

Legislative Assembly of Alberta

Title: **Monday, June 15, 1992**
Date: 92/06/15

2:30 p.m.

[Motion carried]

MR. SPEAKER: The Member for Edmonton-Jasper Place.

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

The prayer as used at Westminster since 1659.

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

Amen.

head: **Notices of Motions**

MR. TAYLOR: Mr. Speaker, I'd like to give notice that at the end of question period under Standing Order 40 I will be presenting a motion to the Assembly to recognize the 75th anniversary of the election of Louise McKinney and Roberta MacAdams to the Alberta Legislature.

head: **Introduction of Bills**

MR. SPEAKER: Calgary-Foothills.

Bill 31 Employment Pension Plans Amendment Act, 1992

MRS. BLACK: Thank you, Mr. Speaker. I request leave to introduce Bill 31, the Employment Pension Plans Amendment Act, 1992.

Mr. Speaker, this Bill provides for additional life retirement income options and greater flexibility for holders of locked-in registered retirement savings plans and for members of private-sector pension plans. Bill 31 also includes necessary changes to ensure pension plan sponsors can amend their plans to comply with the January 1, 1992, changes to the Income Tax Act of Canada. In addition, this Bill contains a number of housekeeping changes which meet industry needs and clarify the legislation.

It is my pleasure to introduce Bill 31, the Employment Pension Plans Amendment Act, 1992, for first reading.

[Leave granted; Bill 31 read a first time]

MR. SPEAKER: Calgary-North West.

Bill 227 Telemarketing Act

MR. BRUSEKER: Thank you, Mr. Speaker. I request leave to introduce Bill 227, being the Telemarketing Act.

Mr. Speaker, the purpose of this Bill is to outline the times during which telemarketing calls can be made. It provides for no further calls to that same phone number should the person request it. It also talks about disconnect guidelines and the nature of contracts that will be entered into as a result of telemarketing solicitations.

[Leave granted; Bill 227 read a first time]

MR. ANDERSON: Mr. Speaker, I move that Bill 31, the Employment Pension Plans Amendment Act, 1992, be placed on the Order Paper under Government Bills and Orders.

Bill 325 Bikeway and Pedestrian Development Act

MR. McINNIS: Thank you, Mr. Speaker. I request leave to introduce Bill 325, the Bikeway and Pedestrian Development Act.

This Bill will add to the mandate of the department of transportation and highways to include the movement of pedestrians and human-powered vehicles. It also establishes that 5 percent of the available funds for construction and improvement of roads and bridges be allocated to pedestrian and bikeway development.

[Leave granted; Bill 325 read a first time]

MR. SPEAKER: Edmonton-Meadowlark.

Bill 319 Uniform Building Standards Amendment Act, 1992

MR. MITCHELL: Thank you. Mr. Speaker, I request leave to introduce Bill 319, the Uniform Building Standards Amendment Act, 1992.

This Bill establishes the task force on energy efficiency to propose changes in the Alberta Building Code and other measures to improve the energy efficiency of buildings.

[Leave granted; Bill 319 read a first time]

head: **Tabling Returns and Reports**

MR. SPARROW: Mr. Speaker, I'm pleased to table with the Assembly today the response to Written Question 366.

MR. SPEAKER: Thank you.

The minister responsible for Seniors.

MR. BRASSARD: Yes, Mr. Speaker. I wish to file the response to Motion for a Return 328.

MR. HORSMAN: Mr. Speaker, as I indicated on Friday, I'm filing with the Assembly four copies of the status report of the Multilateral Meeting on the Constitution, and copies will be made available to all members of the Assembly.

MR. SPEAKER: The Minister of Advanced Education.

MR. GOGO: Thank you, Mr. Speaker. I'm pleased today to table the annual report for 1991-92 for the Private Colleges Accreditation Board. In addition, I wish to table annual financial reports for 1990-91 for the University of Alberta, the University of Lethbridge, Mount Royal College, and Grant MacEwan Community College and the annual report for Grant MacEwan Community College for the year ended June 30, 1991.

MR. DAY: Mr. Speaker, I'm pleased to table a report from the Premier's Council in Support of Alberta Families entitled Albertans Speak Out about Families. It reflects a significant process of over 3,000 Albertans meeting across this province using eight themes from the Lieutenant Governor's conference on the family to deliver a report to the government advising on means and ways to strengthen Alberta families.

MR. SPEAKER: Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I rise to table documents outlining critical information concerning the relationship between the government of Alberta and Gainers Inc. over that critical period of 1985 through 1987.

head: **Introduction of Special Guests**

DR. WEST: Mr. Speaker, on behalf of the Member for Wainwright it's my pleasure to introduce to you and to Members of the Legislative Assembly 19 students from Blessed Sacrament school in Wainwright. They are accompanied by their teacher Miss Sheila Coté, parent Mrs. Joanne Roberts, and helper Miss Carla Robles. They're in the members' gallery. I would ask that they stand, and I'd like them to receive the warm welcome of this House.

MR. DROBOT: Mr. Speaker, I would like to introduce to you and members of the Assembly 12 students from Tulliby Lake school in the St. Paul constituency. They are accompanied by teacher Al Gales and parent Ken Larson. They are sitting in the members' gallery. I would like them now to rise and receive the traditional warm welcome of this Assembly.

head: **Oral Question Period**

2:40 NovAtel Communications Ltd.

MR. MARTIN: Mr. Speaker, first of all, I'd like to file with this Assembly a letter of intent from NovAtel to two U.S. cell phone companies promising up to \$2 million for each licence the company obtains from the U.S. government. Now, this is a standard letter that NovAtel sent to several U.S. companies offering them a \$2 million loan for construction and operating costs so they could seek cell phone licences. If that wasn't enough, if they needed more, they say: come on back and ask for more; you'll probably get it. You know, the sugar daddy again. It appears that NovAtel was in the business of issuing blank cheques, not systems financing, and it's no wonder they got into such trouble. My question to the Treasurer is simply this: since it was a policy matter and the government must have been aware of this and certainly the Treasurer should have been aware of it, why didn't the government put a stop to this issuing of blank cheques to U.S. companies, a totally inappropriate use of taxpayers' money?

MR. JOHNSTON: Mr. Speaker, it was hardly a question of issuing blank cheques. The member now has asked this question repeatedly over the course of the last four or five days. The minister responsible, the Minister for Technology, Research and Telecommunications, has I think provided an exhaustive explanation as to what happened. He talked about the terms of the financing. He's provided a fairly comprehensive answer and still further has indicated quite clearly that this would be in the range of questions which the Auditor General will report upon when he provides a report to the Legislative Assembly as to a significant set of problems which were faced by NovAtel over the course of the period 1984 through to, I guess, one month ago.

This is an old question. It's been asked before. It's a similar theme to what we've dealt with. I know that the member is looking for ways to keep this issue on the front burners, but really he's not uncovered anything that's new in terms of the issue itself.

MR. MARTIN: When you send out a letter that the government should have been aware of – apply for money, no collateral, no nothing – that's not news? Mr. Speaker, if the Treasurer wasn't

aware of it, then he wasn't doing his job. We're trying to get to the bottom of this. This is the biggest bamboozle in the history of Alberta.

The letter says clearly, if the Treasurer will read it, if he's not aware of it, that the loans were made solely on the basis of information supplied by the company. It says nothing about matching moneys guaranteed by other financial institutions. It doesn't even say anything about collateral. No self-respecting financial institution would ever do this. My question to the Treasurer, who must have been aware of this, is simply this: how could the Treasurer justify millions and millions of taxpayers' dollars being squandered in this way without even adequate security?

MR. JOHNSTON: Well, Mr. Speaker, the member is making some assumptions about what type of security was taken, the terms of the deal itself. It's obvious that the member doesn't understand the way in which these transactions were put in place.

I can say that there's also this miscommunication that is common of the opposition parties, to simply put the red herring across the trail of facts. The Minister of Technology, Research and Telecommunications has also confirmed that in his view and in the government's view we have taken and provided for adequate losses for these types of loans. Those losses are reflected in the statement made a month ago by the minister, and I don't expect that any additional losses will be forthcoming for the taxpayers of Alberta.

MR. MARTIN: This Treasurer can never predict anything. He should take his buddy from technology and the Premier and walk out of the House, and maybe we'd have a better chance of getting some of this money back, Mr. Speaker. And for him to come back and say that we don't understand business. Is this the way business operates: no collateral, no security, take what you want?

One of the things they do say there very quickly, though, is that the money is "available from committed sources." We know who that is. My question to the Treasurer is simply this: isn't it true that those committed sources were the taxpayers of Alberta? That's what this is all about, isn't it?

MR. JOHNSTON: Well, Mr. Speaker, again the member has not asked a new question. This is the same misstatement that we saw in the first part of the question and we saw through the last part of last week. There's nothing new here.

Let me just summarize again so that everyone understands clearly what's happened here. We have now seen that the Auditor General has been put in place by a letter from the Premier to the Auditor General which sets out a very clear set of guidelines. That letter has been tabled in the Legislative Assembly. All members have an opportunity to review it. Secondly, Mr. Speaker, we've asked for the full co-operation of all the participants including, but not exhaustively including, certainly the management of AGT and others so that their full co-operation has now been confirmed. Finally, the Auditor is now setting about his work.

I'm sure the people of Alberta would agree that this is not an easy topic for us to deal with. It's clearly difficult in terms of the losses, but we're trying to get the fullest possible explanation as to what happened. The best way to have that done is to have the Auditor General carry out his work. The Auditor General is a servant of this Assembly. He's independent in his view, he has access to the information, and he will write an unbiased report which will provide for us the explanation as to what happened.

In the meantime, these kinds of questions simply detract from the fundamental question. We think that the people of Alberta deserve an explanation, and that's what the Auditor General will do.

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

MR. MARTIN: Not one of your better days, Mr. Treasurer.

Mr. Speaker, I'd like to designate the second question to the Member for Stony Plain.

MR. SPEAKER: Stony Plain.

Jailing of Fort McMurray Student

MR. WOLOSHYN: Thank you, Mr. Speaker. Over the weekend we heard of the incarceration of a young boy from Fort McMurray for truancy. This is not a criminal issue; it's an issue of school attendance. To the Minister of Education: considering the high costs of court proceedings, transportation to Edmonton, incarceration at the young offender centre, can the minister now explain the benefits of incarceration for truancy to the student involved and to other children in his school considering that he was not a threat to himself or anyone else?

MR. DINNING: Mr. Speaker, this is not just a matter of attendance at school. This is not just a matter of a young man who missed a few days in school. It is a matter of complying with the court's direction and decision. What the judge made a decision on was that this child was truant from school, but of an even more serious offence this young man was found to be in contempt of court. I know that the member across the way would not condone any person, young or old, breaking the law. This was known to the child before the decision was made. He knew what the consequences of his action would be, and it was clearly spelled out for him before the child was sent to the young offender centre. The judge was merely complying with the law and sending a very serious message that no one should be in contempt of a court in this province.

MR. WOLOSHYN: Mr. Speaker, I find it very difficult to hear that a boy who's obviously so troubled that he would go through those procedures is being punished as opposed to finding out what the real problem is.

Be that as it may, Mr. Speaker, now that the boy has been released until the results of the appeal hearing and that he is a troubled boy, can the minister guarantee that he will not be further traumatized and that he will receive proper care and help so he can continue the education he deserves?

MR. DINNING: Well, Mr. Speaker, all effort was made by this boy's family, by the school authorities, and by several others in the Fort McMurray community to provide him with basically a custom-made, custom-built education program. That's the very purpose of the attendance board process. The law was passed in this Legislature unanimously by both sides of this House. Section 110, which spells out the attendance board process, was voted on in favour by the government, was voted on in favour by the Liberals and by the New Democratic Party. All members of this House knew that in enacting that legislation, this kind of action could be contemplated. What it does is send a very serious message to all Albertans that attending school is one of the most important things a young person can do. The court, backed up by this Legislature reflecting Alberta opinion, says that there really

isn't anything more important than a young person attending school.

MR. SPEAKER: Final, Stony Plain.

MR. WOLOSHYN: Mr. Speaker, thank you. I would like to point out to the minister that incarceration is not mentioned in that section. Also, the parents or guardians are the ones responsible for getting them into school.

Since the minister is lost, Mr. Speaker, I'd like to go to the Attorney General. Given that as of the boy's 16th birthday this August the School Act permits him to not attend school without even parental consent – he is off the hook – what useful purpose will be served by expending public funds to have this appeal heard in September?

2:50

MR. ROSTAD: Mr. Speaker, the incarceration was not pursuant to the School Act; the incarceration was pursuant to contempt of a court. A judge has the inherent discretion and responsibility on hearing a case to dispose of it as he may, and in this instance that was done.

Of course, there's also a process that allows appeal if a person does not agree on the basis of law in a particular finding, and that's what's happening in this instance. Because somebody happens to reach an age after a matter has been heard does not necessarily mean that it's vacated. It may. I couldn't address that issue right now. That's in the power and control of the court at this time. I think the Minister of Education has made it very, very clear that the utmost interest in this case is the interest of that child, to ensure that he's cared for.

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

Gainers Inc.

MR. MITCHELL: Thank you, Mr. Speaker. Documents which I tabled earlier today include financial statements indicating that Gainers lost \$22 million over the two years just before this government gave them a \$67 million loan and loan guarantee package. My question is to the Premier. What criteria were used to determine that this \$67 million loan package should be given to a company that had just lost \$22 million over the preceding two years?

MR. JOHNSTON: Mr. Speaker, first of all, let me say with respect to those issues which circulate around the Gainers questions – I think I've advised the Assembly and I'll advise the Member for Edmonton-Meadowlark again – that obviously there's a series of litigation now taking place between the government, Gainers, against the former shareholder Mr. Pocklington, and that litigation is now scheduled for trial. There have been full hearings with respect to the hearings for discovery on many of those actions. I give this warning because there is clear precedent here in our Legislative Assembly which we track back to the House of Parliament in England which clearly indicates that in those cases where in fact there is litigation under way, we would prejudice ourselves if in fact we provided information or confirmed or denied what in fact has been tabled.

What I can say, Mr. Speaker, is that I've had a chance to look at the tabling by the member, and I'll simply confirm what we've said before. As the court process unfolds, there's going to be a series of tablings taking place. This information is simply an

update of the financial statements going back to 1987. I don't know how the member reconciles the numbers. My quick reading of it shows in fact that in 1985 the company made a profit, but I don't want to get into those details. Secondly, the tablings include term sheets which are commonly exchanged between borrowers and lenders setting out a rough framework which might emerge into a contract at some point. There's not much more in these particular tablings, and I know the Member for Edmonton-Meadowlark will try to make something of it.

Let me conclude here, Mr. Speaker, by saying that this is the normal process. We have said before that there will be a variety of pieces of information which will be tabled which will rise out of the court process. We expect that. I've advised members of this Assembly that it'll happen. This is just another stage in what we predicted to be an unfolding of this process, where in fact the government is suing Mr. Pocklington for millions of dollars as a result of default on the Gainers transaction.

MR. MITCHELL: Mr. Speaker, the Treasurer is concerned that he might prejudice himself if he answered these questions. Albertans are convinced that he would prejudice himself if he answered these questions.

We now have a summary of the Premier's famous agreements offering Gainers a \$50 million, four-year interest free loan, which represents a \$21 million gift to Mr. Pocklington. Why will the Premier not admit that he personally proposed this arrangement as part of the deal to get Mr. Pocklington to settle the Gainers strike?

MR. GETTY: Mr. Speaker, that's absolutely false.

MR. MITCHELL: Maybe the Premier should check with the documents of fact that have been established in the court case.

When Lloyds Bank was on the hook for loans to Gainers, it had a management committee which watched everything that Mr. Pocklington did. Why did the government itself not set up a management committee to watch everything that Pocklington did when this government put taxpayers at risk to Mr. Pocklington by \$67 million?

MR. JOHNSTON: Well, again, Mr. Speaker, the member is challenging the sub judice convention clearly, and as is well known, we would not be able to answer questions surrounding the Gainers issue as a result of that clear direction to us from *Beauchesne* and other legislative authorities.

MR. TAYLOR: Quit lecturing the Speaker and answer the questions.

Speaker's Ruling Sub Judice Rule

MR. SPEAKER: Well, thank you, hon. member, but quit testing the Chair is the problem and quit testing the matter of the Legislature when it comes to *Beauchesne* 410(15), because the onus of responsibility is on both the person asking the questions as well as those responding. The convention is not a convention; it is an order by Standing Order in this House that when a matter is sub judice, it should not even be raised.

Calgary-Foothills.

Year-round Schooling

MRS. BLACK: Thank you, Mr. Speaker. Last week the parents in Hawkwood community in northwest Calgary voted 56 percent in favour of year-round schooling. The Calgary school board says

that that is not sufficient support to proceed with the project. My question is to the Minister of Education. Would he consider giving a directive to the Calgary board to proceed with the test project?

MR. DINNING: Mr. Speaker, given the sometimes glacierlike pace by which we as Canadians or North Americans find our way in making changes in education, I think the 56 percent approval by Hawkwood residents last week is a significant step. I believe that there's sufficient interest in the community. That combined with the school board's efforts – and we are there as a department and as a government to help them – to address the other questions, the what-if questions or the what-about type questions, and there are probably about two or three or four of them that need to be addressed, provides the makings for the Calgary public school board to give a go-ahead to the Hawkwood year-round school project. We stand ready to help them, and I hope that they'll be able to see their way to giving a green light to this decision.

MRS. BLACK: Mr. Speaker, this is more than just an educational matter. It's also a problem of utilization of space. At present we are busing children all over the city to accommodate them in classrooms. Could the minister please explain why the Calgary public board is building schools that do not meet the space requirements within the communities?

MR. DINNING: Well, Mr. Speaker, the member is absolutely right. It is more than just an educational issue; it becomes a space issue too. That is the second reason why school boards should attempt to experiment, to pilot this kind of an idea. The first and primary reason must be that it must be good for children's education.

Why does the province only approve school projects that meet perhaps not the entire need, not the immediate need? Well, for one thing, Mr. Speaker, we don't grant approval to projects that we aren't requested to grant approval to, and the Calgary public board has not asked for a larger school. Part of the reason behind that is that just as a department store doesn't stock its shelves all year round for the Christmas rush, there is a period, a time, a cycle in a community's life when they need a large number of classrooms, which can be met by the core school and by relocatable portables outside. Once that need is no longer there, then they can move those relocatables. We try and work with school boards to ensure that the changing size or demand of that school can be accommodated by that core and by those relocatables.

3:00

MR. SPEAKER: Calgary-Mountain View.

Provincial Debt

MR. HAWKESWORTH: Thank you, Mr. Speaker. The fact that this Treasurer is asking the Assembly for a \$4 billion increase in the province's borrowing limit shows that the government's finances are totally out of control. Despite this Provincial Treasurer's claims, it is clear that Alberta will be paying for NovAtel and other government fiascos this year. Will the Provincial Treasurer now admit to this Assembly that nearly \$1 billion of this increased borrowing is to pay for the NovAtel fiasco and to pay for incompetent management from this government for the MagCans, the Pocklingtons, and all the other deals that have gone bad in this province?

MR. JOHNSTON: Mr. Speaker, the Member for Calgary-Mountain View has tied his question to Bill 37. We'll be debating that Bill this afternoon if our schedule holds.

MR. HAWKESWORTH: This government hides behind the rules, Mr. Speaker. It fails to address the issues for Albertans.

Mr. Speaker, the truth is that NovAtel, MagCan, the Peter Pocklington deals are driving this province deeper into the red, nearly a billion dollars this year. At the time of the last election the debt ceiling for this province was 7 and a half billion dollars. The Provincial Treasurer wants to raise it to 17 and a half billion dollars. How does he justify the fact that since this last provincial election it's skyrocketed by an unbelievable \$10 billion? What sort of performance is that?

MR. JOHNSTON: Mr. Speaker, if the member wants, then, to reflect back on the history in Alberta since 1985-86, say, as one starting point, it would be easy to summarize for the member what it is that happened. I think it's fair, since the member has taken some time to paint this rather shaded view of history and talk, I think, in strong rhetoric about what has happened, that we need to have an opportunity here to put the record straight.

Mr. Speaker, as of March 31, '92, the provincial debt was about \$12 billion. That fact was recorded when I tabled the budget documents. The General Revenue Fund and the Capital Fund debt is about \$12 billion or so. That's approximately matched by the assets, which total about \$12 billion. So in the case of Alberta at the end of March 31, '92, this province, unlike any other government in Canada, had an equal amount of assets and debt. What can be said clearly here is that no other government can back its liabilities with assets.

Now, Mr. Speaker, we have to go back to 1986 to see what in fact happened, and you'll recall that in 1985 everybody forecast that the price of oil would continue to rise more rapidly than most people expected. Certainly in 1981-82 the forecast for oil for 1995 was \$100 a barrel U.S. I don't have to remind you what happened to our revenues in July 1986, when the price of oil fell to below \$10 a barrel, and it's for that reason that we've had to manage our way out of that severe economic shock, which was driven by external forces. In doing so, we presented a plan which moved us through a six-year planning period, and last year we would have had a balanced budget had it not been for the second economic shock. That second economic shock was driven by forces outside the province's control. Those forces included the price of gas dropping at the same percentage rate as the price of oil in 1986, again causing our deficit to go from a balanced budget position, which was our firm position, our objective, to about \$1.2 billion.

As a consequence, Mr. Speaker, to maintain the same level of services and to keep taxpayers safe by not burdening them with these external changes, we've maintained the lowest possible tax rate of any province in Canada, no sales tax, and we still have used the financial strings to be in the best financial position of any province in Canada. That's why we're . . .

MR. SPEAKER: Thank you.

Westlock-Sturgeon, followed by Banff-Cochrane.

Young Sex Offenders

MR. TAYLOR: Thank you, Mr. Speaker. Last week the Solicitor General scoffed at me when I urged him to reverse his decision to divert a young sex offender from treatment at the Wood's Homes in Calgary in favour of residence in a group home, all for the sake of saving a few measly dollars, and this from a government that's recently dropped over five tonnes of hundred dollar bills in the NovAtel disaster. My question to the Solicitor General is: now that the family court judge who originally ordered the Wood's Homes treatment has called the Solicitor General's arguments

ludicrous, even worse than I've ever said, will he perform a miracle by swallowing just an ounce of his pride and getting off this kid's back and letting him get on with his treatment?

DR. WEST: Mr. Speaker, there never has been or never will be a denial by this government or this department or this minister that there will be treatment for this young offender who needs help in a very sensitive area of his life. Having said that, there is a responsibility in this province to the people of Alberta, to the taxpayers, and to the government, which has a very hard job running all the programs on their behalf. The issue with the courts is not that there be counseling and a directed treatment but that they directed it specifically to a private-sector operation, and if we do not have the flexibility within the Solicitor General's department or any other department in this government as it relates to some of our programs to direct them to the best use of the taxpayers' dollars and the best treatment of the individual, then we are indeed at loggerheads with the system.

I would like to ask one other question of this Assembly. What is the reason . . . [interjections] Perhaps I'm not allowed to ask the question, but I would indicate that I would like to know the direction of this member's questions, whether they are based on common sense or political motivation.

MR. TAYLOR: Mr. Speaker, in this Legislature we are interested, I hope, in what is best for the juvenile offender. I think we're interested in what's best for the offender. It was also interesting to hear a member of the Conservative government say that the community or private enterprise does not know what to do.

Mr. Speaker, the next question. This young man's case surely is not unique. Can the Solicitor General tell this House how many other cases he knows about of a similar type?

DR. WEST: Mr. Speaker, that question has a broad base to it. We have 17,000 individuals on a daily count within the criminal justice system in Alberta, 3,000 young offenders, and I am not going to go case by case through the individual cases in this Assembly.

MR. SPEAKER: Banff-Cochrane, followed by Edmonton-Jasper Place.

Mountain Pine Beetle

MR. EVANS: Thanks, Mr. Speaker. The mountain pine beetle is a voracious little insect that's eating its way through the forests in Jasper national park. These insects are presently found just west of the Jasper townsite near the Mount Robson area, and they're moving in an easterly direction towards the Eastern Slopes of Alberta. The Canadian Parks Service has a very passive management strategy for dealing with these insects, which essentially equates to watching and waiting. My question therefore is to the Minister of Forestry, Lands and Wildlife. What is the minister doing to impress upon the Canadian Parks Service the need for an active management and active intervention plan to rid Jasper national park of this pest?

MR. FJORDBOTTEN: Mr. Speaker, we've been aware for a number of years of the beetle infestation in that particular area, and we're very fortunate at this point that it hasn't spread. Because of the westerly winds in that area, we're watching it very closely. We've now established a joint committee between B.C., Alberta, the industry, and the Parks Service not only to monitor it but to have a look at what actions we can take.

MR. EVANS: Well, Mr. Speaker, if this infestation isn't wiped out before it reaches the Eastern Slopes forest in and around the Hinton area, my question to the minister would be: what is the impact going to be on that forest area?

MR. FJORBOTTEN: Well, Mr. Speaker, it goes without saying that it would be very significant. We have some experience with that in the province of Alberta. In 1978 in the southern part of the province in the Blairmore area we had an infestation that cost us about \$7 million plus the loss of the wood in that particular area and the aesthetics and the habitat that is protected in order to eradicate the pest. We're very concerned about it, and as the hon. member has stated, we want to make absolutely sure that the national Parks Service recognizes that it is a danger and that action should be taken to eradicate it.

MR. SPEAKER: Edmonton-Jasper Place.

3:10 **Canmore Golf Resort**

MR. McINNIS: Thank you, Mr. Speaker. Today in Canmore the Natural Resources Conservation Board begins hearings on the Three Sisters project. I would like to ask a question relating to the Bow-Canmore market demand study prepared by Peat Marwick Stevenson & Kellogg for Alberta Tourism in October of 1990. It says in part:

Growing concern for the environment will cause more people to seek vacations in areas which are environmentally clean and which provide an opportunity to experience a wilderness or at least an unspoiled environment.

Now, the government chose to ignore this conclusion and offered the town of Canmore a grant of \$77 million if, and only if, it would approve a series of projects promoted by friends of the government which would adversely affect environmentally sensitive areas in wildlife, recreation, and ecosystems. I'd like to ask the Minister of Energy, in his capacity as chairman of the economic development committee of cabinet, why he talked in Calgary at Toward 2000 about consultation and power sharing when his government continues to throw public funds at projects whose only justification to this day is the inside track to cabinet?

MR. ORMAN: I don't get the connection, Mr. Speaker.

MR. McINNIS: The people who have them certainly make use of them.

All right; to the Minister of the Environment then. The Natural Resources Conservation Board Act provides that intervenors can receive funding if they're affected by a project so that they can make available the best possible information and arguments for the board's consideration. In view of the fact that the NRCB felt that it was unable to support intervention by the town and the school board of Canmore, several Calgary-based groups concerned about Calgary's drinking water, and others and in view of the fact that he exempted CADCO and the board threw out all the intervenors in the Kananaskis project, will the Minister of the Environment state whether he has decided to review the NRCB Act to see if he can make a more inclusive process?

MR. KLEIN: No, Mr. Speaker. The Act is quite adequate and basically has served those applying for intervenor funding quite well. I believe that in the case of the Three Sisters project there was application for some \$780,000. This is money that would be paid out of the proponent's pocket. The board saw fit to award in excess of \$200,000 to those groups and individuals who would

be directly affected by the project. I think the awards, under the circumstances, were indeed very generous.

Day Care System

MS MJOLSNESS: Mr. Speaker, although the medical examiner and some departmental officials are looking at the fatal injury of a small girl in an Edmonton day care centre, there's a need for an independent investigation that looks into not only the role of the day care but also the role of Family and Social Services and looks at all aspects of this incident, especially in light of the serious problems within the department's day care program which have been expressed. To the Minister of Family and Social Services: will the minister agree to put in place an independent investigation that would include an examination of the department and would make recommendations to the minister, as was done in the death of Richard Cardinal?

MR. OLDRING: Mr. Speaker, I don't know how much more independent you can be than the medical examiner. I can tell you that when I was there on the Monday morning, the Edmonton city police arrived on the scene not too long after I was there. They're an independent body. They're looking at it in a very thorough and a very professional way. I have confidence in the medical examiner and I have confidence in the Edmonton city police to do their jobs.

MS MJOLSNESS: Mr. Speaker, I think the minister knows full well that the current investigations going on certainly don't look into the role of the department and concerns that have been identified. Given, for example, that some day care licensing officers have been given the message that they are not to enforce the regulations, it is clear to me and to others that the whole system needs to be looked at. I would ask the minister: how can parents have faith in this minister when he refuses to do a proper investigation that looks at all aspects of this incident?

MR. OLDRING: Mr. Speaker, no licensing officers have been given a message not to enforce the regulations. The regulations are there to be enforced, and they'll continue to be enforced. Again, I don't know why we would want to cast aspersions on the Edmonton city police. I think they have an excellent reputation for the job that they do of investigating these things.

On our day care side, Mr. Speaker, some would argue that in fact our workers are overly zealous in their enforcement. Some would argue that they issue too many section 7s. Personally I wouldn't argue that. I believe that their job is an important job, that they work hard to make sure that day cares in this province are as safe as we can possibly make them, and we're going to continue to do that.

MR. SPEAKER: Calgary-North West.

Vencap Equities Alberta Ltd.

MR. BRUSEKER: Thank you, Mr. Speaker. In 1983 this government created Vencap Equities as an independent, arm's-length, hands-off venture capital corporation. We now have inside information that the government is planning to take control of the company by forcing a majority of the membership on the board of directors. Given the recent NovAtel fiasco, where in fact the majority of the board of directors were government representatives, my question to the minister responsible for Economic Development and Trade is: how can the government break their 1983

promise to Albertans to leave this company as an arm's-length, hands-off private corporation?

MR. ELZINGA: Mr. Speaker, let me thank the hon. member for the question, but let me indicate to the hon. member that there is no fact whatsoever to the information he just presented to the Legislative Assembly. In fact what he is suggesting is very misleading because we are not contemplating anything of the sort.

MR. BRUSEKER: Well, Mr. Speaker, after the \$1.1 billion losses that we've accumulated so far, after the Toward 2000 Together conference that we recently had in Calgary, will the minister commit that in fact the government is not going to be moving further into business but in fact is going to be getting out of business, which is what Albertans have been telling the minister and the government?

MR. ELZINGA: Mr. Speaker, as the hon. member is aware, the Toward 2000 process has not been completed yet. As we go through those final stages as they relate to that very valuable public input that we have received, I'm more than happy to make available to all members what suggestions are coming forward from the Alberta public, and we look forward to dealing with that information when it is presented to us.

Highway 2

MR. TANNAS: Mr. Speaker, my questions today are to the Minister of Transportation and Utilities. Albertans can be rightly proud of the fine roads that we have. In recent weeks we've seen recognition of the twinning of Highway 16, the Yellowhead, and Highway 1, the Trans-Canada. My question to the minister, then, is: when might we in the south expect to see the completion of Highway 2, the export highway?

MR. ADAIR: Mr. Speaker, I'm not in a position to give a firm date on that, but the best position I can take at this point in time is that we will continue to upgrade the export highway from Calgary to Coumts on an annual basis subject to dollars and I guess weather: whether the weather is good enough to keep it going on the same track. That's really all I can give you right now. I know that there are a number of projects in line for this year.

MR. TANNAS: My supplementary, Mr. Speaker, is again to the Minister of Transportation and Utilities. The heavy volume of traffic on the untwinned four-lane section of Highway 2 from Okotoks to the junction of Highway 23 begs to have this section made into a divided highway. When can we expect completion of that much needed reconstruction?

MR. ADAIR: Well, Mr. Speaker, two things need to be said. In the project to date we've spent roughly \$20 million, and this particular year there's \$8 million in the budget for work on that particular road. We are aware of the volumes of traffic that are on that and are looking at how we can work that out as part of the entire program as we move again from the last section down toward Fort Macleod and then look at what we have to do at the junction and go beyond that south of Lethbridge.

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

Family Violence

MS M. LAING: Thank you, Mr. Speaker. My questions are to the Attorney General. Battered women in Alberta continue to

suffer because society, including this government, fails to provide real remedies. Last week a violent husband followed his wife to a shelter, broke windows, and battered at the door. He was arrested and subsequently received a suspended sentence. Yet a recent judgment of the Alberta Court of Appeal held that imprisonment of a batterer is an instrument to deter other men and, more importantly, is an instrument to break the cycle of violence in that man's family. To the Attorney General: will he now commit to appealing this sentence, which meets none of the objectives of the Court of Appeal?

3:20

MR. ROSTAD: Mr. Speaker, I'd be delighted to receive details on the case and find out what the disposition of it is. I can assure the hon. member that police, when they respond, arrest and proceed with actions, whether the other spouse wants the action to prevail. I agree with the hon. member. Wife battering or spousal assault is a very, very serious offence. I can assure her and the people of Alberta that this government feels that way, and all actions that are available will be taken.

MR. SPEAKER: Supplementary.

MS M. LAING: Thank you, Mr. Speaker. I thank the minister for that response.

To the Minister of Family and Social Services. Not only was this sentence inappropriate, but women and children do not have access to safe shelter. The satellite shelter in Fairview has been closed for the month of June because it ran out of funds. To the minister: will he now commit to secure funding, not lottery funds, so that this satellite can open immediately?

MR. OLDRING: Mr. Speaker, the Fairview satellite did experience some unusual demands on their particular shelter in terms of the latter part of last year. As a result of that, they ran out of funding and have had to close the facility for a period of almost 30 days. In the interim, arrangements have been made at neighbouring shelters to accommodate the emergency situations in Fairview.

On a more long-term basis, though, Mr. Speaker, I am happy to say that, as the member knows, we almost doubled the funding commitment we've made as a government towards satellite shelters in this province, and that's a pretty significant commitment given the fiscal restraint that we're currently in. It's a result of discussions that I've had with the Alberta Council of Women's Shelters, it's a result of the discussions that I've had with the satellite operators themselves, and it speaks very clearly of this government's commitment to be able to resolve these situations on a long-term and permanent basis. I think the member would know that the Fairview shelter was delighted with the funding agreement that we've just signed off for the coming year.

MR. SPEAKER: Calgary-McKnight.

Calgary International Airport

MRS. GAGNON: Thank you, Mr. Speaker. My question today is to the Minister of Municipal Affairs. The minister has started the long-delayed review of the Calgary airport vicinity protection area regulations, which affect current and future residents in my constituency. However, decisions regarding the development of the areas in question are already being discussed, today as a matter of fact, by Calgary city council. My question to the minister is: will the minister agree to proceed with the airport vicinity

protection area review as a matter of urgency with a view to completing it within six months?

MR. FOWLER: Mr. Speaker, we recognize the urgency of that matter. I instructed my staff this morning to attempt to set up a meeting within the next 21 days with the mayor of the city of Calgary, and that would certainly be one of the topics of consideration.

MR. SPEAKER: Supplementary.

MRS. GAGNON: Thank you, Mr. Speaker. That answer is very positive, and I'm wondering if in addition the minister would direct that the AVPA review place top priority on the regulations which address the NEFC relative to runway 28, give that the priority.

MR. FOWLER: Well, Mr. Chairman – Mr. Speaker, I'm sorry. I've been away too long obviously.

I will give a commitment to the hon. member that I will discuss that this week with the chairman of the Alberta Planning Board.

MR. SPEAKER: Little Bow.

Water Management

MR. McFARLAND: Thank you, Mr. Speaker. My question is to the Minister of the Environment. This past week the stream flows on the lower reaches of the Little Bow were at dangerously low levels. Southern Alberta fortunately has received a generous rainfall that's been timely and has helped to alleviate the domestic and municipal water supply shortages. Can the Minister of the Environment do anything to speed the process of the worthwhile study which has been undertaken to help provide the early construction of a water management structure which could have captured some of this runoff we received this past weekend?

MR. KLEIN: Well, first of all, Mr. Speaker, as the hon. member states, the recent rainstorm in southern Alberta went some distance to alleviate a very serious problem relative to river flows in southern Alberta. However, because of a very poor snowpack, this is only a temporary solution, and unless there's a sustained amount of rain, those rivers will be back to far below normal flows certainly by the end of this month.

The answer, of course, with respect to the Highwood/Little Bow situation is to achieve some storage of water and indeed capture the flush when it does occur so towns like Carmangay can have an assured supply of water for municipal use. Mr. Speaker, I don't know what I can do to speed up the process. It's anticipated that the environmental impact assessment for the enhanced diversion will be complete by this fall and should be ready for a Natural Resources Conservation Board hearing before the end of the year.

MR. SPEAKER: Supplementary.

MR. McFARLAND: Thank you, Mr. Speaker. As you mentioned and I'm happy to hear, the department is aware of the village of Carmangay's near shortfall of domestic water supply for municipal purposes this week, but this is the second time it's happened this year, Mr. Minister. I would ask that the department commit to the village and area residents some assurance that the long-term quality water supply will be made available to them until such time as a water management facility is built on the Little Bow.

MR. KLEIN: Mr. Speaker, there is a hierarchy involved with respect to use of water, and the hierarchy is that water will be

first used by people. In other words, it will be for municipal use, and then it goes on to agricultural use and recreational use and so on. So the assurance is: yes, we will make sure that water is delivered to the people in the village of Carmangay and all other villages that are now being threatened by a general shortage of water in southern Alberta.

Point of Order Anticipation

MR. SPEAKER: Point of order, Deputy Government House Leader.

MR. GOGO: Thank you, Mr. Speaker. I raised a point of order to you, sir, with regard to Oral Question Period today under *Beauchesne* 409(12). Subsection (12) for reference is: questions should not in the Oral Question Period anticipate a debate for the day. My recollection was that the Government House Leader on Friday last had advised the opposition at the close of business that second readings of Bills would be held today, including Bill 37. If that were the case, then indeed I believe that would be anticipatory debate.

Mr. Speaker, I'm now reading from *Hansard*, page 1356, of Friday last, which appears to be somewhat inconsistent with that because there's no reference to the closure of the House on Friday last with regard to the Government House Leader's reference to any Bills, yet in votes it points out very clearly the House leader moved it be 1 o'clock. I would want to peruse the Blues of Friday last, and in the meantime I would request your consideration of holding the point of order, or failing that, then the government would withdraw it.

MR. SPEAKER: Calgary-Mountain View was the person that was involved. [interjections] Fine.

MR. FOX: On the issue of anticipation as it applies to asking questions about Bills on the Order Paper during question period, it's my understanding that you, Mr. Speaker, have ruled in the past that if a Bill has gone through the House in second reading and is up for debate, then questions are considered to be offside. It's unreasonable, I submit, for the Deputy Government House Leader to assume that Bill 37 will come up for debate in second reading today. It's on the agenda, but we don't know how long, for example, debate on Bill 30 will take in second reading today. We don't know the order in which they will be called.

I submit that if we allow the rule of anticipation to apply to any Bill that might be mentioned by the government as possibly coming up for second reading debate on a given day, it would not only give the government unreasonable latitude in terms of deflecting what may or may not be dealt with in question period; it would put a straitjacket on the opposition members who are trying to get at what I think are very important, relevant public concerns.

MR. SPEAKER: The Chair will deal with the matter tomorrow.

head: Motions under Standing Order 40 3:30

MR. SPEAKER: A Standing Order 40 request, Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. In asking the Assembly to pay tribute to the anniversary of the election of Louise McKinney and Roberta MacAdams to the Alberta Legislature, it's worth noting that this month is the 75th anniversary, which is

something if we go on the pattern of 25, 50, 75, 100, then 200. It's one of the reasons that I think it's urgent enough to be debated under Standing Orders and the motion passed in the Legislature.

As a brief backup to the motion, Mr. Speaker . . .

MR. SPEAKER: Forgive me, hon. member: urgency. Urgency, then the request goes to the House, and if you receive permission, then we'll deal with the issue. But it's strictly urgency, please.

MR. TAYLOR: Thank you, Mr. Speaker, for reminding me. The urgency I build the case on is that June is the 75th anniversary. I guess I could argue that it could be done any other day, but this day is as good as any. It's the middle of June, June 15, and rather than postpone it further, I would ask the House to consider making note of the event today. That's my argument for urgency.

MR. SPEAKER: A request for urgency under Standing Order 40. Those prepared to give unanimous consent, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried. Thank you. Westlock-Sturgeon.

75th Anniversary of First Women Being Elected to the Assembly

Moved by Mr. Taylor:

Be it resolved that the Legislative Assembly recognize the 75th anniversary of Louise McKinney and Roberta MacAdams as the first two women to be elected to any legislative body in the British Commonwealth.

MR. TAYLOR: Thank you, hon. members. First of all, I want to assure hon. members that neither was a Liberal; they were United Farmers and various other workers in the community. I don't know why the NDPs would want to claim that the UFA are their fathers. I think it would cause many UFAs to turn over in their graves or if they are anywhere else. There's an old saying, Mr. Speaker, that success has a thousand fathers and failure is an orphan. Consequently, I can see why the NDP would lay claim to it.

I might mention a brief biography. Something that I don't think applies too much in this House: Louise McKinney came by her interest in politics by a lifelong interest in the Woman's Christian Temperance Union. I notice that an appalling silence now has fallen onto the NDP. The Woman's Christian Temperance Union was the means by which she took her interest in politics and her avocation of how to reform society. In the provincial election of June 1917 McKinney was elected to the Legislature from Claresholm – still a dry area, if you'll pardon the pun, Member for Little Bow. Although she was defeated in the next election, she continued to work on improving social conditions throughout the province. She's probably best known, Mr. Speaker, for her involvement as one of the five Alberta women that took the case to the Supreme Court to be declared as people rather than as nonpersons. McClung, Murphy, Parlby, Edwards, and McKinney: not an NDP in the crowd; there were a few Liberals there.

Now we come to Roberta MacAdams, the second lady. It's quite a tribute to Alberta. A lot of people like to think of Alberta as being right wing and backwards, but a lot of initial political and social movements took place first in Alberta. As a matter of fact, we had a Liberal government here from 1905 to 1921. We retrograded after that. MacAdams first came in 1911. Training

in domestic science, in 1912 she worked at the Edmonton public school board. Most interesting about MacAdams was that she was elected in 1917 as a representative of the army. Remember, in the last war the Alberta government created three positions, interestingly enough, for the army, navy, and air force. Later on, after the war, the army member became leader of the Liberals, the navy member became leader of the NDP – or CCF as it was called at that time; they do have a predilection for initials for some reason – and the third member joined the Social Credit. Not many people realize that this was a rehash of the system we'd put in in 1916 where two members of the services could be elected. It was most unusual not only for a woman to hit the House at that time but to be a representative of the armed services; indeed, the medical corps.

I think it's fitting that we pay tribute to these pioneer women, and to that extent we are very pleased to see the portrait of Louise McKinney moved back out of storage. Admittedly, it's in a dimly-lit east wing, but at least it's amongst left-wingers. The east wing has left-wingers, I think it is. She would like it if she could get up and move, I'm sure, Mr. Speaker. She would like to walk out of there, but right now she is captive in the east wing. Nevertheless, I pay tribute to the fact she's there. As somebody with seven daughters, I don't think I could have survived this month without paying tribute to the fact that the two leading women, the first women in the Commonwealth, were elected in Alberta, which is indeed a tribute all Albertans should be proud of.

Thank you.

MR. SPEAKER: Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Speaker. I rise in support of this motion and do indeed pay honour to the memory of the first two women who sat in these hallowed halls. I know all Alberta women share in the feeling of pride at what these women accomplished and that it is important in a democracy that all voices be heard in the places of decision-making and lawmaking.

Because women bring a unique perspective to most discussions, their views broaden and enhance the discussion and help to make laws more responsive to the complexity of the issues before us. I would note that women have historically joined together to bring attention to issues of civil rights, the well-being of children and families, to concerns about protection of the environment and our planet for future generations, and to work for peace and disarmament. Women have put on the public agenda issues that have particular meaning for women: rape and sexual assault, wife battering, and child abuse – which, by the way, were part of the motivation for the Woman's Christian Temperance Union, because of the drunken behaviour of men – and also issues of reproductive choice and economic equity.

Women also have great concern about the general economic well-being of society as well as for education and health care. Women often bring to what can be discussions of abstract concepts an understanding of the impact of these policies on how we shall live our lives. This perspective is far too absent from this place and most places. We have only 12 women members in this Assembly, and we must therefore address the economic, social, and political barriers to women's participation, particularly the economic and social barriers.

So I would say we've come some distance in 75 years, but we have a long ways to go before we get to anything near equality. It's a struggle that continues, and I ask every member of this Assembly to join in the struggle for women's equality and every Albertan to join us in that struggle.

Thank you.

MR. ANDERSON: Mr. Speaker, I too rise in support of the motion before us today. The hon. Member for Westlock-Sturgeon may want to write this day down, because on behalf of the government I'd like to express our thanks to the hon. member for giving us the opportunity in this instance to pay tribute to these two women who were the first in our Legislature. There is no question that all of our society has benefited as a result of the leadership that was shown there and the many ideas, concepts, and participation that society was lacking in some respects before these two women entered our Legislative Assembly. Today I'm sure they would be pleased to look down on the Assembly and see us in this place speaking out for the issues that they fought for and extolling the virtues of having all of the citizens of the province involved in our decision-making process in the fullest way possible.

Mr. Speaker, with those few words, on behalf of the government members in the Assembly I would like to heartily endorse the motion before us and once again say that it is a historic day, and it is appropriate that we recognize it as such.

3:40

MR. SPEAKER: Westlock-Sturgeon, summation.

MR. TAYLOR: I would like to thank both sides of the House for support of the motion. It's gratifying, particularly representing a party whose membership from the women's sector is 28 percent, higher than any other party in the House, and consequently it is something that we take special pride in. I want to thank everybody for allowing us to get it onto the agenda and for the expressions of support.

MR. SPEAKER: The motion before the House is this:

Be it resolved that the Legislative Assembly recognize the 75th anniversary of Louise McKinney and Roberta MacAdams as the first two women to be elected to any legislative body in the British Commonwealth.

Those in favour of the motion, please say aye.

HON. MEMBERS: Aye.

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

head: **Orders of the Day**

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

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

MR. SPEAKER: The Minister of Career Development and Employment.

MR. WEISS: Thank you, Mr. Speaker, and to the members of the Assembly. It certainly is a pleasure for me to introduce today a group of 17 students, who have been very patient in their waiting, I might add. They're from Father R. Perin school in Janvier. There are 17 students accompanied by the principal, Mr. Hudson Cowley*, as well as teacher Frank Kovacs*. Accompanying them as well is an old baseball-playing friend of mine, if I

might put it that way, Lena Herman*. They are grades 5 and 6. They're certainly welcome to the Assembly, and I would ask them to rise and receive the most cordial welcome of the members.

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

Bill 30
Department of Tourism, Parks and Recreation Act

MR. SPARROW: Mr. Speaker, it is a pleasure for me to rise and present for second reading Bill 30, the Department of Tourism, Parks and Recreation Act, proposed legislation which will merge Alberta Tourism with Alberta Recreation and Parks to create the Department of Tourism, Parks and Recreation.

When Premier Getty initiated the merger of Alberta Tourism with Alberta Recreation and Parks, he said that the two departments were a perfect match. As minister for this new portfolio I would agree with this statement. It has become very evident over the last couple of months that, though separate departments with separate mandates, Alberta Tourism and Alberta Recreation and Parks shared many common goals. In bringing together these two departments as a single portfolio, we'll be able to build on the common aspects of those mandates and, in doing so, strengthen our ability to carry them out. Furthermore, we will be able to build on the unique aspects of those mandates, because they are in fact complementary. The new Department of Tourism, Parks and Recreation is motivated by the need to stimulate the economy through investing in Alberta at the community level. Parks, recreation, and tourism are all significant contributors to the health of the Alberta economy.

[Mr. Deputy Speaker in the Chair]

One of our greatest tourism assets is the diverse natural habitat found throughout the province. Our parks professionals strive to conserve and preserve natural Alberta while at the same time working with the tourism professionals to market this major asset. A truly symbiotic relationship: each group benefits from the success of the other.

The recreation programs and facilities throughout Alberta are also a major tourism generator. Hosts of competitors, officials, fans flock to all corners of the province to take in events ranging from major amateur and professional competitions to locally organized hockey and softball tournaments, all part of tourism. By bringing Tourism together with Recreation and Parks, Mr. Speaker, the three mandates merge well into one, and I present that mandate to you now.

Bill 30 also repeals the two former Acts. The 15 sections of the Act give the new department the same power and authority as the two former Acts. I'm looking forward to any questions on the Act or the merger and to more discussion at Committee of the Whole.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. I just want to make a few comments on Bill 30, the Department of Tourism, Parks and Recreation Act. Certainly I support the concept of reducing the size of cabinet, reducing and streamlining the size of the bureaucracy by combining departments. The minister in his comments said that this was a perfect match between two departments; if you were going to combine departments, this is probably the best - I guess I'm reading his words a little bit - combination that could be made. Certainly there's no doubt that our parks are

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

really tourism destination spots, whether they're provincial parks or national parks or even, for that matter, municipal parks. I guess really what I'm saying is that they are tourism destination spots, and I think that certainly is an important point to be made.

Along that line, though – and I guess I'm going to put this forward as a question to the minister – I view a lot of our museums, as well, as really a tourism destination spot. They are to attract Albertans as tourists within their own province – and the minister knows that this is the largest tourist population we have within the province – and also to attract tourists from other sectors: from other provinces, from other states, and, of course, international destinations. Probably the best known museum we have in the province, of course, is the Tyrrell museum in the constituency of Drumheller, a world-famous spot. I've been there on a number of occasions, and certainly its educational, scientific value is beyond question. But I think that really this is something that falls under a similar kind of a concept as the parks, from the point of view that operating museums I would think requires much the same kind of bureaucracy as it takes to operate parks. I'm wondering if the government has considered amalgamating, at least from the department of culture, that portion including the museums and the operation of museums under this also. It seems that there is some real overlap there and some streamlining that could occur. So I'm putting forward this as a suggestion to the minister and, I guess, indirectly to the Premier, that this is something that should be considered in the future because that might be somewhere where some efficiencies of scale can be realized.

Looking at the Bill, the minister I think said that this new piece of legislation, Bill 30, that we have before us does preserve the powers of the previous Bills that are being repealed once this one comes into force. I do have a couple of concerns that I want to relay, and perhaps the minister in his closing comments can make some reference to them. I note, for example, there's a section here where the minister can establish boards and then pay wages as the minister prescribes. Now, my concern is not that people are going to be paid wages. My concern is that we have a large government bureaucracy, and salaries, remunerations, and benefits have all been set for a variety of boards and so on, yet this particular piece of legislation allows a considerable ministerial latitude. Now, I understand the minister does need some latitude, but I'm wondering why that particular portion in here says that the minister can prescribe pretty well at his discretion without having to follow some kind of previous guidelines. I know that those tables are in there. So I'm a little bit concerned about that, Mr. Speaker, and just raise that question with the minister. Providing a method of ensuring people get a reasonable rate of pay is certainly appropriate, but I think an objective means of achieving that rather than an arbitrary means would be more appropriate.

3:50

[Mr. Speaker in the Chair]

Similarly, Mr. Speaker, there are a few references in here with respect to other means of disbursing of moneys. The minister when he introduced the Bill did say that it was a money Bill and the Lieutenant Governor had been apprised of the contents of the Bill, but there are sections that refer to both grants and guarantees. There have been some excellent programs. I think the Team Tourism program, for example, is an excellent program sponsored by the Department of Tourism, but there are mentions of guarantees, indemnities, and there are also mentions of grants.

Mr. Speaker, we've seen too many cases, I think, which I won't bother to list, where grants have been given or loans have been made and things have turned sour. I'm a little bit concerned

about the Bill allowing quite a bit of discretion to the minister to provide financial aid in a variety of different fashions. Now, they are in most cases, it seems, covered by the phrase "the Lieutenant Governor in Council may," and then it says how these things can be applied, but it still does allow for quite a degree of latitude on behalf of the minister to introduce these new financial instruments. I'm simply voicing a concern here given the problems that we have had in the past. I would hate to think that even though these may be powers that existed before, we may see a move towards an increased grant program or guarantee program or indemnity or what have you.

Finally, Mr. Speaker, the last comment that I would like to make deals with a couple of sections that relate to property in this particular piece of legislation. I understand that a minister responsible for parks has to be able to have some control over those lands for which he is the administrator, but as I read through this again, I have a few concerns that deal with the way the Bill is set up. It seems like the minister can purchase lands and sell lands with relative ease, and while I'm all for purchasing lands to be preserved in a provincial park or to preserve a unique wildlife area, I'm a little concerned that it seems like the latitude is so broad in this particular piece of legislation that it would allow the minister almost in a sense – and I'm not saying this might happen, but it seems the Bill would allow it – to become a speculator in land dealings. I certainly would hate to see any minister put in a position where that would be the case.

So generally speaking, Mr. Speaker, we support the reduction of the size of cabinet by one minister. I think that those kinds of efficiencies need to be realized on a more broad basis. I think there are a number of pieces of legislation like this one that we would like to see entering this Legislature which amalgamate two or perhaps even three departments or perhaps pieces of different departments where appropriate, and I've made a representation to the minister with at least a piece of the Department of Culture and Multiculturalism that might be considered for future amalgamation, but I think there are a number of concerns in here that perhaps need some clarification.

Thank you, Mr. Speaker.

MR. SPEAKER: Vegreville.

MR. FOX: Thank you, Mr. Speaker. I'd like to make some comments in second reading on Bill 30 talking about the principle of the amalgamation of the departments of Tourism and Recreation and Parks. I think it makes a lot of sense when you think of the mandate of both departments, the attempts that both departments were making not only to encourage people to come and visit Alberta but for the efforts they made to try and encourage Albertans to travel within the province to enjoy what we have to offer, to stimulate the economy at the local level, and to develop the industry generally referred to as tourism. There are a lot of overlapping areas of jurisdiction between the departments of Tourism and Recreation and Parks, and certainly amalgamating them makes a lot of sense.

I'm surprised that it took the government so long to come to that conclusion, but I consider it a small step in the right direction that we are seeing some downsizing of cabinet. Admittedly, it did take the defection of a particular minister from cabinet to kind of stimulate this decision on the part of the Premier, who seems to be very reluctant to come to grips with the question of the size of his cabinet. He seems to want to maintain what is, I believe, the second largest cabinet in all Canadian Legislatures, with no apparent good reason. Certainly the Leader of the Opposition has on a number of occasions in this Assembly and outside made very

eloquent arguments to the Premier and to the government about why they should downsize cabinet.

What sort of message does it send to Albertans if we are trying to preach restraint in this Legislature yet we don't exercise it ourselves? If we're going to amalgamate departments, eliminate some positions at the deputy minister level to facilitate that, if we're going to be trying to get Albertans to come to grips with the enormous fiscal problems that confront us in the province of Alberta, we have to be prepared to demonstrate some leadership. I'm disappointed that the government hasn't responded to these arguments, hasn't responded to the public pressure, because it's enormous. I know that all hon. members as they relate to their constituents and talk to Albertans are exposed to the same kinds of pressures: reduce cabinet; get rid of some of them; downsize; set a good example at the top.

You know, this is almost to be seen as a token gesture on the part of this government. We still have in excess of 25 cabinet ministers. We've squeezed two fairly small departments with relatively small budgets into one department. I'm sure they'll work well together, the staff of those two departments and all of that, but I think we need to see a lot more of it from this government. I'd like to know, for example, what effort this minister's making in cabinet to argue for more downsizing. What other departments might fit? Is there any opportunity to amalgamate other departments in the government? We believe that there are many opportunities. We propose I think a lean example for cabinet to follow where we could have 16 cabinet ministers capably administer the business of the province and save the taxpayers all of the extra expense of funding the offices and salaries of nine or 10 extra cabinet ministers. The purpose of cabinet is not to provide employment or income opportunities for elected members; it's to provide for the efficient, responsible administration of the public trust.

So to the extent that Bill 30 is a step in the right direction and an example of what other departments should be doing, what this government should be doing, and what kind of action this government should be taking, I support it. Perhaps the Treasurer would have a chance to comment in debate on this Bill about what he's recommending to the government about other opportunities for amalgamating departments and downsizing them.

MR. JOHNSTON: We're going to vote to amalgamate the opposition parties or your research money.

MR. FOX: Now the Treasurer proposes a coalition. That begs debate, Mr. Speaker. I don't want to get into it.

I, too, want to express some concern about the latitude that the minister would have with the passage of this Act for acquisition and disposition of property. We all recognize that the Department of Recreation and Parks has land under its jurisdiction and mandate. That's part of the Department of Recreation and Parks, to look after recreation areas and parks around the province, but we've seen an increasing and I think in many ways a negative trend towards privatization of this public resource. We've seen the government introduce all kinds of punitive user fees on these public resources, to the extent, I believe, that it discourages people from traveling the province and enjoying what we've got to offer. We've seen cases where they've privatized the management of some facilities, and many believe that the impact of that has been negative in terms of the quality of service provided in terms of the maintenance of the facility and in terms of the cost to the taxpayer.

I don't think it can be demonstrated – maybe the minister would address this – that there are in the big picture savings garnered by

taxpayers through these privatization initiatives. I think they lower the cost on one hand and increase it on the other because we're subject to some other hidden costs here. I worry that through this amalgamation and some change or extension of legislative mandate the minister might be in a position to start selling off or giving away or in some other way disposing of parks and recreation areas. That may not be his idea. I'm sure he wouldn't stand for that sort of thing. We're passing an Act here that's going to be in place and the blueprint for the department and for the minister in the future, and it may well be that this minister won't be the Minister of Tourism, Parks and Recreation for, you know, the next 10 or 15 years. That responsibility may be given to somebody else, certainly to someone on this side of the House in this party after the next election, so we want to make sure that these laws are carefully crafted so that they do in fact do exactly what the people of Alberta want them to do; that is, manage the public resources in a responsible and prudent way to the benefit of most of the people in the province.

The minister will have a chance to comment, I'm sure, on these and other issues that have been raised.

4:00

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

MR. MITCHELL: Thank you, Mr. Speaker. I would like to address the implication of this Bill to the extent that it raises the issue of consolidating departments. One, it is a far cry from what is required. The government has been reticent to amalgamate and reduce the number of departments, but interestingly enough there's a contradiction in what the government is saying.

The Premier was very, very quick to announce as a result of his Toward 2000 conference that he was going to use that mechanism as a way of listening to Albertans, of finding out what they felt should be done about the economy and about fiscal management in this government, and then he would respond accordingly. Well, one of the recommendations that came out of the Toward 2000 conference was that the number of cabinet positions, the number of departments, should be reduced. My question to the Treasurer therefore is: given that this does not represent a reaction to the Toward 2000 conference recommendation in that regard because this Bill was tabled before that conference, is the government considering responding to the Toward 2000 conference as they said they would, as the Premier himself said he would, by reducing the number of departments beyond the reduction of the one department that is represented by this Bill?

MR. SPEAKER: The minister might care to comment generally, but it's certainly not the place to be asking the Treasurer that question.

Calgary-Mountain View.

MR. MITCHELL: Could you tell us one place where . . .

MR. SPEAKER: Order please. Order.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I'm pleased to enter into debate on some of the principles of Bill 30 this afternoon, and I'd like to echo some of the comments that have been made by my colleagues on this side of the House. Given that this government is racking up a \$4 billion deficit in this year, this current year that we're in, it seems to me a baby step that this government is taking to consolidate these two departments.

I mean, all we have to do is look at Saskatchewan, our sister province next door. The action taken by that government on

assuming power recently was to reduce their cabinet down to 11 ministers in total. Having brought in the first deficit budget that a CCF or NDP government has ever brought in in that province in 32 budgets, their deficit is only \$517 million this year compared to the \$4 billion that this Provincial Treasurer is racking up. That's eight times their deficit. It seems to me that they should be moving far more vigorously to reduce at the top and consolidate some of these departments. I certainly would support that principle, Mr. Speaker, of consolidation. I would wish that they would go much further than they're going with this Bill.

I guess the question is: do parks and recreation fit with the Department of Tourism? I think an argument can well be made that they do, but I think also one has to raise a couple of concerns at this point about whether, depending on the philosophy within the Department of Tourism, it's as comfortable a fit as it ought to be. It seems to me that we've got two policy considerations here. Given both recreation and parks, there are almost some conflicting objectives that we sometimes have for these sorts of activities. On one hand, we want our parks to set aside land to preserve for future generations. That is, it serves a particular purpose of ensuring that development does not occur, thereby destroying something of a wildlife character, of a wilderness character, of a natural character that we want to pass on to our future generations. That's one objective.

The other objective, of course, is to exploit the resource for economic development and for income. That's where the role of tourism and recreation comes in, Mr. Speaker, in using those activities to attract visitors to our province, to attract economic activity, to get people to spend money, to leave it with us here before they move on. Well, that's a worthy objective too. We just have to make sure that in the pursuit of the economic development we don't destroy the very thing that attracts people to our parks in the first place. It seems to me that certainly the recreation function fits very nicely into tourism. The fit of parks, as preserving and conserving land for the future generations, doesn't fit nearly so comfortably, depending on what the attitude within the department is towards parks.

So it's within this context, Mr. Speaker, that I'm looking at a couple of sections in the Act, sections 12 and 13. Section 12 has to do with the acquisition of property, and I see that that's more or less a carryover from what's currently in the Department of Tourism legislation, although I do find it curious that the Minister of Tourism can acquire property but then it has to be turned over to the Minister of Forestry, Lands and Wildlife. I'm not entirely clear on why it isn't all given over to the Minister of Forestry, Lands and Wildlife in the first place, but that's something the minister may wish to explain. It's in the current legislation.

What concerns me in particular, Mr. Speaker, is the question of the disposition of land. I see this as particularly important for two reasons: because it seems to conflict, in my view, with what has traditionally been seen as the role we want our provincial parks to play, and as far as I can tell, this is a brand-new power. I don't see it currently existing in the Department of Recreation and Parks' legislation, and I don't see it in the current Department of Tourism legislation. So it seems to me that in the process of creating a new department, there's also a new power created. I wonder about that, and I'm concerned about what might be behind it. If we want our parks to be preserved and conserved for future generations, why are we considering disposing of them? The only reason I can think of for including a power like this is that this government is considering creating private property and selling off land within our provincial parks to achieve an economic development objective.

Now, I don't know whether that is the intent or whether that's the power that is in fact being created here. If it is, I have some understanding of why they might be considering it, but I wonder if this is really what the minister has in mind. For example, currently in some of our provincial parks there are leases that are made available, and I guess the example that comes to mind are the leases in the community of Elkwater in Cypress Hills. Does this mean that those leases can now be converted to private property which the provincial minister could then dispose of either by sale or by tender? I don't know whether that's the intent or not. There may be some valid policy reasons for considering that, given the history of leases in Cypress Hills. Then the whole question about creating new subdivisions, creating lots, and in fact building communities within our provincial parks and selling those lands: is that what's contemplated here?

4:10

I know that we've had some speculation recently about what might be done to boost revenues out at that ski hill at Nakiska, Mr. Speaker. One of the proposals that has been circulating or has had some discussion is whether at some point the provincial government might approve the building of condominiums or residences at the base of Mount Allan as a way of drawing more skiers, as a way of promoting that ski hill. Now, to this point in time that policy question has clearly been decided by the answer no, that's never been a policy consideration. But if under this legislation the cabinet can make regulations to authorize the minister to dispose of lands – these lands are, so far as I can tell, under the management and responsibility of this minister – does that now give cabinet the option to sell land down the road? It may be, again, a valid pursuit, but we've never had any public debate about that kind of policy for our provincial parks.

Does it mean that the cabinet could sell the ski hill itself? What about creating lots and subdividing out the Lodge at Kananaskis and the other properties that exist at Ribbon Creek in our provincial park out in Kananaskis? Does the minister propose creating parcels and selling those lands or somehow disposing of those to the people that currently have a lease? If so, is there going to be any recovery of the moneys that have been invested in those properties in the building of the infrastructure that helped create them in the first place?

These are all questions that certainly are raised in my mind in reading this Bill and seeing that a brand-new power is being created that didn't exist before. I just have questions about that, and I certainly would hope that the minister in closing debate could put my mind to rest in terms of clarifying what's implied in section 13. Otherwise, of course, we could get into it in a little more detail as the Bill goes through committee and further on. I think it's an important policy question, as to what is the long-term intention for our provincial parks in this province. Do we see them as being primarily an opportunity to preserve wildlife and natural areas for future generations? Or do we see them primarily as opportunities to create economic development, to build infrastructure, to create building and new development, drawing people into those parks, and to create a tourism infrastructure in the private sector as the chief engine of growth and of diversification? Is that really where this government sees the emphasis being placed in terms of the future of our parks?

Those are two quite different objectives, and section 13 leads me to believe that this government has opted towards the second and is leaving behind the notion that parks should be left as natural areas as a primary, overriding objective. Now, I think the challenge is to ensure that the kind of economic development we have where we make use of our parks for tourism opportunities

– those two can coexist, but it has to be done very carefully. I, quite frankly, would say that I have concerns about the Crown giving up its jurisdiction by creating parcels of land, creating private property which can be disposed of to private individuals, and by doing so, then losing a lot of that control in terms of development. So I'm quite concerned about what might be behind it and what powers are being granted to cabinet here, and I'd like the minister to put my mind at rest if I am misreading this particular section.

Thank you, Mr. Speaker.

MR. SPEAKER: The minister in summation.

MR. SPARROW: Mr. Speaker, this is a good opportunity to put some fears to rest. Primarily, all of the sections of the Act are in the previous Act, including section 13 that the member just discussed.

With reference to all four members looking at this as being a good example of the downsizing of cabinet, I can assure you that the extra workload that a minister takes on by amalgamation of two portfolios does put a lot more of the decision-making and the policy-making for smaller programs back into the bureaucracy. There's a good philosophy that is loud and clear: that we in this room should be making the policy and our staff should be executing that policy. So the downsizing in this case has been a good one. It's a natural marriage, and I'm looking forward to the completion of amalgamation and the downsizing.

The question that the Member for Calgary-North West had with reference to the department of culture and museums. We work very, very well with the Department of Culture and Multiculturalism. A good example of that teamwork is the Dinoventure project we did in Tokyo the year before last, whereby we had some 1.2 million Japanese go through an exhibition over a 60-day period, which was a joint-venture operation between culture and tourism and some 20 private-sector proponents, including three major Japanese private-sector proponents who spent most of the funds that created it. That event was the biggest outside the dominion of Canada that any province or government had ever done or undertaken. It's that type of co-operation that we still get with Culture and Multiculturalism, and I can assure you that the minister and our department work very well together. There is more we're going to do, especially in the marketing area now that we have reorganized the marketing divisions. So it is natural, where they are now.

As far as the other concerns about the other sections, you mentioned the use of guarantees, the use of grants. Under section 8(1) we do have the right to make grants. Recreation and Parks has been doing that for years. The CRC program is one such program that needs that type of power under section 8(1). Only a few times in the history of Tourism have we used section 8(1) as a tool. To me the use of guarantees is a better form than grants and/or soft loans. So there is that opportunity, and it isn't intended to be used without the approval of cabinet and/or the Treasurer, as the regulations state.

I can assure the member that 13(1), disposition of land, I am told is the same as it was in the previous powers we had under the previous Acts. We do have numerous properties throughout the province, both in our parks and in our recreation areas, where we lease land to individuals, lots like you mentioned in Elkwater and other parks and recreation areas, where we do lease specific lands to the private sector. That has been a traditional way of using section 13(1), disposition of land, to use it by way of lease, but it does give us the right of sale, which is very logical. The province of Alberta is very fortunate to have the Crown own over 65

percent of the lands in Alberta. The one thing about it is that if you don't put lands into the private sector by way of disposition through lease or through sale, you don't have that right of taxation to keep on generating that revenue.

4:20

I just recently came back from Germany, Mr. Speaker, from a trip to ITB, the biggest tourism show in the world. I spent some time in east Germany, in the former people's republic of Germany, which had set up a total land acquisition where the Crown owned everything. To show you what's happening over there: I went in to see the Crown corporation that was in charge of disposition of companies, and they had 13,600 companies that were for distribution after the amalgamation with West Germany. They had already disposed of and privatized 6,000 companies, and they had two other Crown corporations. As fast as they could find the previous owners of farmlands, they were transferring them back to the farmers. The same with all the other real estate that was in the country. For housing, they had a whole Crown corporation and a building full of people busily trying to put the ownership back into private-sector hands in order that they could get on with life and the change. So I don't suggest for a moment that we should duplicate or give the opportunity of being considered as the people's republic of Alberta, because I've seen the other side.

With those comments, I would just like to move second reading of Bill 30.

[Motion carried; Bill 30 read a second time]

Bill 32 Appropriation Act, 1992

MR. JOHNSTON: Mr. Speaker, I'm pleased to be able to move Bill 32, the Appropriation Act, 1992, which provides dollars for the General Revenue Fund of the province.

Mr. Speaker, we've gone through a long debate on the estimates, a debate which has allowed all ministers to have an opportunity to explain fully on a line-by-line basis, in a detailed examination, and after thorough questioning, I think a good opportunity for the ministers to defend their requests for money.

Let's remember, Mr. Speaker, that this is only one part of the budget. The budget has also been debated under the general resolution which approves the financial position of the government. In that resolution some debate has also taken place. This Bill simply puts into legislation the appropriation for the dollars required by all departments over the course of the fiscal year ending March 31, '93. It's a lot of money, no question about it: nearly \$12 billion directed to very important programs. In particular, our priority over the past five years has been to focus on health and education and, to some extent, on the other social programs. We have done that by curtailing our total expenditures in other departments, so we have been able to free up money within some departments for retransfer, refocus into the area of those that I just mentioned.

At the same time, Mr. Speaker, our total expenditures have been maintained well below the levels of other governments. In fact, it is safe to say that we will match our expenditure record with any government in Canada in terms of our program expenditures. But that's not enough for us, and as I've indicated before, I'll be introducing legislation very soon which will also put in place spending controls on our program expenditure over the next three years, guiding us at the 2 and a half percent level this year and reducing to 2 percent in '94-95.

Mr. Speaker, flexibility in government is now becoming more difficult. I think there's a point where the taxpayers look at the amount of taxes they pay and quite clearly come to the conclusion in their mind that it's simpler for governments to reduce spending or at least control spending than to increase taxes. We have listened to that point of view and have done our control on the expenditure side as I've indicated.

However, the flexibility starts to reduce. One example is in the area of health care costs. The Minister of Health and myself will be attending a national conference this week where this issue will be addressed by all governments across Canada, attempting to deal with the ways in which governments have limited the expenditures on health care. I think all governments will learn from the Minister of Health's examples with respect to here in Alberta, and this plan – the plan to provide measurements for the output, in particular, on government services, a plan which allows us to debate fully and openly with Albertans how we intend to proceed in the future on some of these programs, and still further, a clear eye on what it is that the people of Alberta want in their client-based response, what it is we as Albertans can afford to receive – has to be, I think, part of this discussion. This willingness to shoulder responsibility for this general commitment for the future must be on our minds at all times, and when you spend the kind of money we do right now, we have to look at all possible ways to rethink the way in which government operates. Clearly, that's part of our mandate as well.

Inside the budget, Mr. Speaker, the flexibility of governments is starting to be limited, as I've said. Right now salaries in this budget account for about 12 percent of the overall expenditures and grants. If you took all the grants to all individuals, including municipalities, school boards, universities, et cetera, together with individuals, you'd find that grants constitute another 74 percent of our total expenditures. So you can see quite clearly that between wages and grants, in fact we have very little opportunity ourselves under the current economic regime to generate new programs or to enhance new programs; quite the contrary. In fact, our major grants this year will constitute some 43 percent of our total budget.

Mr. Speaker, to summarize, let me say that this expenditure plan, this expenditure Bill, does three things. First of all, it makes a record of the special warrants which we have passed up to March 31, '92. I've indicated already that all special warrants in the future will come back to this Legislative Assembly because we have very little flexibility internally in our own budget position. Therefore, this fall if there's need for special warrants, they'll be dealt with here and debated here, and ministers will have an opportunity to defend their position. I would hope the opposition members see this as an opportunity to participate in solutions for spending money as opposed to simply criticizing the government for taking the initiative on the special warrant side.

Secondly, this Bill, Mr. Speaker, puts in place the interim supply Bill which we passed sometime in April. That interim supply Bill provided for some \$4 billion in spending, and of course that \$4 billion, as I said last year, will be rolled into the general estimates that this Bill supports.

Then finally, Mr. Speaker, here we have nearly \$12 billion in spending for all the departments of government on the program expenditure side. We think we have met our commitments to Albertans in terms of services. We think we've met our commitments to Albertans in terms of managing our resources wisely on the program side. Still further, we're now in the process, as we've indicated, of improving still further the way in which we deliver programs.

Mr. Speaker, I urge members to support this Bill, and in doing so, I move second reading of Bill 32.

MR. SPEAKER: Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. As the Provincial Treasurer points out, these votes have been the subject of specific debate as we've gone through department by department over the last five or six weeks, and it follows, of course, on his budget speech earlier this year in which he lays out sort of the general direction this government is going.

You know, all along he tells us that it's going to be a \$2.3 billion deficit. As part of that entire process, we go through all the departments' spending, and then bang, he hits us with an increase of \$4 billion in the debt ceiling. Now, I know that we're going to get to talk about that specific Bill later on, but it just underscores, Mr. Speaker, a government that's out of control, a government whose whole process is all over with, based on certain assumptions, and then at the eleventh hour he walks in with a Bill that bears no relationship to anything that went before.

4:30

What we have here is a government and legislation and a budget that have absolutely no credibility. You know, the Provincial Treasurer talks about being the best in Canada. At one time that was true. Yes, of course, before he got a hold of the till, one could argue that there was lots of money rolling in, so much that they didn't know what to do with it, but since this minister's gotten control, what's happened? You know, we've got a credit rating that's dropping as fast as the government's popularity. It's now double A something, minus. Who knows? You can't keep up with it. Now the best in Canada in terms of our debt rating is the province to the west of us, British Columbia, and if we have another \$4 billion debt on top of it at the end of this year, we'll be down in the bottom with Newfoundland. That's where this government is taking us, and he brags about being the best in Canada. At one time he could have held his head high when he said that, but it's no longer true.

He talks about spending controls, Mr. Speaker. He doesn't talk about the ad hoc decisions that are made out of the minister of economic development's office. He doesn't talk about the ad hoc decisions that come out of the Premier's office. He doesn't talk about the ad hoc decisions that come out of telephones and telecommunications over there. These decisions are the ones that are driving us so deeply into debt. It's ironic, you know, what he does before he brings in a Bill on financial spending control. He comes to the Legislature asking for an increase of \$4 billion in the province's debt ceiling, but it doesn't tackle the problem with this government, and that is that this year alone the cost of these financial fiascos is going to reach close to a billion dollars.

NovAtel: we've already gotten what the government has admitted to publicly. That's \$566 million. The problems at MagCan are well over a hundred million dollars; we've got a plant sitting out there at \$103 million in principal and two years of accrued interest on that one. Then there are the deals with Peter Pocklington. Then there's a write-down of the takeover of North West Trust through the holding company that the Provincial Treasurer has set up. Then of course there are Northern Steel and GSR and all the other businesses that this government has backed. Of course, finally he's got to do something about the losses at Alberta Mortgage and Housing Corporation. That's probably going to be a hundred million dollars or more this year. Add it all up, Mr. Speaker, and you're approaching a billion dollars on something that's totally outside of the appropriations in a sense, because they're all ad hoc. Depending on how they felt the day they woke up, depending on how well they were lobbied by some friend about a loan guarantee, they make all these commitments,

and now he's standing up here talking about spending controls. This is a government that doesn't know anything about spending controls. It doesn't know anything about fiscal management.

Mr. Speaker, in the last provincial election – that was only a few years ago, in 1989 – our Premier was running around the province making all kinds of commitments about balancing the budget, having a fiscal plan that would see the budget balanced within two years. It's interesting that earlier today the Provincial Treasurer didn't want to talk about anything to do with two years. Now it's five, it's six, it's seven years that they'll eventually get around to dealing with the province's fiscal difficulties. Well, I'd remind the Provincial Treasurer that at the time of the last provincial election the debt ceiling for this province was at 7 and a half billion dollars. It's been increased like clockwork each and every year since that time: \$9.5 billion, \$11.5 billion, 13 and a half billion dollars, and now the breathtaking increase – unbelievable, Mr. Speaker – of \$4 billion this year. That's a \$10 billion increase since the election was held in 1989. He wants to talk about having a budget under control. That is not any kind of a budget under any kind of control. He talked about their mandate. Tell me another one, Mr. Speaker. He never got a mandate to so mismanage the province's fiscal affairs as that.

It's a government that doesn't have any credibility on this budget or any other budget. There's no direction. There's no leadership. They're bankrupt of ideas, and they're bankrupt of money at the same time. You know, every year that the Provincial Treasurer comes in with his appropriation Acts, he talks about fiscal restraint and having the best fiscal management in Alberta, yet our debt is increasing faster than any other province's with perhaps the exception of the have-not province of Newfoundland. I don't know, but this is not a government that knows how to handle the financial affairs of this province.

They also have wrong priorities, Mr. Speaker. You know, when you've got a group of people walking in the door and saying, "Help us out with our company; we need a loan guarantee; we need a loan; we need grants," those are the people that get money. Meanwhile, despite all this spending we've got students in Alberta who are being denied further education because they can't get into a postsecondary institution in this province. The reason they can't get into it is because this government decided that it was more important to give a blank cheque to some rural telephone company in half a dozen states in the United States. That was more important to them than looking after the needs of our young people who are graduating from high school this year and wanting to get into a postsecondary institution in Alberta. They can't, because all the money disappeared. Now the Provincial Treasurer is going to talk about spending controls to institutionalize this lack of accessibility to our postsecondary educational institutions.

We've got waiting lists for all kinds of needs in our hospitals in our health care system, but people are being turned away and denied health care services because the money disappeared into some magnesium promoter's back pocket somewhere down in Texas or someplace else. It came in and sold this government on a good line. Now they own a disused magnesium plant near High River. The money has disappeared, the plant is sitting empty, and we've got people who can't access our health care system because we don't have enough money to provide it.

Mr. Speaker, we have a government that has all of the wrong priorities, that benefits its friends, and ordinary Albertans end up footing the Bill. All of that is not acknowledged in Appropriation Act, 1992, in front of us. It simply postpones to another day and to another year the difficulties that this government has created with its poorly thought out and incompetent management.

4:40

On any score that you want to judge Bill 32, the Appropriation Act, 1992, Mr. Speaker, it's a government that has no idea of where it's going. It has no idea of how badly they are hurting our fiscal situation, a government that has no idea of where the money went, has no idea of how to develop an economy that produces meaningful jobs over the long term for our young people and for all Albertans. We have a government that pretends that they're stimulating the economy with this budget, yet at the same time our unemployment is amongst the highest that it's ever been. There's nothing in this budget, in my view, that's going to really stimulate the economy and create the jobs that need to be created to get people off unemployment, nor is there anything in this Bill that's going to deal with the deficit that this Provincial Treasurer has created.

I don't care by what measure you want to come up with, Mr. Speaker, this budget is a failure, whether it be in spending control, whether it be our credit rating, whether it be addressing the needs of the unemployed, whether it be addressing the needs of our young people or our senior citizens or the people who are waiting in lines at our food banks or waiting to get medical treatment. I don't care how you cut it, whether it be the needs of ordinary Albertans, whether you talk about it in tax fairness, whether you talk about fiscal restraint, whether you talk about cutting at the top or anything. I don't care what criteria you want to establish, Bill 32 does not meet any criteria of success. It fails on any count you want to establish. It's just a long litany that this Provincial Treasurer and this government have given to this province and to our people. It just continues a lack of control, a lack of anything in terms of dealing with the fiscal and economic realities of this province. It just follows along on a long litany that we've been getting year after year after year from this government.

It's about time for this lack of leadership, this lack of direction to come to a halt. Let's get on with providing a budget that meets the needs of ordinary Albertans, that builds this economy for the long term, that creates fairness for all Albertans, that brings us back to fiscal and financial health. That's what we need from this government, but they're so wedded to the past that they're unable to make the decisions that really need to be made – not to cut services to ordinary people, which is what the Provincial Treasurer wants to do when he talks about spending controls, not to make the ordinary people of this province pay for their mismanagement. That's not what we need, Mr. Speaker. We need a government that's prepared to cut out the special deals, to cut out the misguided economic policies, to cut out the ad hoc decision-making that's ruined us financially and created such a big problem fiscally for us. That's the direction that we need to take, but because of it being wedded to the past, this government is incapable of taking the decisions that must be taken. Bill 32 is simply one more example of that, Mr. Speaker.

MR. SPEAKER: Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I am very distressed by this Treasurer's budget. I am very distressed by the Bill that he has presented to legitimize this budget. I am very distressed by his budget speech, and I am very distressed by what I heard from this Treasurer and perhaps even more by what I didn't hear from this Treasurer today.

The facts of the matter are, Mr. Speaker, that under the direction of this particular Treasurer we have experienced seven consecutive deficits. If you accept his own projections of a 6 percent revenue increase to government – I don't know how he supports

that particular projection – and you accept his idea of an expenditure cap of I think 2 and a half percent this year and declining caps over the next three or four years, remembering that those caps of course exclude another expenditure which he simply denies is his responsibility, which is interest charges, we have been promised by this Treasurer another four consecutive deficit budgets. That would in total mean 11 deficit budgets: seven that we have already, four that we can expect. I call it the 7, 11 factor, Mr. Speaker, and it typifies, it characterizes the reign – I should call it the regime – of this particular Treasurer.

If this party were still in government in 1996 or 1997 – that, of course, won't occur – it would mean that over the 26 years that this province would have been governed by this party, 11 of those budget years would have been deficit budget years. That is, 43 percent of the time that this particular government has been in power would have been deficit budgets, and it would be 100 percent of the time during which this Treasurer is Treasurer – unless the Treasurer resigns between now and 1997 or has been fired. [interjection] I know; who would they replace him with? One hundred percent of the time this Treasurer has provided this province with nothing less than deficit budgets. That is quite a legacy. That is quite an achievement. That is something these members across the way must admire in their Treasurer every day when they get to debate it behind closed doors in caucus.

We have seen the Treasurer take us from an \$8.6 billion net asset position to a \$4 billion net liability position as of this year. We have seen the Treasurer take us from no debt to \$25 billion of debt, if you accept Moody's objective evaluation. If you want to be somewhat generous to the Treasurer, you could say: okay, there are sources of revenue other than just provincial sources of revenue, such as municipal taxes against which municipal debt would be financed, could be guaranteed. But that would bring, I think, the total debt, which is the Treasurer's real responsibility, to about \$22 billion.

What is perhaps particularly disconcerting is that the Treasurer refuses to accept responsibility for the total deficit each year that he has created. He in turn refuses to acknowledge his responsibility for the total debt which is his responsibility. The fact is, Mr. Speaker, that in answer to my question several weeks ago about what is the total debt and deficit, he said: well, the General Revenue Fund deficit is \$2.3 billion this year. That's interesting. Everybody knows that. What about the Capital Fund deficit? What about the debts, the potential losses on a variety of government-sponsored, government-run Crown corporations? Why is it that the Treasurer continues to argue aggressively that he is only responsible for General Revenue Fund debt? He isn't, and unless he takes responsibility for the entire mess that he and this government have created, how can anybody have any confidence whatsoever in his ability to manage our way out of it? I want to see him acknowledge what the level of problem is. Unless and until he embraces that entire problem, there can be no hope, no possibility that he will ever be able to answer the questions that it raises.

Confronted with this level of fiscal difficulty, one would expect to have an aggressive plan. We've heard plans in the past, and each time they are very, very vague, and they have never been met: we're going to balance the budget by, I guess, this year. In fact, he said it was going to be \$33 million surplus. Didn't do it. It's very likely that the actually deficit for last year will be \$2 billion if you add in the NovAtel loss that somehow the Treasurer wants to dump into last year so he doesn't have to contend with it next spring, and if you add in the features of the consolidated deficit that the Treasurer simply denies exist, that would be \$2 billion.

There is no plan. Well, there are vague references to something that I suppose the Treasurer is trying to construe as a plan. In his own budget speech this seems to be the major thrust, Mr. Speaker. In his own budget speech on page 26 the Treasurer said, "We are determined to eliminate the deficit over the business cycle." That's an inspiring plan. Over which portion of the business cycle? How long is it going to take? When's it going to go up? Can he predicate that? Is it going to be one year? Is it going to be three years? Is it going to be five years? Is it going to be 7.6978264 years? When exactly is that business cycle going to come the Treasurer's way? He's going to solve the problem over the course of this mystical business cycle. Well, I'd like to know who can predict that mystical business cycle, because the Treasurer is banking an awful lot that he's going to be able to solve the deficit problem over the course of it, whatever it is.

4:50

So, if you can't define that – well, he tries to flesh out the solution a little bit. He says that revenue increases are going to be 6 percent – that's to government; he can't defend that – and he's going to cap expenditures beginning, I guess, this year or next year at 2.5 percent, and then it's going to roll down to 2 and a quarter and 2 and so on, I suppose. If you take those assumptions, Mr. Speaker, four years from now we'll still have a \$1.1 billion deficit and the debt will have increased in total by about \$7 billion or \$8 billion additional dollars.

Of course, he also says that's not enough, that somehow the only way we can balance the budget is to find \$275 million in cuts, but he's not prepared to do that. He's going to cap a portion of the expenditure. He's going to cap, I suppose, program expenditures. That's what he says, but of course there's this other thing called interest charges, which he's simply denying is his responsibility, and for every bit of effort he takes to cap program expenditures, the results, the consequences, whatever savings there may be will be eaten up instantaneously by increased interest carrying charges. This is the first year, Mr. Speaker, in which the earnings on the Heritage Savings Trust Fund will be less than the interest paid on the burgeoning provincial debt. Quite an achievement.

Mr. Speaker, the Treasurer offers in his budget speech: no problem; we're going to limit special warrants to 2 and a half percent. Now, this is where we get confused. Is he really limiting expenditures or is he merely limiting special warrants? The manner in which he's talking and the fact he said it explicitly suggest that he may only be limiting special warrants. Well, that is a very, very hollow promise, even if he were to deliver on it. All he is essentially saying is: I'm going to force myself to budget better, more accurately in the future. What that would force him to do, for example, is instead of doing what he's done over the last five or six years, which is to budget about half of what every year has been the expense for fire fighting, I guess he would simply budget double that amount because that's likely what's to occur because it's occurred the last five or six years. That's quite an offering of fiscal responsibility to the people of this province: "Wait a minute, Albertans, I'll tell you what I'm going to do. I'm going to budget better, but I'm going to make a big deal out of that, and I'm going to demonstrate to you somehow that I'm actually capping expenditures by putting a limit on special warrants." I mean, it's so hollow as to be ridiculous, and it certainly doesn't inspire any confidence in the ability of this Treasurer to manage our way out of the problems that he has in fact created.

NovAtel has arisen as an issue, as a disaster since the Treasurer presented this budget speech in 1992. What's very interesting is

that the Treasurer has been careful to distance himself from NovAtel. Originally I felt that perhaps that was because he was inclined not to want to be part of the fallout and take the criticism that would be directed at anybody who would be held in the least bit responsible for that kind of a problem. There is another possibility, and that possibility could be that in fact, Mr. Speaker, the Treasurer recommended against the \$525 million loan guarantee, that he in fact exercised a sense of prudent fiscal responsibility, recommended to his cabinet and his Premier not to go ahead with that \$525 billion loan guarantee that contributed so significantly in the last 15 months, believe it or not, to the magnitude of this NovAtel disaster.

Well, let's for a minute give the Treasurer the credit that in fact he had the good sense to recommend that and he was overruled by his cabinet colleagues, by the Premier, maybe even by his back bench. What does that say? That says that no matter what promises the Treasurer makes – that he's going to solve the budget deficit and debt problem over the business cycle, let's assume he could do that; that he's going to get 6 percent revenue increases and 2.5 percent expenditure caps; that he's going to limit special warrants – that assumes that he has the credibility, the influence, the presence within that cabinet to make it stick. Well, if he's distancing himself from NovAtel because he wants to say in so many words, "It isn't my fault; I recommended against it," and he was overruled and it happened, how can he stand up with credibility and say, "I am going to drive this government and this fiscal management regime of this province properly and effectively to balance the budget and get debt under control"? How can he say that? He couldn't stop a \$525 million loan guarantee 15 months ago to NovAtel. How can he ask these cabinet ministers around him, and the Premier, to back him to solve the fiscal problems of this government? He can't.

He can't have it both ways. Either he can distance himself from NovAtel because it wasn't his fault, and then, of course, he can't make any kind of fiscal responsibility plan stick, or he has to take responsibility for NovAtel because it was his fault. He can't have both those things. That's a new wrinkle, Mr. Speaker. That's a very disconcerting wrinkle, because either he has influence and he can do what he says he's going to do or he doesn't have influence and therefore he couldn't make the NovAtel disaster not be such a big disaster 15 months ago. Quite a dilemma.

The Treasurer stands up . . . [interjections] It must be getting to them, because they sort of liked that point. The Treasurer stands up and says . . . [interjections] Yeah, I know that. Yeah, absolutely. We've got to them.

The other argument that the Treasurer uses, of course, is revenue shock. We heard it again today. "Gee, it's not my fault; I had a revenue shock." Well, you know, we had a revenue shock in 1986. You can understand how that would affect the budgeting in the province because there was little way to anticipate that that might have occurred. Two years later, 1988, we had another revenue shock. Well, I guess we could acknowledge that the same mistake could be made twice. Now we have a third revenue shock. It's not a revenue shock. It's a revenue reality on the one hand, and on the other hand it's a revenue excuse. At some point the Treasurer has to come to grips with the fact that these aren't revenue shocks. This is a new revenue reality, and he has to deal with it. He cannot continue to say, "This isn't my fault; I'm not responsible for a good portion of the consolidated debt; I'm not responsible for NovAtel; I'm not responsible for revenue shocks." What is it, Mr. Speaker, that this Treasurer is in fact responsible for? He's taken responsibility for the business cycle somehow, because that's going to solve his problem. It doesn't add up. It doesn't make sense.

He's talking in his opening remarks about how he's making an effort, this government's making an effort to free up money. "I'm going to use it elsewhere more effectively." Let's look at intergovernmental affairs. They freed up \$800,000 by closing the Los Angeles office. Well, that was quite an achievement. It has to be congratulated, but it never reaches the bottom line. What happens, Mr. Speaker, is that every other office must go up about 15 to 20 percent, because we have a total increase in foreign office budgets of 4 percent. We freed up \$800,000 and some-odd. Where did they go? Well, we just went and spent them somewhere else on something equally frivolous and equally difficult to defend. I don't see any kind of credibility in this argument that we're going to free up extra money and somehow make it stick, if the Treasurer even has the influence within cabinet to argue that he in fact could free up money.

5:00

[Mr. Deputy Speaker in the Chair]

He's arguing that he's going to have this expenditure control Bill. As I mentioned earlier, the messages are very, very hazy. It's very, very difficult to know exactly what that expenditure control Bill would be. The initial indication would be, because he said it in his budget speech, that he's going to limit special warrants. As I've said, that's a hollow promise. It means absolutely nothing. All it is is him making the commitment to budget better. Surely when we pay him \$104,000 a year for budgeting, he should be able to do that effectively in the first place. That's why we're paying the Treasurer the big money.

The fact is that he may say he's going to cap expenditures – 2 and a half percent, 2 and a quarter, 2 percent and so on – but he's not going to cap all the expenditures, Mr. Speaker. He's just going to cap those expenditures that he chooses to cap, the ones that he feels he might have some chance, I suppose, of capping. He's not going to cap the other expenditures over which he seems to think that he has no control or he is reluctant to take any responsibility: the spiraling interest-carrying charges. I don't hold out much hope that this expenditure control Bill that he keeps talking about – that we haven't seen, that won't get passed, I'm sure, because he won't present it quickly enough in this session of the Legislature, at least until next fall. It won't amount to very much in any event.

I have been hard on the Treasurer in these comments, and the Treasurer I'm sure doesn't act alone. In fact, he is surrounded by a bevy of MLAs, backbenchers who must somehow agree with him to allow him to do what it is that he does. So I look across there and I say: is it Lacombe who agrees with the Treasurer? Is it Cypress-Redcliff? Is it Red Deer-North or -South? Is it Calgary-Bow? Is it Little Bow?

MR. McFARLAND: It's none of your business.

MR. MITCHELL: Yeah, I think it is. It is Albertans' business, I'll tell you. Is it Little Bow who agrees with him? Is it Little Bow who agrees with him, who was going to fight so hard when he got here?

Is it Clover Bar who agrees with him, or Cardston? I could go on. What I would like to see, Mr. Speaker – is it Redwater-Andrew, for example, who must agree with him . . .

AN HON. MEMBER: He stands on Principal, Grant.

MR. MITCHELL: I wonder why they didn't ask the Premier to appear before that inquiry. I wonder. I wonder what he knew. I wonder why they didn't demand that he appear.

The fact is, Mr. Speaker, that we would like to see Cypress-Redcliff – or I wish Calgary-McCall was back here, because I'm sure he loves this kind of fiscal responsibility. We'd like to see Calgary-McCall or we'd like to see Cypress-Redcliff or we'd like to see Lacombe stand up and tell us so it's on the record how they back this Treasurer's budget, how they endorse seven consecutive deficits – \$25 billion in debt – how they endorse another four promised deficits, how they endorse a plan to balance the budget over the course of the business cycle. I want to see Stan Nelson, right-wing, hard driving, tough managing . . .

MR. DEPUTY SPEAKER: Order please.

MR. MITCHELL: Sorry. I want to see Calgary-McCall, right-wing, hard driving, tough management kind of guy stand up and say: "You betcha, Mr. Speaker. We're backing this Treasurer all the way because we like \$25 billion in debt. It only took him seven years to do it. We like \$2.6 billion deficits this year, and we like \$2 billion deficits last year. We like the 7, 11 factor, Mr. Speaker." I want to see these guys stand up and start to say, "Yeah, we're responsible, too," because somebody's responsible for something over there. It is one disgusting mess, and we're not going to support this Bill.

Thank you.

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

MR. McEACHERN: Thank you, Mr. Speaker. We get a surprise call on Bill 32: very nice. The Treasurer says, of course, that we've got lots of time to discuss the estimates. Yes, as I recall, the estimates debate didn't last very long. We got our leader in and one spokesperson, and then we were shut down. Then we had to go department by department, so we've not had a lot of time to discuss this budget. It's not only this budget but last year's budget and the budget before, which all landed on us at the same time, within three days. We really have never had much of a chance to debate them in this House, so I'm delighted to have this opportunity to say a few things that I've had on my mind for some time.

The Bill before us is approving, of course, \$405 million in special warrants and approximately \$11.7 billion in general revenue expenditures. The Treasurer passes that off as the appropriation Bill for the province for his budget. What he conveniently forgets is that, of course, there are some Capital Fund expenditures and heritage trust fund expenditures, and a number of other expenditures that take place on a yearly basis that are never accounted for by the Treasurer in his budget speech but have to wait for the Auditor General a year or two years later.

Now, the Treasurer said when he started out that this government has kept increases on expenditures lower than anybody else. Well, he isn't totally wrong, but he only tells part of the picture. He's talking about his budgetary expenditure part. He conveniently forgets all these other things I just named, and let me just take a minute to enlighten some of you a little bit about those things. For example, if you were to turn to the Auditor General's annual statement, the last one we have, for March 31, 1991, and you turned to page 114, you would find that the Treasurer hasn't done nearly as well as he brags about. You would find that in 1988-89 the government expenditures were \$13.2 billion. That's not what the Treasurer told us, of course, and that's not the appropriation Bill we passed that year. That was the total expenditures of the province as decided by the Auditor General when he looked at all the books. That's the consolidated expenditures of the province.

The next year, '89-90, they were \$14.2 billion, an increase of a billion dollars, an increase of about 7 and a half percent. What

happened to his 2.3 percent on that year? Something went wrong, eh? Or are we only getting part of the story from the Treasurer? If you look at the next year, the last year for which these books apply, 1990-91, you'll find that the expenditures were \$15.2 billion, another increase of 7 percent. So in the last two years that we have hard numbers for, the increase in expenditures is something in the order of 15 percent over the two years, yet the Treasurer has the gall to put right into his booklet here that they've kept the expenditures of the province to a 2.3 percent increase per year over the time of their budgets. The figures are just not correct, Mr. Speaker.

In fact, if he wants to look at them another way, on a consolidated basis, which is the only fair way to look at budgets, the 1985-86 expenditures were \$12.6 billion. Five years later, the last figures for which we have actual numbers from the Auditor General, the expenditures on a consolidated basis were \$15.2 billion, the number I just read a minute ago out of the Auditor General's report. Now, over five years that means an increase of \$2.6 billion, and over a five-year period that's just barely under 5 percent. I know 5 into 2.6 goes .52 times. It's not my math that's the problem here. We're just allowing for interest done, instead of on a simple-interest basis, on a compound basis. So the growth in expenditures, then, would be somewhere around 4 and a half percent, probably, per year on average over those five years for which we have hard numbers.

What the Treasurer does is each year he brings this in a budget that is not correct, one that underestimates expenditures, and then he uses those figures, ignores all the other things that go into the consolidated picture, just looks at only his own expenditures in the budget part, forgetting that he's got a Capital Fund, forgetting that he's got a heritage fund. It's just an incredible sort of process this guy uses to doctor the books. This year he's actually going to take \$300 million from Alberta Municipal Financing Corporation figures and shift them over into the revenue side of the budget so that he can claim he's \$300 million better off than he was last year. Well, the Auditor General is going to just have to subtract that \$300 million out of the part that the Auditor General looks after when he's looking after the whole picture. It's just Tricky Dick economics. It's just a shell game. You just hide things and move things around and pretend that things are different than they are.

5:10

The Treasurer is now saying he's going to pass legislation to insist that expenditures only go up by 2.5 percent this year, 2.25 percent next year, and 2 percent the year after. I don't believe it for one minute. Even if he keeps his budget figure to that, he's got the special warrants over and above that, which he will have to use, and even if he tries to keep those under that figure, then it doesn't include the Capital Fund and the heritage fund and a whole host of other things that the Auditor General regularly keeps track of.

Let me give you an idea of some of them. Oh, for instance, the Alberta Municipal Financing Corporation: some \$530 million in expenditures. Now, there are some offsetting revenues, but not enough to cover it. Health care, the collection of premiums and the paying out of insurance expenses to doctors and other providers of health care: some \$500 million there. Utilities, \$150 million; the School Foundation Program Fund, \$175 million; lotteries, \$100 million; hail and crop insurance, \$100 million: there's a whole list. The farm credit stability program, \$75 million. The medical research foundation under the heritage trust fund, some \$30 million. The small business term assistance plan, some \$22 million. There's a whole raft of expenditures which raises the figure that the Treasurer always gives us and tries to

claim is the expenditure figure by around a billion and a half to \$2 billion every year. It's almost always \$2 billion higher than what he's talking about.

Now, you can do almost the same thing with revenues, because a lot of these things that I just explained also have their offsetting revenues in many cases, but not quite equal in some cases. What you end up with is the Treasurer saying our revenues will be \$11 billion, and actually they're a little more than that as a rule. In fact, whatever year you choose for the revenues, you can do almost the same thing I just did with the expenditure figures. The revenues of the province are somewhere around a billion to a billion and a half – not usually \$2 billion – more than the Treasurer shows in his budget, and that's because he didn't count the revenues that came in from the premiums for health care, for example, or some of the money that he gets back on the farm credit stability program or some of these other things that I just went through, that long list.

Mr. Speaker, the problem with the Treasurer is that he only deals with a fraction of the budget, something in the neighbourhood of 75 or 80 percent of the budget, and he leaves this other 20 percent for the Auditor General to account for later, and it's always a year to two years late. For instance, the last figures we have from the Auditor General are March 31, 1991, a year and some three or four months ago. It'll be the end of this year, at the rate this government goes, before we ever get the next update, so at one point we will be close to two years out of date for any hard figures. The Treasurer's figures are totally unreliable. I can indicate some of the unreliability by looking at the budget figures.

That covers quite a bit of the 1990-91 public accounts facts and figures, so I want to go on for a moment and talk a little bit about '91-92. Now, this was the budget that was supposed to be balanced. This is the one where the Treasurer said, "We balanced the budget, \$33 million surplus," and there was glory hallelujah in all the Conservative ranks for the weekend of their convention. However, any cursory look at it by anybody that had followed the books half as closely as I have in the last five years could immediately see that the Treasurer was exaggerating revenues considerably. He exaggerated oil and gas and lease revenues in the neighbourhood of \$600 million or \$700 million. He exaggerated revenues from corporations on taxes. He exaggerated revenues from the heritage trust fund.

I remember standing in this House and saying that the consolidated deficit – because you've already forgotten about the Capital Fund and the heritage fund and a number of other things that I've just talked about – for this year will be \$1 billion to 1 and a half billion dollars. Now, the Treasurer said, "Oh, what nonsense" and all this sort of thing. Our Treasury critic and our leader both said the same thing, because it was plain for most people to see. "Oh, no, it's a balanced budget." Here we are a year later, and he admits to a \$1.6 billion deficit on the budget side. That still doesn't include the Capital Fund, the heritage fund, and some of the other things. We can expect that because we had a worse year than even we anticipated – but it was not the disastrous year that the Treasurer tries to make out. He's trying to say that the shortfall was all due to a collapse in the oil industry. Nonsense. A large, large part of it was due to the misinformation in his estimate that the price of a barrel of oil would be \$23, when everybody else knew it would be less. Most of the mistake was right there for the whole world to see right from the start.

But we have had a tough year, and as the year went on, we began to see that even our figures were too low. We did a document that we put out before the budget came out, saying that . . .

Point of Order

Vote on Appropriation Bills

MR. ANDERSON: Point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Deputy Government House Leader is rising on a point of order.

MR. ANDERSON: Mr. Speaker, I'm reluctant to interrupt the hon. member, but I draw the Speaker's attention to 61(3) of Standing Orders with respect to appropriation Bills and the requirement to begin to vote on those 15 minutes before the close of today's session.

MR. DEPUTY SPEAKER: On the point of order, the Chair takes the view that because the government has indicated that the House is not adjourning for the day at 5:30 and that business will continue later in the day, that rule does not apply at this time. That rule would only apply on a Wednesday or a Friday.

The hon. Member for Edmonton-Kingsway.

Debate Continued

MR. McEACHERN: Thank you, Mr. Speaker.

Most of us knew that last year's budget was going to be a disaster right from the start, and as we got further into the year and saw that the year was not a good one, that the downturn in the economy was with us for a year longer than expected – don't forget that the reason we went into the recession in the first place was that the Conservative cousins of this government caused the recession in this country. We went into a recession a year ahead of the United States, Europe, and any other part of the world, and it looks like we're going to be a year slower getting out because of the policies of this government and the federal cousins of this government. As we looked at the figures as the year went along last year, we began to realize that things were even worse than we'd anticipated, and we were now projecting – and we projected this before the Treasurer brought in his budget – that the budget deficit would be in the neighbourhood of \$2 billion and the consolidated deficit would be in the neighbourhood of \$2.5 billion. I think the Treasurer will be lucky to escape with anything under those figures for last year.

[Mr. Speaker in the Chair]

Now, that brings us to this year's budget, Mr. Speaker, which the Treasurer is putting before the House at this stage. All of a sudden we've forgotten about balancing the budget, and we're going to stimulate the economy to get out of this recession. I mean, it's only a year and a half late. The recession had been around for nearly two years by the time they had this deathbed repentance. No, it probably wasn't a deathbed repentance; it was probably an 18th hole, golf course change of mind, when it was decided to have an election this year or next year, at least before we get another budget. That's very clear. This budget is clearly an election budget, a \$2.3 billion deficit planned and admitted to. It is the most honest budget that this Treasurer has ever brought in, and there's a very simple reason why he did that. It's because he gave up on balancing the budget. He had told the people of Alberta that he was going to balance the budget next year, next year, next year for so long and nobody believed him anymore, so he finally decided that he had to find a different way to convince the people of Alberta that he's doing the job that he's supposed to do. "Oh, I guess we'd better deal with the recession and have a

deficit budget, stimulate the economy.” So he comes in with a \$2.3 billion deficit on the budget side.

Now, I'd like to point out to everybody that you can add \$252 million for Capital Fund expenditures, for which there's no offsetting revenue. You can add \$102 million for heritage trust fund expenditures, for which there's no offsetting revenue, and you can count the \$300 million – which I said a minute ago, but I'll say it again – that the Treasurer took from the Alberta Municipal Financing Corporation and is going to include in his budget so that it'll make it look better. When the Auditor General does his total, consolidated picture, which of course is the only fair picture of the books of the province, he will have to subtract that \$300 million. So we have gained nothing on that \$300 million that he included. We have, in fact, between a \$2.9 billion and \$3 billion deficit already, just on the numbers the Treasurer presented.

5:20

Now, I suspect they will be fairly close to the mark, because the Treasurer has said he's going to give us quarterly updates for the first time since he became Treasurer. He certainly never did that ever before, because his figures were always inaccurate. But this time he decided he should do it, so you know that he's been more honest about his budget figures and that they will be closer to being right so he can brag to the people, “Look how close I was.” But let's face it; that's a disastrous budget. A \$3 billion deficit is a disastrous budget for the deficit of this province.

The Treasurer said a few minutes ago in this House in question period that at March 31, 1992, just a few months ago, we were at about a break-even point in terms of assets and liabilities in this province. Not so. All you have to do is look at the public accounts for March 31, 1991, and all that was left in the asset column was \$464 million. That would have been spent before the month was out, and that is the month of April 1991. Almost all of last year's deficit will have to be counted as the deficit of the province, and then by the time you add this year's deficit on, by the end of this fiscal year we will be in the neighbourhood of \$5 billion in debt. That's what the numbers add up to.

The Treasurer has never wanted to claim responsibility for NovAtel or any of these other disasters, yet the Minister of Economic Development and Trade said, “Oh, you know, when we invest in a company, we look after it, but then if it goes bankrupt, we turn it over to the Treasurer.” The Treasurer, a self-styled Mr. Fixit, as he called himself the other day, is really doing a great job in this province now, isn't he? In 1986-87 he projected a \$2.5 billion deficit. It turned out to be \$4 billion on a consolidated basis, and every year he's been wrong on the size of the deficit. We've got a built-in \$2 billion problem, and seven years later he's done nothing to try to solve it. The Treasurer is Mr. Fixit, but he didn't fix the budget deficits, and he certainly hasn't fixed the debt.

One of the other problems besides NovAtel, Mr. Speaker, that I wonder if the Treasurer has fixed is Alberta Mortgage and Housing. Here's a government institution that, when I was elected in 1986, had a \$3.5 billion portfolio. There wasn't a businessman in the city of Edmonton that didn't tell me that it would be lucky if it was worth \$2 billion. We've been paying for that ever since. It's carrying a \$600 million debt on its books. We've dumped over \$700 million into it. We've written off probably a billion dollars over the last seven or eight years. Alberta Mortgage and Housing is an incredible indictment of this government's ability to handle the finances of this province. The Treasurer sure fixed that, all right. He's been using taxpayers' money to fix it every year for seven or eight years and will go right on doing the same.

How about North West Trust? There's another one. You know, North West Trust was able to borrow over half a billion

dollars from the Treasury Branches between 1983 and 1985. The Treasurer fixed it, all right. He borrowed \$278 million from the feds, from CDIC – he didn't borrow it; he talked them into giving it to him – and he covered the whole thing up. He said it wouldn't cost a cent for Alberta taxpayers. It will cost us at least \$46 million by his own public accounts now over and above what it cost the taxpayers of Canada, which we shared in.

What about MagCan, \$115 million? He fixed that too. Oh yeah, Mr. Fixit fixed it with taxpayers' money, only he still hasn't got control of the company yet, so maybe it's not fixed. Maybe, Mr. Treasurer, you should put that in a different column: not fixed yet. GSR, Myrias: oh yeah, you fixed those too, again with taxpayers' money. How about Chembiomed? Oh yeah, you fixed that one and sold it off to an American corporation – that's right – again with taxpayers' money being lost. Northern Steel, another one: oh yeah, just use some taxpayers' dollars and fix it. That's the kind of “fix it” we get from this government.

How about the Alberta stock savings plan? I don't know how many dollars you gave away, because you won't give us any kind of summary of what happened. We don't know whether it created any jobs or not, or whether there was any worth to it or not. It's just died without a whimper, and the Treasurer still hasn't told us whether it's any good or not, whether it did any good, whether it was worth while, whether it should have been continued, what was wrong with it, could it be fixed, nothing. Mr. Fixit just covered it up and buried it, and nobody knows what went on with it.

Credit unions. Now, there's one. I love the credit unions right now. I've always liked credit unions. They're important to the economic stability of this province and one of the few financial institutions we have left in this province after the disaster of the '80s, when we lost something like a dozen mortgage and financial companies of one kind or another, like CDIC and Northland and Tower and Dial and Principal: all those regulatory failures that this government presided over and fixed so well with taxpayers' dollars or shareholders' dollars when they were allowed to go down the tube. The Treasurer is in the middle of nearly a \$600 million bailout of the credit unions. He's put up over \$300 million already; there's still \$260 million or \$270 million to go, I think it is.

Now, the Auditor General decided that the Treasurer should account for losses when you first know they're going to occur. The Treasurer fought this for the longest time. He would rather string out the losses forward as far as he possibly can, like he did with Alberta Mortgage and Housing, and admit to it only when he had to and just kind of gradually and grudgingly let it show up in the public accounts a year or two years later. That's the process he's been using right up to now. When the Auditor General insisted – and I'm sure that was the thing that held up for five months the public accounts of this province – the Treasurer finally said, I think, “Okay, we'll change the bookkeeping, and we'll account for the losses when they occur.” But he didn't just change this year's and future years' accounting practices and maybe rewrite last year's books so that you'd have some figures that you could compare. I think the saw-off was that the Treasurer said to the Auditor General: if we're going to do that, then we're going to do it right backwards to when we first came into power.

What they've done is they've shown this credit union loss back in 1985-86, a year that actually had a balanced budget at the time and has now got this huge deficit. Now, that's absolutely ludicrous, Mr. Speaker. I talked to the Treasurer about it the other day, and he laughed. He said: well, it's good for me because most of the public out there won't know about it; the only person that cares, probably in the world, is you. Meaning me. That's about the size of it, but that's just hornswoggling the people of

this province about what's actually happening with the books when you start doing those kinds of ludicrous things. It's a totally unacceptable way to keep track of the books of this province.

MR. SPEAKER: The word "hornswoggle" is unacceptable in this Legislature too.

MR. McEACHERN: "Hornswoggle" is unacceptable. Well, what else can I say? I can't think of a synonym easily. I take it back and just say that the Treasurer has not exactly been forthright with the people of this province, and every accounting technique that he invents every year is geared to making the books harder and harder for anybody to understand.

On that point, I'd like to say that there isn't another Conservative in the back benches here that begins to understand anything that this Treasurer does with his books. I defy you . . . [interjec-

tions] I went through the details of this book last year on what was going to be the deficit for last year, and there wasn't one person in here who paid any attention or knew or understood. One of your members even had the gall to make a bet with me that the Treasurer was right, and every word I said was laid out right here for him to see and to check, and the Auditor General has now confirmed everything I said. There isn't one person here who had the sense to see or look or think and question what the Treasurer was trying to tell you when he said that he had a balanced budget last year. This Treasurer has no credibility. I can't understand why anybody would leave him in office. It's time for a new Treasurer. It's time for a new government, Mr. Speaker.

[The Assembly adjourned at 5:29 p.m.]