

Legislative Assembly of Alberta

Title: **Monday, February 8, 1993**

2:30 p.m.

Date: 93/02/08

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

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

Amen.

head: **Notices of Motions**

MR. LUND: Mr. Speaker, at the end of question period it is my intent under Standing Order 40 to seek the unanimous consent of the Assembly to approve the following motion:

Be it resolved that the Legislative Assembly of Alberta congratulate Mr. Kurt Browning, of Caroline, Alberta, on winning his fourth Canadian men's figure skating championship, and be it further resolved that the Speaker of the Legislative Assembly convey this congratulatory message in his usual manner.

head: **Tabling Returns and Reports**

MRS. MIROSH: Mr. Speaker, I'd like to table in the Legislative Assembly the Alberta Historical Resources Foundation annual report for 1991-92 and the Human Rights Commission annual report April 1, 1990, to March 31, 1991; April 1, 1991, to March 31, 1992.

MR. DINNING: Mr. Speaker, I'd like to file with the Assembly today copies of a public notice that is in today's dailies across the province requesting on behalf of the Alberta Financial Review Commission written submissions and reports of advice to that commission. I wish to advise the Assembly that I have asked the commission to report to Albertans by March 31, 1993.

head: **Oral Question Period**
Federal Election Campaign

MR. MARTIN: Mr. Speaker, it's nice of the Premier to drop in today. [interjections]

MR. SPEAKER: Order. [interjections] Order.

AN HON. MEMBER: That's not nice.

MR. MARTIN: It's not meant to be nice; it's the truth.

On the Premier's recent trip to central Canada we saw him hobnobbing with his good buddy Brian, Mr. Speaker. I don't know if they were singing Irish songs or not, but they seemed to be having a good time. Well, they got so carried away that they're going to campaign for each other. The Premier's going to campaign for Brian Mulroney. Now, I would remind this government and this Premier that this is a Prime Minister that has brought in the GST, high interest rates, cut transfer payments to Alberta probably costing \$500 million. My question to the Premier is simply this: other than the name Progressive Conservative, how can this Premier justify campaigning for a Prime Minister that has brought all of these disastrous policies to the province of Alberta?

MR. KLEIN: Mr. Speaker, I'm not going to be campaigning with the Prime Minister. He has his own constituency in Baie Comeau, and I'm not going down to Baie Comeau to campaign with the Prime Minister. I did indicate that I'll be campaigning to some degree, time permitting, with my own MP, Bobbie Sparrow. I think she's a very good MP; she's done a lot for my constituency.

Relative to the interest rates I don't know where the hon. Leader of the NDP Opposition has been, at least over the past three or four months, but I understand that interest rates are the lowest they've been in 20 years.

With respect to some of the things that the federal government has done, yes, we've expressed our opposition to numerous programs, including the GST, but we also are delighted that the federal government eliminated that insidious NEP, that the federal government eliminated the petroleum gas revenue tax, that the federal government eliminated that awful agency called FIRA, that the federal government introduced something the NDs opposed vehemently but will be of tremendous advantage to Alberta and Canada: the North American free trade agreement.

My attitude, unlike the NDs, is one of co-operation, not confrontation.

MR. MARTIN: Well, that's nice. I hope you and Brian cooperate all you can, because we'll love to campaign on that. Mr. Speaker, the only reason interest rates are down is because the policies of the federal Conservatives have driven us into a recession. That's the only reason that they're down.

My question to the Premier is simply this: now that he's going to campaign for Brian Mulroney in Alberta – and he's made that clear – does the Premier now believe in the GST? Does he believe in the cut of transfer payments to Alberta? Does he believe in Via Rail cuts? Does he believe in all the other policies that were brought in by this government?

MR. SPEAKER: Thank you. Thank you.

MR. KLEIN: Mr. Speaker, I'll make it quite clear. I plan to campaign and do as much door knocking as I can, time permitting, for my own MP, Bobbie Sparrow. I think she's done a tremendous job, and I'll start the campaign right now: Bobbie's a good MP; vote for her.

MR. MARTIN: Mr. Speaker, if enough Bobbie Sparrows get elected, we'll have more GST, and we'll have more of the same disastrous policies. The Premier doesn't seem to understand that.

He says he doesn't like the GST; he doesn't like the cutbacks to the transfer payments. My question to the Premier: why doesn't he go out and campaign for other parties that are going to stop these disastrous policies rather than fighting for the Conservatives that brought them in?

MR. KLEIN: I'll indicate once again, Mr. Speaker, that I'll be campaigning, time permitting, for my own MP, Bobbie Sparrow.

You know, the hon. Leader of the Opposition alluded to a recession. If he wants to see a recession, Mr. Speaker, he should go to Ontario, where they have an NDP government. Then he will really understand what a recession is all about. It is not a recession nor an economic interruption down there; it is a full-blown depression under the NDs. [interjections]

MR. SPEAKER: Second main question. [interjections] Order. [interjections] Order. Order.

Second main question, Leader of the Opposition.

MR. MARTIN: Yes, back to the Premier, Mr. Speaker. If he wants to look at our deficit, we'll compare the two provinces.

MLA Pensions

MR. MARTIN: Let's look at this new government. It's under new management, the Premier says. Mr. Speaker, one of the more offensive parts of this government is the whole concept of double-dipping. MLAs frankly are abusing the system by having double-dipping. In other words, you can collect your salary here and also collect a pension at the same time. The Premier says that he's against this. I'd like to file a letter he's sent to my colleague for West Yellowhead. He says: gee, shucks, there's nothing I can do about it until after the next election. Well, this is frankly outrageous. There are things that this Premier could do, but he doesn't want to do them. My question to the Premier is simply this: will the Premier tell this House how many of his colleagues on the government benches are currently double-dipping?

MR. KLEIN: I don't know offhand, Mr. Speaker, but I'll be glad to get the information. The hon. Leader of the Opposition knows full well that legislation will be introduced after the next election to deal with this problem and the opposition was very much a part of this solution.

2:40

MR. MARTIN: Mr. Speaker, this was promised in the Speech from the Throne last spring, and this Premier was a minister of the government that promised it. He said that he was against it in the leadership convention. Now he's not going to deal with it until after the election, when half the people may not even be running. It's the same old government. My question to the Premier: at a time when some other people are facing some really difficult economic times, how can the Premier justify this double-dipping process when other people are struggling so hard to make it? How can he justify it?

MR. KLEIN: I'm not justifying it. That's why I was part of the process to bring about legislation that will prohibit this practice from happening in the future, and that will apply to the ND opposition as well, Mr. Speaker.

MR. MARTIN: Mr. Speaker, that's an absolute cop-out. If I may quote: you had a choice, sir.

Mr. Speaker, my question, then, is to the Premier. We want to help him out. There is a private member's Bill from the Member for West Yellowhead that would abolish double-dipping. He will get the total co-operation of the opposition. Bring it in, and we'll pass it right away. Will he do that and show some leadership?

MR. KLEIN: Well, I'm delighted that there is a private member's Bill, Mr. Speaker, because that's what this Legislature is all about. This Legislature is to consider all Bills, and then there will be an opportunity, in true democratic fashion, to deal with the situation. In the meantime, there is a firm commitment on the part of this Legislature to deal with the problem and to deal with it quite decisively after the next election.

Premier's Trip to Eastern Canada

MR. DECORE: Mr. Speaker, just a very short time ago the provincial Conservatives in Alberta split from the federal Conservative Party in Alberta. They split over the federal sales tax, they split over the election of Senators, and they split over what they called other federal policies. After just a couple of days in Ottawa and in Toronto, the Premier has embraced Mr. Mulroney

and has indicated that his party is going to help the federal Conservatives get re-elected in Alberta. My first question to the Premier is this. Electing a Senator is critical for Albertans. I'd like the Premier to tell Albertans that he's been able to convince the Prime Minister to change his position on this matter, that we won't have an appointed Senator, and that in fact we'll have the right to elect our Senator.

MR. KLEIN: Mr. Speaker, I'm going to reiterate to the hon. leader of the Liberal Party. I know you can't say "hypocrite" in the Legislature, or you can't talk about hypocrisy, so I won't. I'll talk about a leader of a major political party who had his caucus oppose the idea of a senatorial election, oppose the Senatorial Selection Act, and now is trotting this thing out as if he owned it. Now, I don't know what word you can attach to that.

SOME HON. MEMBERS: Liberal.

MR. KLEIN: We will call it typical Liberal backtracking and flip-flopping. How's that?

MR. DECORE: Mr. Speaker, I think the record is clear, and the record shows that the hon. Member for Westlock-Sturgeon was the individual who first suggested the election of a Senator.

Mr. Speaker, my second question to the Premier is this. The Premier indicated during the start of his leadership bid that he embraced the idea of a provincial sales tax. He then said, "Oops, I made a mistake."

Speaker's Ruling Supplementary Questions

MR. SPEAKER: Order please. Hon. leader of the Liberal Party, you really are stretching it. You were just going to use the general topic for your line of questions as being the Premier. Then to start in on the Senate and now you want to flip to something else, that really isn't in order. If you have questions following up on your lead question about the Senate, let's pursue that.

Premier's Trip to Eastern Canada

(continued)

MR. DECORE: Mr. Speaker, I talked about a sales tax as well in the preamble. Why would the Premier, who says that he doesn't believe in a sales tax, go to the Empire Club in Ontario and resurrect the issue and talk about a sales tax again if he doesn't believe in a sales tax? Why did he do it?

MR. KLEIN: I did it because I don't believe in a sales tax, unlike the Liberal Party. They want a sales tax. As a matter of fact, to the hon. leader of the Liberal Party, I spoke to the Hong Kong-Canada Business Association today, and at the end of my speech, when I talked about the opportunity to create economic growth and prosperity through deregulation and not having any new taxes, I mentioned specifically that that's the reason I don't want a sales tax: it becomes an economic inhibitor. In other words, it says to people from abroad and indeed within this country who want to invest in Alberta that without a sales tax they have a 7 percent advantage. I also said that even the leader of the Liberal Party should be able to understand that, but obviously he can't.

MR. DECORE: Mr. Speaker, for the record. The Premier stood in this Assembly and outside and said that he embraced a sales tax, then he says that he doesn't remember signing the document, then he blames a staffer, then he says that he changed his mind, and then he says that he made a mistake. Get it straight, Mr.

Premier. What do you believe in? I'd like the Premier to tell Albertans, now that he's embraced Mr. Mulroney . . .

Speaker's Ruling Supplementary Questions

MR. SPEAKER: Thank you, hon. member. [interjections] Order please, Mr. Premier.

I realize it's Monday. We've had a bit of time off, and perhaps we've slipped our gears slightly about how question period works, hon. leader. But you've already asked your question in the supplementary; now you're onto the second question in this third supplementary. You check the record; you'll discover that.

Mr. Premier, briefly.

Premier's Trip to Eastern Canada (continued)

MR. KLEIN: Mr. Speaker, I embrace the truth. I embrace and have the highest regard and respect for people who tell the truth. That's why I don't hold the leader of the Liberal Party in high regard.

I have not embraced the concept of a sales tax; at no time did I embrace the concept of a sales tax. I gave a hypothetical answer to a hypothetical question, and that's the way it was put. The hon. leader of the Liberal Party knows that. I have said and if he's listening I'll say it again: no sales tax. There are good reasons for it, reasons that obviously the hon. leader of the Liberal Party doesn't understand. One of those reasons is that a sales tax, first of all, is the kind of thing that's simple to introduce. Simplicity is the kind of thing that the Liberal Party looks for, an easy way to raise revenues, and obviously the Liberal Party is in favour of that kind of thing. [interjections] It also becomes an inhibitor, an inhibitor to economic development and growth. It prevents people from investing in our province and contributing. [interjections] I'm amazed that the Liberals . . .

MR. SPEAKER: Thank you, hon. Premier.

The hon. Member for Medicine Hat.

Other people, please stop shouting across the Chamber.

Alberta/Canada Economic Conference

MR. HORSMAN: Mr. Speaker, it is indeed true that when I rise to welcome the Premier back to the House, I mean it, because he's had a very successful week visiting eastern Canada to tell the story of Alberta to our fellow Canadians in Quebec and in Ontario and to meet the Premiers of those two provinces and, as well, to meet the Prime Minister.

I think, Mr. Premier, that it would be helpful if you could advise the Assembly about the reported efforts that are under way to arrange an economic conference between the federal ministers responsible for economic development matters and the ministers of our government who have the same responsibility. I would hope that the hon. Premier would assure the Assembly that such a meeting would not just be political posturing for the purposes of re-electing the federal Conservative Party or the government of this province.

2:50

MR. KLEIN: Mr. Speaker, the whole purpose of the mission, especially with regards to our meeting with the Prime Minister and other federal government officials, was to search out areas where we could achieve co-operation. In that regard, the Prime Minister agreed that an Alberta-designed economic conference would be held in this province sometime within the next two months and that that conference would have as its primary goal: what can be

done between the federal government and the Alberta government to achieve economic growth and prosperity? A number of areas were discussed: how we can share more meaningfully in the embassies around the world to promote economic growth; how we can participate better in job retraining and training; how we can participate in the North American free trade agreement and really take advantage of what the federal government is doing; perhaps looking at the issues of entrepreneurial immigration. I think that a very meaningful and hopefully a very productive agenda is being set for that first-time-ever conference.

MR. HORSMAN: Mr. Speaker, further to that list of activities, which is being contemplated, I wonder if the hon. Premier could advise the Assembly as to whether or not any further discussions regarding tax reform could be considered during the course of that meeting.

MR. SPEAKER: Hon. Premier.

MR. KLEIN: Thank you, Mr. Speaker. Yes, tax reform could indeed be an issue for discussion on the agenda. As we speak, officials in Ottawa and officials in Alberta from a number of departments are discussing the agenda and the format it should take. Hopefully, the meetings, as I mentioned, will be held within the next two months. Perhaps, if we can get a two-day agenda, we can split the conference between Calgary and Edmonton. I think it will be a very worthwhile exercise. It's a demonstration of co-operation rather than confrontation to achieve something good for our province.

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

RCMP Misconduct

MR. CHIVERS: Thank you, Mr. Speaker. The recent case of an alleged sexual assault in Leduc by a member of the RCMP involving charges of bribery and obstruction of justice raises serious concerns with regard to the public perception of and confidence in the administration of justice and the fairness of the system where the police investigate themselves. Will the Minister of Justice take steps to establish a process for the investigation of police misconduct allegations which includes an impartial person or body?

MR. FOWLER: Mr. Speaker, I wish it were as simple as the Department of Justice provincially doing so. I, too, have very great concerns over this recent case in Leduc, Alberta, which just came to my attention through the media, as it did everybody else's. I was unaware of it. There are three issues involved, of course: there's the court case itself, there's the police conduct, and there's an inquiry. The hon. Member for Edmonton-Strathcona has focused on the inquiry.

It has always been a problem to me and many other Albertans that investigations done on a member of a police force are conducted by that same police force. What the member must be aware of, I'm certain, but for the benefit of the House and Albertans, is simply that the Supreme Court of Canada case of Putnam and Cramer has prevented provincial inquiries into RCMP internal affairs for the simple reason that notwithstanding the contract we have with the RCMP, inquiries are an administrative matter, and we are precluded from being involved or setting up an inquiry which would look into that conduct.

MR. CHIVERS: That doesn't prevent the province from establishing the kind of process I asked about.

Mr. Speaker, concerns have been raised as to a possible miscarriage of justice in this case as a result of the apparent police resistance to the laying of charges and the delay in the laying of charges and the use of the internal report in the preliminary hearing. In the circumstances, will the minister exercise his discretion under section 577(c) of the Criminal Code of Canada to permit a direct indictment to be laid so that the matter may proceed to trial?

MR. FOWLER: What the hon. Member for Edmonton-Strathcona is referring to is the ability of the Attorney General to bypass the first inquiry and go directly to trial. As would be expected by this House, I am receiving a report on that from my people in the Justice department and will be reviewing whatever recommendation I receive.

Further to the first inquiry, I would like to say that the federal government has established a public commission which does look into misconduct and complaints against the RCMP. You may be certain, Mr. Speaker and members of this House, that I will be making a direct reference to that commission, and they will undertake an inquiry as well as the one that's going on.

MR. SPEAKER: Calgary-North West.

MLA Travel

MR. BRUSEKER: Thank you, Mr. Speaker. The Premier claims that this government is operating under new management. Well, it seems like the new management is operating a whole lot like the old management when they send the Member for Red Deer-South on a four-week junket without an itinerary or without any stated purpose of this so-called mission. My question today is to the Minister of Economic Development and Tourism. Why would anybody believe that this is anything but a payoff for two former cabinet ministers?

MR. SPARROW: Mr. Speaker, the reference made to the trip is very, very inaccurate. It's a very important trade mission. We definitely do need people leading that mission that are responsible, and we've picked two very astute individuals to be part and parcel of it.

MR. BRUSEKER: I don't think we learned anything new on that.

My supplementary question to the minister is: how many more members of the Conservative caucus are going to suddenly have to be sent on trade missions to prevent embarrassing the government by voting against the flawed boundaries legislation that this government has introduced?

MR. SPEAKER: Calgary-Bow.

Education Standards

MRS. B. LAING: Thank you, Mr. Speaker. My question is for the Minister of Education. In today's very competitive global market it's increasingly apparent that young Albertans must meet the challenge of a very technological workplace. It's crucial that our students not fall behind academically, especially in the fields of mathematics and science. Would the minister please inform the Assembly as to what steps are being taken to ensure that young Albertans can compete very successfully in the competitive workplace of today?

MR. JONSON: Mr. Speaker, the Member for Calgary-Bow raises a very important issue and objective for this government in

the field of education. Currently we are completing our review and redevelopment of the high school science program, looking at standards and its application to the world of work and the international situation. We are starting a similar review at the elementary level. We are looking very carefully at results of various indicators by way of international comparisons. In the area of science we are certainly active in meeting the concern that the Member for Calgary-Bow raises. In the field of mathematics, quite frankly we still have some concerns, but we are working there in terms of reviewing our curriculum, consulting with other groups, and dealing with this important objective.

MR. SPEAKER: Calgary-Bow, followed by Edmonton-Jasper Place.

MRS. B. LAING: Thank you, Mr. Speaker. My supplemental question is again to the Minister of Education. There were very significant changes made to the science curriculum in recent years. Would the minister please tell this Assembly if there are similar plans for change to ensure that the standards achieved by our students in mathematics will better prepare them to meet with success in today's very complex world?

MR. JONSON: Mr. Speaker, we are certainly looking at the importance of science and mathematics in what I think is a more technological and science-based culture that we're now dealing with. Quite frankly, we are not as far advanced in our review of the mathematics curriculum, albeit it was changed not that long ago. Certainly we are looking at the recommendations from the ATA blue-ribbon panel on mathematics. We're looking forward to them with great interest, and I hope that we can quickly give the same priority to mathematics that we have been giving to science.

MR. SPEAKER: Edmonton-Jasper Place

3:00

Tire Disposal

MR. McINNIS: Thank you, Mr. Speaker. This government continues to operate a system of regulation of air emissions and air quality which is politically driven and about as vague as they come. The government can regulate or not regulate emissions on a case-by-case basis and determine the levels plant by plant. I'm tabling today a list of 345 contaminants, only nine of which have any objective emission standards in the province of Alberta. Virtually all of them are regulated elsewhere. I'd like to ask the Premier, who was the one who promised Albertans a clean air strategy, why the new proposed regulations under the Alberta Environmental Protection and Enhancement Act continue the same old system of case-by-case, political decision-making rather than bringing in standards.

MR. KLEIN: First of all, I know that these regulations are not made on pure political considerations. They're based on scientific evidence and research and public input. By the way, the hon. Member for Edmonton-Jasper Place I think spoke very glowingly and very positively relative to the Environmental Protection and Enhancement Act and also alluded to the process relative to the establishment of regulations. I would like to see the document to which he refers and pass that document on to the Minister of Environmental Protection. We'll have a look at what the hon. member is complaining about and address it as adequately as we can.

MR. McINNIS: Well, Mr. Speaker, I have sent it over.

The case in point right now is the fact that two recycling firms won an open competition to process discarded tires in the province of Alberta, but this government apparently acquiesced in a decision to cancel that competition and move the tires to the cement industry to be burned. In spite of the fact that organizations such as community leagues, the city of Edmonton, the Stoney Indian Nation, and the town of Canmore have called for an environmental impact assessment, none is forthcoming. I would like the Premier to explain how the government could possibly refuse an EIA when it doesn't even have standards for the operation of cement kilns.

MR. KLEIN: I'd defer to the hon. Minister of Environmental Protection, Mr. Speaker.

MR. EVANS: Thank you. Mr. Speaker, I want to get a couple of points out here. Number one, there was never any position taken by this government with respect to two tire recycling firms, that they could not proceed with their development. They were given the opportunity to have access to the advance disposal fee last year. Upon analysis of their proposals there was a great deal of concern raised as to whether or not they could transport the tires at the \$4 advance disposal fee and in fact whether or not they had an economically viable kind of proposal that would see tires being disposed of, that instead of a pile of tires here, we would have a pile of recycled goods over here. You have to have a market.

Now, the member has also indicated that he has concerns about an environmental impact assessment. He knows full well that there was a test burn done at Inland Cement at the end of November to determine what kinds of emissions were coming from Inland Cement. There has not been a decision yet as to whether an environmental impact assessment is required, because those test results have not been yet analyzed fully and made public. When they are, there will be a further opportunity for public input, and we as a government along with the people of Edmonton will decide whether or not an environmental impact assessment is required given the circumstances of that particular burn, given the circumstances of tire recycling through burning in cement kilns.

MR. SPEAKER: Thank you.

Forgive me hon. members. To the photographer who has the permission to shoot the camera: please stop as of this minute. Thank you.

Westlock-Sturgeon.

Crop Insurance

MR. TAYLOR: Thank you, Mr. Speaker. In spite of the fact that farmers were hit last summer by drought, frost, and snow – this was all by August – and the damage assessment was carried out by October, many farmers are still waiting for crop insurance payments. It must be remembered that crop insurance is not a charity but a business agreement paid for by the premiums and that while awaiting payment, farmers are paying 18 or 19 or 20 percent to outstanding debtors that they have. Can the minister assure the House that all payments remaining on crop insurance will be out by the end of this month?

MR. ISLEY: Mr. Speaker, I'm not sure whether the minister can or not. For the last two weeks I've hardly heard any complaints from individual farmers that haven't received their crop insurance payments. The first GRIP payment is out in most cases. The

second one will probably be going out by the end of next month. If the hon. member has some individual farmers that are expressing concern, I'd ask that he give me their names and numbers.

MR. TAYLOR: Mr. Speaker, I don't know; he must have disconnected his phone. For starters, I can give him every bean grower in southern Alberta. They haven't had a sign of money. There are many others on top of that. Surely the minister can order payment of at least 65 to 70 percent of the claim now and do the checking down the road if his own department can't get things going.

The second question then: is this the type of efficiency we can expect after the minister has announced a merger of ADC and the crop insurance people?

MR. ISLEY: Mr. Speaker, I get the impression that the member is probably talking about snowed-under crops, where there hasn't been an agreement reached between the farmer and the corporation on how much is to be deducted. The policy, until last week's meeting at least, has been: where there was agreement, the cheque went out; where there was no agreement, they waited until the harvesting was done, if possible, in the spring. The board was reviewing that at its meeting late last week. I haven't got the results of the review of giving a percentage of what we estimate the farmer is eligible for and not demanding the total sign-off.

Special Waste Treatment Centre

MR. MUSGROVE: Mr. Speaker, my question is to the Minister of Environmental Protection. Some time ago the government committed to Albertans that there would be no movement of hazardous waste from other provinces into Alberta. Now my constituents are concerned that there are proposals to bring radioactive materials from abandoned uranium mines into Alberta to be disposed of at Swan Hills. I would like the minister to advise the House on whether or not there is an intention to bring radioactive material into Alberta.

MR. EVANS: Thank you. Mr. Speaker, the short answer is no. The longer answer is – and I'm sure the hon. member and his constituents would be interested in the longer answer – that when Swan Hills was created, there was never any intention, hon. member, to import waste streams from the Uranium City area, from Gunnar mine, or any other radioactive waste for that matter. The technology is not available on site to deal with radioactive waste. We have a policy of only accepting hazardous waste into Alberta within a category of waste, and that does not include any waste that would be radioactive waste. There is a facility for dealing with radioactive waste in Ontario. Again, there is no change in government policy anticipated, and I certainly won't be bringing anything forward to my colleagues in government to suggest that we should be importing radioactive waste into the province of Alberta.

MR. MUSGROVE: Mr. Speaker, the answer brings up another question. We have to assume that there are certain types of hazardous wastes that are high risk as compared to other types of hazardous waste that are low risk. Now, within Alberta does the minister have a policy on high-risk hazardous waste on the highways as compared to other hazardous waste?

3:10

MR. EVANS: Well, hon. member, I just would ask you to consider the number of examples that you're aware of of any

problems with transportation of hazardous waste within the province of Alberta. We haven't had any problems, and that's because we have a very, very safe transportation system that involves transfer stations where waste is delivered then picked up in very safe containers and transported to Swan Hills in central Alberta. That is a very high priority of Alberta Special Waste at Swan Hills, to ensure that that waste can be transported from all parts of Alberta in the safest way possible to ensure that Albertans are not at risk.

Day Care System

MS MJOLSNESS: Mr. Speaker, the quality of child care available in this province remains a concern. Recently a woman was hired as director of a particular day care. She followed the rules, and she immediately identified several serious concerns in that day care. She was then fired. The owner of the day care said that he couldn't afford to follow the regulations, and he subsequently fired her. To the Minister of Family and Social Services: given that this woman immediately reported these concerns to the department of social services, including children being mistreated, unsanitary conditions, and tampering with records, and that instead of acting, this minister's office and in fact his department officials did nothing, can this minister explain why his department is so lax when these kinds of concerns come to their attention?

MR. CARDINAL: Thank you. Mr. Speaker, first of all I'd just like to remind the hon. member that Alberta continues to have the second lowest day care costs in Canada and the most available spaces. We have over 32,000 licensed spaces in Alberta and over a hundred staff employed in my department to work on that project with a budget of over \$78.5 million. I will definitely work on the issue the hon. member has brought up.

MS MJOLSNESS: Mr. Speaker, I appreciate that, and I'd be glad to fill the minister in if he's not sure about what the situation is, because it's very serious.

Mr. Speaker, this woman was also told by the department that if an investigation took place, she would not be able to get any of the information on the investigation. Parents are also refused information on any investigations that take place. So I'd like to ask the minister: when will this minister start putting children first instead of day care owners and provide Albertans with this information that they deserve?

MR. CARDINAL: Mr. Speaker, I again would like to remind the hon. member that when the review on day care reforms was done, the day care people were involved and the parents were involved. I believe that the new regulations that were put in place were as a result of that. I can assure the hon. member that I will look into this individual's situation.

MR. SPEAKER: Vegreville, followed by Edmonton-Gold Bar.

Libraries

MR. FOX: Thank you, Mr. Speaker. I'm sure most members in the Assembly have been contacted by representatives of arts and culture groups who are very upset by that sham of a meeting convened by the Minister of Community Development last Thursday: people notified at 4 p.m. for a meeting that starts at 6, the room so filled with Tory MLAs that there's only room for half of the people that show up for the meeting. The most onerous aspect of this meeting is what was revealed about the government's hidden agenda. I'd like the Minister of Community

Development to stand up and explain why she and her department are considering narrowing the focus of libraries by moving them from her department to Education?

MRS. MIROSH: Mr. Speaker, it's obvious that the member opposite didn't take part in that open forum. It was open to members opposite as well as the public. The budget brought forward was very evenly spelled out and very detailed. There has been discussion about libraries being moved over to Education, and there has been open discussion about that with the Library Association. That has not taken place nor will it.

MR. FOX: Well, Mr. Speaker, another thing that came up at that meeting concerned the suggestion by the former minister of culture and multiculturalism to institute user fees for borrowing books from libraries. I'd like to point out to the minister that Albertans, young and old, rural and urban, rich and poor, have access to this most valuable resource, and it deserves the support of the province of Alberta. I'd like the minister to stand in her place and give people who use libraries across this province her assurance that as long as she's minister in charge of libraries, there will be no user fees.

MRS. MIROSH: Mr. Speaker, there was over \$13.5 million spent on libraries as of last year's budget. I can't give my assurance about any user fees. This whole budget and this whole government is under review, and libraries are not exempt.

MR. SPEAKER: Edmonton-Gold Bar.

Ambulance Service

MRS. HEWES: Thank you, Mr. Speaker. This government is stalling in providing for a provincewide ambulance system. It's almost three years since the Legislature passed the ambulance Act, and the government has yet to proclaim it. My questions are to the Minister of Health. Once and for all, what's the holdup?

MRS. McCLELLAN: Well, Mr. Speaker, in fact it is accurate that the ambulance Act was passed in 1990. The holdup is the formulation of the regulations, which I know the hon. member would agree are a very important part of fulfilling the Act. We have undergone some very extensive consultations, and I remind you that ambulance service in this province is very much a partnership with our municipalities and the people who operate the ambulances. That consultation and that input is very important to us. We want to ensure that when we put this Act into force, the regulations are indeed appropriate for the delivery of this service. I can assure the hon. member that those consultations are drawing to a close. We have a few outstanding items, I think, that we would like to just finalize, and then it would be my hope that we can put the regulations into force early this year.

MRS. HEWES: Thank you, Madam Minister. Yes, the regulations are important, but equally so, how is the minister dealing with the critical issue of funding to municipalities for start-up and operating costs?

MRS. McCLELLAN: Well, Mr. Speaker, of course, that's very much a part of the discussion and very much a part of enacting this very important legislation. I can only reiterate that we are working very closely with our municipalities and will continue that very aggressively so that we can put this very important Act into force early this year.

MR. SPEAKER: Drumheller.

Deer Population

MR. SCHUMACHER: Thank you, Mr. Speaker. My question's for the hon. Minister of Environmental Protection. Over the last several years the deer population, in east-central Alberta at least, has grown by leaps and bounds, resulting in large-scale costs to agriculture producers due to crop, forage, and pasture loss, danger and loss to the driving public, and increasing road kill of the deer. I would like to ask the hon. minister whether he has become familiar with this problem.

MR. EVANS: Well, Mr. Speaker, I'm pleased to leap to my feet to answer that question. Indeed I am very familiar with the problem. Not only are we having difficulty in the agriculture sector, where, as the hon. member has pointed out, deer and elk in particular are eating a number of the crops in bales and other types of crops that are out in the fields, but road kill is a very substantial problem. It's causing a lot of property damage and is certainly a concern to the life and limb of Albertans. So our department is certainly looking at it, and we're trying to address that issue on a year-by-year basis, hon. member.

MR. SCHUMACHER: A supplemental, Mr. Speaker. I wonder if the minister could share with the Assembly how, at this stage at least, he proposes to address this serious problem?

MR. EVANS: That's a very good question, hon. member. What we're trying to do is take a look at the individual wildlife management units and trying to identify whether we can have a special season, whether we should increase the number of permits in the area, whether we in fact might even get to issuing two licences to the same individual in a given wildlife management unit. We will continue with that process. Our regulations will be coming out this year. We are going to continue to take a very proactive approach to this and hopefully resolve the issue for all Albertans.

MR. SPEAKER: Thank you.

Point of Order Proceedings of Committees

MR. SPEAKER: On February 4 a purported point of order was raised by the Member for Calgary-Forest Lawn which related to an exchange during question period between the Leader of the Opposition and the Government House Leader. The Chair has had an opportunity to review *Hansard* and feels that there is no point of order.

Speaker's Ruling Proceedings of Committees

MR. SPEAKER: The Chair needs to go on further, though, to remind hon. members of procedures in the House. In this case the irregularity occurred during question period during the Leader of the Opposition's questions, and really it's not the point in question period to be raising matters that are occurring in committee.

3:20

SERGEANT-AT-ARMS: Order in the media gallery. No movement when Mr. Speaker is talking.

MR. SPEAKER: *Beauchesne* 411(3): "a question may not . . . seek information about proceedings in a committee which has not

yet made its report to the House." Another one in *Beauchesne* is 760(3): "committees are and must remain masters of their own procedure." Also *Beauchesne* 478: "the proceedings of a committee may not be referred to in debate before they have been laid upon the Table." This has indeed been confirmed by recent practice at the House of Commons in Ottawa.

head: Motions under Standing Order 40

MR. SPEAKER: Our next issue: a Standing Order 40 request. For urgency first. The Member for Rocky Mountain House.

MR. LUND: Thank you, Mr. Speaker. In speaking to the urgency of the matter, Mr. Kurt Browning won for the fourth time the Canadian men's figure skating championship on Friday, February 5, 1993. Therefore, dealing with it today would be in my opinion the most appropriate time to deal with it.

MR. SPEAKER: Under Standing Order 40, request for urgency. May the matter proceed? Those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried. Thank you. Rocky Mountain House.

Canadian Figure Skating Championships

Moved by Mr. Lund:

Be it resolved that the Legislative Assembly of Alberta congratulate Mr. Kurt Browning, of Caroline, Alberta, on winning his fourth Canadian men's figure skating championship, and be it further resolved that the Speaker of the Legislative Assembly convey this congratulatory message in the usual manner.

MR. LUND: Thank you, Mr. Speaker. Just to look at the accomplishments of this fine young man, I want to recognize the fact that he has four times won the Canadian men's figure skating championship, three times the world men's figure skating championship. Not only is he a tremendous winner on the ice but also off the ice. He's touched the lives of tens of thousands of people. Many of these people idolize him, and he is a role model to many, many young people. He is truly a tremendous ambassador for his home town, Caroline, and area. I'm certainly very proud to have such an outstanding individual in the Rocky Mountain House constituency. He also represents the province of Alberta in a very outstanding manner as he travels around the world, and certainly as a great Canadian he has represented us very well.

Also, Mr. Speaker, in that competition was a very fine young lady from Edmonton: Susan Humphreys. She trains over at the Royal Glenora, where Kurt spent many years training. She managed to win third place in the Canadian ladies' figure skating championship. I would like to acknowledge her tremendous accomplishment as well.

I would urge all hon. members to vote for this resolution. It would be great if we could make it unanimous.

HON. MEMBERS: Question.

MR. SPEAKER: I wonder, first, procedurally, hon. members, having listened attentively to the Member for Rocky Mountain House, is it your intention to give us what amounts to a friendly amendment that would add congratulations to the young lady as well?

MR. LUND: If that is in order, Mr. Speaker, I would like to do that.

MR. SPEAKER: Do we have agreement of the House to that?

HON. MEMBERS: Agreed.

MR. SPEAKER: Thank you.

The Chair recognizes Vegreville, followed by Edmonton-Whitemud.

MR. FOX: Thank you, Mr. Speaker. Speaking in favour of the motion as proposed by the hon. Member for Rocky Mountain House, I believe that the third place finisher in the men's category was as well a young man who trains at the Royal Glenora. There may be some further congratulations that have been duly earned by young people with close ties to the province of Alberta. I'd just point that out for your information, sir.

I'd like to thank the Member for Rocky Mountain House for bringing forward this motion to express appreciation to his former constituent. We're all very proud of Kurt Browning and his achievements. I think his spectators were enthralled and excited by his artistic and athletic achievements and look forward to the Canadian championships being held in Alberta next year, where the stage could be set for what will be a very close and exciting competition at the Olympics in 1994 in Norway. So on behalf of the Official Opposition caucus I express our support for the motion and thank the member for bringing it forward.

MR. SPEAKER: Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. On behalf of our caucus I want to commend the Member for Rocky Mountain House for bringing the motion forward and am pleased to add our support for it. Kurt Browning not only in this most recent event but in previous endeavours has always provided a great performance, has always shown what Albertans are made of. When Albertans go out there and do something that is extremely significant and they make Albertans proud, I think it's very, very important that, yes, we do send this recognition. So I am delighted on behalf of our caucus to add our voice to the member's motion.

Thank you.

MR. SPEAKER: All those in favour of the motion, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried, let the record show unanimously. Thank you.

The Member for Edmonton-Belmont.

Point of Order Member's Apology

MR. SIGURDSON: Thank you, Mr. Speaker. Last Thursday during question period I was called to order for using language that has been ruled unparliamentary. When I attempted to explain my choice of language, you as Speaker called me to order. My passion and attachment to this particular matter interfered with my normal parliamentary presentation. I recognize now that I should

have raised a point of order following question period rather than argue my point during question period.

I think it's important for members to understand that the issue of the Zeidler strike is something more than just another labour matter for me. When the workers at Zeidler first went out on strike almost five years ago, I joined their picket line in an act of solidarity. I've joined their picket line on a number of occasions since, and at one point while on the picket line, a tractor-trailer unit barreled across the picket line narrowly missing me and a few other workers. The driver was charged and eventually made an out-of-court settlement to me and one other individual. Additionally, Mr. Speaker, when Mrs. Zeidler regained control of the management of the company from her ex-son-in-law, I attempted to make contact with her in the hope that negotiations might continue. You can see that this is not just another issue for me to address in this Legislative Assembly.

My attachment to this issue should not be construed as theatrics. However, my emotional attachment does not excuse my behaviour. I am fully aware that the Speaker is to maintain order in this Assembly, and for having not come to order, I apologize to the House.

With regard to my choice of language, Mr. Speaker, I chose the only word in the English language that accurately and precisely describes a person who refuses to join a strike or trade union or takes a striker's place or breaks the rule of his trade or group. There is no synonym for the word I used. Given the issue I wanted to address, I thought it more important to be precise rather than polite. To attempt to describe the above in some polite way is to deny the degree to which the offence exists. While some will be offended by the word, I will be offended by the action. But the word has been ruled unparliamentary, so I have no choice but to withdraw the word in order to represent my constituents. I therefore withdraw the word in that context.

MR. SPEAKER: Thank you, hon. member, and thank you for meeting with me previously this morning.

Speaker's Ruling Parliamentary Language

MR. SPEAKER: With respect to one other phrase that was used in question period today, "double-dipping," in the Members' Services Committee, which I chair, I've been quite diligent in warning members about the use of that phrase. It's not the intention of the Chair to rule that out of order. If hon. members choose to use phrases like that, so be it. The Chair does want to put on the public record that ministers who may have chosen to receive that benefit are doing so in full legal measure. They are receiving something which they are legally entitled to take. The phrase "double-dipping" conjures up other issues which are not really germane to what the topic is.

head: **Orders of the Day**

3:30

head: **Government Bills and Orders
Committee of the Whole**

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: Committee of the Whole will come to order.

Bill 56 Appropriation (Supplementary Supply) Act, 1993

MR. CHAIRMAN: Does the Provincial Treasurer have any introductory comments? Then are there any questions, comments,

or amendments to be proposed? The hon. Member for Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. Far be it from me to let an opportunity pass, an opportunity to ask the minister some questions about the supplementary budget estimates and the special warrant that he has tabled through Bill 56. There are a couple of questions I'd like to ask the Provincial Treasurer. He admits that in combination the special warrants and the spending through the supplementary supply Act are going to increase the province's spending over and above the limits set in the Spending Control Act that was adopted by the Legislature last year. He indicated in his Budget Address to the Assembly earlier this session that the new increases are 2.8 percent higher than 1991-1992 spending. Therefore he violates the Spending Control Act. Could the Provincial Treasurer indicate to us what penalty is to be paid for having broken the law? Certainly this is something that was raised by the opposition last year when the Bill went through the Assembly. Now that the projections, the speculation by the Official Opposition have been borne out and proved to be true, I'd like to know what sanctions or what penalty there is that goes along with breaking the Spending Control Act.

There are a couple of things that fly out at a person reviewing the Bill and the proposed requests in front of us, Mr. Chairman. Under the Environmental Protection department, Forest Resources Management, is found a special warrant, 26 million extra dollars, to provide additional funds for fire suppression. Now, there have been many occasions at least within the last three years, a consistent pattern from this department of grossly underestimating fire fighting requirements in the course of making the budget. This year it's a \$26 million special warrant. Previous years it's been in the same magnitude of increase over that that was contained in the budget estimates. I'd like the minister or the Provincial Treasurer to indicate to us what's going on in this department that they seem so unable to be able to make accurate estimates of what the spending is going to be in that department. The same question could be asked of Municipal Affairs in terms of Housing and Mortgage Assistance for Albertans. We've had part of that debate around that question earlier when the supplementary estimates were being debated by the Assembly: how it was that the Alberta government so grossly underestimated what was going to be required in write-offs in that particular department. Here are two examples of where the amounts of money asked for by the Assembly are way out of whack with what is ultimately required. What steps are being taken by the minister to ensure in the future that that kind of poor budget planning isn't repeated?

As well, Mr. Chairman, we find in the estimates before us an \$85 million increase in Income Support to Individuals and Families, \$85 million in welfare payments because of high unemployment, because of people whose families are not able to find work. Their unemployment has run out; their savings have run out; they're destitute. They're ending up on the welfare rolls of the provincial government. I'd like to ask the Provincial Treasurer if he can give us some indication of what he thinks is going to be the case for the coming year. Is this a trend that's going to continue? What steps are being put in place by his government to ensure that changes in job creation strategies are going to be announced to ensure that we're not going to be called upon to continue to put more and more people on welfare in this province?

I'd like perhaps an update from the Premier on his meeting with the Prime Minister. The reason that so much of this money is coming on to the provincial coffers this particular year is because

of the changes to the Canada assistance plan. Did the Premier talk about that with the Prime Minister on his trip this last week? If so, what are the results of his meetings? Are there going to be changes, or is this discriminatory practice targeted at Alberta going to continue, Mr. Chairman? I mean, if the government is going to go out door knocking and working for the re-election of the Conservatives in Ottawa, perhaps we can at least get something out of it for their efforts, and that might be a change in this discriminatory targeting of Alberta, British Columbia, and Ontario under the Canada assistance plan.

As well, is the minister aware of what the changes to the unemployment insurance program on April 1 are going to do to Alberta families in terms of reducing the numbers of them that will be eligible for unemployment insurance? If they're laid off, they will have that much less of a cushion to rely on before they also find themselves knocking on the door of Family and Social Services for income support under this program. It's \$85 million, and that's one of the biggest items under discussion here this afternoon. I'm very much concerned about what the future holds, and I'd like to be reassured by this Provincial Treasurer that steps are being taken to ensure that this trend is reversed.

Those are my questions for the moment, Mr. Chairman.

MR. CHAIRMAN: Any further comments, questions, or amendments? The hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Yes; thank you, Mr. Chairman. I would like to look at schedule B in Bill 56, where it talks about special warrants and particularly the item under Economic Development and Tourism, Financing of Technology and Research Projects, \$187 million. It is a very specific number for a very specific reason. We've not really dealt with that yet in this Assembly, and I would like to do so now.

It is, of course, for the repurchase of NovAtel. When the Alberta government sold AGT in the fall of 1990, they subsequently repurchased NovAtel, and of course the taxpayers have been on the hook ever since and have lost, according to the Auditor General, some \$600 million. Now, the \$187 million is made up, Mr. Chairman, of the purchase price of some \$160 million - I'm going to get back to where that comes from - and some \$15 million in a management agreement which said that Telus could manage NovAtel and if they could dispose of it in less than a certain length of time, there would be some little bonuses for them for doing that. They weren't able to, I guess, so that management money had to be paid out. There was a while ago some kind of indication that we would need to put some \$10 million in to cover interest costs, so what I'm assuming now is that this special warrant is adding together \$160 million for the purchase price, \$15 million for the management agreement, and probably \$12 million in interest that made up the borrowings that the Alberta government did because they chose to finance the repurchase in that way. They chose to borrow the money. So now I'm assuming that they're deciding to pay out that borrowing, and that's where you get the \$187 million. I did not hear the Treasurer, of course, specify that's where that \$187 million came from, and if I'm wrong, I would certainly welcome him standing up and indicating that's not exactly accurate and what the accurate configuration is of that \$187 million. In the meanwhile, I'll go ahead on the assumption that it's correct.

3:40

I want to go back and look at a little history of NovAtel, the sale of AGT and the repurchase of NovAtel and how we landed in such an extraordinary situation of having to have this special warrant for \$187 million to buy a company that has been nothing

but a disaster all its history. I guess it did have some promise at one stage, one would admit, but it sure seems to have cost the taxpayers a lot of money in the long run.

Mr. Chairman, NovAtel was started in 1983 as a joint effort between the company Nova and AGT. Over the years 1983 to 1988 the company lost \$148.7 million. In January of 1989 AGT agreed to purchase Nova Corporation's 50 percent share of NovAtel, according to the Auditor General, for \$42.5 million. I was trying to check the detail on that because I remembered fairly distinctly reading somewhere that the purchase at that stage had cost \$42.5 million plus some \$18 million in "benefits." I was not able to confirm that. I even got the library to send me the 1989 annual statement of AGT. It doesn't specify in here exactly the selling price, but it does indicate the value of the NovAtel investment to AGT, and note 6 on page 42 explains that the value they put on the NovAtel corporation then was \$116.9 million after they had purchased the 50 percent share of Nova Corporation, up from \$63.1 million in 1988. So one can only assume then, I guess, that the cost in some way or another or at least the value of assets had changed to the tune of \$53 million. So it does leave one just a little bit confused: whether the Auditor General had the final word and these numbers out of the annual statement are not correct, I don't know. I do remember newspaper reports at the time of the sale - and neither Nova Corporation nor AGT would confirm them - that the purchase price was \$42.5 million for the shares plus \$18 million in benefits, and neither of those numbers add up.

Now, that left us wondering what the value of the company was at the time. I remember looking at this and trying to find out. If \$42.5 million was the right value for the 50 percent share of NovAtel, then the company must be worth about \$85 million. On the other hand, if the \$18 million in benefits had any validity whatsoever, then the half share was worth some \$60 million and therefore the company worth \$120 million. It did leave one wondering, going into the sale in the fall of '90, as to what really was the value of the company. So, of course, one turned to the prospectus. That was a mistake of course. The prospectus turned out to be inaccurate. In any case, the prospectus for the September 1990 sale of AGT put the value of NovAtel at some \$105 million, as I recall.

There was a rather interesting thing that had happened over the spring and summer, and that was that a company from Germany called Bosch had seriously considered buying the half share in NovAtel. The talk was that they were going to pay something in the neighbourhood of \$90 million to \$110 million, supposedly the value of a half share plus an extra bonus of \$50 million, because they wanted to inject some cash, I guess, into the company which they were then going to be a major partner in and expand some of the things that they were doing. However, as most people know, the Bosch deal sort of cooled over the summer, and it wasn't clear just when they did back out. I'll come back to that point later.

In any case, it was discovered halfway through the sale that the prospectus was inaccurate by at least \$21 million; that is, they had projected future profits for the rest of the year at some \$16.9 million and then had to admit that, no, that wasn't really a fair projection, that they'd best back off and admit that it would be some \$4 million in losses. So there was in the middle of the sale some acknowledgement that there was a \$21 million mistake in the prospectus. The government agreed that they would make up that \$21 million, guarantee it to Telus Corporation so that the sale could go ahead without any hitch, so to speak, and that the people purchasing the shares would be buying what they had thought they were buying, and that is, a company that included a Bosch agreement worth \$50 million plus a prospectus that was accurate.

The government also said: well, I guess we also need to promise to buy back the company on the Bosch terms if it turns out that Bosch backs out. I suspect that the government had a pretty good idea that Bosch either had already backed out or was going to back out, but they weren't willing to make that public. There are going to be some interesting questions asked if we can get the Public Accounts Committee to go ahead and call before it different people. If we could, for instance, get the former minister of technology, research and telecommunications to come, it would be interesting to find out exactly what he knew when, according to some of the statements he made to the media but also to the heritage trust fund later, and the dates of when Bosch really made it formal that they were going to back out. I think there are some questions there that still need to be answered that the Auditor General did not get at in his report.

In any case, sure enough, guess what? Telus Corporation decided that since Bosch did back out later - officially something like the end of November, November 29 of 1990, I believe - yes, by golly, they would like the government to buy back NovAtel. Telus Corporation decided, instead of hanging on to what they had come to realize was a loser, that they wanted to sell it back to the government so the taxpayers could take another hit. So NovAtel was repurchased supposedly on December 31, 1990. I remember the release came out about 11 days into January indicating the terms, and it was rather a convoluted statement. Not only was there this \$16.9 million and \$4 million problem, the \$21 million so-called prospectus mistake, but there were some other very odd numbers. Besides the \$160 million for the purchase price and the \$15 million for the management fees, there were some other numbers of, you know, \$14 million for a finder's fee and a few other things. I think it was an attempt to try to mitigate the full effect of the \$50 million bonus that Bosch had promised, and the government was trying to cut that down a little bit by one term or another.

I remember distinctly phoning the minister of telecommunications at the time to try to sort out that press release, and the question that we asked was a very, very specific one. It was: does the \$160 million cover all of the losses of NovAtel for the year 1990? Is it clear that that \$21 million mistake and these other numbers that you've given us make up the total losses so that \$160 million will encompass all those losses and there will not be another hit on the taxpayers for the 1990 year? The minister assured me over the phone that, yes, that was the case: that the \$160 million represented the full bill for NovAtel for 1990. So, Mr. Chairman, three or four months later, on March 13 I believe it was, when we got the press release from the government saying that there was a \$204 million loss in NovAtel in the year 1990, we were totally flabbergasted. The minister should have been too.

3:50

Now, it's an incredible loss to tag to the end of things. Of course, the taxpayers were supposed to be happy that only \$131 million of the \$204 million loss was really money that the Treasurer was going to have to put in to cover up for some of those losses of that year, that the rest of the money that made up the \$204 million was really just a write-down on some ledger numbers, that they'd said the assets were such and such and they'd have to reduce those ledger numbers on the assets of the company. Well, we thought we'd bought something worth \$160 million, and if you start writing some of them down, I'd call that a loss. So it does seem to me that we took a real bath on that in March.

Now, Mr. Chairman, there are some serious questions that the Auditor General's report doesn't cover, and we in the Public

Accounts Committee are trying to get at these. We're going to need to be able to call some witnesses and ask some detailed questions, just some of the kinds of things that need to be asked. The Auditor General did a good job with the numbers, we'll grant that, but he didn't get at who was responsible. For example, the first question, I would think, is: who is responsible for the false prospectus? This is a pretty straightforward question, but we don't really get at that in the Auditor General's report. Clearly, there should be some names named and some people hauled up on the carpet for it. Why did cabinet buy back NovAtel at a sweetheart deal? Why would they offer to buy back NovAtel with the \$50 million Bosch bonus built in to it? Absolutely extraordinary. Here was a company that we had owned half of. We then purchased the other half. This is a subsidiary of AGT. We then decide to sell AGT, and then we turn around and buy at an enhanced price this subsidiary NovAtel that's losing money. It's an extraordinary thing that the government should be quizzed on and at some length and with some chance to follow up question after question and try to get to the bottom of that sort of thing. With a big utility company like AGT that was providing a good service to Albertans that had a subsidiary company that was high-tech and high risk, why would the government decide to sell the AGT part, the big company, the one that didn't have much risk attached to it because it was a utility, to whoever could afford to buy it, to shareholders so they could make a big profit on the sale and then turn around and buy back the high risk, high-tech company and put the taxpayers on the hook with no buffer in between anymore because AGT was gone?

Now, those are some of the questions we raised during the debate on the sale of AGT and some of the concerns we had about selling a utility company, but when the actual prospectus was put out and we saw the kind of sweetheart deal that the government was making for the purchasers of NovAtel so they could have "a successful sale" and claim that they'd made a lot of money for the heritage trust fund out of it . . . You know, one of the things they did was to sell half the shares now and the other half a year later with no interest penalty attached so that people had free interest for a year on a fairly large scale. There was also, of course, the cost of putting AGT on the market – the underwriting costs, the sales costs for the stockbrokers – and that was a considerable amount of money. On top of that, to make sure that the union people didn't oppose the sale, they gave them a sweetheart deal. They gave them three shares for the price of two so that the sale would go smoothly, so the taxpayers would be stung and the people who purchased the shares would make a mint. Mr. Chairman, those are exactly the kinds of things we've been pointing out all along, and now the chickens have come home to roost. Here we are in this Assembly approving the \$187 million that it took to carry off this fiasco in terms of the repurchase of NovAtel.

Now, Mr. Chairman, there are a couple of other questions that the Auditor General's report doesn't get at as well. We need the power as a Public Accounts Committee to subpoena witnesses and to investigate who's responsible for this fiasco. We have to know whether some criminal charges should or shouldn't be laid. Is the Minister of Justice doing any investigation into some criminal charges being laid? If our committee isn't the one that can do that or isn't going to be allowed to do that, then that just points out the real need for a public inquiry.

I've outlined some of the numbers that indicate the cost of the purchase of NovAtel. I tried to look at the Auditor General's figures to find out what he set as the cost of the repurchase of NovAtel, and because he decided to eliminate some of the money that sort of changed hands between government agencies – like when Telus first sold NovAtel back to the government, the

government also got some of the money back because at that time they were also still a part shareholder. So he eliminated some of those things. He came up with some kind of a figure of \$107 million as the cost. That's one way of looking at it. The other way is to look at the fact that the purchase was \$160 million, the \$15 million management, and some \$12 million in interest, and that of course adds up to the \$187 million that we are today paying to some banks that we borrowed that money from.

Now, of course the purchase price wasn't the total cost last spring. The government decided to dispose of the remaining assets of NovAtel, and the minister, of course, brought in the most convoluted package of nonsense I've ever seen trying to claim that this was a good deal for Albertans to sell off these parts of NovAtel in the way he did. The Auditor General put together some numbers on this and tried to break it down into the pre-1988 period and how much that cost the taxpayers of this province through their Crown corporation, AGT, and then the costs in 1989 and the costs in 1990 and the costs in '91 – he added those all together and he got up to \$484.4 million – then in the first five months of '92 before the other sale a further loss of \$116.6 million. He says that some of this may be recovered and some not. There's still some, I gather, \$300 million in systems money, a portfolio in the States, some of which we may get back and some we may not. He says that the lowest possible cost for the NovAtel fiasco to the taxpayers of this province is \$544 million and the highest is likely to be \$614 million.

Mr. Chairman, the sale of AGT and the repurchase of NovAtel, as I said a few minutes ago, was one of the most incredible reversals of logic that I've ever seen. It turned out totally disastrous of course. I'd just like to say also that the sale of AGT was something that we fought against even before we knew the terms on which the government was going to sell it, because we felt that it was a utility that was doing well for the province of Alberta and could continue to do so. We pointed out to the minister that just because the federal government had decided to assert its control over telecommunications – there was a Supreme Court decision in August of '89 that indicated they intended to assert their jurisdiction in that area – that it did not necessarily make sense then, and the minister railed against that. I remember distinctly that in the fall of '89 he railed against the feds asserting their control over telecommunications in this country and said to the province that it should have some say. However, by the spring he reversed his stand on that and said that not only can they assert their control over it, we totally trust the CRTC to look after the interests of Albertans, and further, we're going to tie our other hand behind our back, the feds having tied one of them there, by selling AGT so that we won't even have the kind of control that ownership would give us over that company. So now we no longer have control of the Telus Corporation or the AGT services to the province of Alberta. It's totally in the hands of private people, most of the same friends that the government put in place over the years in terms of controlling the company. The shareholders, of course, are the beneficiaries of any money they make rather than all the people of Alberta as used to be the case.

On top of that, the minister promised faithfully that there would be no change to services in rural Alberta, there would be no layoffs of people in the AGT empire, and local rates would not go up. Well, in the summer of '91 the minister himself raised the monthly rate for small businesses in this province, for ordinary residents in rural Alberta, and for all Albertans except those in Edmonton, who are under the Ed Tel system.

4:00

Furthermore, the Unitel application has gone ahead, which the government supposedly opposed, but since they're not in the

business anymore, who listened to them or cared? The CRTC is going to let Unitel go ahead with their long-distance competition through the telephone monopolies that have been established across this country. So in view of the loss of revenues on the long-distance side, what we're seeing today in the *Financial Post* is an indication that Ma Bell in Ontario – and the same thing will happen here in the long run – is asking for over a 60 percent increase in rates for residential users on a monthly basis, and I think it's 45 percent, or some figure in that range anyway, for increases in fees for small businesses in this country – a set fee, a monthly fee. Mr. Chairman, that's totally incredible. All the things that we predicted in the debate are already happening. All the things that the minister promised would not happen have already happened and are in the process of going even further.

It seems to me that this particular request of the government is an indication of the total failure of this government to look after the interests of ordinary Albertans. It is absolutely incredible that they've got the gall to come before this Assembly and ask for this \$187 million. The ministers of the Crown in this government should have to dig that money out of their own pockets; it's that bad. It is absolutely ridiculous that they've got the gall to come here and say: "Well, you know, that's just the way things unfold, and that's the way it is. We need this money. We've got to pay off the cost of NovAtel." Mr. Chairman, the people of this province have paid enough for NovAtel, and it doesn't seem to me that we on this side of the House should agree to put up the \$187 million that is such a clear indication of the total failure of this government. Don't try to tell me that this government is different from the last one. The same people are involved in the cabinet. The same people were involved in the decision. The taxpayers of this province are going to continue to pay the piper for this kind of policy under this government, as always.

I want to turn briefly to one other number in the Bill, and that is back on page 2. The biggest number in schedule A among the many numbers there is Income Support to Individuals and Families under Family and Social Services. Mr. Chairman, that number represents the failure of this government to deal with the economic situation in this province. This Premier, who has just gone down east to endorse the Mulroney government, knows full well that it was the Mulroney government's high interest rate, high dollar policy in combination with the free trade deal that has jeopardized manufacturing jobs in this country on such a scale that the economy is reeling. We went into this recession a year ahead of our neighbours to the south and other European and Asian countries, and we're still struggling to get out of it, because of those policies.

That \$85 million represents a combination of things. It represents the failure to create jobs in the Canadian economy by the Alberta government or the Canadian government. It represents the downloading by the federal government onto the provinces. It represents the dampening of the economy because of the GST, which was an integral part of the free trade deal. This government sat there and said that the free trade deal was a good idea and turned around and griped about GST and even wasted taxpayers' dollars taking it to the Supreme Court to say that they didn't want it – just because it was so unpopular in this province, not because they didn't know they were going to get it as part of the free trade deal. Part of the free trade deal was that you would have a tax reform in this country that would make our exports more competitive in the American market. In fact, they would have been when you took the manufacturers sales tax off and put on a consumer tax to the people of Alberta, as we did in reducing the manufacturers sales tax to zero and putting on the GST, except for the fact that the federal government at the same time raised interest rates and kept the dollar so high that Canadians couldn't take any

advantage of it. So all we got was the downside, the restructuring side, the loss of jobs, all of that and none of the benefits or what could have been some benefits out of the free trade deal. We on this side of the House never said that we don't want to trade. We never said that we would not make trading arrangements with our partners to the south or with the rest of the world, but not a free trade deal, not the free trade deal. The Mulroney/Reagan deal was not good for this country, and the set of policies that went with it were disastrous.

So for the Alberta government to sit here and, for instance, in the '89 election use taxpayers' dollars to help the Mulroney government get elected and then turn around – and the Premier is promising to do it again for the next election. Well, he didn't say he'd use tax dollars, but we'll see. Is he going to be any different from the Getty government that used tax dollars to tell Albertans to buy into a free trade deal that was that disastrous? Is that the kind of thing that this government's going to do to hug Brian Mulroney: he's going to put tax dollars in? Let's wait and see. You'll find that for all the difference in style of this Premier from the last Premier and that Premier from the one before, the policies of the three governments will not be any different. It will be the same kind of supply-side economic policies that say only private enterprise can do it, although it seems like the ministers think they're great private enterprisers who can use taxpayers' dollars and invest them into all kinds of individual companies and it's okay if they go down the tube, including NovAtel for \$600 million.

[Mr. Main in the Chair]

Mr. Chairman, the reason we have to pay \$85 million extra for social assistance in this province is because of the kinds of things that the federal cousins of this government are doing, like cutting back on UIC benefits and downloading onto the provinces so that more and more people who run out of UIC benefits end up on welfare. There are no new jobs being created to put them to work so that we don't have to put out the welfare. What we on this side of the House say is that this budget is a very excellent summary of how this government thinks, how it works – how it doesn't work, shall I say – the direction it's going, and the kind of policies that they've been standing for all these years. I see nothing to indicate that there will be any change or any improvement or any new directions other than a lot of rhetoric.

So, Mr. Chairman, I don't feel inclined to support this Bill. I know that we need to do the business of government, but really this government has made such a shambles for so many years that they would do best to just resign and call an election and let us get on with it and change them to a more responsible government that looks after the needs of Albertans.

MR. DEPUTY CHAIRMAN: Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Chairman. Very gracious of you to recognize me. This is the first time you've done that.

AN HON. MEMBER: Order.

MR. MITCHELL: Order? Who's ordering me? You're not in your chair. You can't do that.

AN HON. MEMBER: Order.

MR. MITCHELL: Order. Get in your chair.

I have a series of questions I would . . . Now you can do it.

SOME HON. MEMBERS: Order, order.

MR. MITCHELL: Okay.

I have a series of questions to ask the Treasurer if some of his colleagues would stop interrupting me. I would appreciate answers because it's on the basis of these questions that we have certain concerns about these budget requests.

My first question is: why has the Treasurer not written down the Softco loan of \$142 million? Softco is essentially insolvent. It has lost an average of \$41 million per year. It has assets – and those are questionable – of only \$125 million. How can the minister sustain this \$142 million loan on the books? How does the minister argue that the value of the government's \$49 million in share capital in Softco can possibly be sustained? Once again, Softco is insolvent, has a \$142 million loan. It has \$41 million in annual losses on average. It simply defies logic that he should be able to carry on his books a \$49 million value in share capital in that company.

Thirdly, why does the Treasurer not acknowledge the true value of the heritage savings trust fund, which now rests at about \$9.1 billion?

Fourthly, by when is the Treasurer going to balance the budget? He has said 1997. The Premier has said 1996. Then his Premier has said: I'm not sure. The Treasurer in turn has said 1997. What we'd like are some answers, some direction.

4:10

What is the status of the \$240 million that remains outstanding in NovAtel loans to, by and large, American cellular telephone companies? What I'm raising here, Mr. Chairman, is the question of what in fact remains at risk. His predecessor wrote off \$60 million or \$70 million in loans, but as I understand it, there remains on the books \$240 million. I would like to have an assessment of what the Treasurer thinks is the likelihood of those loans being paid off.

What has the Swan Hills waste management joint venture actually made in real business revenues? We know that it receives as much as a \$30 million annual subsidy from the government of Alberta, but what we are never told is how much in fact it raises from the private sector through the business that it does. It would be important to know, Mr. Chairman, whether or not this operation has any hope of ever being financially independent and just how much it raises compared to how much we subsidize it by.

Will the Treasurer begin now to admit publicly in his documentation and in his statements in this House that he didn't have a \$2.7 billion deficit last year but that in fact the deficit is over \$3 billion? He does indicate that there are additional deficits – that is, in addition to his general revenue fund deficit – but he never stands up and adds those deficits together. He is as responsible for his revenue fund deficit as he is for his capital fund deficit. We think it would be appropriate and more open and honest for this Treasurer to stand up and every time he's about to say \$2.7 billion, catch himself and instead say \$3 billion, because in fact that is the figure.

What is the state of the \$1.1 billion in remaining outstanding loan guarantees that have yet to fail? We would hope that they wouldn't, but we would like to have some kind of risk assessment of in fact what portion of that \$1.1 billion is likely to fail.

My next question, Mr. Chairman, is: why did his Premier and himself as members of the previous cabinet support the \$525 million loan guarantee to NovAtel in January of 1991, a scant 15 months before that company failed and lost \$610 million? This is an item of profound importance, and it would highlight this newfound accountability of this government if some explanation

could be given as to why the decision wasn't made in January of 1991 to put that company out of its misery.

Mr. Chairman, I am very concerned about MPI and about as yet unresolved allegations by a very senior former executive of that company; in fact, the president. What we've been told is that there were allegations of conflict of interest written by this president. We were told by the Minister of Municipal Affairs that somehow an investigation was done. It's very interesting that when the Municipal Affairs minister released documents, he released one letter from a person called Mr. Davis that seemed to address this matter, but when he was interviewed in the newspaper, he said that the person who did the investigation was a Mr. Leitch. Ironically or coincidentally Mr. Leitch then became a member of the board of MPI. What we have never received is the written report by Mr. Leitch on the findings of his investigation. What's very, very interesting is that Mr. Leitch never interviewed the president of the firm, who actually alleged the potential conflict of interest violations in the first place. So the implications of MPI for the financial circumstances of this government are important. If MPI isn't being run properly now because of conflict of interest, then there could be costs, there could be inefficiencies, there could be mistakes made that otherwise wouldn't be made. So we would like to know why we cannot see the report of this Mr. Leitch, if he did one, or if in fact an investigation was ever undertaken into those conflict of interest allegations. It's very important that we know before we can assess the appropriateness of giving this government yet more money to fritter away on behalf of Albertans.

Those are my questions, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Chairman. I want to speak for a few minutes during the committee stage. Relating it to the budget supplements, which of course pertain to the overall budget that was introduced in the last session, and now the need for additional moneys, I guess it points out that there hasn't been a plan in place to deal with the fiscal responsibilities that the province has. We have a new Treasurer in place, and we hear about this plan, this vision, but we don't see any evidence of it happening other than it's going to be delayed.

Mr. Chairman, what Albertans want and what Albertans deserve is a balanced approach that recognizes a need for fiscal responsibility, that recognizes the need for proper management and resources to start to eliminate that deficit, to get rid of that debt over a period of time and come into a position where we actually are in a pay as you go position such as the city of Edmonton is going to be in in a short number of years thanks to the guidance that was given by the previous mayor. This approach tends to be, at least to me and I believe to many, many Albertans, one that could best be summed up as smoke and mirrors: a lot of talk, a lot of smoke, mirrors. When we really get down to it and we start to look, what has actually happened? We see a government operating on what appears to be a reward system utilizing taxpayers' money. We see former private members that had supported the new Premier during his leadership bid rewarded in various fashions – made chairmen of powerful hotshot committees, made ministers, given all those nice little perks and benefits and such – and a little message being sent, "Thank you for supporting me." Of course, those that did not throw their support behind didn't receive the same type of treatment, but now, in recognition that every caucus needs unity, there seems to be an approach that says: "Let's use taxpayers' money to attempt to fix up those cracks. We'll use government money to send this person

overseas, send this person over there, and that's going to make him happy, and then they're going to fall in line and we're all going to be a nice, happy cabinet." I don't think it's going to work, because I don't think Albertans are quite that foolish.

4:20

We've seen in the last few days the Member for Taber-Warner bouncing off about how the former Premier, the Member for Stettler, is going to face this drastic penalty, this dramatic penalty of \$150 a day because he is not here in session. Let's put that in proper perspective and see what we're talking about. We're talking about a base salary of \$57,000 a year, one-third tax free; we're talking about the member possibly, depending on the Speaker's ruling, losing a total of \$750 out of his \$57,000, one-third tax free, and probably in addition to that some pension benefits that I have to assume he's probably drawing. So instead of \$57,000 we could be talking – what? – \$75,000, \$80,000. He's going to give up \$750. Maybe, maybe. That's the smoke and mirrors. What really makes it ironic is: of course, the first 10 days he's exempted because this session is classified as part of the last session, so when we start in the spring again, in the first week of April, he again is exempted for a 10-day period. He again gets the 10-day period scot-free. In all likelihood part of the smoke and mirror game will involve bringing down the throne speech, possibly bringing down a budget, possibly then dropping the writ at that particular point.

Chairman's Ruling Relevance

MR. DEPUTY CHAIRMAN: Pardon me, hon. member. I realize we're discussing an appropriation Bill and it has wide-ranging financial implications for government spending, but I would urge you to draw your comments more closely to the items that are described in the Bill as opposed to the whole political footprint of the government and everybody who has ever served in it.

MR. WICKMAN: Mr. Chairman, I respect your comment.

Debate Continued

MR. WICKMAN: I think I've sufficiently made my point on the smoke and mirror game. It's difficult to separate one portion of a budget without the consequences, the impact that relates on the supplements, and the supplements are normally there because proper planning hasn't taken place.

I guess the classical example that the Member for Edmonton-Meadowlark pointed out was MPI, Mortgage Properties Inc. When we turn around and look at what was originally budgeted, if I recall right off the top of my head something like \$1.2 million, asking for a supplementary expenditure of \$56.4 million, roughly 3,000 percent out of whack, the same pattern has occurred for the last five years. It's a smoke and mirror game because that allows the Treasurer to exempt those additional expenditures from the Spending Control Act. So again it's that same scenario that follows. Mr. Chairman, Albertans deserve much better than that. Albertans deserve a bit of respect, a bit of openness, a bit of honesty, and an approach that they don't have to question and watch every move government makes. The public has lost faith in elected representatives. They've lost faith in elected representatives because of the behaviour of some elected representatives. This cabinet, with the blessing of the Premier, with the blessing of the Treasurer, is going to continue that approach. That's very, very unfortunate. It's very, very sad. Again, Albertans deserve much better than that. I would hope that someday, in the next

short period of time, because I don't think there's going to be too long an opportunity for it to occur, the Treasurer would come clean and would lay down something that spells out a plan that is open, that is accountable, respond to Albertans and give Albertans what they want, not this smoke and mirror game.

Thank you.

MR. DEPUTY CHAIRMAN: Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman. Well, I didn't see the Provincial Treasurer jump to his feet to answer my previous questions.

MR. DINNING: I was looking at my notes. I was furiously scribbling.

MR. HAWKESWORTH: Oh, I defer. I defer.

MR. DINNING: No, no.

MR. HAWKESWORTH: Well, I'm sure I'll get answers out of the Provincial Treasurer, and I'll give him a few more questions to mull over here this afternoon.

Mr. Chairman, thank you for recognizing me. The first item has to do with the first vote in the book, Support to the Legislative Assembly, Government Members' Services: an increase of \$119,000 because of the increase in the private members within the government caucus. Well, this amount covers a three-month period, as best I can figure it: January, February, and March of the current year. That's only a quarter of the year that's gone by for \$119,000 in increased expenditures. You annualize that over the course of a full year, and that's \$476,000, close to a half-million-dollar increase. Given that the government caucus last year got a 7.1 percent increase, and this represents close to another 10 percent on top of \$118,000 – it's, I don't know, another 5 percent on top of that at least. I haven't done the estimates. I haven't got my calculator; I'm just making an estimate. I'd like to know, you know, whether this is going to continue into the new fiscal year or whether others are going to participate in the largess or not. Anyway, I just think it's important to point out to the Provincial Treasurer that if you annualize what looks like a small amount, it is actually a considerable increase, and for all the savings, so-called, that we're getting out of this government, they're not as great as they've been proclaiming.

I'd like to ask the Provincial Treasurer about the teachers' retirement fund. That's found in the vote for Education. The estimate for the year was \$80.5 million. The supplemental estimate is \$13 million. It provides grants "to support a portion of teachers' pensions." I understand the changes that took place in September as a result of the agreements that have been reached between the Alberta government and the teachers. I'm wondering whether this \$13 million is the implementation of the new agreement with the teachers, if that represents the cost to the province. Annualizing that, it reaches \$26 million. I'm wondering if this is going to be sufficient to meet the costs of service under the new arrangement between the Alberta government and the teachers' retirement fund. Although the narrative that appears in the budget books is to provide grants "to support a portion of teachers' pensions," it seems to refer to the previous arrangement where the Alberta government met half the pension costs at the time the pensions were payable. So I'd just like an update. The Provincial Treasurer is the former Minister of Education, under which the teachers' retirement fund falls. Perhaps he could give us a few brief comments on that.

Turning now to Executive Council, Personnel Administration, we see a \$175,000 increase to Systems and Planning Support. This additional funding we're told is required "to cover operational costs for the Human Resource Management Information System." I'd like to know whether this is a preparation the government is putting in place for huge layoffs planned in the public civil service or whether it's something much less sinister than that particular scenario, Mr. Chairman. It would certainly . . . [interjection] Thank you for your assistance. I'm sure the Provincial Treasurer would like to give us a full and complete explanation of that \$175,000 and whether it's a one-year, three-month, or six-month cost increase or, again, whether this is being amortized or rolled into the ongoing full year expenses of the personnel administration.

Mr. Chairman, I see also under FIGA \$500,000, a big increase over a budgeted vote of \$185,000. It's a big increase here for conferences and missions. It makes reference to constitutional meetings and "additional support to the Canadian Intergovernmental Conference Secretariat." Are these the costs of the government in the recent constitutional referendum? I know that the report of the special committee and supporting documentation was sent out to every household in Alberta. Is this the cost of those expenses for the referendum?

Mr. Chairman, moving along. Treasury: the Alberta Financial Review Commission was recently announced by the Provincial Treasurer. While I have some questions about how seriously the Alberta government is going to take that commission, certainly at least it's a step in the right direction given the past lack of review by anyone outside of government and the manipulation of information to convey certain impressions about the state of the financial health of the province which were grossly inadequate, bordering on the fraudulent. Given the past track record of the government, almost any initiative in this direction is a positive one, seeing as we've called for it for a number of years.

4:30

I'd have to indicate to the Provincial Treasurer that at least he's done one thing in the right direction in setting up this commission, but I'd really like to know, in terms of the overall decision-making of government, what impact this commission in fact is going to have. The report won't be made available, I understand, until the end of March, which is good. I'm glad that the Provincial Treasurer has given them a tight time line, Mr. Chairman, but I would assume that crucial decisions on grants levels, funding levels to hospitals, school boards, and municipalities are going to have to be made in advance of the report from the Alberta Financial Review Commission. I would like some indication here of the strategic time line that the Provincial Treasurer is following. Is he going to delay his grants announcements until he has received the report of this Financial Review Commission, or will those crucial decisions be made in parallel to the review currently under way?

Mr. Chairman, there have been a lot of discussions take place here this afternoon about the cost under the special warrant to cover debt relating to NovAtel Communications Ltd. I just would like to ask the Provincial Treasurer where in the budget books this \$185 million is going to be found. I just find, for example, that if we were to go to valuation adjustments, which were not subject to close scrutiny in the Assembly, in the current fiscal year of 1992 the government budgeted \$52.2 million for valuation adjustments. The previous year they had budgeted \$51.4 million. However, when one looks at the financial statements produced by the Provincial Treasurer for the year ended March 31, 1992, we find the \$51 million all of a sudden has grown to \$466 million.

Then if we look at the budget estimate for 1992-93, for the year that's under consideration here, the \$52 million for this fiscal year has all of a sudden been bumped up to \$249 million, an increase of \$200 million.

I'd just like to know, Mr. Chairman, if the \$187 million in the special warrant to cover this funding to AGT for NovAtel debt is going to end up under valuation adjustments, or is there some other line in the budget book where this is going to be accounted for?

MR. ELZINGA: Mr. Chairman, I'd just like to offer the hon. gentleman some responses to the question he raised, especially as it relates to the Department of Federal and Intergovernmental Affairs and the \$500,000 that is requested through the supplementary estimates.

The \$500,000 is broken down into three components, in that \$270,000 requested in the Supplies and Services control group represents travel, accommodation, and meals. As the hon. member is aware, Alberta was represented at over 25 meetings held in all parts of Canada, six of which were first ministers' meetings. Another component of the \$500,000 is a \$190,000 grant that represents Alberta's contribution to the Canadian Intergovernmental Conference Secretariat, which provided logistical support to the meetings. We also had fixed assets of some \$40,000. As the hon. member can appreciate, these extensive negotiations took place over a period of some eight months. As information at these sessions was being compiled virtually 24 hours a day, it was necessary to purchase the proper equipment in order to keep all members of the Alberta committee up to date. I should indicate to hon. members, too, as has been reinforced in the past, that the position the Alberta government took was endorsed by all hon. members. The position we took was taken directly from the recommendations of the Alberta Select Special Committee on Constitutional Reform.

MR. DEPUTY CHAIRMAN: Taber-Warner.

MR. BOGLE: Thanks very much, Mr. Chairman. As some questions were raised by the hon. Member for Calgary-Mountain View pertaining to the budget estimate as submitted through the Legislative Assembly and as the member may not have had an opportunity to speak with the two members of his caucus who sit on the Members' Services Committee - I'm speaking of the Member for Edmonton-Highlands and the Member for Edmonton-Jasper Place - I'll be pleased to outline briefly the process followed by the Members' Services Committee in terms of these budget estimates.

As all members of the Assembly are aware, we have 83 members in the House, of whom 58 are Progressive Conservative, 16 are New Democrat, and nine are Liberal. Of the 58 who are Progressive Conservative, 17 are in Executive Council and one is the Speaker of the Assembly, which leaves 40 private government members. The two components used in developing the budgets for the three caucuses are as follows. We take the 40 private government members, the 16 members of the New Democratic caucus, and the nine members of the Liberal caucus, for a total of 65, and apply a formula, so that the funding in the first component of the budget is provided on a strict formula basis. There's no weighting in the Assembly estimates vis-à-vis responsibilities members have, regardless of the side of the House they happen to sit on.

There is a second component in the budget which recognizes the roles of the Leader of the Official Opposition and the leader of the third party. We take the average cost of operating a minister's

office and apply the same amount of dollars to the Leader of the Official Opposition. So in essence the Leader of the Official Opposition is counted twice: the leader is counted once in the formula for all private members and then, secondly, the average cost of a minister's office. The leader of the third party is provided a portion of the amount provided to the Leader of the Official Opposition.

Very clearly, Mr. Chairman, the figure arrived at, approximately \$118,000, is based on a formula which has been worked out by all members of the Members' Services Committee. Indeed, when the estimate was put to a vote in Members' Services, it was passed unanimously and therefore obtained the support of the Official Opposition as well as the Liberal opposition on the committee.

MR. DEPUTY CHAIRMAN: Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Chairman. I have a few brief questions as well regarding the estimates. The one big one: where does the money come from? This is – what? – \$400 million that's being voted into allotments, one dealing with past special warrants and the other with spending that's to take place in the balance of the fiscal year. Where does this money come from? I think it would be important to have that question answered before we vote yes or no on the package. I haven't heard an answer to that question. Perhaps it was given and I didn't hear it properly. [interjection] It has been asked. Well, it's a fair question, and we will look forward to the response.

4:40

The other questions that I have are more detailed, and they relate to the ministries that I'm responsible for shadowing. The spending estimates before us provide a fairly large amount of money for forest fire fighting. It's \$26 million, which is a very large amount of money. Now, I suppose implicit in my argument is that this system that we have in Alberta of budgeting nominal dollars for fire fighting and then funding the actual amounts with special warrants really is not a very good way of accounting for taxpayers' dollars. It would be nice if there would be a year or a few years in which there were no forest fires at all, but I think realistically most of us know, nature being what it is, that there will be fires from time to time. I really am puzzled as to why the department doesn't budget for forest fire fighting based on historical averages. I appreciate that weather conditions vary from season to season – a dry season means you'll have more fires to fight; if there's more moisture, then obviously there'll be less – but there ought to be some provision in there just like municipalities budget for snow removal. They don't know when they budget how much snow is going to fall, but they do have to put a budget figure in there because they don't have access to the special warrant facility.

I do take it from the government, in various things that have been said, that they're interested in curtailing the use of special warrants wherever possible, so I think this is an area where it could be curtailed. But there is a quid pro quo: the budgeting has to take place in a straightforward fashion, in a realistic fashion in the first place.

I do understand that the expenditure of \$1.8 million in pursuit of the Janvier land claim settlement is unexpected in the sense that the agreement was not in place at the start of the fiscal year. I understand why that needs to be added to the budget, but I would appreciate a response on the two questions: one, where the \$400 million-odd comes from, and the other on the question of fire fighting costs and how they're to be budgeted in the future.

MR. DINNING: Mr. Chairman, I appreciate the laserlike interest of members around the Chamber. I'll do my best to answer as many as I can of the questions posed in the discussion so far.

The hon. Member for Calgary-Mountain View spoke of penalties for supposedly breaking a law. I should point out to the hon. member that in a budget of some \$13.273 billion we will in fact exceed that expenditure by an amount close to \$36 million over the spending control limit. I don't come to the table proud of that, but clearly, Mr. Chairman, difficult times call for difficult measures. The very fact that we have a Spending Control Act means that the government is back in this Chamber accounting to Albertans, accounting to the members of the Assembly on the expenditures we have made. No secret, behind-closed-doors passage of special warrants: it's open; it's here. We're accountable. We're public and proud to do so. I should forewarn, as I have done in this Assembly already, that there will be at least one further special warrant in advance of a session that will likely not begin before March 31: a requirement for an interim supply special warrant so as to pay the government's bills between April 1 and the date on which the Assembly grants supply for the operation of the government.

AN HON. MEMBER: A penalty?

MR. DINNING: Is there a penalty? No, there are no provisions spelled out in the Spending Control Act for a penalty. But I would ask the hon. member: would it be right to penalize those Albertans who are in receipt of welfare payments from the Department of Family and Social Services? No, this government would not want to penalize those who are in need. My colleague the hon. Minister of Family and Social Services stands before this Assembly on a regular basis and spells out that his mandate is to ensure that those who are in need are helped to have their needs met. Would it be right to penalize those students who have come to our schools in greater numbers than we or the school boards had anticipated? No, Mr. Chairman. Those children arrive at our schools with a right to an education, and it is the government's and in fact this Assembly's, this Chamber's responsibility to accord them supply dollars and necessary funds to ensure that they do get a first-rate education. So I won't respond any further to the notion of penalties. I think it is right and fair that this Assembly would grant supply to those two and other departments to ensure that services to Albertans are delivered.

Mr. Chairman, on the notion of the Member for Edmonton-Meadowlark, who raised the question of operating versus capital, that somehow we were not forthcoming or less than open in suggesting that the revised budget, as spelled out on page 12 of the document that I tabled in this Assembly now 12 days ago, wherein we say that this year's estimated budgetary deficit will be \$2.757 billion and that the capital fund will increase its size from \$1.441 billion last year to an estimated \$1.679 billion this year – that is spelled out. It's clear. It's open. It's honest. No smoke, no mirrors, just the facts. But the hon. member is suggesting that somehow we ought to add that amount to our budgetary deficits when in fact we're already adding it to the accumulated debt load of the government. In fact, that \$1.679 billion is a mortgage, principal and interest on which is paid through the appropriation, through the budgets of all government departments who are participants in that capital fund.

Members have raised the subject of NovAtel. Quite rightly; it's a subject of some debate in this Assembly. In the course of that debate the government took the responsible action of turning to an

officer of this Legislative Assembly and called upon the Auditor General, Mr. Salmon, in his capacity independent of the government, very much at arm's length and accountable to this Chamber – not to the government but to this Assembly – to prepare a report. He did so, and it was provided to all members of the Assembly back in the summer of 1992. Mr. Chairman, what the Auditor General did after a very thorough and exhaustive review of the events that occurred around NovAtel was come forward with five recommendations. I'll go through them quickly. He said:

The Province should consider using the expertise of the Public Service Commissioner [in the appointment of] suitably qualified candidates for appointments to . . . Provincial agencies and Crown-controlled organizations.

Mr. Chairman, in the Premier's January 25, 1993, letter to Mr. Salmon we accepted that recommendation.

He also recommended in recommendation 2 that all Provincial agencies and Crown-controlled organizations . . . should be required to prepare annual budgets.

We have accepted that recommendation. Also "that the Public Accounts of Alberta include these budgets" and the actual results. We have accepted that.

In recommendation 3 he also called upon the Public Accounts of Alberta [to] include the financial statements of all Provincial agencies and Crown-controlled organizations, and their subsidiaries.

Mr. Chairman, we are accepting that.

In recommendation 4 he called upon the Public Accounts Committee to consider the reasons for the difference between actual results and budgeted results. Mr. Chairman, that can now be done because of our action agreed to in this Assembly a week ago. The Public Accounts Committee has the full authority to proceed with that, and the government will support that.

4:50

Mr. Chairman, in number 5 he recommended that the definition of a Crown-controlled organization should be widened to include a 50% interest in, or equal control of, an organization.

The government accepted that recommendation.

Five recommendations: five acceptances of those recommendations. We went beyond that, however. We said we'll go four steps further and ensure, number one, that we table the annual budgets of those agencies and Crown organizations that come under the government's responsibility. Number two, those corporations that sell goods or services in the marketplace will make public quarterly financial results and their annual statements will be released publicly within three months of their year-end. It wasn't recommended that we do that, but the government has gone that second step further to what the Auditor General recommended. Another area was that we put in a process of greater accountability between agencies and corporations and the government and this Assembly. We will ensure that not only budgeted statements but those actual results are tabled in this Assembly with the public accounts so that they can be debated in this Assembly and committees of this Assembly. Finally, Mr. Chairman, we went a fourth step further and made a commitment to ensure that the establishment of provincial agencies and Crown corporations will not be done willy-nilly but in fact will be done either with the approval of this Legislative Assembly or through open, public, accountable approval through the Lieutenant Governor in Council or the cabinet.

Mr. Chairman, I won't repeat all of the commitments made by the Premier in his January 25 letter, but we have fulfilled on the NovAtel direction given to us and given to this Assembly by the Auditor General.

Mr. Chairman, one thing I must take exception to is the Member for Edmonton-Whitemud when he suggests that Albertans are foolish. I think he should go back and revisit *Hansard*. I think he makes a serious mistake in calling Albertans foolish, and I would encourage him to review his remarks and hopefully go so far as to withdraw them.

One other comment by I think one of the members opposite, who talked about expenditures under Support to the Legislative Assembly. I know my colleague the Member for Taber-Warner has spoken about this briefly, but I would remind hon. members that in at least the last two, possibly even the last three, fiscal years one party in this Assembly that stands out as having exceeded and overspent beyond their allotted budget is the Liberal Party. Members of the Liberal caucus in 1990-91 had a budget of \$525,658. What did they do, Mr. Chairman? They overspent their budget by \$20,000 – some \$545,105. That's just '90-91. We can look back at '89-90 and '88-89, and when the public accounts come out in the next few days, who knows? I'm sure the same rather tawdry performance will be displayed again.

A number of other items. One was from the hon. Member for Calgary-Mountain View regarding the teachers' retirement fund, \$13 million: was that for the implementation of the new agreement? The answer to that quite simply, Mr. Chairman, is yes, it was for the implementation of that new agreement. The '93-94 budget of the Department of Education will include the other additional ongoing costs to fund that agreement with the Alberta Teachers' Association. I should remind members of the Assembly that substantial progress has been made, not just with the teachers' retirement fund but five other government-sponsored, government-funded, government-guaranteed pension plans, significant progress being made in the last calendar year.

Mr. Chairman, my colleague the Deputy Premier, the Minister of Federal and Intergovernmental Affairs, has responded to the questions asked of him about his department, so I won't go further on that.

Mr. Chairman, questions about the terms of reference or about the Financial Review Commission. I would turn the hon. members' attention to the terms of reference of that commission, where in six points we've spelled out very clearly what the authority and responsibility of the commission is. I have asked them to release their report to the public by March 31, 1993; not released by the Treasurer, not released by the government, but in fact released independently by the Financial Review Commission.

It spells out very clearly in those terms of reference, Mr. Chairman, that first of all they are to look at "the appropriateness of the accounting principles used in the preparation of the financial statements of the province." Secondly, "the financial position of the province for the year ended March 31, 1992," is to be reviewed in a number of areas, "including but not limited to the following:"

- (a) all government owned and controlled corporations, funds, agencies and other entities;
- (b) the Alberta Heritage Savings Trust Fund;
- (c) loans, investments, guarantees and indemnities;
- (d) provisions for material losses respecting (a), (b) and (c) above, and any other provincial asset or liability;
- (e) the measurement and reporting of provincial revenue, expenditure, annual deficit and [our accumulated] debt; and
- (f) any other provincial revenue, expenditure, asset or liability the Commission may consider necessary.

Some very broad, somewhat open-ended terms of reference that will enable the commission to do a top-to-bottom review of the province's financial situation.

No smoke, Mr. Chairman, no mirrors; just the facts. That's what Albertans are asking for, and this is what this government promises to provide to Albertans.

Mr. Chairman, the matter of valuations is referred to on page 8 of that same statement that I revealed or laid before the Assembly 12 days ago. We made it clear that there were two major reasons for the increase in the valuation and adjustments line within the budget. The first main reason is because of an accounting requirement that on March 31 of every year our United States dollar held debt must be revalued and must be revalued on the basis of the exchange rate that exists at noon on March 31, the end of the province's fiscal year. Because we are assuming that the exchange rate will be in the order of 78 cents U.S. that day, we will be required to take a write-down on our U.S. held debt on that day in the order of about \$117 million. If the dollar is down at as low as 75 cents for some reason that day, it would be an additional \$40 million. So our valuation line and a major part of our expenditure here is dictated by the exchange rate that is determined not by governments but in fact is determined by international markets determining the value of our dollar vis-à-vis the United States.

The second main reason is because – and my colleague the Minister of Municipal Affairs has made this clear in the Assembly before – the debt that's held by the Mortgage and Housing Corporation and the disposal of certain assets will force about a \$50 million write-down in the value of those assets.

One last important question asked by the Member for Edmonton-Jasper Place was: all this extra spending – where does the funding come from? A very appropriate, very, may I say, legitimate question asked by a responsible member of the Assembly. Mr. Chairman, when the government presented its budget in April of 1992 spelling out a \$2.3 billion deficit, it was very clear that to pay for that deficit you'd have to go somewhere and borrow those funds. We have participated in five borrowings in 1992 and '93. Through the Alberta capital bonds we borrowed just a little less than \$740 million Canadian at 7 and a half percent, due in June of 1997. We borrowed a little shy of \$200 million through the Canada pension plan fund, due in July of 2013. We borrowed \$750 million Canadian, and it's due in five years, in August of '97. We borrowed \$750 million Canadian in early January at a rate of 7.75 percent, and just about two weeks ago, Mr. Chairman, Alberta did an offering on the Euromarket in U.S. dollars and borrowed some \$500 million U.S. for 10 years at 7 percent.

5:00

I think it's fair that members of the committee know just how well Alberta paper is received on international markets. A similar financing went to the Euromarket in late 1992, and our rating allowed us to borrow at about 47 basis points, or 47 one-hundredths of 1 percent, above what the U.S. treasury bills were on a given day, whereas British Columbia didn't enjoy nearly as favourable a rate. They had to pay 16 basis points more, and in fact the province of Ontario was forced to borrow at nearly 50 basis points, or one-half of 1 percent, more than what the province of Alberta was able to borrow at. I mean, think of that, Mr. Chairman. In a \$500 million U.S. offering, a half a percent rate of interest is a significant saving for Albertans by Albertans to ensure that we don't have to pay excess interest payments, when in fact the people in Ontario are forced, because of mismanagement of the financial situation in that province under an NDP regime, to pay high premium rates for their borrowings on international and national markets.

Mr. Chairman, I think I've exhausted most of the list of questions put forward by my colleagues across the way and would encourage all hon. members to vote.

MR. DEPUTY CHAIRMAN: The Member for Three Hills.

MR. MacDONALD: Thank you, Mr. Chairman. I find myself asking, as I look at these supplements: is this really what Albertans want?

AN HON. MEMBER: A new government.

MR. MacDONALD: I think so.

They find themselves stricken with debt, and I think that what they long for is responsibility, realistic approaches to how our tax dollars are being spent. I think they want to see priorities and no longer a shotgun approach where there's money for anything and everything. I think they want to see dollars prioritized.

What are the priorities for Albertans? That needs to be addressed. I don't think that any longer will Albertans stand for such a haphazard approach as spend, spend, spend. The minister speaks of necessary funds, and I don't think anybody struggles with the "necessary"; it's the "unnecessary" that Albertans complain about. We understand that there are structural deficits that need to be addressed at some point in time. We are not seeing structural deficits really being addressed. The reality that we lack concrete direction is something that comes from the hearts of Albertans today. Why do we lack concrete direction and a real sense of where we're going?

I'd like to ask the minister questions on the following supplements pertaining to Agriculture and Rural Development, Mr. Chairman. First of all, under Departmental Support Services. To the department's credit they were able to balance salaries, supplies, and Purchases of Capital Assets, but they were out nearly 30 percent, or half a million dollars, on Grants: \$400,000 to be exact. I would like the minister to delineate why the department was out nearly \$400,000 on Grants.

Secondly, under Field Services we see a request for \$1,800,000 for Engineering Services, and I would like the minister to explain why the department is out approximately 32 percent from its original estimate there.

Finally, Mr. Chairman, we see under Farm Income Support a shortfall for Operating of \$5,857,000, all of this for Operating under the Crow benefit, Red Meat Stabilization, and Farm Water Emergency. Would the minister consider having the red meat stabilization program moved to NISA? I would like to know where the Farm Water Emergency was needed.

Thank you.

MR. DEPUTY CHAIRMAN: The Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. Before addressing some questions to the hon. minister of agriculture, I would just like to observe for members of the Assembly that I'm a little confused when I hear representations coming from the Liberal side of the House complaining about government spending and lack of priorities. I for one am very interested to know what their priorities are. Which items in this Bill, for example, would the Liberal caucus advocate cutting? Which areas do they not want money to be spent in? Maybe they could lay out a plan of their priorities for us, just so we know. Maybe it's like Jean Chrétien saying, "We're against the GST, and we're going to change it." What are you going to change it to? "I don't know." Why should he be responsible for answering questions like that? Anyway, maybe some member of the Liberal caucus will take the opportunity to enlighten . . . [interjections]

MR. DEPUTY CHAIRMAN: Order. Could we have order in the committee, please.

The Member for Vegreville perhaps has brought this upon himself, and I would encourage him to carry on with his remarks aimed at the government.

MR. FOX: I would like to ask the minister of agriculture, first of all, whether or not he had the opportunity to read my extensive presentation in second reading on this Bill, where I outlined a number of concerns on behalf of farmers and the communities and local elected representatives in northeastern Alberta about this government's lack of action on the drought. If he hasn't, he should, because there's a lot of good information in there that he as a minister of agriculture and an MLA for northeastern Alberta will be interested in.

In a more specific way I'd like to ask him about the money that's being allocated in this supplementary supply Act to the programs that are ostensibly set up to deal with the drought in northeastern Alberta. For example, the money that's being used to top up the well drilling and dugout construction program is only for projects that were approved prior to March 31, 1992. Now, that's nice. There were more projects than anticipated applied for in that period of time because the drought in 1991 was such a problem. But let him not pretend nor any other member of the Conservative caucus pretend that that money addresses in any way whatsoever – in any way, shape, or form – the drought in northeastern Alberta in 1992, because there is a drought in northeastern Alberta whether he recognizes it or not. It's certainly not been abated by anything that's happened this winter, but it was very serious over the summer. People's wells were going dry; no attempt to identify alternate water supplies. The government allowed this very worthwhile program that I lobbied about on a consistent basis to expire: no funding for any projects that weren't approved prior to March 1992.

I raised the concern at the time, Mr. Chairman, that the government may be waiting for a politically convenient time to announce such a program. Now, I hate to be cynical, I hate to suggest that that might be the case, but we are moving into a time when an election is imminent. It may behoove the government to come forward with an announcement, albeit 14 months late, about a program for the beleaguered drought-affected farmers in northeastern Alberta. I'd like to ask the Minister of Agriculture and Rural Development when he is going to come forward with an announcement to deal with the drought in northeastern Alberta that we've suffered through all of 1992.

5:10

MR. ISLEY: I'd like to respond, Mr. Chairman, to the last two speakers. If you look at the \$1.8 million voted under Engineering Services, that is money to assist in the completion of dugouts and wells in response to the northeast drought. If you look at the \$740,000 in the second vote for Farm Water Emergency services, that is the money that went out in the spring and summer of 1992 to assist in pumping water, to assist in hauling water, and to do the so-called emergency dugout program.

For the benefit of the Member for Three Hills, both the Crow Benefit Offset Program of \$2.9 million and the Red Meat Stabilization of \$2.217 million are, if you wish, overruns on a demand-driven program. The possibility of taking Red Meat Stabilization into NISA someday is certainly there and has been receiving discussion. All the red meat stabilization programs, if they're not consciously extended, will expire in either 1995 or '96, so the final date is moving up quickly.

In response to the Member for Vegreville, there were a number of responses to the northeast drought – and no one's denying a drought – and significant dollars paid out under both crop

insurance and GRIP to the grain and oilseed producers, under pasture and forage insurance to the livestock producers. The identified problem area where producers could not insure themselves was water response, and the hon. member would be pleased to hear that this morning a press release went out covering any wells or dugouts that were done to PFRA standards in the calendar year 1992.

MR. DEPUTY CHAIRMAN: Are there additional speakers? I see the Member for Westlock-Sturgeon.

MR. TAYLOR: A very short one, Mr. Chairman. I'm not following the minister of agriculture that well. My impression is that the PFRA is still paying up to one-third of the dugouts, but the provincial government, if not reneged or whatever it is, ran out of money in the spring of this year. My impression was that all that was happening in the extra budget was that the government was catching up to old applications, that there's been nothing from the provincial government to help dugouts. I notice the former associate minister shaking her head. I'm after this for information. I'm not trying to make political capitalism. There are many other things I could go after you on anyhow. I just wanted to know, or correct, whether or not a dugout dug in the fall of last year or in the spring of this year will qualify for any Alberta government aid.

MR. ISLEY: Mr. Chairman, I'll be pleased to clarify things for the hon. member. Under the original response program anyone that completed a dugout or well in 1991 or applied prior to March 31, 1992, could complete it by December 31 and they would get provincial participation. We did not run out of money. Provincial participation has been provided on all approved projects once they're inspected by PFRA. But remember that the 1991 drought program did not respond to the northwest region that was added in the 1992 drought response program, so in order to give those people equal treatment, the announcement that went out this morning will make eligible any dugout or well that was done to PFRA standards during 1992.

MR. TAYLOR: In '92?

MR. ISLEY: Up to December 31, 1992. That's new. I realize you guys have a shortage of staff, and you've got a hard time keeping up.

MR. DEPUTY CHAIRMAN: Additional speakers on this issue? Oh, here we go. Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Chairman, and thank you to the minister's office, which has been providing some of the responses to earlier questions.

I would like the Provincial Treasurer to indicate whether important announcements over funding and grant levels for the coming year are going to have to wait upon the Financial Review Commission tabling its report. I'd like to give him a moment to answer that question.

MR. DINNING: No, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Is the committee ready for the question on this Bill?

HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill 56 agreed to]

MR. DINNING: Mr. Chairman, I move that the Bill be reported.

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. MAIN: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills, and we report the following: Bill 56, Appropriation (Supplementary Supply) Act, 1993.

MR. DEPUTY SPEAKER: Having heard the report of the hon.

Member for Edmonton-Parkallen, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Those opposed, please say no. Carried. It is so ordered.

MR. EVANS: Mr. Speaker, just for the information of the House I'd like to advise that when we reconvene at 8 o'clock, it will be to consider Bill 55 in second reading.

[The Assembly adjourned at 5:18 p.m.]