

Legislative Assembly of Alberta

Title: **Tuesday, June 16, 1992**

2:30 p.m.

Date: 92/06/16

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

Our Father, keep us mindful of the special and unique opportunity we have to work for our constituents, our province, and our country, and in that work give us both strength and wisdom.

Amen.

head: **Tabling Returns and Reports**

MR. FJORBOTTEN: Mr. Speaker, I'd like to table with the Assembly the 1990-91 annual report for the Department of Forestry, Lands and Wildlife. I would also like to file with the Assembly copies of the David Thompson corridor and the Bow corridor local integrated resource plans, which were recently released.

MS BETKOWSKI: Mr. Speaker, I'm pleased to table with the Assembly the annual report of the Public Health Advisory and Appeal Board for the year ended January 31, 1991, and the report of the College of Physical Therapists for the year ended February 29, 1992. Copies will be distributed to all members.

head: **Introduction of Special Guests**

MR. SPEAKER: The Member for Lesser Slave Lake.

MS CALAHASEN: Thank you, Mr. Speaker. It's my distinct pleasure today to introduce to you and to members of the Assembly 18 visitors from the community of Atikameg, approximately 400 kilometres north of here. Fifteen of these visitors are grade 6 students, and they are accompanied by their teacher Dave Sikora and parent helpers Chris Lamouche and Verna Gladue. They are seated in the public gallery, and I'd ask that they rise and receive the warm welcome of this Assembly.

MR. SPEAKER: Athabasca-Lac La Biche.

MR. CARDINAL: Thank you, Mr. Speaker. I'd like to introduce to you and through you to the Assembly Ronald and Yvonne Jones of Shrewsbury, England, and Mr. Morris Therien of Neilburg, Saskatchewan. Mr. Therien is a cousin of the Sergeant-at-Arms, Oscar Lacombe. I'd like them to rise and receive the traditional welcome of the Assembly.

Mr. Speaker, also, I have two other members from the constituency: Mr. Fred Mannen and Mrs. Sandra Mannen. They are the parents of Ryan Mannen, who is a page in this Assembly. I'd like to introduce them to you and through you to the Assembly. I would hope they would stand up so we can give them the traditional welcome of the Assembly.

head: **Oral Question Period**

NovAtel Communications Ltd.

MR. MARTIN: Mr. Speaker, the minister of technology has said in the past that three companies are in default on their NovAtel loans. We expect there'll be a lot more than that when the final line comes in. Today I'd like to reveal what the minister will not. I'd like to file with the Assembly some documents which detail in

part the NovAtel loans with S & P. S & P Cellular Holdings Inc. is a U.S. company based in Tucson, Arizona. Now, an official of S & P told us this morning that S & P is in default with the government to the tune of at least \$10 million, and probably we'll be on the hook for another \$34 million to this company. My question to the minister is simply this: why didn't the minister reveal this to the taxpayers of Alberta when asked here in the Assembly? Doesn't he think Albertans have the right to know what's happening with their money?

MR. STEWART: Mr. Speaker, with respect to the matter of settlement of any account that may be in default, those discussions and settlements are under way. We have to be sensitive to the best interests of the taxpayer. The best interests of the taxpayer are served by all information being in the hands of the Auditor General so that a complete review can be undertaken and so any settlement discussions can be proceeded with without the opportunity for political grandstanding and things that would otherwise interfere with the best interests of the taxpayer.

MR. MARTIN: Mr. Speaker, we're concerned about the best interests of the taxpayers. That's why we're raising this. This government should have been concerned about the best interests of the taxpayers a long time ago.

To come back to this company, the documents also show that S & P was to buy NovAtel equipment. We confirmed this morning that this was not done, Mr. Speaker. So instead what you have is: Alberta tax money was used so S & P could take over another U.S. company, Petroleum Communications Inc. That's what the money was used for. My question: will the minister of technology now tell Albertans why NovAtel was granting loans for corporate takeovers in the United States and why no NovAtel equipment was purchased even though this was part of the deal?

MR. STEWART: Mr. Speaker, in listening to the hon. leader today and indeed looking at *Hansard* of yesterday and by him putting out certain facts, incomplete facts in many instances, that does not do the process any good. The process is established. The process is one of independence. It's one of responsibility. It's one of integrity. It's one of disclosure. It's through the Auditor General.

MR. MARTIN: We're doing the process some good. We're not doing the government any good, Mr. Speaker. That's what they're concerned about. The minister says that it's "incomplete facts." It comes from the letters. We're getting the freedom of information from the United States that we can't get here.

If the minister wants to put a stop to this, there's a very simple way, Mr. Speaker. I'll ask him this question then: will he now stop this striptease with Albertans and table here in the Legislative Assembly the list of companies NovAtel made deals with in the United States, the amounts of the loans, and the purpose of the loans?

MR. STEWART: Mr. Speaker, all of that information and more is in the hands of the Auditor General so the Auditor General can do that. Now, I know that the NDP and the hon. leader would like to carry on their own investigation for political purposes and so would the hon. leader of the Liberal Party, but the important point is that an independent, open review by the Auditor General should take place. He is responsible to all members of this Assembly and through those members to the public.

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

MR. MARTIN: You may hide behind the Auditor General, but you can't run.

Mr. Speaker, I'd like to designate my second question to the Member for Edmonton-Strathcona.

MR. SPEAKER: Edmonton-Strathcona.

Corrections Facilities

MR. CHIVERS: Thank you, Mr. Speaker. Last Friday I received a letter from the Solicitor General saying that he would not permit me to tour the Fort Saskatchewan correctional institution. In May my colleague the Member for Edmonton-Belmont was denied permission to tour the Belmont correctional facility. In both cases the managers of the facilities had indicated that the tours would not be a problem, subject to the approval of the Solicitor General. To the Solicitor General: will the Solicitor General explain to the Assembly the rationale for his apparent policy that Official Opposition members are not allowed to tour provincial corrections facilities?

DR. WEST: Mr. Speaker, we have 16 highly structured institutions in the province, and I am responsible for security, along with the management and the staff of the various centres.

MR. CHIVERS: Very strange that he vets these himself. Virtually anyone else, Mr. Speaker, is permitted to tour Alberta corrections facilities. Scarcely a week goes by when persons or groups, including our own Legislative Assembly interns, are not touring or visiting one of the facilities. It's scandalous that the Solicitor General suggests, as he does in his letter, that the tour might constitute a security risk. Will the Solicitor General admit that the risk which concerns him is not one posed by the inmates but is the possibility that opposition members may be made aware of serious problems in the corrections system?

2:40

DR. WEST: Mr. Speaker, my first comments stand. We are concerned with security, and we are also always concerned with the intent of certain individuals, as we go forward in this society, as to their reason for the review.

MR. CHIVERS: Mr. Speaker, now the member is suggesting that I'm a security risk.

This past January a Provincial Court judge found that a shortage of nursing staff at the Edmonton Remand Centre contributed to the death of Wally Opoonechau. That same shortage of nursing staff may also be a factor in the sad death of 87-year-old Alexander Skoreiko. To the Solicitor General: is the Solicitor General concerned that other problems might be brought to public attention if I were permitted to tour the facility and talk to the staff?

DR. WEST: Absolutely not, Mr. Speaker, and I have to take issue. There are various comments printed in the *Edmonton Sun* today. It said that Brent Gawne, a solicitor for the Alberta Union of Public Employees had said that "medical staff levels haven't changed since 1987 even though the inmate population has jumped by up to 200 people" at the remand. Those comments are totally inaccurate. Between August '91 and '92, 130 extra shifts of wage and overtime staff were hired. An additional nursing staff is assigned Monday through Friday on day shift and another hired on the 1 p.m. to 9 p.m. shift. This is exactly my concern, that individuals who request to tour facilities may have alternative reasons for doing it: to stir up information like this.

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

NovAtel Communications Ltd. (continued)

MR. DECORE: Thank you, Mr. Speaker. My questions are to the minister responsible for NovAtel. I've learned that NovAtel provided \$35.5 million to a company known as Petroleum Communications Inc., a corporation in the United States. The licence area for PetroCom was one of the worst or least profitable areas in the United States. This is almost laughable. It was to service the Gulf of Mexico. The same people who set up PetroCom also received \$81 million by way of a line of credit from NovAtel when they set up another company which was known as CC Communications Corp. This company was set up to go out and buy up other licences. So a third of NovAtel's entire financing portfolio went to a few principals who had the least profitable area and were given money to go out and buy other licences.

MR. SPEAKER: The question now, please.

MR. DECORE: My question is this. The information is that this company is in trouble. I'd like the minister to confirm that this is one of the corporations that the minister has refused to name when questions have been put by the Leader of the Opposition or by members of this caucus . . .

MR. SPEAKER: Thank you, hon. member. [interjection] Order please. You needed to speed it up a shade. Thank you.

The minister.

MR. STEWART: Mr. Speaker, it's essentially the same question as the question given to me by the Leader of the Opposition, and the same answer prevails.

MR. DECORE: Well, I'm not surprised, Mr. Minister, that you refuse to answer the questions.

Let me try again: \$28 million of the \$35.5 million is due and payable by October 1992. Industry sources say that that money will not be paid, this money is at great risk, and the taxpayers of Alberta will lose the money. I'd like you to confirm that, Mr. Minister.

MR. STEWART: Mr. Speaker, if the hon. leader has information that he thinks is relevant to this whole matter, then he could do as we did and give it to the Auditor General so that he can fully review all aspects of this financing, including the position that he brings forward today.

MR. DECORE: Mr. Speaker, the minister has to come clean on this. He has to tell Albertans how a \$700 million loss to taxpayers that is growing all the time happened. He's responsible for this mess.

I'd like the minister to answer the last question or dodge the last question. Is this \$28 million that's payable in October 1992 included in the \$84 million write-down of systems financing, Mr. Minister?

MR. STEWART: Mr. Speaker, we made it clear right from the very start with respect to the outstanding portfolio that all matters that pertain to that portfolio and the current status of it were fully reviewed and precautions taken to be very, very circumspect with

respect to the valuation of the portfolio itself and any potential losses in respect to that, and we would stand by those figures.

Psychiatric Nursing

MRS. MIROSH: Mr. Speaker, the Registered Psychiatric Nurses' Association has met with me on a couple of occasions and expressed concern regarding the closure of the Ponoka psychiatric nursing school. The psychiatric nurses are an important group to our mental health community, and they are really very proud of the program that they receive from the Ponoka school. There are currently 1,300 registered psychiatric nurses in Alberta, and this program is vital. Could the Minister of Advanced Education please outline to the Assembly what his intention is with regards to this program?

MR. GOGO: Mr. Speaker, members may be aware that registered psychiatric nurses were created back in the '30s to deal essentially with mental health institutions, and even today they only exist in the four western provinces.

Mr. Speaker, there's been a lot of thought given to the whole question of so-called mainstreaming of nurses in an area of specialization. There's been some reluctance for the traditional nurse, i.e. the RN, to take that clinical training at Alberta Hospital Ponoka in the nurses program. The hon. Minister of Health and I structured a committee to review this whole question of the future role of nursing, including mental health psychiatric nursing. The Minister of Health may want to comment in that the minister is the major user of the nurses in terms of institutions. That committee continues to meet and will be coming forward with their recommendations sometime in the near future at which time that becomes a policy discussion about the future training of RPNs.

MRS. MIROSH: Mr. Speaker, being an old nurse myself, I know that not too many . . . [interjections] Well, an old young nurse. I'll rephrase that. Being a nurse in the past . . .

AN HON. MEMBER: A former nurse.

MRS. MIROSH: A former nurse. That's right.

I would like to just express a concern that a number of registered nurses do not like to go into psychiatric nursing, in that speciality. A number of registered nurses have expressed that concern as well. I know that this government takes a great deal of pride in collaborating with various professional groups, and I hope before that decision is made that this indeed would take place. Would the minister please consider transferring this program perhaps to a college rather than having it stationed in Ponoka in an institution of that kind?

MR. GOGO: Mr. Speaker, members may recall that Alberta Hospital Edmonton just two years ago had requested, and I agreed, to the closure of the RPN program because they were not getting applicants. As a matter of fact, they only had, I think, about 12 graduates. We increased the capacity at Alberta Hospital Ponoka in a new building just specifically for that.

I'd like to assure the Member for Calgary-Glenmore, Mr. Speaker, that every consideration will be given by that advisory committee, the Minister of Health, and the Minister of Advanced Education in terms of future training of RPNs. My understanding was that of the recent graduates of the Alberta Hospital Ponoka psychiatric program, about 35 or 36 out of roughly 40 gained meaningful employment somewhere in Alberta. So I think it

points out that perhaps there is a new role for RPNs in terms of, for example, long-term care, perhaps Alzheimer's, perhaps a lot of things. I would look forward - I'm sure the Minister of Health would - to what the resolution in terms of recommendations of that committee would be.

2:50

MR. SPEAKER: Stony Plain, followed by Edmonton-Meadowlark.

Jailing of Fort McMurray Student

MR. WOLOSHTYN: Thank you, Mr. Speaker. The Minister of Education says that he wants to use the incarceration of the young boy from Fort McMurray as a message to other truant students that skipping school will not be taken lightly. When the Court of Appeal released the boy yesterday, they did not specify that he had to return to finish the school year. It appears that the boy's appearance in court is not going to result in his return to classes. Given that the boy is off curriculum and education and the youth detention centre is certainly subject to question, how can the minister consider this case to be a good example to other truant students when the incarceration did not get the boy back to his school?

MR. DINNING: Well, Mr. Speaker, what the court determined back in April was that this student had gone through the attendance board process where every effort was made by family, by school authorities, and by social agencies within the city of Fort McMurray to assist this young man to get an education that truly meets his unique and individual needs. Only after that was exhausted was this matter then brought to the attention of the courts, where the courts backed up the attendance board directive that the student shall attend school. When that was put in an arrangement effectively and this young man did not attend school, it was found then by the court that he was in contempt of court, and consequences followed thereafter.

MR. WOLOSHTYN: Mr. Speaker, it appears that the appeal court however has not backed up the attendance board.

Mr. Speaker, I'm very much in favour of children attending school to learn. The minister has stated that he is in favour of incarceration for truancy. Given that the test case of incarceration did not work out - and I repeat: it did not work out - what direction is the minister going to give the attendance board to refocus attention on sending students to school as opposed to jail?

MR. DINNING: Mr. Speaker, the hon. member is playing with words when he suggests that any other agency in this province sent a young person to the young offenders centre, any other person than the courts, and the hon. member knows that. He may laugh, as he's doing now, but we consider this a very serious matter. When I see those authorities in Fort McMurray who exhausted years of effort to help this young person to be in school and to be learning, including the young man's family, I don't think it is a laughing matter.

I believe the attendance board will continue to deal with cases much like this. Some 120 students and their unique individual circumstances have come before this attendance board, and I believe it has a good track record in helping students get onto a program that meets their needs.

MR. SPEAKER: Edmonton-Meadowlark.

NovAtel Communications Ltd.
(continued)

MR. MITCHELL: Thank you, Mr. Speaker. Petroleum Communications Inc. got \$35 million from NovAtel for a cellular telephone service area over the Gulf of Mexico. The owners of that company then set up a new company called CC Communications Corp. and got an additional \$81 million line of credit from NovAtel. To the Minister of Technology, Research and Telecommunications: why would NovAtel put \$35 million into one company and then give \$81 million in addition to some spin-off company owned by the same people, designed for who knows what purpose?

**Speaker's Ruling
Repetition**

MR. SPEAKER: How is this different from the one raised by your own leader?

MR. MITCHELL: It's a different company. We haven't mentioned this part before.

MR. SPEAKER: I have here PetroCom and CC Communications. I look forward to what the difference is.

NovAtel Communications Ltd.
(continued)

MR. STEWART: Well, Mr. Speaker, it's rather obvious how it happened. The hon. leader must have just handed his piece of paper that he was reading his questions from to the hon. member behind him.

MR. MITCHELL: Pretty sad, pretty sad.

Given that the loan to PetroCom is now in jeopardy, could the minister please give us some indication of what chance he thinks he has of collecting this \$81 million to CC Communications Corp., which is owned by the same people?

MR. STEWART: Mr. Speaker, settlement discussions are ongoing with respect to the accounts that are in default, the two that I mentioned out of the 78. I don't want to do anything in any way that's going to jeopardize the successful conclusion of that settlement, and that's in the best interests of the taxpayer. With respect to all the details, going back to 1988 when the parameters for this were set out by the NovAtel board, all those matters and all those parameters for loans are going to be in the hands of the Auditor General, and that's where they should remain until he has full opportunity to review the matter.

MR. SPEAKER: Lesser Slave Lake, followed by Calgary-Forest Lawn.

Roads on Metis Settlements

MS CALAHASEN: Thank you, Mr. Speaker. The spring of 1990 marked the year of great decisions made by this government. [interjections] They may not think so, but I believe so. The most spectacular in my view, of course, is that of the settlements accord legislation, which is unprecedented in Canada. No other government in Canada has been able to take on this great deed. The settlements have taken on the challenge with relish; however, they have run into some snags. One of these snags is in the heart of any rural community, that of transportation. My question is to the Minister of Transportation and Utilities. Who is responsible

for the upgrading and maintenance of roads within the settlement areas?

MR. ADAIR: Mr. Speaker, as a result of that accord, which truly was a first in Canada, the moneys from the budget of Transportation and Utilities, that I represent, was transferred to the accord. As a result of that, the construction and the maintenance of the roads on the settlement became that of the commission and the settlement association, the general council. In addition to that, however, there were some areas that needed to be clearly defined, and we're working with them on some of those other ones right now.

MS CALAHASEN: Mr. Speaker, I think it's all great and wonderful to help the settlements towards achieving their goal of self-government, but when they run into problems and we start negotiating, we don't really have that much room for negotiation. I would really love to see the negotiations continue, at least to be able to resolve some of the issues. There's obviously some misunderstanding between private and public roads, and I would like the minister to please indicate or at least give a definition of what the difference is between public and private roads.

MR. ADAIR: Mr. Speaker, private roads are roads that are not gazetted, and unfortunately the roads on the settlements are in fact private roads. However, having said that and given the misunderstanding that was developing with the general council and myself and the commission, we indicated to them that we were prepared as a department to sit down with them and then outline what we feel might be the public roads that would be necessary to connect with the areas outside of the settlement, and then the settlements would make the decision as to whether they're to be private or public. If they're to be public, they should be gazetted and then they would be, in essence, the same as an improvement district road. Our responsibilities would remain the same on public roads and primary roads and secondary roads.

MR. SPEAKER: Calgary-Forest Lawn.

Advanced Education Access

MR. PASHAK: Thank you, Mr. Speaker. My first question is to the Minister of Advanced Education. This year the University of Calgary will guarantee admission only to those students who have a 71 percent or higher average. As a result, thousands of students will attempt to raise their averages by returning to high school. Given that many of these students either because of age or other reasons will not be allowed to return to high school, what steps is the minister taking to ensure that all students who have a 60 percent or higher average will be able to continue their education?

MR. GOGO: Mr. Speaker, I don't think it's unrealistic to believe, if you look across the nation in terms of postsecondary institutions, particularly universities, that 70 percent for an entrance into a university is unrealistic. I certainly know that the Member for Calgary-Forest Lawn's aware that we have seven colleges with university transfer programs, and the day of attending the institution of your first choice and taking the program of your first choice I think is really behind us. We have, I think, an excellent system of postsecondary education, particularly with regard to university education. I would urge the hon. member if he's advising his constituent to seek a place through our college transfer system that offers university programs.

3:00

MR. PASHAK: Well, Mr. Speaker, many of these students who are over 20 years of age will have to turn to programs like those that are offered at the Viscount Bennett Centre in Calgary, but they'll be turned away because the Department of Education extension program funding is capped. So my question is to the Minister of Education. How can the minister justify risking the future of these Albertans by placing unreasonable funding constraints on credit programs for adults?

MR. DINNING: Because, Mr. Speaker, Albertans have told their government that they want to see their governments live within taxpayers' means and they want to see government living within the means by which they pay taxes. If the member thinks that we can continue to solve these kinds of problems by simply throwing more and more and more money, then he should talk to Albertans, because that's not what they're saying.

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

International Trade

REV. ROBERTS: Thank you, Mr. Speaker. The way the world is turning, there is increasing global demand not only for energy resources but for energy experts in the field of efficient production and use of a range of fuels. We New Democrats strongly support getting fair value for our surplus resources and strategic marketing for Alberta-based energy expertise, yet the Department of Energy at this critical time is in fact cutting back on the marketing division within the department. I'd like to ask, then, today: what is the Minister of Energy's strategic marketing plan, working with those in the energy field, to develop trade missions and new links with markets in Mexico and in southeast Asia and in Russian fields to the benefit of Alberta companies?

MR. ORMAN: Well, Mr. Speaker, I'm glad the hon. member raises that point, because just within the last month the Minister of Agriculture, the minister of forestry, other ministers responsible for international trade met with people who are in the field, people who are on the ground in the former Soviet Union, in other parts of the world, and we asked them what manner of support they would like to see from the government of Alberta. In the past we've offered certain types of program support and support on export loans. We felt that it was important to go to the people in the field and ask them how our government can assist them in terms of these emerging economies and emerging opportunities. Coupled with that, as the hon. member knows, I spent two and a half weeks on a trade mission in the Persian Gulf. The minister of forestry's returned from the former Soviet Union. The Minister of Economic Development and Trade will again be in the field in Germany and in Korea. We are on the front lines as ministers expanding the all-important trade for our Alberta industries.

REV. ROBERTS: Well, that sounds like some good talk, Mr. Speaker, after things have developed and particularly given the cutbacks in the marketing division within the department.

I'd like to raise a particular example, a classic example of inaction: a report by Price Waterhouse officials indicating that despite a \$500 million line of credit with Mexico, Alberta suppliers had less than \$3 million worth of sales there last year. What particular plan does the Minister of Energy have to utilize Alberta energy expertise and this multimillion dollar line of credit

to work with industry in gaining new revenues for Alberta companies and Alberta taxpayers?

MR. ORMAN: Mr. Speaker, it sounds to me as though the hon. member is on the verge of supporting the North American free trade agreement, and I welcome that.

We, too, have identified a number of opportunities in Mexico with regard to our expertise in expanding natural gas trade into that country. We have had ambassadors from Mexico here in Alberta looking for Alberta's expertise and our ability to deliver our educational infrastructure or the expertise developed by our service and supply companies. The hon. minister of public works reminds me that our petroleum industry training centre in Beijing is a model around the world, and it was brought up on a number of occasions in the Persian Gulf as a way in which we can facilitate the transfer of the expertise and knowledge through our service-based industries. We are doing everything we can.

Mr. Speaker, I would caution the hon. member not to look into my department for salespeople of Alberta's expertise. He should look to the ministers being in the field, and I've just indicated to the hon. member that we're doing just that.

MR. SPEAKER: Calgary-North West.

NovAtel Communications Ltd.

(continued)

MR. BRUSEKER: Thank you, Mr. Speaker. NovAtel gave an \$81 million line of credit to CC Communications Corp. Now, the interesting part about this one is that Mr. Sandy Moore, who had been the president and chief operating officer of NovAtel Communications, came on board with this company as one of its principals. Since the government fired this man as the president in November of 1990 for making bad loans, my question to the minister is: did they at that point reconsider whether or not these loans or line of credit should be given?

MR. STEWART: Mr. Speaker, the matter of these particular loans is at a very sensitive stage. We want to ensure that everything is done in the interest of the taxpayers. The bottom line is that I'm more interested in that than political grandstanding.

MR. BRUSEKER: I think we should rename this ministry the ministry of 'noknowledgey.'

Mr. Speaker, given the facts that have come to light – and it seems there were a lot of shady deals at best – will the minister now admit that it's time to call in the RCMP and conduct an investigation on all the deals in which NovAtel was involved in shady business dealings?

MR. STEWART: Mr. Speaker, when we received back NovAtel in January of 1991, immediately we took action with respect to all matters pertaining to the systems financing business, indeed the entire matter of NovAtel. Action was taken in a responsible way, and we're following through on those actions in a responsible way.

MR. SPEAKER: Little Bow.

Health Disciplines Training

MR. McFARLAND: Thank you, Mr. Speaker. My question is to the Minister of Health, and it regards the stipend pay. A number of Alberta students currently enrolled in universities and colleges are receiving stipend pay in some of the health-related fields that they are studying. My concern is that I have been led to believe

this program may be discontinued. To the minister. I would like to ask: would you please indicate whether or not the program will be continued and for how long.

MS BETKOWSKI: Mr. Speaker, as I confirmed in the budget estimates of the Department of Health, the student stipend program that has been under review for some time and operating will conclude as of March 31, 1993. The rationales for the decision are many, but in summary, let me say that there are inconsistencies with respect to how we apply student stipends around the province. About half of our health disciplines receive a stipend; the other half go without. While it may have been a much more palatable decision to fund in fact all of the students with a stipend, in the current fiscal context that was simply not something that we felt was appropriate. As a result, we'll be reducing the amount of the current stipends effective July 1, 1992, and working to phase them out on March 31, 1993.

MR. McFARLAND: Mr. Speaker, the supplementary is again to the minister. I feel that a reduction midstream during this program is a little bit unfair, and I would ask the minister: if arrangements can't be made with these students to receive additional financial assistance, what will their alternatives be?

MS BETKOWSKI: That's a very fair question, Mr. Speaker. Basically, we looked at stipend and felt that because stipend is really a payment for training as opposed to providing health services, it's not an appropriate budgetary allocation of our health institutions. As a result, in working with the Minister of Advanced Education, any students who feel that their financial circumstances have changed may certainly appeal to the Students Finance Board, outline those circumstances, that they were planning on income which may be phased out in the next year, and attempt to work with them on the basis of providing student finance to those students in greatest financial need.

3:10 Senior Citizens Housing

MR. EWASIUK: Mr. Speaker, my questions are to the Minister of Municipal Affairs. The minister responsible for Seniors said in this House recently that the government has embarked on a process of consulting with seniors on how to make cuts to their programs. This confirms that the agenda of this government is to cut seniors' programs regardless of their needs. A perfect example of this is the seniors' self-contained housing program, which the government cut by almost \$9 million this year. My question to the minister: how can the minister justify cutting back this program when there is a long waiting list for self-contained units? There are some 200 in Edmonton, 250 in Calgary, and 25 in Lethbridge.

MR. FOWLER: Mr. Speaker, it seems that whenever the government cannot meet a perceived demand in any given area, it's immediately projected and identified as being a cut in a program, and this simply is not true. We in fact have indicated that we are going to consult the seniors – and the hon. member is aware of that – not necessarily in the area of cutting but in the area of ascertaining with the seniors, with the receivers of the service, in what areas and how we can best spend the dollars that are in fact budgeted, unfortunately not an increasing number of dollars in this province. It is well known by all members of this House as well as most of the citizens of this province, including the senior citizens, that we do not have all the dollars that we wish we had at our command in order to do all of the things that

there is a demand for, but those seniors are understanding of that. That consultation basis is ongoing, and we look forward to their assistance in this matter and know that we will reach a better result because of it.

MR. EWASIUK: Well, Mr. Speaker, the seniors doubt that the government is listening to them. Seniors have clearly expressed their need for housing programs. I think that's the problem. At the meetings at Government House as well as at meetings with the Seniors Advisory Council they have clearly indicated that charging seniors in subsidized housing is grossly unfair because it amounts to an extra hardship for people already having financial difficulties. Now, to the minister: in response to the concerns of seniors, will this minister commit to drop the option of increasing rents from 25 percent of income to 30 percent in future budgets?

MR. FOWLER: Mr. Speaker, I cannot make that commitment on the floor of this House at all. Our budgets are based on certain elements that go into it, and to make instantaneous decisions that are being suggested here would reflect on the overall budget. We have made every effort to bring about a plan in a program which in fact does not and is not harmful to the seniors in any way, shape, or form.

MR. SPEAKER: Westlock-Sturgeon.

Energy Industry

MR. TAYLOR: Thank you, Mr. Speaker. In spite of a small increase in oil prices and a large increase in gas spot prices over the last few months, the results of the Crown sales this year have been deplorable: down 76 percent in June and cumulative for the year, down 71 percent. Obviously the oil business is voting to put their money elsewhere in spite of increases in prices. Could the minister tell the House just what the Alberta government is doing wrong to drive the industry out of this province?

MR. ORMAN: Well, the government's doing nothing wrong, Mr. Speaker.

MR. TAYLOR: I can see, Mr. Speaker, where it would take more time than is left allotted to say what the government has done wrong, but would the minister go this far. Obviously the royalty and taxing regulations and the whole regulatory process is out of phase with what's going on in the rest of the world. What immediate announcement can the minister make that will get the oil industry back on track here in Alberta?

MR. ORMAN: Mr. Speaker, I was going to say that the hon. member misleads the House, but I won't say that. The hon. member uses the 40 percent increase in spot markets in Louisiana, trying to make an extension that somehow the price of natural gas has gone up here in Alberta, and that's not the case. The increase in spot prices has not inured to the benefit of Alberta producers yet, but we are right now doing a study on that. I've asked my department to report to me on that particular issue. The hon. member knows that with regard to natural gas the issue is the high level of inventory and our inability to get it to market based on constrained pipelines.

With regard to oil, that's another issue. The average oil royalty, Mr. Speaker, is in the range of about 15 percent. I know that averages don't work for anybody, but that's the average royalty. We've been working with the industry for about six months on a review of royalties. Whether or not we are contem-

porary and if there should be some changes to make them contemporary, we'll do that analysis. That report is to be to me this June, and it is a result of extensive consultation with the industry. We are concerned and we are reviewing it.

Mr. Speaker, the woes of the oil industry are not the responsibility of the government absolutely. Low commodity prices have an impact. It's a tough situation, and we all feel it in our constituencies. We'll do what we can, but it's a tough time, and the industry recognizes that and is having to live with it.

MR. SPEAKER: Cypress-Redcliff.

Drought

MR. HYLAND: Thank you, Mr. Speaker. My question is to the Minister of Agriculture, and it's related to the drought that we've had in southeastern Alberta. Even though we have had a variance from an inch of rain to two inches of rain in some areas, it still doesn't settle the problem related to the supply of domestic water. I toured a site on June 3 in my constituency where 17 farmers were together, co-operating with the Department of the Environment and the Department of Agriculture, laying out some 14 miles of aluminum pipe, 14 miles from one end to the other with side lines going off it. This is how serious the problem for domestic water is. My question to the minister: can he give the Assembly assurance that they will review the rental charged on these systems so that the cost to get domestic water in this project is not in the neighbourhood of \$700 a farmer?

MR. ISLEY: Mr. Speaker, I'm pleased to hear that the Lord finally dropped some much needed moisture in that part of the province. I think it's also commendable that a group of producers worked together with the equipment of Environment and Agriculture to access water for their dugouts. I can confirm to the hon. member that we will review the rates, but at this point in time I will make no commitment to adjust them.

MR. HYLAND: Mr. Speaker, my supplementary would be to the Minister of Forestry, Lands and Wildlife, and it relates to the problems of the carrying capacity on grazing land without the rain and the runoff. I wonder if he could have his department review those carrying capacities as per the price they charge for those leases, because you can't run as many cattle on it now as you normally could.

MR. FJORDBOTTEN: Yes, Mr. Speaker.

MR. SPEAKER: Edmonton-Kingsway.

Vencap Equities Alberta Ltd.

MR. McEACHERN: Thank you, Mr. Speaker. I have here the report of the Standing Committee on the Alberta Heritage Savings Trust Fund Act, and the number one recommendation is:

That consideration be given to developing a plan to return to the Alberta Heritage Savings Trust Fund a significant portion of the funds currently invested in Vencap Equities Limited.

There are two other similar ones: one suggesting that the government develop a strategy for the early repayment of the loan, and the last one just saying a review of performance and mandate of Vencap Equities. Could the minister tell us when he's going to introduce Bill 3, the Vencap Equities Alberta Amendment Act, 1992, which has been sitting on the Order Paper for so long, hopefully to do just what those recommendations suggest?

MR. ELZINGA: Mr. Speaker, as the hon. member knows, the Alberta Heritage Savings Trust Fund falls directly under the responsibility of the Provincial Treasurer. This question has been put to the Provincial Treasurer in the past, and those resolutions coming forward from the committee are under active consideration.

3:20

MR. McEACHERN: The responsibility for Vencap is the minister's that I asked the question of.

Why is it – let's frame it differently. Whenever we have raised questions about the minister's failures, some of the disastrous ad hoc funding investments of this government, the minister has always tried to switch the focus to program funding for organizations like Vencap or Alberta Opportunity Company, that sort of thing. Can the minister tell me why Vencap and some of these other present programs aren't on the Toward 2000 Together agenda so that the people of Alberta can have a full discussion of how effective they are?

MR. ELZINGA: Mr. Speaker, firstly, let me indicate to the hon. member that everything is on the agenda as it relates to our Toward 2000 Together process whereby we are asking the Alberta population for broad public input. When the Premier chaired the conference in Calgary, we had a thorough discussion on every area that the government is involved with the private sector, and we look forward to that further input that we are receiving.

I must say, though, Mr. Speaker, that it's rather ironic that one day this hon. member suggests that we have an arm's-length organization supporting the private business sector and the next day he criticizes that arm's-length organization for their involvement. It's typical of the New Democratic Party whereby one day they take one position and the next day they take the other. [interjections]

Point of Order Anticipation

MR. SPEAKER: Order please. We have a follow-up item from yesterday. [interjection] Order.

Deputy Government House Leader, with respect to the point of order as raised yesterday, you've had time to review the Blues. Any further comments?

MR. GOGO: Yes, Mr. Speaker. The point of order, as the hon. Chair knows: under *Beauchesne* 409(12) with regard to anticipation. I believe and I stand by the fact that the members of the opposition had been advised the previous day, which was Friday last, that we would be dealing with government Bills on the Order Paper, which would have included Bill 37.

Having reviewed the Blues, Mr. Speaker, on reflection, I don't believe there's any indication specifically that we would reach Bill 37, so I withdraw that point of order, which indirectly is criticism of the hon. Member for Calgary-Mountain View.

MR. SPEAKER: Thank you, hon. member. As events turned out, we did not get to Bill 37 in the course of the afternoon after all.

head: **Orders of the Day**

head: **Written Questions**

MR. GOGO: Mr. Speaker, I move that the written questions on today's Order Paper stand and retain their places.

[Motion carried]

head: **Motions for Returns**

MR. SPEAKER: Deputy Government House Leader.

MR. GOGO: Thank you, Mr. Speaker. I move that the motions for returns on today's Order Paper stand and retain their places except for the following: motions for returns 192, 224, 293, 303, and 356.

[Motion carried]

Alberta-Pacific Terminals Ltd.

192. Mr. McEachern moved that an order of the Assembly do issue for a return showing copies of all agreements between the government and Alberta-Pacific Terminals Ltd. or its directors and shareholders covering a \$9 million loan guarantee and a \$3 million loan.

MR. ELZINGA: Mr. Speaker, as it relates to Motion for a Return 192, the government will not be accepting this motion for a return. The response is similar to what I have indicated to earlier ones whereby there are directions given to us as it relates to *Beauchesne* and the information we can release. There is a commercial content to this. Thus we would be contravening commercial confidentiality in the event that we did.

MR. SPEAKER: Thank you. Additional?
Edmonton-Kingsway, in summation.

MR. McEACHERN: Well, Mr. Speaker, that's incredible. There is quite a story and saga behind this Alberta-Pacific Terminals investment. It's one where the minister claims – actually the minister has often claimed that a lot of these investments that the government has been involved in were made before his time. That's true to some extent, but this is one where the minister himself was involved in part. I can't remember if it was the \$3 million loan or the \$9 million loan guarantee, one or the other, that was made in August of '89. Definitely it was the \$3 million loan part that he's admitting to at this stage.

It's also true that one of the principals of this company was a friend of the Premier of the province. This is a company that's had a lot of trouble. They had a mysterious burning of the warehouse at one stage. There's been a court case, and the thing has been tied up in court. There's a whole saga of difficulties and problems with this company, yet the government won't come clean and sort of say what's happening with this and exactly what was going on, what was the deal they made, what's happened, how much they're going to get back. For some reason they seemed to think that the Alberta government had to get into the business of running docks down in the Fraser-Surrey area. To help export what? Alberta has lots of products to export, but there are lots of facilities all along the coast of British Columbia to handle the exports of this province. We didn't need to start putting money into that company to help Alberta businessmen in any way, shape, or form other than the principals involved in it.

So again we have the question of the government basically covering up the mess they've made and refusing to give the information. I don't know how many times we can stand up in this House and ask for it. I guess, you know, we get tired of asking. The minister gets up and does his little *Beauchesne* thing, which doesn't tell him that he can't give us information at all of course. I guess we're only going to get a change somewhere down the road when we get an election. Quite frankly, the

number of times we've asked and the number of times we've been told, "Oh, put it on the Order Paper," or the number of times we've been told, "Oh, well, you know, you'll find it in the public accounts." Sure, some of it, in a sort of a globalized kind of number a year to two years later, and then that'll only be part of the story anyway, and you have to play detective to find out what they're doing. It's an incredible government that we have. It's obviously in its last of its 20 years and getting more and more secretive and more and more paranoid. Can't trust the opposition to go to our jails, for example. I mean, we really are getting paranoid, aren't we?

It's time that the government either opened up and started telling the people of Alberta what's going on, or else it's time that they called an election so that we can get rid of them and form a government that will tell the people of Alberta what's going on.

**Speaker's Ruling
Reflections on Parliamentary Practice**

MR. SPEAKER: Order. Before the Chair puts the question, the Chair would point out, to use the last quote of the hon. member, the "little *Beauchesne* thing," just a reminder to the hon. member that that happens to reflect about 300 to 400 years of parliamentary practice.

MR. McEACHERN: But the particular . . .

MR. SPEAKER: Order, hon. member. You do not . . . [interjection] Order. [interjection] Order. Take your place, hon. member. Would you like to check your references about interrupting the Chair? That is in *Beauchesne*, and that's good, solid parliamentary practice in spite of your interpretation of it.

The Member for Edmonton-Kingsway has moved Motion for a Return 192.

[Motion lost]

**Point of Order
Relevance**

MR. McEACHERN: Point of order.

MR. SPEAKER: The Chair will listen to the first 30 seconds of it, and I trust that you will be on the point, one that can be dealt with, rather than the challenge of the Chair.

MR. McEACHERN: I'm not at all challenging the Chair. I'm just saying that the point that he made about *Beauchesne* had nothing to do with whether he could or couldn't answer the question. So I didn't . . .

MR. SPEAKER: Your point of order is not in order.
Thank you.

**Premier's Council on the
Status of Persons with Disabilities**

224. On behalf of Mrs. Hewes, Mr. Wickman moved that an order of the Assembly do issue for a return showing a copy of the government's responses to the recommendations contained in the Action Plan of the Premier's Council on the Status of Persons with Disabilities.

MR. GOGO: Mr. Speaker, in discussions with the hon. minister responsible for Seniors, he's asked me to respond to Motion for a Return 224.

3:30

Mr. Speaker, Alberta, and certainly the Alberta government, values very highly its people and none more so than those who have disabilities. As members know, the Premier, Mr. Getty, appointed a specific minister for dealing with some 200,000 senior citizens as the minister responsible for Seniors. Members may recall that about two years ago the minister responsible for Seniors, at that time the Member for Olds-Didsbury, carried out a very extensive study dealing with the disadvantaged in Alberta. Claiming My Future, a document which was subsequently published, pointed out, I think in a very significant way, what the special needs of those people were. As a result of that, the hon. Premier felt it appropriate – and I'm sure the hon. Member for Edmonton-Whitemud is very much appreciative of the fact that the Premier then structured the Premier's Council on the Status of Persons with Disabilities. As a matter of fact, the Minister of Education for some time had been responsible for that committee of the Premier's council.

As members know, Mr. Gary McPherson chairs that. He has done I think a remarkable job in representing the views of all people in Alberta with disabilities and certainly without neglecting those who represent volunteer groups throughout the province. Well, Mr. Speaker, as you know, they had received from Mr. McPherson and his Premier's Council on the Status of Persons with Disabilities an Action Plan. Certainly most members of cabinet I know were visited by Mr. Eric Boyd and the chairman, Gary McPherson, with regard to a whole wide range of issues that should be considered, which ended up forming the Action Plan as recommended by the committee dealing with persons with disabilities. Those views were very wide ranging. They were not in any way, as I recall, to give special treatment. It was simply to recognize the uniqueness of those Albertans who had unique disabilities.

That report was received, Mr. Speaker, and the government of Alberta, I think consistent with its policy of dealing with the whole concept of consulting – i.e., asking questions and listening to the citizens' responses – has formulated a planned response to that Action Plan presented by Mr. McPherson and the committee on the status of persons with disabilities.

So with that in mind, Mr. Speaker, the government is not only willing but indeed very anxious to provide to the hon. Member for Edmonton-Gold Bar the affirmative response to Motion for a Return 224.

MR. SPEAKER: Summation, Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. I would like to make a couple of comments. I'm appreciative that the minister is going to provide on behalf of the minister responsible a commitment that responds to the recommendations in the Action Plan of the Premier's Council on the Status of Persons with Disabilities will be presented. There was no reference made as to the time frame when those responses would be forthcoming.

Now, if we go back to that Action Plan, the recommendations were very, very extensive. In the last session a reasonable number were responded to. We saw the extension of the homemakers program; we saw some changes to the building code announced by the Minister of Labour; we saw some changes to handicapped parking and such. So there were some positive responses. The minister of culture responded to the question of people hearing in the auditoriums and such. There were some positive responses in the last session to some of the recommendations, but this session

has gone on for a period of time and I cannot recall during this session so much as one response coming to any of those recommendations that are still left to be responded to. There are still quite a number left. I would hope that before this session wraps up, the government does have a plan, that they are going to come forward with the response to all the recommendations, that they will be tabled in this House, and that those responses will be very, very favourable.

Mr. Speaker, I maintain that the concept of the Premier's council – the jury is still out. We're talking in terms of an expenditure of \$800,000 a year, and we have to weigh that in equation to the early '70s when action groups on budgets of \$35,000 a year had direct access to the Lougheed government. That seems to have changed in recent times as far as access. Nevertheless, even if the concept of the Premier's council in itself is good, even if they bust their tails trying to put together a good action plan, it's all for naught if the provincial government is not prepared to address very, very seriously those recommendations they make. So for an organization to spend \$800,000 a year, and it's gone on now for – what? – three years, that's over \$2 million preparing recommendations. If the government isn't going to respond favourably to those recommendations, then again it's a question of dollars not being utilized effectively. I have no criticism of the Premier's council. It has worked very, very well. My criticism is the lack of response from the government in reference to the recommendations in that action plan. Even though the minister did not specify time, I would hope that it's his intention to have those responses tabled in this House prior to the end of this spring session.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Edmonton-Whitemud on behalf of the Member for Edmonton-Gold Bar has moved Motion for a Return 224. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: It still carried.

AN HON. MEMBER: I'd say it's pretty split, eh?

MR. SPEAKER: Well, actually the Chair needs to point out that there are a tremendous number of members in this House that didn't vote. By Standing Orders you're all required to vote on the issue, so let's try it once more.

[Motion carried]

MR. SPEAKER: Thank you, hon. members, for your cooperation.

Loan Guarantees

293. On behalf of Mr. Bruseker, Mr. Mitchell moved that an order of the Assembly do issue for a return showing copies of all documents pertaining to the loan guarantee agreement of \$3 million made on June 5, 1988, between the government and the principals of Sprung Instant Structures Ltd. and Sprung-Clindinin Limited.

MR. ELZINGA: Mr. Speaker, as it relates to Motion 293 standing in the name of the hon. Member for Calgary-North West, we will not be accepting this motion. Notwithstanding the comments made by the hon. Member for Edmonton-Kingsway, I would refer him to *Beauchesne* 446(e). I think it's important that we put that into the record. I quote from page 129, *Beauchesne's Parliamentary Rules and Forms*, the sixth edition, whereby it indicates:

To enable Members . . . to secure factual information about the operations of Government to carry out their parliamentary duties and to make public as much factual information as possible, consistent with effective administration, the protection of the security of the state, rights to privacy and other such matters, government papers, documents and consultant reports should be produced on Notice of Motion for the Production of Papers unless falling within the categories outlined below, in which case an exemption is to be claimed from production.

Then it goes on to state:

The following criteria are to be applied in determining if the government papers or documents should be exempt from production.

Then it goes through a number of subsections, and I refer specifically to subsection (e). I could go through all of them, (a) through (p), but it's not my purpose to delay the proceedings of the House, so I will just go to the one that is most appropriate, even though a number of the other ones are very appropriate also as it relates to some of the motions that the hon. members do put on the Order Paper. Subsection (e) indicates:

Papers containing information, the release of which could allow or result in direct personal financial gain or loss by a person or a group of persons.

I simply read that, Mr. Speaker, so that the hon. member and all hon. members will be aware of that.

Let me speak for a moment, though, directly to this motion and share with hon. members that the guarantee as it relates to the question put on this motion has been extinguished in that the loan has been repaid in full. I share that with hon. members so that they are aware, because we hear on a consistent basis their criticisms to some of those companies – which are the vast minority, less than 5 percent of our involvements – that have faced some difficulties. On this one the guarantee has been extinguished in full.

3:40

MR. SPEAKER: The Member for Edmonton-Kingsway.

MR. McEACHERN: Yes, Mr. Speaker. One can't help but rise to the debate. The minister reads his statement and says that he can't release the information because it might cause somebody some damages. In the particular instance he's just indicated, he has said that the loan was paid back in full. So that's a little late; there shouldn't be any personal problems there. The previous one that he cited me on: I see no reason why or where anybody's going to be hurt.

MR. SPEAKER: Order please, hon. member. [interjection] Order please, hon. member. That previous issue was dealt with. Leave it alone. Continue on this particular . . .

MR. McEACHERN: So he gets to make his statement, and I don't.

MR. SPEAKER: Order. [interjections] Order, hon. member. Would you like to continue your discussion on this particular matter without reference to the previous point of order, which has been dealt with?

MR. McEACHERN: On this particular point he was citing *Beauchesne*. He is claiming that somebody would be hurt if he released the information. I'm saying that nobody in this particular company would be hurt. They've paid back their loan. The terms on which that was made and completed could well be made public without hurting anybody. That's no different than all the other ones we've asked for over the years. The minister just hides behind it. The problem isn't that he's going to hurt somebody else, which is what he's citing from *Beauchesne*; the problem is that in most of the cases he's going to hurt the government because they've done such a lousy job of most of these commercial agreements. That's why we've had all this trouble. It's fairly clear that that's the problem. So the minister is just hiding behind a *Beauchesne* ruling that doesn't really apply.

MR. SPEAKER: Edmonton-Meadowlark in conclusion.

MR. MITCHELL: Thank you, Mr. Speaker. I would like to say that I'm disappointed in the minister's response. Our request for this information, for the documents pertaining to this particular loan guarantee, has nothing to do with the ultimate disposition of that loan or loan guarantee. It's interesting, perhaps useful, to find out that it's been paid back, but, if anything, all that does is weaken the government's traditional and conventional case against releasing information on loans and loan guarantees. That is to say that they argue against doing that because they're afraid that they will prejudice the company involved. Well, if these companies have already paid this loan back, if this loan is no longer, therefore, of commercial consequence, why would it be in the scheme of things argued by the government a problem to release this information? The fact is that we would like to know what kind of arrangement, what kind of deal, what kind of benefit was deferred upon this company by this government so that the people of Alberta can make some judgments as to whether or not that was done fairly, whether other companies in similar circumstances are treated fairly. I believe it says a great deal about the government that it is afraid to release this information even on a loan that the minister says was successfully disposed of.

[Motion lost]

Northern Steel Inc.

303. On behalf of Mr. Bruseker, Mr. Mitchell moved that an order of the Assembly do issue for a return showing the annual financial statements of Northern Steel Inc. for the fiscal years 1990 and 1991.

MR. ELZINGA: Mr. Speaker, dealing with Motion for a Return 303 in the name of the hon. Member for Calgary-North West, as hon. Members of the Legislative Assembly are aware, we've had a number of motions dealing with Northern Steel, and a number of questions have already been put to this Assembly as it relates to this issue. I should indicate to hon. members, as I have indicated consistently in the past, that presently we are going through receivership proceedings as it relates to Northern Steel, and when that is concluded, that information will be issued through the public accounts. Since we've already dealt with this issue, we will not be accepting this motion for a return.

MR. SIGURDSON: Gosh, Mr. Speaker; I feel a speech coming on. You know, I thought for sure that the Minister of Economic Development and Trade would cite *Beauchesne* something telling us the reason why he wouldn't provide us with information, but

he says that there's a receivership sale going on. Fire-sale prices, I'm sure, and when we get all of that information compiled, where's it going to end up? In the public accounts. Probably one, two lines in the public accounts, and that's going to be the information that Members of this Legislative Assembly are going to be asked to accept. That's going to be the information that all Albertans are going to be asked to accept – none of the financial statements for this venture that went bad, another government enterprise gone down the tubes.

You know, Mr. Speaker, I'm quite frankly amazed. I was looking for an awful lot of detail in this motion for a return. Those financial statements are very important, and I can tell you there are a number of Albertans that were working, that were involved in the Northern Steel corporation that would love to know just who got what in the last few months of Northern Steel operation. What are we going to get? Maybe next year in the public accounts we might get some little asterisk that says, "Oh, see this page; see this note; this is what the government lost," and that's going to be enough.

Well, it doesn't satisfy us, Mr. Speaker. It doesn't satisfy us at all, and I'll tell you quite frankly that I don't think it's going to satisfy the people that worked in the office at Northern Steel, the people that worked through the ironworkers local. They're not going to be satisfied either. This is amazing. This is quite frankly amazing. Here we are shut down. This operation is gone, and we still can't get the information.

Mr. Speaker, I thought that this government was promising to open up this session and say: "Oh, freedom of information. Wonderful us. Just ask the question. Seek and ye shall find." Well, we've asked the question. There's nothing to be found. We've knocked, and the door refuses to be opened. I can tell you that we'll be sending that information out to a lot of the people that have a great deal of concern about how their investment has been wasted by this government and this department.

MR. McEACHERN: Mr. Speaker, a few points about Northern Steel. We do get some information about what the government has done with Northern Steel over time, but it certainly would be helpful to see the annual reports of 1990 and '91. The government has pretty well owned the company for the last few years. Having invested so much money in it, eventually they were the company. We've been able to trace that the government put in some \$23 million in total over the years. The minister has insisted in recent times that there was \$13 million or \$14 million of government money at risk in the company. That could well be; maybe they paid some of the borrowings back along the line. It's pretty hard to tell when you don't get the information.

We do know that recently they shut down, and they're in receivership and have had a bit of a fire sale. It looks like they've made a couple of million dollars or so, although it's hard to get any hard numbers again, but we also know that the government was an unsecured creditor and that there were other creditors that were secured up to as much as \$5 million. So it doesn't look like the government will get any of this \$13 million or \$14 million back, if that's the right figure. Of course, the point is that we don't really know because the minister makes some comments one time and then a few months later has to backtrack and admit that well, you know, it isn't quite that way.

3:50

I wish that when the report does come out, if it is released, it would deal with such questions as why the chief executive officer that was brought in to rescue the company got paid a lot of money and even when the company was going down the tube was still

getting his pay. I wish they would deal with questions like the government trying to sell it with a prospectus that was somewhat dubious at best, claiming that Northern Steel had this contract to do part of the Al-Pac construction when in fact Al-Pac hadn't even been approved yet at that stage, and a number of weird and incredible things in relation to this company. That, of course, is what gets right to the bottom of why the minister isn't releasing the information. The less information the people have, the less they can see that was wrong with the way the government was doing business. That's the point and the theme that has to be stated over and over again.

Clearly, ministers' picking individual corporations to either make them into winners or hope that they're going to be a winner is not the way for a government that is going to be prudent in its use of taxpayers' dollars to get involved in an economy. It just has not worked. It will not work, at least not with this crop of ministers. So far it's cost us in the neighbourhood of just a little less than \$2 billion since the present Premier and Treasurer took over the running of this province. It's absolutely scandalous that the minister has the nerve to stand up there and say: well, we'll give you the bankruptcy report. That isn't really exactly what he said, is it, when you think about it. He said: we will give the bankruptcy report to the Auditor General. It'll be interesting to see whether the Auditor General releases the whole report – whether he'll be allowed to – or whether, as my colleague from Edmonton-Belmont said, it'll end up with a couple of lines from it somewhere in the losses column of the public accounts. In fact, knowing this government, it may not even be able to distinguish it from some of the others at that stage, although hopefully we will be able to and at least know how much we actually lost on Northern Steel.

It's absolutely scandalous that the minister will not release this information now. There have to be two reports available and ready to go and no reason why we shouldn't have them. It's certainly not going to hurt anybody's commercial interest at this stage, absolutely no way.

MR. SPEAKER: Edmonton-Meadowlark in summation.

MR. MITCHELL: Mr. Speaker, I'm discouraged that the minister wouldn't release this information. It is information so easily released. It cannot be information that could prejudice a receivership process. It is information that might be embarrassing to the government, as it will shed light on what exactly was going on at Northern Steel Inc. If it is that we have to wait until this is settled and this matter appears in the public accounts, even if it were settled tomorrow, it will not appear in the public accounts that would be released before December of 1993 or, if the government's record this year is an indicator, March or April of 1994. That's an awfully long time. In fact, it's suspiciously long, and it raises the obvious question as to whether or not the government isn't simply attempting to delay the release of information on Northern Steel past the latest possible moment at which they could call the next election. This would represent only one more futile attempt to secure their re-election. I say futile because in fact if they are stooping to the point at which they must withhold Northern Steel Inc. financial statements in order to shore up their electoral fortunes, it is true that not only will they lose the next election, but they are actually beginning to understand that in their heart of hearts.

AN HON. MEMBER: Heart of hearts?

MR. MITCHELL: Wherever that is.

[Motion lost]

Alberta Opportunity Company

356. On behalf of Mr. Bruseker, Mrs. Gagnon moved that an order of the Assembly do issue for a return showing a detailed list of all properties and businesses that the government has taken over due to defaults of Alberta Opportunity Company loans for the three fiscal years 1989-90, 1990-91, and 1991-92, showing in each case the name of the property or business taken over, the name of the company or individual who defaulted on the loan, the total value amount owing on the loan at the time of default, the estimated value of the property or business that the government took over at the time of default, and the price the property or business was sold for, if it has been sold.

MR. ELZINGA: Mr. Speaker, in speaking to Motion 356, again presented by the hon. Member for Calgary-North West, I'm going to take a little more time in dealing with this motion. Let me start off by saying that we all recognize the good work that the Alberta Opportunity Company does do. I must say that I find it somewhat surprising that the hon. Member for Calgary-North West would put this motion on the Order Paper when just yesterday in this Legislative Assembly he suggested that we should remain arm's length when he raised the issue of Vencap and our concern whereby there was going to be additional government involvement with the Vencap organization. This motion is 100 percent contrary to what he suggested yesterday as it relates to us removing ourselves from these investments and involvements.

That is why I commend the Alberta Opportunity Company: because they do give a full accounting. I have appeared with Mr. Roy Parker, who is the president and chief executive officer, before the committee of this Legislative Assembly whereby we have responded to questions and concerns, and we've had a good exchange of ideas.

I should point out to hon. members that as it relates to the Alberta Opportunity Company, here again a good deal of this information is viewed by the Alberta Opportunity Company as being either commercially confidential or it could cause some potential difficulty as it relates to legal actions. I should share with the hon. members, though, that I'm happy to advise them that the Alberta Opportunity Company indicated to me by way of a memorandum - and I'll not quote directly from it because I'm not at liberty to table it. There have been failures within the Alberta Opportunity Company. We all acknowledge that. We also acknowledge that there have been considerably greater successes. If you look over the last number of years, within the Alberta Opportunity Company itself there have been some business failures. In the years ending March 31, 1990, '91, and '92 respectively, we've seen the failures of some 64 companies, 67 companies, and 96 companies.

I can also advise hon. members that as of March 31, 1992, Alberta Opportunity Company owned a total of 12 properties valued at \$1,762,000 which were acquired as a result of business failures. All of the properties are currently for sale. However, four properties currently have accepted offers to purchase. The offers are outstanding and, if the sales conclude, will reduce the property portfolio to eight properties with an estimated valuation of about \$1.5 million. Included in the total properties that I have mentioned is one business which is presently being operated, while the balance represents either vacant buildings or raw lands which have been undeveloped.

I believe this answers to a small degree the question that has been put by the hon. Member for Calgary-North West, but I want to again highlight the important role of the Alberta Opportunity Company in our involvement over the last number of years in our own economy and the results that it has produced within the Alberta economy. Mr. Speaker, we all acknowledge that we have gone through a North American and worldwide recession. We cannot insulate ourselves from that. We've done our level best to do that, but we've been very proactive. Just to give you some examples of what that has produced, since 1985 we have created in excess of some 120,000 new jobs in the province of Alberta, and the majority of these have been outside the primary industries of agriculture and energy. That's despite the recessionary aspects in other parts of the world that I have referred to. This is compared to what has taken place in other parts of Canada, whereby on a nationwide basis we have lost some 232,000 jobs, as I've indicated. In the province of Ontario 167,000 jobs have been lost. Compare those figures to what we're doing in this province, where we have seen an actual increase in job creation in Alberta.

I can go through some other interesting statistics that I wish to share with the House, too, as it relates to the increase in activity in book publishing. The value-added production within the agricultural sector now in fact slightly exceeds primary agricultural production in the province of Alberta. Manufacturing in the petrochemical sector has increased dramatically over the last number of years because of the policies of this government, Mr. Speaker. The manufacturing investment has tripled from 1985 to 1991. We've got some 50,000 people employed within the advanced technology sector. Alberta's plastic industry does over \$300 million per year in output. Our chemical industry has grown from a \$500 million industry to a \$3 billion industry; in fact, in excess of that. Our electronics industry is expanding also. Tourism revenue under my dear friend and colleague the minister responsible for Tourism, Parks and Recreation has tripled, and it is continuing to expand. I believe he has set himself a goal of some \$10 billion in the next number of years as it relates to tourism activity within the province of Alberta.

4:00

Exports. The hon. Member for Edmonton-Centre raised concerns with the Minister of Energy as it relates to our support for the energy sector and the exportation of those technologies that are developed within the province of Alberta. We just recently hosted a national petroleum show, through which we had visitors from all around the world coming to this province so that they would have access and we could do networking to make sure that countries which are presently developing their resources will have an opportunity to use the expertise that we have developed within the province of Alberta. Exports, Mr. Speaker, account for some 250,000 jobs within this province. The hon. members opposite are critical of our involvement as it relates to greater access to markets other than our own, but if we were to draw a boundary around the province of Alberta, we would shrivel up and die because we're reliant on markets outside of our own because we are a small population.

Mr. Speaker, in just dealing with that, we've got in excess of 2,000 Alberta companies shipping to some 150 countries throughout the globe. That is why we've come forward with programs such as our export loan guarantee program, whereby we support export companies based on the financial analysis that is done by an independent financial institution, and that is when we come in to offer that backstopping. We look at what has happened to pulp and paper in our forestry sector under the very capable leadership

of our minister of forestry, where we've seen a substantial gain. [interjection] Well, if the hon. member's suggesting that we close down the mills in his constituency, I wish he'd be honest and deal with that issue, because there again is another example of where he has one member advocating one policy and another member in the New Democratic Party advocating another policy. As long as they only preach to their own individual constituencies. What we're going to do is we're going to indicate what the hon. member says in this House to constituencies other than his own so that we can point out to the Alberta population just how misleading they are in dealing with the issues.

MR. SIGURDSON: Come on out to my constituency. Come on out.

MR. ELZINGA: Now, come on, Tom. I sent you that peppermint so you'd sweeten up.

MR. SPEAKER: There's no Tom here, and there's no food in this Chamber.

MR. ELZINGA: Not only that, Mr. Speaker; we're proud also of the reforestation that our minister of forestry has involved himself in to make sure that we do replant what we harvest within this province. We look, too, at the support that we've offered to our young people through our first-time homeowners' plan, whereby the housing industry is very active within this province because the climate is conducive to further construction of homes. We've also been very proactive in our support for the small business community, not only through the Alberta Opportunity Company but through our interest shielding program and a number of proactive programs that we do have, recognizing that 60 percent of the jobs that have been created in this province have been created through the small business sector.

[Mr. Deputy Speaker in the Chair]

I should say, Mr. Speaker, that we're honoured that we can play a small role in the further diversification of this great province of ours, and we're going to continue to do so. As it relates specifically to this motion on the Order Paper, we're going to have to reject it, but I believe that my comments more than answer the question that has been put.

MR. McEACHERN: I was going to be very brief, but it's a little hard now, following that Economic Development and Trade estimates speech by the minister. I really feel I should turn around and give my Economic Development and Trade estimates speech that I gave him awhile ago. [interjections] No, I won't do the lot, but I will just make a few points.

First, he started out by worrying about this arm's length, and then he says: What do you mean that now we're trying to look over the shoulder of the company? I think there's a difference between telling the Alberta Opportunity Company who they can give money to, which is what one worries about when one says that they should have a semi-independent administration and an arm's-length relationship with the minister – in other words, the minister shouldn't be telling them to give money to specific companies. That's what I mean by an arm's-length relationship anyway. Once the money has been given and the facts have been told to the population, then it's fair for anybody to have a look at the details. In fact, Alberta Opportunity Company is quite good at that. They put out releases on a fairly regular basis saying who they give money to.

[Mr. Jonson in the Chair]

The motion for a return here, however, asks fairly specifically for detailed information about those companies that failed, and there really is no good reason why that shouldn't be brought forward. The thing that that would do is it would help us to analyze the effectiveness of the Alberta Opportunity Company, or lack of effectiveness as the case might be. I happen to believe that the Alberta Opportunity Company is trying, anyway, to perform an important function in this economy in trying to help small businesses, which we know need a certain amount of help, particularly in terms of the recession in the last couple of years. The minister can't really claim quite all the credit for all the things that have happened that he talked about as being totally related to the Alberta Opportunity Company, nor would I suppose he would claim that they are. In which case, then, why was he wandering off in 17 directions about other things when we were talking about the Alberta Opportunity Company?

I appreciate the information that he did put forward on the Alberta Opportunity Company, and I recall that he did say at one stage that he thought they had about an 88 percent success rate. I suppose he was basing that on the amount of dollars that we have to put in each year to cover losses from the previous year compared to the investments by the Alberta Opportunity Company in various enterprises. I would wish that he would put those figures together a little more thoroughly and carefully and back them up and show what the success rate was, if you like, each year for a number of years. I'd like to remind him that when we talk about the ad hoc disasters of the government, we're not talking about the Alberta Opportunity Company disasters, although sometimes they overlap. What we find is that the ministers give out money on an ad hoc basis to a company, and then when the company comes back for a second shot, the minister often sends them to one of the programs, perhaps the Alberta Opportunity Company. I think of Myrias, which had money from several different government agencies plus directly from the minister, so that's a fairly common practice.

[Mr. Deputy Speaker in the Chair]

I can't resist just answering a few of the points that the minister made about how wonderful the economy is. On a general point, if the economy of Alberta is so wonderful because this government has nurtured it and taken such good care of it, how is it that we had to have a stimulative budget this year to get us out of the recession? I guess I could ask another question too. If this government has been so good at diversifying the economy since the oil price collapsed back in 1986, why is it we are still struggling?

Well, it's true that the economy has diversified to some extent, and some of it the government can claim credit for, but some of it it can't. I think the reason the economy of Alberta didn't collapse as disastrously as everybody expected in '86-87 was because of the ingenuity of the small businesses of this province. Alberta Opportunity Company I don't really think has had a major impact, even though I've been basically a supporter, although I would like to be able to do a more thorough analysis than we ever seem to get a chance to. After all, it's only had around \$165 million in the field each year for a number of years. In fact, this year it has now gone down to the neighbourhood of \$140 million. That is hardly enough money to have a really major impact on the economy of Alberta, so I wouldn't think the minister should claim that the Alberta Opportunity Company has had a great role in the diversification of the province.

I think that small businesses, just with their own ingenuity and determination to find some way to survive after the collapse of oil prices in '86, are what have diversified the economy of this province. I give the government some credit in the areas of tourism and agricultural processing. Their attempts in the forestry field I think have been disastrous, quite frankly. What we've done there is run to multinationals and brought them in and said, "Here, come and pulp our forests for us and pollute our rivers," and really we're getting very little out of that. Sure, there's been some capital works spin-off that has been of some help on a temporary basis, but the economy in that area, the forestry industry, could have been developed much more soundly, gradually, and environmentally safely with more participation by more people and more jobs than we're getting out of the pulp industry.

As to tourism, it's a good area to work in and we should be trying to improve our tourism industry, but I take exception to the minister's figures unless he can find me something that really backs it up. He said something about a threefold increase in tourism. Now, I recall this government saying back in '86-87, I believe, that the \$2 billion tourism industry was a wonderful industry in Alberta, and they were going to quadruple the amount of money that it was going to bring into the province. They were going to make it a \$10 billion industry by the year 2000. Now we're about halfway to the year 2000 since that time, and we're at \$2.6 billion, I believe, if I heard the minister right and some of the people in tourism talking about it the other day. I don't knock that gain. We've had a couple of tough years. I'm behind the tourism industry and I believe it's the direction to go in many ways, but don't claim that it has tripled unless you can show me some numbers to prove that it has.

4:10

I want to go back, then, to the specifics of the motion. I think that answers some of the questions. There are a couple of other points that the minister made that need to be refuted. He talked about manufacturing in this province, how it was growing and how Ontario was losing all these jobs. As a matter of fact, manufacturing in Ontario has had such a disastrous time because of the policy of free trade and the high interest rate policy and the high dollar, which have been killing this economy. They can blame their federal cousins, and this government bought into that agenda. As to the Alberta manufacturing situation, the manufacturers still only make up 8 percent of our trade out of this province. I got the figures right from the manufacturing association themselves the other day. In fact, we've lost 5,000 jobs in the last two years in the manufacturing sector. So for the minister to stand up and brag about it - oh, and his 120,000 jobs that have been created since 1985. You'd think the minister did it himself, when obviously it was the small businesses of this province trying to pick up the pieces after the disastrous energy policy of this government, the deregulation right at the time when prices plunged.

So those are some of the points that needed to be put on the record to refute some of the nonsense that the minister spouted. I do support Alberta Opportunity Company, but I do think that it, like all the other government programs, needs a review, and a start at that review would be to have the release of information on what essentially are all the dead files, then, of the Alberta Opportunity Company, the companies that have failed. There's no reason we shouldn't have, of course, the companies that have also succeeded. Of course, then you should also take a look at the present portfolio and see how it's operating and review the whole process. If it's doing such a good job, maybe we need to increase the \$140 million to something bigger than that. If it isn't, if there are some questions to be asked, then maybe what we need to do is make it

part of the Toward 2000 Together process and take it out there and ask the small businesses that got money from the company what they think and find out what some of the problems were, because I'm sure they would have some opinions. I know one of the things is that most of them that apply say it's so bureaucratic and takes so long to get a decision that by the time they get the money, it's too late. The idea they had and the chance they had is gone because somebody else has picked it up.

So what we need to do is to take not only Vencap but Alberta Opportunity Company and the export loan guarantee program and put them under the microscope with some public discussion. The minister said, in answer to my questions in question period, that they were on the agenda, but in fact they were not. The facilitators and the people there did not want to talk about government policy at the Toward 2000 Together conference. Specifically, there was no talking about where we're at now or what's happening now and how it's working or how it's not working. It was strictly guided to look to the future and stayed on the general level. Certainly we need a much more detailed, analytical approach than that if we're going to figure out how to compete in this economy in the times to come in Alberta, in Canada, and in the world.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-McKnight to close debate on this motion.

MRS. GAGNON: Thank you, Mr. Speaker. I must note that seeking information has absolutely nothing to do with the arm's-length principle. We're talking here about loan defaults. The minister should not be surprised if we seek information. We believe our role here is to find out what it is that Albertans need to know in order to judge the AOC and whether it is in fact a successful type of organization or not. We really think that Albertans cannot judge the AOC at all if this type of information is not available.

I feel that it's quite unfortunate that the minister will not give Albertans this information, and quite frankly I'm disappointed at more secrecy.

Thank you.

[Motion lost]

head: **Motions Other than Government Motions**

Agriculture Assistance

219. Moved by Mr. Fox:

Be it resolved that the Legislative Assembly urge the government to address the serious farm income situation by extending five to 10 years the period in which beginning farmers receive interest rate reductions on Agricultural Development Corporation loans; ending the arrangement in which the banks administer the farm credit stability program and use the savings to turn it into a revolving fund from which new loans are offered as old loans are repaid; sitting down with farmers to negotiate improvements to cost-shared programs like the gross revenue insurance program so that payments reflect the farmer's cost of production, not only historical market prices; negotiating with lending institutions a voluntary moratorium on farm foreclosures until debt restructuring measures can be put into place; and for farm families who can't meet their debt payments and have a solid record of farm management, offering lease to purchase options on land and assets secured by loans from provincial lending institutions.

MR. FOX: [some applause] It's nice to be welcomed so enthusiastically by my colleagues in the Legislature, Mr. Speaker. I do appreciate the indication of support prior to my debating the motion. I know it'll just be a formality, that government members will want to have the question called on this motion and will support it. I think it's only fair, given the number of initiatives that have come forward from this government this year, particularly in the form of government Bills, that we on this side have supported. There seems to be a Getty glasnost in the air. [interjection] Pardon, monsieur?

AN HON. MEMBER: It will all depend on the merit of the debate.

MR. FOX: That's right. Well, you'll be convinced, I'm sure.

Motion 219 deals with a number of issues, Mr. Speaker, all of which are related to the serious farm income situation in Alberta. Members opposite may wonder why, as the agriculture spokesperson for the Official Opposition, I even bother to sponsor motions and Bills in this Assembly, given the record of this government in terms of ignoring the good ideas that come forward from the opposition. Well, I would like to point out that as opposition members, especially the Official Opposition, we recognize that we have a responsibility in this place, a responsibility to Albertans to do more than just criticize the government. Heaven knows, that's an easy job to do in this day and age. The government earns lots of criticism, and we certainly find time to do that. But we're supposed to come forward with positive, concrete, constructive, forward-looking ideas that indicate to Albertans what we would do when we are given the responsibility of governing. I guess the opportunity we have to put those on the legislative agenda is through motions and Bills. Sometimes our lobbying efforts, as persistent as we are, have some impact on government.

[Mr. Jonson in the Chair]

I would like to remind government members of some of the things that have happened in this province with respect to agriculture since 16 New Democrat MLAs starting working in this Legislative Assembly. The farm credit stability plan, the 9 percent farm loan program implemented as a result of the 1986 election . . .

MR. ADY: I suppose you're going to claim that, are you?

MR. FOX: The Member for Cardston wants to know if we're going to claim credit for it. I would remind him that it was the New Democrats that lobbied long and hard in this Assembly as long ago as 1982 for the government to put in place a stable program offering fixed, long-term, low interest rates for agriculture. When Grant Notley proposed it in this Assembly, he was called all sorts of east European political names by members opposite. I won't repeat the adjectives that were used. But we put it on the agenda; we fought for it in the 1986 campaign, along with the individual line telephone service that we announced as policy before the government did in 1986. It came forward, and I'm happy about that. I'm pleased that we can offer some good ideas, that the government implements them, even though in a less than perfect way.

Another issue I might remind members of is vendor lending, the farm financing program now offered by government to facilitate the transfer of lands between generations in a family. It's something that again we campaigned on year after year after year.

The government eventually came forward and brought in a program of vendor lending, so we've done well in that regard too.

MR. DAY: And the good weather today. You did that too, did you?

MR. FOX: No, the good weather I can't take responsibility for. As the Member for Red Deer-North should know, according to the Constitution Act, section 92, weather is a federal responsibility. Unless it's been renegotiated, that's the way it stands.

We can have some influence on the way things are done. I can think back to last year, Mr. Speaker, when in the fall of 1990 the Member for Vegreville introduced into this Legislative Assembly a private member's Bill that would seek a legislative remedy to the problem of discrimination that existed with respect to farm finance, something my hon. colleague the Member for Westlock-Sturgeon alluded to in question period. Well, I brought forward legislative remedy for that problem so that we could have a situation in Alberta where women were not discriminated against with respect to financing when it came to agricultural operations in the province. Lo and behold; the government brought in a measure just exactly like that accomplishing that objective about six months later.

So it may seem like we're speaking in a vacuum, raising these positive ideas and bringing them forward in a tenacious way day after day, week after week, year after year, but we do have an influence on government. At least in their caretaker role we want to encourage them to continue to accept our good ideas until we're in the driver's seat, until we're there to implement these programs properly and steer this province back onto the right track.

4:20

There is, admittedly, less pressure on government, on individual members right now from the farm community with respect to the debt situation in agriculture. I mean, we have to recognize that farmers are preoccupied right now with spring work, getting their crop in the ground, trying to arrange financing, trying to get their resources together, worrying about the weather conditions.

I'm glad, as the Member for Cypress-Redcliff noted, that you folks in the south have got rain. We in the northeast have not, so I hope you'll pray for us as hard as we've prayed for you.

Anyway, farmers are preoccupied with the arduous task of trying to earn a living, spending 16 or 18 hours a day trying to get their crop in the ground, and crossing their fingers and hoping that things work out this year. That should not take the pressure off us in this Assembly to be aware of the many problems that confront the farm community, to be cognizant of the need to take action on those things.

Mr. Speaker, I want to point out again, as I did in other debates in this Assembly, that it would be an awful shame if those massive farm rallies held around the province in the fall of 1991 were held in vain. Farmers took the rare and unusual and I think very progressive step of organizing in their communities, bringing in farmers who'd never come out to a rally before, joining together with religious and business leaders in their community to express their common, deeply held concern for the future of their industry in their communities. It would be a shame if those rallies were for naught, if nothing came out of those rallies in terms of government action. I know that the minister will stand up and say: "But we did act. The Premier had a little meeting at Government House. Everybody came, and it was really nice. What we agreed to do was reinstate the benefits of the farm fuel distribution allowance that we'd cancelled two weeks prior. We expect farmers to feel some sense of gratitude for that. We took 2 cents away from the

program on November 1 and gave it back on the 14th. Aren't we wonderful? Aren't we responding to the crisis in agriculture?" They might allude to the fact that they agreed not to cancel some programs, the Crow benefit offset program or the fertilizer price protection program.

AN HON. MEMBER: A good program.

MR. FOX: A good program, the fertilizer price protection program, I agree. They announce that they're not going to cancel them as soon as they'd planned, and farmers should somehow consider that an adequate response to the crisis in agriculture. Well, it's not an adequate response, and I know that farmers are offended when they read the remarks from the Member for Smoky River, who challenged those farm rallies and said that it was basically a waste of time and political manipulation and stuff.

MR. PASZKOWSKI: When did he say that?

MR. FOX: I'll send you the copy of the letter I'm mailing to the organizers of those rallies where you said things like that. I'm not quoting you accurately or directly, but you berated the farmers for organizing those things, and I'll send you your quotes so you can read them and respond, because that was a very important initiative on the part of farmers.

So we've got to respond, Mr. Speaker. We've got to come forward with ideas that respond to the concerns of the agriculture community, specifically with respect to debt and farm finance. During the agricultural estimates, I pointed out to the hon. Minister of Agriculture that what was sadly . . .

**Point of Order
Imputing Motives**

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

MR. ACTING DEPUTY SPEAKER: The Member for Smoky River.

MR. PASZKOWSKI: Under 23(i) I would like to challenge the statements that the hon. Member for Vegreville has made. Certainly he's suggesting some things that I certainly have not said or done, and he's interpreting motives that I feel have to be challenged. I feel that at this time there should be a retraction.

MR. ACTING DEPUTY SPEAKER: On the point of order, Vegreville.

MR. FOX: Mr. Speaker, if by the end of debate this afternoon I cannot provide verbatim to the hon. Member for Smoky River the quote where I alleged that he did take issue with the farmers for organizing these rallies, then I will withdraw the remark and apologize, but the remarks are in *Hansard* and I'll find them.

MR. GOGO: That's a fair offer.

MR. FOX: Fair offer.

MR. ACTING DEPUTY SPEAKER: Order please. Unfortunately, the Chair was momentarily distracted. I would simply say that pending the resolution of this matter that's been discussed across the floor - out of order, of course - between the two members, the Chair will review *Hansard* and comment later on, if no agreement is worked out then.

Thank you.

MR. FOX: I understand the member's sensitivity and will withdraw the remark unconditionally if I can be proved wrong, and I'll find the evidence here myself to deal with that.

Thank you, Mr. Speaker.

Debate Continued

MR. FOX: Anyway, the rallies were dramatic and without precedent in recent political history in Alberta, and I think the onus is on us as elected members to respond.

There is a debt crisis in agriculture in Canada, certainly in the province of Alberta as well. It does not do the government or the Minister of Agriculture proud to ignore that ever present reality, for them to say: "Well, things aren't so bad here. Everything's coming up roses. The farm community's not in trouble. We're the best government in the world, indeed in the universe, so we don't have to respond." Well, we do have to respond. Any of us who represent rural constituencies will know that farm families are under a lot of pressure economically, that there are a great number of people, especially young farmers, Mr. Speaker, who are worried about their futures, who are kind of hanging on on a day-to-day kind of basis, wondering how long they'll be able to farm, will they be able to build any sort of a future for themselves and their families, will they last long enough to harvest a crop in the fall.

I've tried to find some statistics to justify these comments that I'm making with respect to the number of exits from agriculture, and I can tell you that they're very hard to get. It's very hard to find statistics that would enable you to say with accuracy how many farm families every year are forced to abandon their futures in agriculture. There are so many ways that that occurs, Mr. Speaker; sometimes through foreclosures. Foreclosure actions: indications are that they haven't changed very much through the Ag Development Corporation over the last two or three years. Running anywhere from 46 to 57 foreclosure actions in a given fiscal year over the last three years hasn't changed very much.

We tried to look at applications for the Farm Debt Review Board. In 1991 there were 364 applications for the Farm Debt Review Board in the province of Alberta. That, in fact, is an increase from the two previous years. It would indicate that the pressure is not easing on farms, that the number of people who are forced to seek help from the Farm Debt Review Board is in fact increasing. We looked at the number of farm bankruptcies and got some indication from the federal Department of Consumer and Corporate Affairs that that's between 50 and 60 farm bankruptcies in each of the last three years. So the numbers haven't changed very much, and I don't think there's very much that would give the government solace or allow them to pat themselves on the back and say there aren't problems in agriculture in Alberta. There are, and the problems centre around the farm financial situation, the income situation. Farmers don't make enough money for what they produce, and their costs are too high. One of the major costs, as all hon. members will know, is the cost of servicing debt, the cost of making payments on your operating loans, on short-term machinery loans, and on long-term loans for mortgage financing. The cost of making the payments and paying the interest on those loans is a major component of every farmer's obligation every year, and it's very difficult.

We've done an analysis, Mr. Speaker, of the farm credit stability program. I'd remind hon. members that that program is administered through the banks in Alberta. There are fairly complicated arrangements, but basically the government puts on deposit with the lending institutions an amount that equals the outstanding loan portfolio of that financial institution. For example, if the Canadian Imperial Bank of Commerce has \$342 million lent out to farmers in Alberta through the farm credit stability program, then the

Alberta government puts an equal amount on deposit with the bank, and the banks charge the government a margin on the money, anywhere from 2 and three-eighths to 2 and seven-eighths percent per year. We haven't been able to get that figure exactly, but it varies according to a variety of factors. I don't want to throw out too many figures here, but the bottom line is, according to the public accounts filed by the Provincial Treasurer, that in the last fiscal year \$84.5 million was paid towards the cost of the farm credit stability program. Of that, \$58.2 million or 68 percent of the whole Bill went to pay this administrative fee to the banks and other lending institutions, meaning that less than a third of the money that government spends on the farm credit stability program actually went to benefit farmers. The other two-thirds went to benefit banks.

4:30

I think we've got to scratch our heads and look at that and ask ourselves if we're using that money in the best way possible. I guess the only thing that we can look at to compare – I mean, what does it cost to administer a farm loan portfolio? The banks are getting \$58 million for about a \$2 billion loan portfolio. Well, the ADC, the government's own farm lending agency, spends about \$10 million administering a portfolio that's almost \$1 billion in size. It indicates that in spite of the fact that they're working with much more difficult loans – the beginning farmer loan program – in spite of the fact that there's a lot more effort that has to go into administering that program, the ADC is doing it a lot cheaper than the banks are, a lot more reasonably than the banks are, and that's something to be encouraged about, a credit to the ADC.

The other thing that should be pointed out to the hon. members about the farm credit stability program is that the banks assume almost no risk for that program now. A lot of the loans, after they have been in place for three or four or five years, are now guaranteed up to 80 percent by the provincial government. So there's not only almost no work involved in the ongoing administration of this loan portfolio – it may be boring to some members, but it's interesting to me – the ongoing administration of this portfolio becomes less onerous for the banks. They have no risk or very little risk, and we're paying them 58 million bucks to do it. I think the government should take a long, hard look at ending the sweetheart deal that they have with the banks in this province to administer the farm credit stability program, capture those savings, take that program, let it be administered through the ADC. We'll have some extra administrative costs, we'll have some extra staff to hire, admittedly, but I believe it could be proved that we would save at least \$40 million for the people of Alberta by ending the sweetheart deal with the banks.

I know that's difficult for government, especially a government that receives so much in the way of contributions from banks when it comes time to campaign or fight elections. I know it's a problem for the Liberal Party as well, that's also attached to the same corporate financial umbilical cord when it comes to running their campaigns, but doggone it, it's something that we've got to do for the good of the people of the province of Alberta. I think if you asked Albertans, "How do you want your money spent; how do you want to spend the money that we collect from you to do the business in the province of Alberta," they would agree 10 out of 10 times that they want that money spent on farmers, not on banks. I think hon. members would see that I'm right in that.

MR. SIGURDSON: A Tory retirement party.

MR. FOX: They'd want to spend some on a Tory retirement party too. The Member for Edmonton-Belmont is absolutely right. The Tory retirement party will call the election of 1993. [interjections]

MR. ACTING DEPUTY SPEAKER: Order please.

MR. FOX: He's heckling me, Mr. Speaker. I can't help it.

Anyway, I think people would agree that they'd want that money spent on farmers. Let's capture the savings, end the sweetheart deal with the banks, and plough that money back into program enhancements.

I want to remind hon. members that there are several ways we could make the existing farm credit stability program better. We could lower the interest rates of the program. Now, I know that's a radical suggestion. I know hon. members will get up and rail against the Member for Vegreville for suggesting that we lower interest rates under the farm credit stability program. I want to point out to my newfound friend on the other side there, my new colleague, that when this Bill was debated in 1986, the Member for Vegreville moved, supported by hon. members of the New Democrat caucus, that the interest rate for the farm credit stability program be 6 percent. I believed if we were going to go to all the trouble of setting up the bureaucracy, developing the program, the mandate for the program and the procedures, we had to make the interest rate low enough to be effective. I submitted at the time that to come forward with this program to help farmers – I used this analogy; I remember it, because I think it applies today – and to set the interest rate at 9 percent is much like putting a potato in the oven and trying to bake it at room temperature. I mean, you're doing everything right, but at the end you're just not taking sufficient action to make things happen properly, to make the whole program palatable, as it were.

What opportunity is there to lower interest rates? Every government member, Mr. Speaker, every government member voted against that motion at the time, all of those rural members who are supposed to care about agriculture. Well, now we've got a situation in the province of Alberta where interest rates, the bank prime, is lower than it has been for 20 years.

MR. ZARUSKY: Twenty-three.

MR. FOX: Twenty-three years? The Member for Redwater-Andrew wants to take credit for that. Isn't that a laugh? You're certainly making lots of money for banks and phone companies in the United States.

Anyway, the issue is that the interest rates are now lower in Alberta and indeed in Canada. [interjection] I guess the Member for Redwater-Andrew is responsible for interest rates set in Ottawa. They're lower than at any time in the last 20 or 22 years. We should recognize that and seize the opportunity to make the farm credit stability program more useful for the farm families who benefit from it.

Is this going to cost more money? Is the Member for Vegreville advocating that we spend more money? No. Because as a responsible member of this opposition party that's chomping at the bit, waiting to be government after the next election, we recognize that Albertans don't want us to spend more money. They want us to spend the money that they contribute to the running of this province in a wise and prudent way. They want us to be careful with their money.

I want to remind members whose memories might be short: five minutes ago I showed you how we could save \$40 million through changing the administration of the farm credit stability program. That \$40 million – if you think it through, we could lower the interest rate on the farm credit stability program by 2 percent and still be almost money ahead. There's about \$2 billion lent out through that program now. One percent on \$2 billion is \$20 million; 2 percent is \$40 million. We're still money ahead,

and we could lower the interest rates for all farmers under that program by 2 percent. [interjection] Well, it would be a deal. It would help communities. It would help farmers. It would stimulate the economy in the rural areas: water the roots; we could enjoy the fruits. You know, the tree would grow. All of these wonderful things that happen when you build an economy from the ground up, when you do things properly instead of shoveling obscene amounts of taxpayers' money into American companies without any conditions, crossing your fingers and closing your eyes and hoping something good comes of it. I'm proposing a way that we can actually have some impact. I think that's a good idea.

Also, Mr. Speaker, without increasing the annual cost of the farm credit stability program, we could turn the farm credit stability program into a revolving fund, something that I advocated two years ago in this Assembly when the program supposedly ran out of money and stopped making loans, on July 1, 1990. I remember arguing – I thought rather persuasively but evidently not because the government didn't agree with me at that point – that we should make that program a revolving fund so that farmers could count on that stable financing long term, whereby you could have that 2 and a half billion dollar loan limit if you like, but as loans are paid off, money would come available to make new loans under the program. The minister said: well, the program's outlived its usefulness; we don't need it anymore; it's served its purpose. That doesn't quite jibe with reality when you recognize that there were somewhere between 800 and 1,000 farm families on the waiting list, lined up waiting for loan approval under the farm credit stability program, who would have been helped. I think those people and the ones that have come along since would disagree with the minister when he says that the program had served its purpose and outlived its usefulness.

The other proposal I'm making here with respect to administering farm finance in the province of Alberta – and again these proposals I'm making could be financed from the money I'm suggesting could be saved through changing the administration of the farm credit stability program. We could do a combination of things: maybe lower the interest rate by 1 percent for everybody, spend \$20 million that way and have \$20 million to spend enhancing the beginning farmer loan program.

Now, I'm not going to go into it at length because I've had a chance in this Assembly to debate for half an hour the specifics of the New Democrats' 3, 6, 9 interest rate proposal for the farm credit stability program, Mr. Speaker, but I want to remind members of the basic principles of that program. The existing beginning farmer loan program makes up to \$200,000 available for a beginning farmer who qualifies, reduces the rate from 9 percent to 6 percent for a period of five years. Well, that's nice, that's a help, but I submit that it's not good enough. It doesn't provide enough front-end benefit for the young farmer to help them focus their energies elsewhere into getting established while they pay off some of their mortgage or some of the \$200,000, and it doesn't last long enough. Five years is no longer a sufficient period of time to develop some sort of stability, for a young, fledgling farm operation to spread its wings and anchor its feet and be ready to weather the storms that will inevitably blow in this crazy industry of ours.

4:40

So I'm advocating a couple of things: that we extend the benefits of the beginning farmer loan program from five to 10 years, and that we lower the interest rate on the first \$100,000 borrowed by the applicant from 6 percent to 3 percent. So you've got a blended portfolio: 3 percent on the first \$100,000, 6 percent

on the second \$100,000, for a period of five years. Then after five years, instead of increasing the interest rate burden on that beginning farmer by 50 percent, which is what happens when you go from 6 percent to 9 percent – 3 percent up, that's a 50 percent increase – I'm suggesting that it be phased in gradually so that the farming operation can absorb that without shock to their system. In year six the interest rate would be 4 and 6, in year seven it would be 5 and 6, in year eight it would be 6 and 6, and then 7 and 7, 8 and 8, and 9 and 9, so that after 10 years it's at 9 percent like all the other ADC loans are. It's a good idea. Try it on your constituents and see what they think of it before you reject it out of hand, hon. Member for Lloydminster.

The other part of this motion that I would like to suggest to the government – and I raised it in question period with a rather disappointing response from the Minister of Agriculture; hopefully he's had time to ruminate on the suggestion or come up with something that will be a little bit more positive a response – is that he follow the lead of the government of the province of Saskatchewan and negotiate with the banks, with the lending institutions in the province a voluntary moratorium on foreclosures, not just a moratorium for the sake of a moratorium, so that in that period of time we can develop with farmers, farm groups, with lending institutions and government in the province an action plan to deal with the debt crisis in the province of Alberta.

In Saskatchewan they came forward with a six-year leaseback program, a lease-to-purchase program. It was negotiated with farm groups. It was developed through consensus. Now I notice the federal Minister of Agriculture, Mr. McKnight, is berating the program and saying the feds won't participate in it. I submit that he's playing politics on the backs of the farmers in the province of Saskatchewan rather than trying to work with the government there to find solutions. Of course, the banks don't like it. They say it's going to increase the cost of credit. I mean, they don't like anything that we do for farmers. They're in business to make money for their shareholders. We have to stand firm and tell them what's going to happen in our province, tell them what needs to be done to get our economy back on track and help farmers. I'd like the minister to look seriously at the community-based land trust system that's being proposed in the province of Saskatchewan as well as part of this six-year, lease to purchase program.

A lot of the work on the community-based land trust has been done by the co-operative sector in that province. The credit union centre of Saskatchewan, working with the Saskatchewan Wheat Pool, I gather the interchurch committee of Saskatchewan, the Federated Co-operatives, have all worked to develop this community-based land trust proposal, Mr. Speaker. I'm sure members will find this interesting. The community-based land trust by definition is a democratic, nonprofit organization that holds land for the benefit of the community. People have the option of transferring land to their own local community-based land trust. That option would be available for farmers who are facing financial difficulty, who aren't able to shoulder the burden of ownership during the beginning years of their farm operation or through a difficult time. They can transfer that land to the community-based land trust and rent the land back. They get a long-term lease; it would be for life. They'd have the opportunity to transfer that lease to their beneficiary as long as the lessee and the person to whom the lease is transferred is a community resident. You have to be resident. You have to be there, living, working, making a commitment to the community.

MR. PASZKOWSKI: Who's going to make the payments then? Why don't we rent it all back?

MR. FOX: It's rented. You rent it.

MR. PASZKOWSKI: Yeah, I know that. Why shouldn't everybody in Alberta rent it back?

MR. FOX: The member doesn't understand. It's a community-based land trust. People who can't absorb the burden of ownership transfer the land to the community-based land trust and lease it back and have the opportunity to buy it. It's locally operated. It's a community-based land trust.

It would provide an option as well for retiring farmers. There are places, indeed in the hon. member's own riding in northern Alberta, where retiring farmers have told me: "I don't have anyone I can sell my land to. My wife and I have worked our whole lives, we've built some equity in a farm, and we're looking forward to selling. Our kids aren't interested in agriculture because it's a dead-end street, and there's no one to sell the land to. I've been looking at this retirement opportunity . . ." [interjections] The members are berating this suggestion, Mr. Speaker, but it comes directly from farmers who have said to me: "I want to sell, but I can't. There's no one to sell the farm to in my area." Wake up and smell the coffee, hon. members.

They're saying that the problem is that they've depended on that eventual sale of their asset to provide some income for their retirement, some opportunity for their retirement. Maybe some people on the government side understand this situation.

MR. ACTING DEPUTY SPEAKER: The Member for Dunvegan.

MR. CLEGG: Thank you, Mr. Speaker. It's certainly . . .

**Point of Order
Imputing Motives (continued)**

MR. FOX: Mr. Speaker, on the point of order, if I might, before the hon. member gets speaking. I don't want to derail his train of thought.

If I might respond to the earlier point raised by the Member for Smoky River. If I might quote . . .

MR. ACTING DEPUTY SPEAKER: Order please. I would like to have the opportunity to recognize you on the point of order; don't assume that you'll be speaking. But please proceed.

MR. FOX: Thank you, Mr. Speaker. To give the Speaker the opportunity to peruse what I actually said, the member said in the Blues, and measure that with his quote, *Hansard*, page 586, in response to the massive demonstrations in agriculture.

I don't think that's something to be proud of, these massive demonstrations that are orchestrated and organized in a manner that is more of a political demonstration than an agricultural demonstration. I consider it an abuse of our agricultural community to be using them in this political manner.

Those comments measured against the ones I made, and we'll see what happens, Mr. Speaker.

MR. ACTING DEPUTY SPEAKER: Further on the point of order? The Member for Smoky River.

MR. PASZKOWSKI: Thank you, Mr. Speaker. I think there are two items that should be brought forward here. Number one, it's very simple to draw a statement out of an extended statement that really achieves the member's purpose and the member's goal. I think the context of the overall presentation has to be taken into consideration. The other simply is the statement that when you do

have orchestrated hearings, there is going to be a definite decision that's going to come forward that is predestined. I don't think I was making any statement that is out of line or out of order.

Thank you, Mr. Speaker.

MR. ACTING DEPUTY SPEAKER: Order please. There is obviously a disagreement among members here rather than a true point of order. I would like to offer the opinion or the view that this type of interruption on private members' day might be avoided if initial speakers were to adhere closely to Standing Orders and not purport motives or get into that particular area of debate.

Debate Continued

MR. ACTING DEPUTY SPEAKER: The Member for Dunvegan.

MR. CLEGG: Well, thanks again, Mr. Speaker. It's certainly a pleasure to speak on Motion 219. The Member for Vegreville did say in the House the other day that I was the oldest resident in Alberta, and today we found the oldest nurse in Alberta, the hon. Member for Calgary-Glenmore.

Having been farming all my life with the exception of six months, it's great to be able to speak on Motion 219. It's also great that when the hon. Member for Vegreville got up, the hon. Member for Edmonton-Belmont said: please don't read the motion because it's confusing and it will take you all afternoon to read it.

I still am very active in farming. So when the hon. Member for Vegreville said that we take all the good ideas from the opposition, well, I've been around a long time, and what I see them doing when they're in their campaign – they bring in every conceivable program. They're going to pay \$50 a tonne on fertilizer, they're going to give you interest-free money, they're going to do this, and they're going to do that. They know they're never going to be the government, so they'll never have to keep those promises. There's no possible thing that we could ever bring forward that they didn't have that suggestion.

4:50

You know, it's ironic. I don't have a habit of getting up and speaking, but I sit here every day and I hear questions: put more money into agriculture, put more money into health, put more money into education, put more money into mental health. I could go on all afternoon. But the next series of questions is: balance the budget. That's very ironic to me, that they could . . .

MR. McEACHERN: Take the money from NovAtel. Take it from MagCan. Take it from Myrias.

MR. CLEGG: Mr. Speaker, I just wish the Member for Edmonton-Kingsway would quit chirping. I've had a terrible earache in the last month from the continuous squirrel chirping . . . [interjections]

MR. ACTING DEPUTY SPEAKER: Order. [interjections] Order please.

The Member for Dunvegan.

MR. CLEGG: Thank you, Mr. Speaker. I just made a few notes here. I don't want to spend a lot of time, but certainly the motion he put forward is very confusing. He talks about the serious condition in agriculture. He gets into ADC, and it's all over the board.

I believe there's a lot of things that we have done and will continue to do that's a far better motion than he put forward. I

said when I started that I've been in agriculture all my life. Agriculture is a way of life. I can remember when my dad moved into the Peace River country . . .

AN HON. MEMBER: That was a long time ago.

MR. CLEGG: Well, they went in in 1928. I wasn't born until '43 or '44, but I certainly know how agriculture was set up in this province. The way it was set up was that people worked together. I can remember the sawing bees and the butchering bees we had. We all worked as a group. Today the modern farmer believes that he can work three months of the year. I say no, the farmers, the producers in this country, cannot work three months of the year. They never could, and they never will be able to. Never once have they been able to. I can remember my dad working 18 hours a day . . .

AN HON. MEMBER: Was he an MLA?

MR. CLEGG: Well, he spent the same hours as I do. You know, he hauled wood into town for \$1 a load. That philosophy cannot change.

MR. MARTIN: His brother smartened up.

MR. CLEGG: Yeah, he retired.

So we went through that process, and we're going to continue to go through that process. What farmers have done since the early 1900s is they worked hard, they worked together, and then they retired. That was like the retirement pension. It's like labour. They work on a job, and hopefully they work all the time and they build up a pension plan. The farmers build up a plan by working hard – not six or seven or eight hours a day but 18 hours a day and a lot of time Saturdays and a lot of time Sundays.

Along came ADC. If there was ever anybody in Alberta that criticized ADC, I was one of the biggest critics of ADC.

The reason I was a criticizer of ADC was that they had a philosophy or a program that I totally disagreed with. I happen to have a son that went to ADC. He wanted to borrow what they at the time said was a measly \$60,000 or \$70,000. The people in ADC said: "You don't want to borrow \$60,000 or \$70,000. You want \$200,000." He said, "Well, I can't pay it back." "Oh yes you can. Make a viable unit." Now, this guy was out in the work force, so he didn't get the money at the time, but lo and behold, ADC changed their policy. It's funny. They changed it just about the time I got here. Their policy now is that they recommend that people work. They recommend that people don't borrow \$200,000 or \$300,000, and now the ADC is certainly a board that is doing the beginner farmers in Alberta a tremendous amount of good. It's something that I have no criticism of. It's something that's working well. It's administrated well. Certainly there are always individual problems, but those have all been corrected over the last several years.

Over the last several years this government has brought in many programs. We can mention the farm fuel distribution allowance. Somewhere along the line the hon. Member for Vegreville was seemingly criticizing the farm stability program. His recommendation was that it would cost us as taxpayers of Alberta about \$75 million, the difference between 9 percent and 6 percent, because there's about \$2.5 billion in that program. We as a government brought in that program when in fact it was needed, and in the last six months I've yet to have one person phone me about the farm stability program. They didn't phone me because they recognize that when the money was needed, we were there to help

them. They also know that the interest rate at the bank now is 7 or 8 percent. They understand that. I haven't had any complaints from anybody, and I'm sure they're very appreciative of what this government has done.

I can go on with the tripartite system: many, many programs. I know that the Member for Vegreville is going to say, "Well, we don't need a list of the programs," so I'm not going to give you the list of programs, but I also know that along with the staff of the Department of Agriculture we can do a lot by having seminars across this province. There are many things that farmers and producers can do in order to save money. They don't have to keep borrowing money. I personally know that a farmer today has got to have thousands and thousands of acres to justify a \$150,000 or \$160,000 combine. So let's get working with the farmers like we've done for years. Buy equipment in partnership. I'm not saying you can do that with a combine, but you can do that with tractors and ploughs and cultivators and drills. You can do that in many ways.

Another way is to get them seminars on leasing equipment. You know, I personally farmed with one of my brothers, not the one that the hon. Leader of the Opposition just mentioned here a while ago. We did farm in partnership because we personally couldn't afford a \$100,000 combine. Many of us believe that we've got to have this wonderful new equipment, this new combine. My combine happens to be 13 years old. You know, you can put a lot of repairs on a combine without going and paying \$140,000. Through the Department of Agriculture our DAs, our specialists, are out there. When you burn \$10 a gallon for fuel now, we'd better take a look at using more chemicals – and that's a bad word – and fertilizer. You know, when you go out with a tractor and spend \$200 just for fuel, plus you have to have somebody on it, you'd better take a look. We've got chemicals down to \$10 an acre now, and it costs you that much just for fuel. So we can work with our producers.

5:00

You know, I've been a farmer all my life, but I was never a good marketer of my product. Now the beginning farmers, people a generation below me, are really looking at the marketing. You know, I was great to go to my agent and say, "Well, I'm not going to give you \$80,000 for that tractor or combine." I'll jew him right to the bone. But I would take my product – my wheat, my barley, my cattle, my pigs – to the market and take what I got. The new generation of farmers are not doing that. The Department of Agriculture staff have been working with these beginning farmers, and farmers who have been farming a few years, and they are taking marketing courses. When you are paying \$80 or \$90 an acre to put in a crop, you had better protect that investment. We can really do a lot that way.

As I said earlier, family farming is certainly a way of life, and that will never change. Never will it change. Being chairman of ag caucus, it's always a pleasure for me to organize meetings. In a six-month period we had 43 meetings with groups and organizations throughout this province, and those are the people this government listens to. You know, I get comments back: "Well, you didn't listen to me." Let me assure you that this government does listen to those organizations. I'm not going to name them. I could sit here and name 43 of them, but I don't have to, because everybody knows who they are. We work with those organizations, and we take the best points, the best ideas from those groups. I just encourage those groups to keep meeting with government, because we listen to them. We're going to continue to . . . Oh, I'm glad to see the second oldest nurse in Alberta just show up. I knew that when I started to talk, she would show up.

In the last few months I've seen people with optimism out there. I really have. We brought in GRIP. The hon. Member for Vegreville – and I agree with him for a change. It needs some improvements. But we just don't throw everything away. It's going to completely do the job it was meant to do. I talked to a person the other day: "It's a subsidy program." I said: "It's not a subsidy program. Sure, just about everybody that had GRIP got paid out last year." I had people coming to me when the GRIP went through: "No, I don't need it." I said to them: "Don't take it if you don't need it. I never did have that kind of cash that I could throw out \$125,000 to put in a crop and not protect myself. If you don't need it, don't take it." But the same people who said to me, "I don't need it" came back to me last fall: "We didn't know you had such a good program. I wish I'd taken it."

MR. WOLOSZYN: Why didn't you tell them?

MR. CLEGG: I did tell them. But I think some of the members of the opposition were probably telling them the opposite. It's funny; they usually listen to me, especially in Dunvegan.

We brought that program in, an insurance program, and NISA: again, a program that we were part of, federally and provincially. Individual producers had a say in the program they needed.

Crop insurance. I've taken crop insurance since it first started. I've yet to collect my first nickel, never a cent, but I don't quit taking crop insurance. I don't quit insuring my car, and I don't quit insuring my house because I didn't burn my house down. I don't quit crop insurance because I didn't collect. Those are insurance programs that we've got. We've had ad hoc programs throughout this province for years, and I'm against every one of them. Ad hoc programs do nothing for the stability of the agriculture sector in this province. Never will, never will, and never have done. There's always this and that. People slide between the cracks. Some people get what they don't deserve; some get too much.

That was so important that we now have crop insurance. We have a GRIP. We have a NISA. We're not telling Albertans, the producer, to take it. We don't believe as a government to tell people to take things. The program is there. If you can go at it your own way, do it. We don't tell people to go into a tripartite system. Why would we? The programs are there, and last year and this year are the first years since I've farmed – it's over 42 years that I've had a permit book – that I could sit down after I sowed my crop and say, "Well, Glen, you're going to get this many dollars one way or the other." I personally want to get it from the marketplace. This is the first year, I repeat, that I know what I'm going to get when I have finished selling my crop.

Well, this government continues to work with producers. We will continue. Ag caucus, our two ministers will work with people. We believe in talking to producers across this country. We're going to make and continue – agriculture is going to be the best way of life across this province, which it's been for years.

In closing, Mr. Chairman, I just got a 1991 census of agriculture highlights, and here are statistics. I didn't make them out, and this government didn't make them out; it just happens to be in front of me here. Table 1: there is a downward trend in the number of farms on the prairies since 1986. Manitoba lost 6 percent, Saskatchewan 4, and Alberta 1. Now, I'm not going to go through all this, but just one other statistic here: in the past 20 years, since 1971, Manitoba has lost 26 percent.

SOME HON. MEMBERS: How much?

MR. CLEGG: Twenty-six. Saskatchewan has lost 21. Alberta has lost 8, and I'm happy with the Social Credit government in

British Columbia. They gained 4 percent. Those are statistics not by this government but from the census.

You know, somebody gave me a little note here. It says, "How about the ruts?" Well, I'll tell you about the ruts if you want me to tell you about the ruts. We had a program in northern Alberta. You bet we had a program in Alberta. It was under disaster services. I make no bones about it; it was a disastrous program. What I said earlier: ad hoc programs are disaster programs because the right people don't get the right money. How do you take a program – the damage is done in the fall, and you send adjusters out in the spring. Well, adjusters do their very best. This government has beautiful and wonderful workers in the Department of Agriculture, but they can only be human. They go out and adjust a fescue crop; it's been ploughed down. Now, how can you adjust something that's been ploughed down? I've said earlier, and I'll say it again: get rid of ad hoc. We've got the programs in place now.

I can't support his motion because I think there are many things that we've done and many things that we can do in the future to make me proud to be a farmer and the farmers and the producers of this province to be very happy to live in Alberta. If you want to compare – and I've heard this, and I don't want harassment from the members to the left there, but compare the programs. It doesn't matter. I mean, facts are facts. Compare the program with any other province in Canada, and don't think the people, the farmers, the producers, in Alberta don't know it.

Thank you, Mr. Speaker.

5:10

MR. ACTING DEPUTY SPEAKER: The Member for Smoky River.

MR. PASZKOWSKI: Thank you, Mr. Speaker. It's certainly a pleasure for me to rise and speak to a subject as important as this. Of course, agriculture is something that's very close to my heart as well as to the hon. Member for Dunvegan's, who spoke so eloquently on all the issues and so knowledgeable on the issues. I was actually looking forward to this debate because I felt that the opposition, whose party spokesperson is claiming to be so knowledgeable on agriculture, was going to enlighten me on so many topics regarding agriculture. Unfortunately, the Liberals have chosen not even to – their critic hasn't been able to speak to this subject. However, it's interesting that the hon. member from the opposition has chosen to speak to the item of farm financing and some of the issues that he raised.

I have to wonder if perhaps we shouldn't call the hon. member Rapunzel Fox, because apparently he's going to be able to reinstitute spinning straw into gold, and this is going to be quite an achievement. That's going to be something that I would really like to see further explanation of, just how a person's going to be able to buy the land and then decide that he can't pay for it, and then he's going to be able to farm it anyhow, just for the sake of the gentleman who has chosen to take that way. If you, as a diligent, responsible farmer have chosen to be responsible, have chosen to do all the right things, put all the right efforts into agriculture, pay for your land right across the fence, and in some cases you competed to buy that same land, where do you stand in this process?

I guess where you'd stand is where the last New Democratic Party in Manitoba placed agriculture. That's about in '86, when the Alberta government was spending 10 percent of its budget on agriculture and the New Democratic government in Manitoba was spending 3 percent. Maybe we should have a look at that type of responsible government, and perhaps this is what our farmers

recognize and still remember when we talk about agriculture, because that is something that is long lasting. When you go back and talk to the agricultural community in Manitoba, they will state those statistics very dramatically, and they will remember the input that that particular party process put into agriculture. They're still trying to battle the results of the brilliant leadership that the New Democratic Party brought forward for their farming community.

It was with some interest that I listened to the issue of low interest. Lower the interest rates; give the money away; give the farmers the money. Good idea, and I'm sure the farmers would all love this, but who's going to pay for it? Where does the money come from? Who's going to deal with that? We lower the interest rate to 2 percent; what do we do to the farmers? We start lending money. We already have the highest per capita debt load in Alberta. Why? Because we have the lowest interest rates in Canada. Nowhere in Canada does anyone else borrow money in the agricultural community for lower interest rates than they do in Alberta. That, of course, is guaranteed by this government of Alberta, and that's important. It's important to the farming community. They're not out there asking for lower interest rates. What they are asking for is a more secure return for their product, and that's what we have to work towards. That's what we have to, as a Legislature, develop programs for.

In fairness to our ministers of Agriculture we indeed are succeeding. No other province is putting the initiatives into developing plans for marketing, for processing. There is no other province that has gone as far in diversification in all of Canada as what Alberta has done, and that's why our agricultural community today is suffering less than in any other area of Canada. It's because of the leadership that our minister is bringing forward and the leadership that his department people are bringing forward that we stand alone at the top, and that's a nice place for our agricultural community to stand.

We're going to drop our interest rates, and then where do we stand with the whole process of GATT, when we start in the world trade negotiations? We export 80 percent of our products, by and large, our major commodity products. Where do we stand in the world when suddenly they start fingering our low interest rates? What's our option then? Suddenly we're going to have start increasing our interest rates? We've developed a program for our farmers. We've developed a good secure program for our farmers that the farmers can budget with. They can preplan before the year starts what their interest payments are going to be, and if you want security, that's an element of security that indeed we need to put in place and we have put in place.

In fairness, our minister through his leadership has worked that program to the refinement where today, in 1990-91, with the ADC we had 17 foreclosures on all of the loans that are out there. Keep in mind that this is a lender of last resort, a lender of last resort that had 17 foreclosures. Now, I consider that something to be proud of for the minister. It's unfortunate that there had to be 17, and I feel badly for those people. Nevertheless, it speaks very highly for the success of the program that is in place. To stand there and idly criticize that type of a program is very unfortunate. It's misleading, and it's certainly not something that we in the agricultural community feel is a requirement to help develop our community.

What happens if we drop our interest rates to 3 and 4 percent, as the hon. member had suggested? What happens to the farmers in Saskatchewan and British Columbia that are paying the 10 and 12 percent? Where do they stand, and what do they tell us? Exactly what's happening now: the poor agricultural community in Saskatchewan is paying a very difficult price, and it's unfortu-

nate, certainly. They have to pay more for their cash; they have to pay more for all elements of agriculture. This spin-off goes on and on and on, so we have to be careful that we come forward with proposals that are realistic and reasonable.

[Mr. Speaker in the Chair]

I was looking forward to that in this motion. I thought perhaps we were going to have some sort of a new and overwhelming thought process that was going to come forward, that we were going to rekindle the opportunities for agriculture and allow agriculture to prosper from now until eternity. What did we get? We didn't even have a solution for our beekeepers, for heaven's sake, and I was sure this ex-beekeeper was going to provide that today as well. Unfortunately, there wasn't even a mention of our honey industry.

The whole opportunity that we have to work towards and the opportunity that presents itself, as the hon. Member for Dunvegan had so eloquently brought forward, is working together, working together to bring forward the programs that are reasonable and achievable, programs such as further honing our marketing skills. Certainly there is an opportunity; we want to capture every last penny that's there. That's the way we prosper in agriculture, better utilizing our tillage skills, better utilizing our horticultural skills. No-till agriculture has tremendous opportunity, and we're just in the throes of developing it. The cost-saving mechanism there is overwhelming and one that we have to continue to develop and one that we have to continue to work with.

5:20

Just suggesting that indeed farmers shouldn't pay interest on their money, just walking away from their farms and then turning around and farming that farm continuously is certainly not a solution that society in general would accept. They would browbeat the farmers for taking that position, and it's not fair to put the farmers in that position.

I've been involved in agriculture all my life, as the hon. Member for Dunvegan has been as well, but nowhere near as long, unfortunately, so perhaps I'm not nearly as knowledgeable as the hon. Member for Dunvegan is. However, in following in the footsteps of more knowledgeable people such as the hon. Member for Dunvegan, you learn some skills and some ideas. Certainly we in the Peace River country have become very innovative. We work with all the hardship of weather. We work with the hardship of short seasons. Even in years when it becomes excessively wet, we have to go out and capture our harvest by developing a process such as ruts. The ruts hurt the farmers and hurt the agricultural community. But this caring government through the hon. minister developed a program to deal with that issue. This government showed its caring for those unfortunate people who had to deal with weather which they couldn't overcome. They did, and the people indeed recognized that the program was helpful.

The solution the NDP government puts forward is charter a plane and fly to Ottawa; let them fix it. But it's still the same taxpayer that's paying the money. It's still the same man who's got to pay the money, whether you do it at home or whether you do it in Ottawa. How did our Premier solve this dilemma last fall when indeed agriculture was hurting and was in pain? He called all the stakeholders together. We came together in a meeting. He heard all the issues brought forward by 48 stakeholder groups at that one meeting, and they all laid out their concerns. The Premier through his minister and all of caucus developed a program that indeed assisted in developing a position where the hurt would indeed be covered.

The hon. Premier from Saskatchewan traveled throughout all of western Canada, enticing people to travel with him, spend \$48,000 to charter a plane, go to Ottawa, and say: "You pay for it, because I don't want to take the blame. I don't want to take that money out of my coffers. You pay for it." That's a very, very easy solution, one that you hide under a rock for and let someone else develop.

That isn't the way we develop solutions in Alberta. That's not the way under the leadership of our hon. chairman of ag caucus there and our Minister of Agriculture, who from time to time takes criticisms which are totally unjustified, totally out of line. He should actually be complimented by even the members of the opposition for the position that he's taken.

The vibrancy of agriculture is continuing. The vibrancy of agriculture will continue through the thoughtful development of continued diversification. Many, many times the opposition has taken the issue of the Northern Lite Canola plant to task, which is close to our area in the Peace River country, taken the minister to task for indeed allowing this diversification facility to carry on. That facility is pioneering and will continue to pioneer the additional uses of canola oil and canola meal that no other industry is wanting to develop. It's a made-in-Canada product that that facility is developing, yet what would we do? We'd shut it down and export the seed. That's the solution of some of the hon. opposition members, and it's a very unfortunate solution because it's not one that's a workable solution. We can only export so much seed, and as soon as we surplus that export market, the price falls, and then where is the farmer benefited? The plant in Sexsmith is doing R and D that has never been tried before in Canada by any other group. We should, indeed, be suggesting that we should be encouraging additional types of plants such as that. That's what the issue should be, that's what the motion should have been. It would have been a far better motion, one that I would gladly have encouraged to speak to.

Unfortunately, we have a motion that's going to give away money. Unfortunately, we're going to have a motion here that's going to give away money, but we haven't identified who's going to pay for that money. Unfortunately, we've got a motion here, indeed, that rather than wanting to develop towards a balanced budget, is going to develop further deficits in the budget. That's not what the farming community in Alberta is asking for. That's not it at all. The Alberta agricultural community is willing to take its proper place and play its proper role in the development of this province, and they're proud to do it.

MR. SPEAKER: The Chair hesitates to interrupt, but perhaps we could entertain a motion to adjourn because of a procedural matter, please.

MR. PASZKOWSKI: It's unfortunate, because I have many other items that I would like to address here. But with your encouragement, Mr. Speaker, I would ask that we adjourn debate on this motion.

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

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion carries.
The Member for Dunvegan.

MR. CLEGG: Thank you, Mr. Speaker. In my remarks on Motion 219 today, I made a religious connotation, and I would like to withdraw those remarks.

MR. SPEAKER: Thank you, hon. member. Thank you.
Deputy Government House Leader.

MR. GOGO: Thank you, Mr. Speaker. By way of notification, the House tonight will deal with committee study of the various private Bills before the House. In addition, we'll deal with committee study of Bill 23, the Environmental Protection and Enhancement Act. I move that when members do reassemble, they do so in Committee of the Whole.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries.

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

