number of jobs. There won't be the same number of jobs in the operation of this particular mill as there will be in the construction area, because construction is labour intensive and it also takes place over a fairly limited period of time.

11:10

[Mr. Moore in the Chair]

I would suggest that probably in terms of the regional economy of Alberta and the northeast region in particular the impact will never be higher than it is in the construction phase. We certainly admit that there is a positive economic impact out of that, but I think it's probably no wonder that the government has never really encouraged any type of discussion about the economics of this project, because the economics are a little bit shaky. In particular the project would be very difficult to justify if you consider the alternatives. I think the real crime here is that there never were alternatives considered. There was a presupposition that there would be a large pulp mill in that area, a consulting firm was hired which in fact designed a project that looks an awful lot like Al-Pac – that was the Jaakko Pöyry firm from Finland – and it just kind of proceeded on one track without any real discussion or dialogue about the economics whatsoever.

In the public reviews to date the economics were never formally part of the review, and that's definitely true of the second review, the scientific review panel which performed the attempt at an invisible flip-flop on the part of the government where they had an EIA that said it shouldn't be built and they then proceeded to build it anyways. Anytime anybody mentioned an economic issue, they

were silenced almost immediately. What the public record is is that the only time that the economic benefits projected by this project were put forward and subject to any scrutiny, which was on the Price Waterhouse study, they were shot down by alternative research. So I'm not so certain that the economic benefit of this particular project is proven by the government; in fact, far from it.

We have a situation in which \$34.6 million is being asked today as part of a \$75 million package. According to my figuring, there would be another \$7 million or \$8 million to come in another fiscal year. That's on top of the \$250 million debenture which the company has received from the Heritage Savings Trust Fund. According to the most recent annual report of the heritage fund, they will be investing \$275 million in the Alberta-Pacific pulp mill in the form of subordinated debentures.

Now, a lot of people perhaps don't know what a subordinated debenture is. I did a little research into it, and it appears to mean that it's subordinated to the debt of the corporation so that if there is any question of who has priority in terms of repayment, the mortgage financing has priority over the subordinated debenture. I also understand – and the government certainly did not announce this at the time – that the interest does not have to be paid on this so-called subordinated debenture until such time as the company is profitable on its own books.

Well, with the complicated organizational chart such as this company has – really, to describe the ownership of the company it involves, at the very top of the chart, public shareholders Honshu, Mitsubishi, Hokkyuktu*, and Kanzaki, which proceed through a series of not one but five different holding companies to get down to what they call the Al-Pac joint venture – I think it would be very easy to see a situation in which it would be impossible for government auditors or anybody else to find out where the cash flow went. When you have four major shareholders plus a group of public shareholders and a chain of five holding companies beneath that before you get to the joint venture, I think it would be very difficult for us as a province to know when this operation is profitable and when it isn't. If we indeed have a subordinated debenture which is of the type that doesn't have to be repaid as to interest and principal until the joint venture shows a profit – you see, this has never been made public, but that's what I believe the minister of forests and the minister of economic development said in discussion with editorial boards in the province – we may never see a nickel out of that \$275 million. That may also be a grant in addition to the moneys that we're talking about today.

The reason that I'm so tentative about this and wondering whether that's the case is that this information is not public. It's not available to the residents of the province of Alberta to know in what manner \$275 million has been invested from their Heritage Savings Trust Fund in this particular company.

I got hold of a copy of a prospectus which said that certain of these documents were on file for scrutiny by prospective investors. We contacted the company and asked, "Well, can we look at them?" They said, "No." I said, "Well, is it available anywhere in the province of Alberta?" They said: "No, it was available at their offices in Vancouver and Toronto. You could look at them there, but you can't look at them anywhere in the province of Alberta." I asked someone to go down there and have a look at the material. They were given an affidavit saying that they had to sign and say that their sole interest was in advising prospective investors or in investing themselves. You had to sit in a room with the company lawyer staring at you to make certain that you didn't do anything improper with these documents. I took it that

*This spelling could not be verified at the time of publication.

if that information was used for any other purpose such as to inform Albertans as to what kind of deal this government has made on their behalf, that would be a violation of the affidavit. So I simply said to my friend, "Don't bother, because I don't want to put you in that position and I don't want to be in that position either."

Why do we have to go to another province and sign these affidavits to find out the truth of the financing of this project through the government of Alberta? I think most Albertans find that totally unacceptable. It's one of the reasons we need freedom of information legislation in this province, and we need it not now but in fact yesterday.

So this grant has to be seen in the context of that subordinated income debenture, which may never have to be paid. It also has to be seen in the context of a forestry management agreement which provides incredibly cheap timber locked up over a very long period of time: the largest forestry management agreement that I'm aware of anywhere in the world, certainly the largest in Alberta, the total area of which approximates 10 percent of the landmass of the province of Alberta.

Now, I'm not going to stand here and debate the forestry management agreement today, because that's not the question before the House, but I think it has to be pointed out that this infrastructure grant is in the context of timber, which again according to Crestbrook Forest Industries' prospectus is costing them \$2.09 a cubic metre for softwoods and 40 cents a metre for deciduous trees compared with what, for example, they pay in the province of British Columbia where this particular company is headquartered: \$6.48 a cubic metre in 1990. I think this is an important point, because Crestbrook Forest Industries has had a pulp mill in Skookumchuck near Cranbrook in British Columbia for a very long time. Many local people wonder why the company is investing in Alberta as opposed to investing locally. Stuart Lang, who is the chairman of CFI, Crestbrook Forest Industries, explained that in a speech to the chamber of commerce in Cranbrook back in March of 1989. He said: it's very simple; it costs us just over \$400 to produce a tonne of pulp at Skookumchuck; in Alberta it costs about \$250. Why would it be \$150 a tonne cheaper to produce pulp in Alberta compared with British Columbia? Well, here's one point. He says: our wood resource here costs us \$35 a cubic metre compared to \$20 in Alberta. That's landed in the mill. In other words, they get – well, I would not say that they pay nothing to the province of Alberta for the timber. According to the FMA they pay the amounts that I indicated, but that in fact is less than it costs us just to administer that agreement.

So we have to see the grant of 34.6 million borrowed taxpayer dollars to Al-Pac in this vote 7 alongside the \$275 million subordinated income debenture which may never be repaid and alongside the subsidized timber that's there in the forestry management agreement. If you put those kinds of subsidies alongside the potential economic benefits – and let's leave aside the fact that the price of pulp is nowhere near what it was when these deals were signed – leaving aside the fact that there are severe market pressures on this project, we have to ask: what other alternatives did this government consider before it cut this particular deal with Al-Pac? I mean, there must be ways that you could put forward a \$275 million subordinated income debenture, \$75 million in flat grant money, 60,000 square kilometres of timberlands free of charge, the price for the timber which is well below the cost of administering the agreement. Let's have the answer today from the government: what other projects did you consider alongside those economics? If you don't have a good

answer for it, I have to say that we in the Official Opposition cannot and will not support vote 7.

11:20

MR. MITCHELL: Mr. Chairman, I have one particular issue that I would like to raise with the minister of transportation with respect to the Alberta-Pacific infrastructure vote. I was interested to note and I will say that the minister gave us a clear answer on a written question that I raised several months ago about this particular matter which I am discussing now. It concerns the connector route that was proposed for north of Highway 55 to the Prosperity area. The minister's department had undertaken planning and other preliminary steps to begin the construction of a road that would parallel an already existing road. They have since canceled that initiative but only after spending \$100,000 on these preliminary steps. That \$100,000 is lost of course; it was money ill-spent. I'm of two minds. On the one hand, I would like to say good for the minister for not proceeding in that way. It was very difficult to justify building a parallel road, at least at face value it would seem to be. At the very least one would expect the existing road could be widened, could be upgraded and would not create additional environmental damage that could have been created by a second parallel road.

My question specifically is: why would the minister have undertaken in the first place to consider that second parallel road? What justification does he have for starting, and how can he justify having spent the \$100,000 which now will be for no effect whatsoever? It seems to me that while this is a small portion of the millions that are being spent on infrastructure to support that plant, the question is nonetheless very, very telling and very, very relevant. A hundred thousand dollars is not an insignificant amount of money, particularly when one considers that at face value it seems difficult to understand why a second road would have been considered under any circumstances.

That is the one issue I wanted to raise, and I would look forward to the minister's answer on that.

MR. ACTING DEPUTY CHAIRMAN: Westlock-Sturgeon.

MR. TAYLOR: Yes. Just further to vote 7 to begin with. There is no money involved, but because it's on the agenda, I want to ask the minister a question about it. I used to live in Peace River town, and as a geologist I'm fairly familiar with the bentonitic shales, as they call them, around the town, which when a weight is put on them quite often cause the cliff or the land to start slumping or sliding towards the water. As a matter of fact, there's a housing subdivision out in the south end of Peace River town that should never have been started there that started sliding off into the river.

MR. ADAIR: A private developer.

MR. TAYLOR: That's right. They started sliding off into the river, and it's the same type of thing.

I was looking at the railroad just as an old country boy mining engineer, and to me, Mr. Chairman, I think we have a problem on our hands. I believe the Alberta government built that railroad spur for the paper mill, and I can see movement already. Now, I want to know, if that railroad just picks up some day after about two weeks of rain and decides to go skiing down into the Peace River, which is only about a couple of hundred yards away and maybe a 25- or 50-foot drop in elevation, do we have to go back and build that? Whose responsibility is it? Aren't we responsible for the spur? Although we've turned it over to Daishowa, or to

CN I guess to manage, but because we constructed it – I'm just saying from my own experience that I'm almost sure it's going to take off on you, that it won't hold – who has to pay for it?

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: Hon. members of the committee, we've been discussing votes 4 through 7. The hon. Member for Edmonton-Beverly has indicated that he would like to make some comments and maybe put some questions on the record with regard to vote 3. The Chair sees no objection to this even though the minister responsible for this vote is unavoidably detained.

The hon. Member for Edmonton-Beverly.

Municipal Affairs

3 – Construction of Social Housing

MR. EWASIUK: Thank you very much, Mr. Chairman. I appreciate the opportunity to just say a few things regarding vote 3, Construction of Social Housing.

Of course I think what is being proposed here is certainly acceptable. The need to rehabilitate some of our older lodges is necessary, and we should get on with the job. The question I have for the minister, however, Mr. Chairman, is: with this rehabilitation that's going to be taking place, I wonder whether the department has taken into consideration the fact that's occurring, and that is that the population within the lodges is aging or staying there much longer than they previously have to the extent where some of our people living there are in their 80s. I think that's quite proper and fine if we're able to accommodate them for that period of time in our lodges. However, because of the age that they are at the present time, there is additional need to provide additional service to these residents.

One of the things that is happening now is that there are some staff being permitted to administer medication to the residents there, and I think we need to do more in light of the fact that this aging population is staying in the lodge. The question I want to pose to the minister is: when we're rehabilitating and rejuvenating these lodges, in light of what's transpiring and the aging population, is the rehabilitation going to consider perhaps now implementing or constructing within the lodges something that might be called a medical centre where there might be a nursing station available either on a full-time or part-time basis so that the residents can indeed partake and be assisted directly in the lodge rather than having to seek medical attention outside the lodge or be administered by personnel who really aren't qualified to do so? I think it's an opportune time for us to evaluate how we're going to use lodges in the future. I think this would be a good time for the Department of Municipal Affairs, through the Alberta Mortgage and Housing Corporation when they're doing this rehabilitation, to look at the needs and to the future, but particularly I believe the inclusion of some medical centres within the lodges would be appropriate.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The hon. Member for Westlock-Sturgeon.

Public Works, Supply and Services

5 – Construction of Water Development Projects

MR. TAYLOR: Yes. Just a couple of questions, Mr. Chairman. I see the minister of supply and services' place is on votes 5.0.1 and 5.0.2. Vote 5.0.1 mentions the Little Bow River project at \$5 million. I believe it's a water line to Champion. I was just wondering if part of the \$5 million would also be extending the

water line into Vulcan, or how Vulcan fits into this if there's any planned money for expansion in that area and, secondly, whether or not the current rhubarb between Sheep Creek and Little Bow-High River diversions, an environmental problem, will affect whether or not there will be enough water to fill or go ahead with the project in Champion.

11:30

Then vote 5.0.2, the Milk River, I notice is considerably down from \$1 million to \$100,000. I was born down in that area, and I think it's a lousy area for irrigation, except for spots here and there. It does put out MLAs that like airports though. But the question I want to ask about the Milk River project is: is this grind-down of money an indication that we've suspended studies for a dam, or are we looking at a dam upstream or downstream or, say, some pockets of off-stream storage to pick up the water that would be going down to the United States anyhow?

MR. CHAIRMAN: Do any ministers wish to make comments on any of these votes?

The hon. Minister of Transportation and Utilities.

Transportation and Utilities

7 – Construction of Economic Development

Infrastructure (continued)

MR. ADAIR: I would like to respond to the question from the Member for Edmonton-Meadowlark, which was a specific one relative to the connector between Highway 55 and the mill site and what possibly in the member's mind was considered to be an expenditure that isn't necessary. Actually, what occurred on that particular piece of road was that we started the process of developing with the company the access route from Highway 55 up that did not interfere with seven families, did not interfere with the school buses. The Amber Valley road, I guess, in that sense had to be totally rebuilt. They were going to have to totally rebuild it, and in the interests of safety we were looking for another site. There were some expropriation difficulties that we had. The inquiry officer chose at that particular point in time to suggest that we were wrong, and so we had to back off from that particular position. However, what we then . . . [interjection] That's Mr. Opryshko, who came from Athabasca, or does. I was from Athabasca, so I've known the family for a long while.

The other part of that, then, was to look at whether there were alternatives for us. We have found an alternative on the west side of the property line. It continues down on the particular pieces of property we have already accessed and will be used. I believe we have one negotiation still under way, and once that's resolved we'll be on with the construction of that road in the original alignment less the northern part of the alignment, which has moved over to the west to in fact clear the property where the railway goes through now and is breaking up that particular piece of land.

We've worked out the concerns of Fish and Wildlife. We've basically worked out the concerns of all the residents in the area. I think it's important to say to the hon. Member for Edmonton-Meadowlark that one of the big issues was that the Amber Valley road would have been totally reconstructed, and to design it for the kinds of turns that would be necessary for log trucks, we would have directly impacted on seven farmsteads that would have had to be moved. It did not remove the school buses, which are also a concern of ours from a safety point of view. So that's the reason we went to the other site. Whether we rebuild the total road over here through Amber Valley and continue with some

safety problems or whether we rebuild this particular road – and the one from Amber Valley was built many, many years ago. As a matter of fact, when I was a boy I used to travel in that area playing baseball. So that was basically the reason. In essence, we have not lost those dollars that you refer to. However, we've had to redesign it and move it over to the west of the property line from the area where the enquiry officer suggested we could not go.

As I was saying a moment ago, there is one negotiation still under way, and it appears to be resolvable. We'll be working that one through to the final part and then getting on with the construction of that road directly to the site in the interests of safety and no turns. On the Amber Valley road there were a number of turns that would cause a problem, plus turning across traffic going into the mill site at the point where the north-south road would join it.

That answers the questions to the best of my ability. If there are any other questions relative to the Al-Pac project as to the roads or the railroad, I'd be pleased to try and answer them.

MR. McINNIS: I have just one question on that point. I understand the road was aligned in one area and you ran into resistance in the expropriation hearing and then moved to another site which includes Crown land. What about the environmental impact of the two sites? Presumably the original alignment was done because it was less environmentally harmful, shall we say. What about the new site? Is this just being done for political convenience? What's the environmental impact of moving there? There was some mention of traffic flow and so forth. I'm interested in the environmental side.

MR. ADAIR: Well, my understanding is that basically there's been an interdepartmental committee working with us to assist us to make sure we don't, if I can use the term, screw up the landscape and the likes of that. There are two fairly sensitive areas in there around the two sloughs. That was a major concern of the Department of Forestry, Lands and Wildlife and fish and wildlife, and we've sat down with them. I'm given to understand right now that we've mitigated that particular problem to the satisfaction of all. We may well end up with a much better situation in the area of the two sloughs than the present disposition that's been held on that.

The Member for Westlock-Sturgeon asked a question that doesn't relate to vote 7 but does relate to the project at Peace River that I am quite familiar with. The Peace River hills are notorious for the fact that they're walking all the time; there's no question about that. The railroad was constructed by Stanley Associates on behalf of the department of economic development with funds set aside in the Alberta resources railroad budget that I have to pay for those particular ones. The only thing I can say is that we had a couple of slides while the construction was going on, and they were the responsibility of we the builders. The agreement that's being negotiated and, I believe, has been negotiated turns over the responsibility and the maintenance to the CNR from this point on.

MR. TAYLOR: Just to sort of carry on with that, I agree that maintenance is with the CNR, but does the maintenance clause allow them to come back on the government if the hills do walk or slide because it was constructed improperly? I was wondering: how is that covered? Because that's a lot of money if we have to rebuild it.

MR. ADAIR: Mr. Chairman, I'm going to have to get some information for you, because the railroad was built under the Department of Economic Development and Trade in contract with

the consultants – I believe that was Stanley Associates – to put it in place.

My understanding is that when they signed the agreement, if there was any maintenance or slides, they would be the responsibility of the owner now, which in this case is the CNR. I'll just confirm that so I'm not accused of misleading you at some point or another.

MR. CHAIRMAN: Any further comments or questions?

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

Public Works, Supply and Services 5 – Construction of Water Development Projects (continued)

MR. KOWALSKI: Mr. Chairman, the Member for Westlock-Sturgeon this morning raised several questions with respect to vote 5. His colleague the Member for Edmonton-Meadowlark did it on June 9, 1992, and the questions are contained in *Hansard* at that time. Perhaps I could be helpful in terms of giving some background with respect to both of them.

In terms of vote 5.0.1, the Little Bow River Project – Champion, that project is proposed construction of a dam and reservoir on the Little Bow some 20 kilometres west of Champion, enlargement of the Little Bow canals on the Highwood River to the Little Bow at High River, and construction of a canal from Mosquito Creek to Clear Lake. All members will recall that there's a lake in that part of Alberta called Clear Lake that unfortunately has no water in it. All of this, Mr. Chairman, is subject to an environmental impact assessment for the project that will be completed in 1992. All the public hearings are ongoing, all the advertising is done locally, so everybody has to get together. Once the environmental impact assessment is completed, of course the project has to get approval from the Natural Resources Conservation Board, as will licences from Transport Canada and a licence from Alberta Environment, and if we're successful toward the end of 1992 in clearing all those hurdles, in essence the project will be under construction in the early part of 1993, which probably will be a January, February, or March time frame. So the dollars in here are for that particular project. But I repeat again to both colleagues, the Member for Edmonton-Meadowlark and the Member for Westlock-Sturgeon, that it's all subject to an environmental impact assessment and approval from the Natural Resources Conservation Board.

11:40

In terms of the Milk River project, there's a large decrease in dollars committed because the future of the project is uncertain, to say the very least. This is water that crosses the United States border. Of course, such waters come under federal jurisdiction, so there has to be consultation with both the government of Canada and the government of the United States. What we've got in here in essence is funding that will allow us to permit possible biophysical data collection, which is the first step in getting the documentation we would need. If eventually it were to go, we would have that information available for an environmental impact assessment and subsequent approval from the Natural Resources Conservation Board. That project is there simply for the gathering of data.

MR. CHAIRMAN: The hon. Member for Edmonton-Jasper Place, followed by Westlock-Sturgeon.

MR. McINNIS: Thank you, Mr. Chairman. I have a supplemental question or two on the Minister of Public Works, Supply and Services' remarks on vote 5. If I understood him correctly, the

money allocated under vote 5.0.1 on the Little Bow project will not be spent unless and until the project receives full approval right down the line; that is, the successful completion of the environmental impact assessment, approval if granted by the Natural Resources Conservation Board, and so on up the line. So that may or may not be spent during this coming fiscal year.

The other question is about the Oldman River dam, 5.0.3. Recently it came to our attention that the government plans a rather extensive festival in the middle part of July – I believe it is the 16th or the 19th – during which time they're going to spend \$18,000 of public money to hire, I think, Prairie Oyster, a musical group, to perform a concert for the public. I was at a concert on the Oldman where a lot of big-name artists sang free for the public. They didn't have to be paid by taxpayers to do it; they volunteered their time and effort. I'm just wondering why the government has to spend taxpayers' money to hire an orchestra like Prairie Oyster to entertain the people. Is that a proper use of taxpayers' money, and what is the budget for this particular event?

AN HON. MEMBER: It's a celebration.

MR. McINNIS: Well, you know, parties are nice, music is nice, dancing is nice, but is it coming out of this vote? If it is, that would be tragic. The minister is indicating it's not, but he still hasn't provided any information on the budget for this festival, this glossing over of the tragedy which is the history of the Oldman River dam – you know, put on a happy face. I wonder if the minister would clarify the budget for that and where the money is coming from.

MR. KOWALSKI: I really thank the hon. member for that question, because the member unfortunately is under some beliefs that are totally, totally untrue. There are no taxpayer dollars going into a concert that will be held at the Oldman River dam on Saturday, July 18, 1992. As I've said before and said repeatedly – and the hon. member knows this. He's heard me say this time and time and time again, so if he's an intelligent human being, he should not continue to mislead individuals in any form whatsoever throughout this province. There will be a Festival of Life: A Celebration of Water, a four-day festival that will be sponsored and initiated by local people in southern Alberta. Volunteers and municipal governments, virtually every government in the southern part of the province of Alberta, are participating. A variety of service clubs are participating. This is a people's movement.

On one day in these four, on Thursday, July 16, 1992, there will be an event which will officially open the Oldman River dam. There will be a variety of other events that other groups in the south are sponsoring. This concert that will be held on Saturday, July 18, 1992, is being sponsored by a service club of volunteers, little people. The Cowley Lions Club that is doing this is sponsoring the program. They are sponsoring the event. They are paying for it. If they realize a profit from the event, they will keep those dollars and use them for community-spirited groups and activities within the community. There are no taxpayer dollars involved, nothing out of either vote 5 under the Capital Fund or anything else under the Department of Public Works, Supply and Services vote.

Mr. Chairman, this is now about the fourth time I've said that in this Assembly this year, and I sincerely hope my hon. friend, both inside and outside the House, will understand I've said it. I'm going to look him straight in the eyes and tell him right now that this event is being sponsored by local volunteers, and he should start telling people that now instead of giving an innuendo

that allows other things. I don't know how many more times I have to say it, Mr. Chairman. This is a festival of life. All kinds of groups throughout the south would be involved in this. We've got, you know, MDs, counties. I have no idea what a budget would be for the Prairie Oyster concert. That's being sponsored entirely by a local service club. He should call the Cowley Lions. I'm sure the president would be happy to sell him a ticket or two and probably invite him to bring down a busload or carload of his buddies. I'm sure they would want to come down and see this exciting event, again sponsored by a local service club. A service club will sponsor this, and they will use the profits from the event to basically help the handicapped, the disabled, the disadvantaged within the community.

MR. CHAIRMAN: The hon. Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you. Just to give a brief change of pace, besides extending my congratulations to the Lions Club. Back to the Champion area, could the minister tell the House how many other towns will be serviced by that pipeline and if the capacity it's being designed for – in other words, what is the percentage overcapacity? I'd like to know: if it's extended in the future, can it be extended to other towns in the area?

MR. KOWALSKI: Mr. Chairman, there's no pipeline being built under 5.0.1. I think the hon. member may be looking at a project that may very well be funded by the Department of the Environment under another vote. Under vote 5.0.1 we are talking about a dam and reservoir on the Little Bow River. There is no pipeline involved. There may be another project under another estimate, but not under this estimate.

MR. TAYLOR: I guess what I'm really after, Mr. Chairman, is: are there any plans to use the pipeline to move the water once it's collected to the towns along the line there?

MR. KOWALSKI: Mr. Chairman, I'm unaware of any pipelines, so I'm unaware of any plans. It's certainly nothing funded for under this estimate.

MR. McFARLAND: Mr. Chairman, having been down from that area, I'd like to assure the Member for Westlock-Sturgeon that there is no pipeline involved at all in this project. If there were pipelines, maybe he's got them confused with the domestic water co-ops that have been in place down there. There have been some five or six developed off the Little Bow since the program Alberta Transportation and Utilities put in a number of years ago, and those water co-ops draw their water from the Little Bow River directly. The town of Vulcan that you referred to put in a water line a number of years ago from a site west of Vulcan on the Little Bow and pumped it into a reservoir holding area at the edge of the town limits.

As far as a new water line, that may be one of the proposals from one of the opponents of the Little Bow dam down there, who happens to be a retired engineer and is a born-again conservationist or environmentalist, I would think. I gather he made his money off pipelines in the past, and now he's preaching that we should circulate water to all these communities via pipelines rather than putting up proper water management storage facilities such as the Little Bow dam that's being proposed.

11:50

Mr. Chairman, I would just like to assure the Member for Westlock-Sturgeon that there are no new pipelines that I'm aware of. If we do have any success at all, there may be a few more

domestic water co-op pipelines if we have this program brought back in by the government, which, by the way, was one of the most beneficial programs to many of the rural residents. I have to haul every drop of water to our farm, and I have no possible way of ever irrigating land, so that's why I get a little uptight when people start knocking dams. My concern isn't for irrigation as much as for an adequate, assured supply of quality water for the three towns and villages off the Little Bow, the six domestic water co-ops, and the numerous farms who require it just so they can have household water. We don't we have a lawn, we don't have gardens, our trees are dying, and we have to haul water in year round, whether it's 40 below or 80 above. I am very, very thin-skinned when it comes to anyone suggesting that we don't do something in the way of proper water management by erecting these either off-site or on-site storage dams to control spring runoff.

Thank you, Mr. Chairman.

MR. McINNIS: I just want to go back to the festival of water and life. I know that the minister gets all excited sometimes and talks about what he said or didn't say. He can look me in the eye and say that he isn't going to fund a Prairie Oyster concert, but this is now the third time I've asked him to tell us how much money the government is putting into this festival operation in total and from what votes. I wonder if he could look me in the eye, now that I've asked the question for the third time, and finally answer it. How many dollars; what vote?

MR. BRADLEY: Mr. Chairman, it seems that the Member for Edmonton-Jasper Place has some fascination with regards to what's taking place in southern Alberta. When we were discussing some time ago about opening the Oldman dam, probably a good almost year and a half ago, a local society down there called the Oldman Dam Antique Equipment and Threshing Society came to us and said, "Would you consider opening the dam on the weekend when we have our opening of our heritage acres?" They regularly have this antique equipment threshing day the third weekend in July, so they have scheduled their equipment and threshing day and opening of heritage acres for July 18 and 19 and requested that we consider opening the dam on that weekend. This is over a year and a half ago that this request came from the local community.

Of course, wishing to co-operate with them, we looked at what might be an appropriate time to open the dam: July 16. From that came the idea: well, gee, if we're going to have the opening of the dam on the 16th, perhaps the local community would want to do something in conjunction with heritage acres, so the concept of a Festival of Life: A Celebration of Water came forward as being an appropriate vehicle to do this. We'd have the dam opening; we'd accommodate the local people in terms of their heritage acres event. I should note that land surplus from the dam was donated to the local society so they could set up this very excellent site for the preservation and display of antique equipment which is associated with the Oldman dam site. That's where this concept came from.

Well, then the local community formed a committee in conjunction with some government people to look at the opening of the Oldman dam and put together this festival of life concept, and it's now ballooned into, I think, 25 to 30 different people representing different organizations in the community in southern Alberta on this steering committee to look at this weekend of the Festival of Life: A Celebration of Water. The Canadian canoe/kayak association is hosting the Canadian championships on the excellent canoe and kayak run, which had been constructed downstream

from the dam as one of the reclamation projects. When we were looking at what we were going to do with that area, they came to us and said, "Gee, it would be excellent if you could put in this canoe/kayak run downstream from the diversion tunnels." The department said, "Yes, we're willing to try and help you out with regards to developing this." With excellent co-operation of the department, a first-class canoe and kayak run has been constructed, and now we'll have the Canadian championships being held at this site during the Festival of Life: A Celebration of Water. I assure the hon. member that the Canadian canoe and kayak association is covering all the cost associated with that.

The heritage acres people have an excellent two-day event there, opening their heritage acres, and those costs are being covered by them. There's breakfast donated by various municipalities throughout southern Alberta. The town of Pincher Creek, the MD of Pincher Creek, and the village of Cowley are hosting a recognition for the people involved in the project on the Thursday night of the opening, which they are funding themselves. There have been generous contributions coming in from various communities in southern Alberta, from contractors and others, to donate various parts of the costs of this Festival of Life: A Celebration of Water.

It's going to celebrate one of the most significant things that has happened in my belief in maybe this century – at least in the last half of the 20th century – in southern Alberta, which is this major environmental enhancement and improvement for the benefit of the people of southern Alberta, the Oldman River dam. Without this assured supply of water the future of southern Alberta would not be secure. So this is a major event, a major celebration, perhaps, as I say, the most significant thing that's happened for the people, for life, and for the economy of southern Alberta this century, at least this half-century ending the 20th century.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The hon. Member for Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Minister. After listening to the Member for Little Bow and the minister, I wanted to get on record something fairly close. First of all, I don't think it's appreciated that the engineer that's promoting pipelines down there may not be doing it in good faith. I've known him for many years. He's a great Tory; that was the only sign of mental weakness I've known him to show through the years. But as an engineer and a businessperson he's probably forgotten more than the hon. member is going to learn for the rest of his life unless he lives for another hundred years.

I wanted to get a point in here: I think we're doing a piecemeal plan for operating water in the south. I think our towns should have – in other words, something more aggressive than the Member for Little Bow and maybe the minister in seeing that the domestic water supply – the domestic, I outline heavily – is sufficient, is assured in a sort of similar pipeline setup as we see in many other modern countries, rather than a little here from a dam, a little line here, a little line there. I think an integrated system where the reservoirs and the off-stream storages that might not work out in one area can be supplemented in another area – in other words, I'm fairly aggressive about the idea that we have a domestic water supply system through the southern Alberta towns. My question here was to try to find out if we were going far enough in the planning. I approve of what they're doing. I'd like to just see whether we couldn't have sort of – we have a pipeline network for gas, we have a power line network for electricity in this province, but we haven't got down to something that's maybe even more basic domestically, some sort of water

trunk line, if you want to call it that. I wanted to see whether the minister had been planning ahead.

Thank you very much.

MR. McINNIS: Let me get this straight here in my mind. The Minister of Public Works, Supply and Services says that he's not going to tell us whether or not some part of this \$6.5 million in borrowed funds is going to pay for this party in respect of the Oldman dam on July 16 to 19. He's not going to tell this committee whether or not . . . Is the minister conscious? I just wonder; I want to have this clear now. The minister is not going to tell us whether some part of this \$6.5 million is going to fund that party or not? Is he going to answer the question?

12:00

MR. KOWALSKI: Absolutely no funds whatever. There are no funds under vote 5.0.3. going to assist in that. Appropriate funds would come under the GR Fund under the Department of Public Works, Supply and Services.

Mr. Chairman, there's one other item. The hon. member should be aware of this. One of the concerns of course is security and safety and the consultations we've had with security people with respect to this, because the hon. member knows that there have been public threats. There have been public threats mentioned on the public media, and the police are aware of them. The police are reviewing the potential about the security side of all the individuals, the thousands and thousands and thousands of ordinary people who would want to go and attend any of these venues. It may very well be that upon the recommendation of the police and others in the security side of it, there will have to be X number of policemen or security forces involved. There'll be a cost attributed to that, and it's very difficult at this point in time, pending the validity of some of these threats – public threats have been made against the safety of individuals; in fact, some very, very serious threats, saying that steps will be taken to eradicate human beings.

Mr. Chairman, that's a very serious thing, and I'm not going to debate that in this Assembly, but we will ensure that the individuals who choose to attend any of these events will be in a safe and sound environment as well. If it costs the public dollars to take care of that, those dollars will be provided, and they'll be provided for under the estimates of the Department of Public Works, Supply and Services.

HON. MEMBERS: Question.

MR. CHAIRMAN: Question?

Agreed to:

Municipal Affairs

Total Vote 3 – Construction of Social Housing \$18,750,000

Public Works, Supply and Services

4.1 – Capital Upgrading	\$23,000,000
4.2 – Medical Referral Centres	\$51,715,000
4.3 – Specialized Acute Care Facilities	\$31,055,000
4.4 – Community-based Hospital Facilities	\$14,255,000
4.5 – Rural Community-based Hospital Facilities	\$17,140,000
4.6 – Auxiliary Hospitals	\$31,510,000
4.7 – Nursing Homes	\$25,000
4.8 – Health Units	\$6,500,000
Total Vote 4 – Construction of Health Care Facilities	\$175,200,000

Total Vote 5 – Construction of Water Development Projects	\$18,600,000
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6.1 – Culture and Multiculturalism	\$1,100,000
Total Vote 6 – Construction of Government Facilities	\$1,100,000

Transportation and Utilities

Total Vote 7 – Construction of Economic Development Infrastructure	\$34,600,000
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Total Capital Fund	\$336,646,906
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MR. STEWART: Mr. Chairman, I move that the votes be reported.

[Motion carried]

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

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. MOORE: Mr. Speaker, the Committee of Supply has under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that sums from the Alberta Capital Fund estimates not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1993, for the departments and purposes indicated.

Municipal Affairs: \$18,750,000 for Construction of Social Housing.

Public Works, Supply and Services: \$175,200,000 for Construction and Health Care Facilities, \$18,600,000 for Construction of Water Development Projects, \$1,100,000 for Construction of Government Facilities.

Transportation and Utilities: \$34,600,000 for Construction of Economic Development Infrastructure.

MR. DEPUTY SPEAKER: Having heard the report, does the Assembly concur? Opposed? So ordered.

The hon. Government House Leader.

MR. STEWART: Mr. Speaker, I would move that the Assembly revert in our routine to Introduction of Bills.

MR. DEPUTY SPEAKER: Is there unanimous consent for the motion of the hon. Government House Leader?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.

head: **Introduction of Bills**
(reversion)

Bill 32
Appropriation Act, 1992

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill 32, Appropriation Act, 1992. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been

informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 32 read a first time]

Bill 33

Appropriation (Alberta Capital Fund) Act, 1992

MR. JOHNSTON: Mr. Speaker, I request leave to introduce Bill

33, the Appropriation (Alberta Capital Fund) Act, 1992. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 33 read a first time]

[The Assembly adjourned at 12:08 p.m.]