

Legislative Assembly of Alberta

Title: **Friday, May 7, 1993**

10:00 a.m.

Date: 93/05/07

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

O Lord, as we conclude for this week our work in this Assembly, we renew our thanks and ask that we may continue our work under Your divine guidance.

Amen.

head: **Presenting Petitions**

MR. SPEAKER: The Member for Edmonton-Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker. It's a pleasure for me to present a petition signed by 121 Albertans who ask that the government

reduce pension benefits . . . payable to MLA's and Cabinet Ministers leaving office at . . . the next election to a level comparable to other pension plans.

head: **Notices of Motions**

MR. KOWALSKI: Mr. Speaker, I wish to give oral notice of the following government motion:

Be it resolved that the private member's public Bill 216, Children's Access Rights Enforcement Act, be placed on the Order Paper under Government Bills and Orders.

MR. SPEAKER: Calgary-Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I'd like to give verbal notice that under the provisions of Standing Order 40 I wish to present the following motion later today:

Be it resolved that the Legislative Assembly urge the government to immediately table today, May 7, 1993, the 1993-94 government estimates and element details to enable Albertans to see more precisely the impact of spending cuts referred to in the provincial budget presented May 6, 1993.

head: **Introduction of Bills**

Bill 67 Deficit Elimination Act

MR. DINNING: Mr. Speaker, I beg leave to introduce Bill 67, the Deficit Elimination Act. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

Mr. Speaker, this Bill implements the promise and the commitment made by the government last night in the budget speech to balance the budget by 1996-97.

[Leave granted; Bill 67 read a first time]

head: **Tabling Returns and Reports**

MR. ISLEY: Mr. Speaker, I'm tabling the annual report of the Alberta Hail and Crop Insurance Corporation for the year ended March 31, 1992.

MR. TRYNCHY: Mr. Speaker, I wish to file four copies of the Alberta public safety services annual report for '91-92.

MR. SPEAKER: Hon. members, just prior to 10 o'clock this morning I received a communication from the Ethics Commissioner. I will file the copies. It's brief; I shall read it:

I am pleased to report, pursuant to section 44(1)(a) of the Conflicts of Interest Act, that this Office has received private disclosure statements and direct associates returns from all 81 Members of the Legislative Assembly.

head: **Introduction of Special Guests**

MR. SPEAKER: Olds-Didsbury, followed by the Minister of Education.

MR. BRASSARD: Yes, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you to the members of this Assembly 35 students from the W.G. Murdoch school in Crossfield. They're accompanied by teacher Mr. Barrett and parents Mrs. Campbell, Mrs. Johnson, Mrs. Langton, Mrs. Earl, Mr. Rush, Mr. Hale, and Mr. Shaw. I wonder if they would stand and receive the very warm welcome of this Assembly.

MR. JONSON: Mr. Speaker, this morning I am pleased to be able to introduce to you and through you to members of the Assembly Peter Johnson from Australia. Peter is in Alberta through the Rotary Club student exchange program and is attending high school at Harry Ainlay in Edmonton. As many members know, the Rotary clubs across Alberta are strong proponents of international exchange programs. It is my understanding that an Edmonton high school student is now on a similar visit in Sweden. Peter is accompanied today by Catherine Haiste of the Rotary Club of Edmonton, Glenora branch. I would like to indicate that our guests are in the members' gallery, and I would ask them now to stand and receive the traditional warm welcome of the Assembly.

MR. PAYNE: Mr. Speaker, it's my pleasure this morning to introduce to you and the members of the Assembly a group of individuals from the standards and certification development team from the Alberta Tourism Education Council. They are John Stafford, Val Nichols, Steve Milne, Jill Stafford, Darcy Jouan, Donna McClelland, Kim Potter, Teri Sunde, Cathy Steele, Dave Lemiski, Shelly Cairns, and Kristin Larson. They're seated in the members' gallery, and I'd now ask that they rise and receive the recognition of the Assembly for all their good work on behalf of tourism education.

MR. SPEAKER: Little Bow.

MR. McFARLAND: Thank you, Mr. Speaker. This morning I'm very happy to have for the second time 36 members of the Vauxhall elementary school who came up here last night and will culminate a trip to the Legislative Assembly today with a trip to the science centre. The town of Vauxhall is the Alberta production capital of potatoes for the entire province, and I think the young students and their families can be justly proud. Accompanying the 36 students today is their teacher Mr. Gerhard Reimer, staff members Mrs. Carol Jones and Mr. Terry Olfert, along with parents Mrs. Lucille Howlett, Mr. Dan Doerksen, Mr. Richard Willis, Mrs. Susan Van Uden, Mrs. Louise Brown, Mrs. Betty Jensma, and Mrs. Susan Stauth. Would the members of the Assembly please give our guests from Vauxhall a warm welcome.

head: **Oral Question Period
Provincial Budget**

MR. MARTIN: Mr. Speaker, a couple of days ago the Provincial Treasurer rose in the House and in a very dramatic way promised

Albertans action. Well, last night all we got was talk and rhetoric. We've gone from Tricky Dicky to Jim Dithering. This was the most vague document that I've ever seen passed off as a budget. We don't even have the estimates for the departments here. They're under new management but the same old unbelievable projections. Now, he talks about a four-year plan to balance the books. Here it is, a four-year timetable. Let's look at it. Here's how they're going to balance the books: fall round table, fall round table, summer round table, negotiations, review, design new system, review. Some plan. Some plan. My question to the Provincial Treasurer is simply this: how can we believe he is serious about balancing the budget when he doesn't give us any specific plans for how he's going to do that over four years? He has to cut hundreds of millions of dollars.

10:10

MR. DINNING: Mr. Speaker, the plan that is laid out in the budget document that was filed last night is a four-year plan with specific action, and I'm glad the hon. member noticed and has read the detailed nature of the plan, because there are more details in this budget document about '93-94 spending and about our commitments down the road to balance the budget. That's what Albertans have asked for. They've said, "Get your financial house in order; put together a plan that will balance the budget." We've done that this morning by introducing the Deficit Elimination Act, which is a four-year promise backed up by legislation to balance the budget. Secondly, we announced yesterday action, not just promising that we'd do it sort of down the road, to reduce this year's deficit by 22 percent, nearly \$700 million.

MR. MARTIN: Some plan. Boy, all those round tables and discussions and designing new systems are really going to balance the books, Mr. Speaker. That's a really specific plan.

Mr. Speaker, let's have the Treasurer give some honesty to this House. He's talking about balancing the books just like his previous Treasurer did. We've heard the same old story before without the details. The Treasurer says that he's not going to bring in new taxes, he's not going to do anything with the heritage trust fund, yet he can balance the books by expenditure cuts. I say to you: that's impossible. Isn't he really saying that if he's not looking at the revenue side, he's basically going to have to destroy the educational system, destroy the health care system, and throw the poor on the scrap heap to do that? That's what it comes down to.

MR. DINNING: Well, Mr. Speaker, the hon. member across the way disparages Albertans and casts doubt on Albertans' ability or interest in being a part of the consultation process. What we have found by traveling across this province, thousands of kilometres and literally hundreds of meetings, is that Albertans have said, "You set the target, you set the guidelines, and then let us in the front lines - in education, in health care, in municipalities - make the decisions locally as to how we find those savings." The hon. member across the way may cast doubt on Albertans' ability or interest to do that, but we've heard it loud and clear, and we believe that Albertans can help us to achieve a balanced budget by 1996-97.

MR. MARTIN: Lord knows that this government needs lots of help. It's not Albertans we're discouraged about or casting doubt on; it's this government. We've heard it all before, Mr. Speaker. We have nothing new from this government.

I want to say to the Treasurer: he doesn't want to tax his corporate friends. I can understand why, because they're going

into an election and they're paying the price for it, Mr. Speaker. When is this government going to do as other provinces and other countries and look at the revenue side and bring in some taxes on the wealthy who can now afford to pay it and on profitable corporations, the same as they're doing all over the world?

MR. DINNING: Mr. Speaker, the hon. member has laid out the NDP position loud and clear. He said: tax our way out of the deficit problem. Our plan does not call for and does not need increased taxation, increased rates of taxation, or new sources of taxation. Our plan through an orderly reduction in program spending will achieve a balanced budget by 1996-97. Not across the way: let it be clear to all Albertans that the NDP's position is that the only way you're going to balance the budget is by taking more money out of Alberta taxpayers' pockets. [interjection]

MR. SPEAKER: No. I'm sorry, hon. minister.

Second main question. [interjections] Thank you, everybody. [interjections] Order. [Interjections]

MR. McEACHERN: Stay out of this. Nobody asked you.

Speaker's Ruling Decorum

MR. SPEAKER: Order please, hon. Member for Edmonton-Kingsway. Nobody's asking you either. [interjection] Edmonton-Kingsway, is it all right if your leader proceeds with his second question? Thank you.

Provincial Budget

(continued)

MR. MARTIN: I just noticed the minister over there. I thought maybe it's a communist plot coming up here, Mr. Speaker.

Mr. Speaker, to come back to the Treasurer. I know he doesn't want to tax the wealthy, I know he doesn't want to tax the profitable corporate sector, because how else are they going to run their election campaign?

Let's look at some other important figures here from the budget. One of the major concerns that Albertans have is having a job. We notice the figures today. Edmonton has skyrocketed up to 11.7 percent, and the official unemployment is still 10 percent in Alberta, Mr. Speaker. The Premier talked about jobs, and he talked about an infrastructure. We see nothing. In fact the infrastructure departments are actually cut back, so the unemployment rate is probably going to go up under this budget, as the minister already acknowledges. My question to the Treasurer is simply this: how could he virtually ignore the unemployed in this budget, the most important problem facing Albertans today?

MR. DINNING: Mr. Speaker, first of all, Albertans know that their pockets are not lighter today because of tax increases that did not occur last night. The hon. member has made it clear that he wants to see tax increases and wants to see Albertans paying more taxes.

Secondly, Mr. Speaker, we're trying to debunk the myth. Putting government taxpayer dollars into short-term, quick-fix job creation ends as soon as the dollars end, and that isn't a smart way to create long-lasting, meaningful jobs for Albertans. Instead, we've taken an approach where we are going to eliminate paper burden for businesses in this province. We're going to introduce a more competitive tax regime so that Alberta companies, Alberta entrepreneurs, Albertans will create those jobs, not the government.

MR. MARTIN: Mr. Speaker, the Treasurer talks about Albertans' pockets not being lessened. Certainly not the wealthy, but I'll tell you that the pockets of the unemployed and the working people are being lessened. That's the reality of it.

I want to get back. We talk about needed infrastructure as the way to put people back to work. What are you going to do, just let the roads and everything crumble? They are needed public projects. The Premier talked about it a couple of weeks ago. Is the Treasurer now saying that he disagrees with the Premier that they should move on an infrastructure program to put people back to work? Is that what he's saying?

MR. DINNING: Mr. Speaker, the fact is: there was no tax increase in last night's budget. Albertans are not paying more taxes, not paying higher rates of taxation, nor new sources of taxation. Spelled out in the budget last night was an \$817 million taxpayer commitment to fund and to continue to fund roads, the building of Grant MacEwan College and the University of Calgary professional building, and a variety of other badly needed investments in Alberta infrastructure. This government is committed to the wise and fiscally prudent use of taxpayer dollars in that infrastructure that he's calling for.

MR. MARTIN: Mr. Speaker, I would remind the Treasurer that the unemployment rate is up, especially in this city, and even under his own document he says that it's going up. How cruel can you be just to accept that and say that it's the way to go? My question to the Treasurer is simply: is he not aware that the best way to deal with this deficit is to put people back to work so that we're not paying welfare so they're paying their taxes and they have some purchasing power? That's how to deal with the deficit.

MR. DINNING: Mr. Speaker, the hon. gentleman across the way has already said that he wants to increase taxes. He wants to take dollars out of investors' hands who want to create the investment, who want to create the jobs. All he's talking about is raising taxes.

All I have to do is turn to the likes of the Canadian Association of Oilwell Drilling Contractors, who said that because of a reduction in paper burden, because of a more sensible royalty regime, the CAODC last year failed in meeting its forecasted job growth by 50 percent. They said that they were only going to create less than 10,000 new jobs in the oil patch this year. In fact, Mr. Speaker, I have a press release from them dated May 4, 1993, where they say, "There were almost twice as many rigs drilling on average in the first quarter of 1993 . . . In Alberta, 8,000 more jobs existed" because of actions that this government has taken.

10:20

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

MR. DECORE: Thank you, Mr. Speaker. Once the false assumptions and the tricky accounting are properly accounted for in this Conservative budget, the actual decrease in spending is more like something under a hundred million dollars and not the \$700 million suggested. I'd like to ask the Treasurer to explain to Albertans how he can expect Albertans to trust this budget when the \$700 million in cuts include some \$160 million in new dollars from the Workers' Compensation Board, a Workers' Compensation Board that is hundreds of millions of dollars in debt.

MR. DINNING: Well, Mr. Speaker, perhaps my colleague the minister responsible for the WCB would like to comment in more detail.

When the hon. member talks about our assumptions and our accounting, what he is doing is being strongly critical of the Auditor General, the Financial Review Commission, and the Institute of Chartered Accountants of Alberta, who said that this consolidated approach to budgeting is exactly the way you must go in order to give Albertans a full, comprehensive, honest picture of the province's financial affairs. Mr. Speaker, we've followed that advice almost to the tee. The only criticisms I'm hearing from Albertans on last night's budget are from one gentleman across the way there and from one gentleman across the way there. The business sector, the Financial Review Commission, the Institute of Chartered Accountants are saying that this government is right on the mark when it comes to revealing all that should be and must be revealed in a government's financial accounts.

MR. DECORE: Mr. Speaker, I would have expected the Treasurer, who used the \$160 million to reduce the \$700 million, to explain it, and the Treasurer has not. It seems to me that if the Treasurer can't explain something as basic as this, the \$700 million is truly in question.

Second question, Mr. Treasurer: how can Albertans trust this budget when the so-called cuts of some \$700 million include \$200 million which is the one-time money the government misappropriated from municipalities last year, when there was a surplus in the Municipal Financing Corporation, and continues that on?

MR. DINNING: Mr. Speaker, the reasons why Albertans can believe this promise that was spelled out in the budget last night, which has been backed up through the Deficit Elimination Act introduced in this Assembly today – which I would call on all hon. members on all sides of the House to pass and pass quickly so that that legislated discipline is in place on this Chamber and on this government – is that we have spelled out a detailed timetable as to how we are going to achieve the promise and, secondly, on the basis of realistic and I would put to you very small "c" conservative revenue expectations. The assumptions, the forecasts are all spelled out in this document. Economists across the province say that we have been almost too conservative in our revenue expectations. So the second reason they can believe it is because revenue expectations are realistic. We've not just promised that we're going to do it sort of two or three or four years from now. We've taken action in the budget last night by cutting our consolidated deficit by nearly 22 percent, nearly \$700 million.

MR. DECORE: Mr. Speaker, I have asked two precise questions – explain the WCB, explain the \$200 million from the AMFC – and the Treasurer has not been able to explain.

Mr. Treasurer, explain, then, to Albertans, who have heard this story eight times now. We've had nine consecutive deficit budgets, and we've had eight explanations of a plan to bring the deficit down to zero. How can we believe it when you can't even answer simple questions in this Legislature?

MR. DINNING: Mr. Speaker, I know you will permit the Minister of Labour to answer the question regarding the WCB.

As for the Alberta Municipal Financing Corporation this government contributed \$200 million to municipalities last year to enable them to create jobs on public works, on infrastructure in virtually all of the communities across this province. Mr. Speaker, that \$200 million commitment was for last year. It was not renewed in light of the financial times that we face. Placing infrastructure quick fix dollars is not a wise decision in light of our financial situation. To answer the hon. member's very well-

intentioned question, I believe the Minister of Labour can comment on the Workers' Compensation Board.

MR. SPEAKER: The Minister of Labour.

MR. DAY: Yes. I will do that briefly at your request, Mr. Speaker. The numbers are very easy to track if somebody wishes to take the time to work through them. The unfunded liability is a question that was demanded of WCB to be addressed. The administration costs have been significantly altered going into readjusting the actuarials, and we are seeing a reduction in injuries as a result of our partnership programs.

I should bring out, Mr. Speaker, that when we talk about what we've done on administration costs and reduction, we are constantly criticized by members opposite. Yet what has been the result of this? A very clear five-year plan to reducing that unfunded liability to zero. It's in place. The numbers can be followed. I'd be happy to sit down with the member opposite anytime, because he seems to have difficulty in reading those numbers.

Adult Education

MR. TANNAS: Mr. Speaker, I'd like to ask a question of the Minister of Advanced Education and Career Development. The minister has on a number of occasions in this Assembly and elsewhere about the province suggested the need for a public process on the future of adult education. The Premier also has made similar commitments to the initiation of a broad-based public discussion on the future of adult education. The question then: when will this minister launch the public participation process?

MR. ADY: Mr. Speaker, I'm pleased to inform the hon. member that I'm in fact announcing the public participation process today. I put this process in place because we need to act now to set a new direction for the future of adult learning in our province. The demands of our postsecondary system are becoming increasingly more difficult, specifically in the area of access. In light of limited resources available I've decided that we need to chart a new course for the future, and we're asking Albertans to help us find innovative ways to find some of the options and solutions. The title of this process reflects our objectives. I'm calling it Adult Learning: Access through Innovation.

MR. TANNAS: Mr. Speaker, my supplementary question is again to the same minister. Now that the minister has acted decisively on this initiative, the question arises: does this run counter to the Treasurer's call for round tables that he announced last night in the Budget Address?

MR. ADY: Mr. Speaker, quite the contrary. In fact, the objectives of the Treasurer's call for round tables are for departments to develop business plans that will meet three-year budget targets with performance indicators that will ultimately be linked to funding and savings for the 1994-95 year. Our objectives will give us that and more. Our product will be an action plan not only for the department but action plans for stakeholders. We will give policy direction to adult learning but share responsibility for where we are going in adult learning and how we're going to get there with the stakeholders in the province.

MRS. GAGNON: Can you make it an all-party committee?

MR. SPEAKER: May we continue?

Edmonton-Strathcona, followed by Edmonton-Meadowlark.

MLA Pensions

MR. CHIVERS: Thank you, Mr. Speaker. Yesterday I drew to the attention of the Premier that in 1985 this Assembly passed a law which ordered cabinet to appoint an MLA pensions watchdog charged with the responsibility to determine the adequacy of contributions to meet benefits. Can the Deputy Premier explain to this Assembly how cabinet can for over eight years deliberately flaunt a law passed by this Assembly for the protection of Albertans?

10:30

MR. KOWALSKI: Mr. Speaker, no such event has occurred over the last eight years. There is a committee of the Alberta Legislative Assembly called the Members' Services Committee. This individual has served on that particular committee for the last eight years. It has always had representation from the NDP caucus, at least two, and at least one from the Liberal caucus. Over those last eight years this Members' Services Committee has dealt with the questions raised by the hon. member this morning.

MR. CHIVERS: That is nonsense, and I guess that shows us how much we can expect from legislated debt reduction laws.

Mr. Speaker, the Supreme Court of Canada has held that if public officials fail to do that which they have a statutory duty to do, their breach of statutory duty can give rise to liability where the breach of duty causes damages. Will the Deputy Premier ask the Minister of Justice to investigate the possibility of an action for damages against cabinet ministers serving since 1985 in view of the obvious inadequacy of MLA contributions to meet benefits?

MR. KOWALSKI: Mr. Speaker, the Member for Edmonton-Strathcona has gotten very emotional about this this morning. It's also true that the member has only served in this Assembly for a short period of time. Surely the hon. member has a duty to not only his constituents but to his own integrity as he looks at himself in the mirror at night to ask the question one more time: what was the participation of those members of his caucus in the Members' Services Committee over the last eight years? Surely, the hon. member has a responsibility and a duty to his caucus members, to his constituents, but most importantly to himself. To become exercised on a Friday morning and start using phraseology like "nonsense" and to become emotional is highly irregular for a person trained in the skills of the law, I would suspect. [interjections]

MR. SPEAKER: Thank you, everybody.
Edmonton-Meadowlark.

Provincial Budget

(continued)

MR. MITCHELL: Mr. Speaker, a budget without details is no budget at all. This isn't a budget; it's a brochure. Can the Treasurer tell us how he expects to get \$3 billion worth of expenditure cuts over the next four years when he provides us with absolutely no estimates, no assumptions about oil and gas prices, about unemployment, and about economic growth for the last three years of his purported four-year balanced budget program?

MR. DINNING: Mr. Speaker, what the government has done is laid out a four-year plan to balance the budget, and in year 1 we take action by reducing the deficit by 22 percent, or nearly \$700 million. The hon. member could turn to the document, pages 20 and 21, which spells out clearly the actions that we will take in

the subsequent three years of the plan. It does involve – actively involve – Albertans who have said to us, “Look; set the targets, set the spending guidelines, set the framework, and then let us who are teachers in the classroom or doctors in a hospital or professors at a university, administrators at a university help you find the savings that are required in order to balance the budget.” What the hon. member is, I suppose, casting doubt upon is the ability and the willingness, but certainly the ability, of those who are on the front lines to help make those vitally important decisions.

MR. MITCHELL: No, Mr. Speaker. All I was doing was asking for a few economic assumptions about the last three years of his four-year plan.

Mr. Speaker, last year the government budgeted \$6 million for loans and loan guarantee losses and then turned around and lost literally hundreds of millions of dollars in that category, but this year they've solved the problem. You know how? They're simply not going to tell us what their budget is for loans and loan guarantee losses. Will the minister tell us why anyone should believe his deficit figure when he won't even give us the detail of what he has budgeted for loans and loan guarantee losses against his \$3.4 billion worth of outstanding loans and loan guarantees?

MR. DINNING: Mr. Speaker, I would turn the hon. member to pages 54 and 55 of the document, where it spells out very clearly the guarantees, the loans and advances, and long-term investments that are spelled out in this year's budget. As well, I would turn him to an annual statement of valuation adjustments on page 22, where we can expect an orderly write-down of certain loans or investments as well as losses that we may take because of foreign exchange differences. The plan spells that out obviously, and I'm sorry that the hon. member has not had time to delve deeply into this document. It is a complex and comprehensive document, more material than the hon. member has ever received in his seven years in this Legislative Chamber in being able to assess the budgets.

MR. SPEAKER: Calgary-Bow, followed by Calgary-Mountain View.

MR. WICKMAN: Ask about the . . .

Speaker's Ruling Decorum

MR. SPEAKER: Order please. Edmonton-Whitemud, enough is enough: every question day after day. I'm sure you can contain yourself. I know it's springtime and you're feeling all full of vim and vinegar, but please repress yourself.

Calgary-Bow.

Transportation Funding

MRS. B. LAING: Thank you, Mr. Speaker. My question is for the Minister of Transportation and Utilities. Mr. Minister, one of the most helpful programs for municipalities is the cost sharing of transportation projects with a 75 percent provincial grant and a matching 25 percent city funding. I didn't see this item in the budget announcement last evening. What are your intentions regarding this very valuable program?

MR. TRYNCHY: Mr. Speaker, I'm pleased with the budget. If we turn to page 62, you can see that the capital investment in

Transportation and Utilities is some \$350 million, which will provide jobs, job, jobs that are needed in Alberta.

Yes, Mr. Speaker, we have to set new priorities with the reduction in our budget, but the priorities are such that we will continue with the 75-25 percent cost sharing with the municipalities in the province of Alberta.

MR. SPEAKER: Supplementary, Calgary-Bow.

MRS. B. LAING: Thank you, Mr. Speaker. My supplemental question is also to the same minister. Mr. Minister, the Stoney Trail is a proposed primary highway connector project that received very strong support from my constituents in Calgary-Bow and also the city of Calgary. What is the current status of this very important project with its many economic spin-offs for employment?

MR. TRYNCHY: Mr. Speaker, as I mentioned, we have to set new priorities, and that's exactly what we've done. The Stoney Trail is one of our priorities. The cost estimate is some 42 millions of dollars, and we're moving ahead this year with our first phase on the Stoney Trail.

MR. SPEAKER: Calgary-Mountain View.

Provincial Budget (continued)

MR. HAWKESWORTH: Thank you, Mr. Speaker. The Financial Review Commission has confirmed that Albertans are on the hook for over \$12 billion in loans, guarantees, and investments. Albertans know that this government has mismanaged these investments in the past and that we've lost at least \$2 billion in the last several years. Given the findings of the Financial Review Commission that this government needs to make additional provisions for losses, not fewer provisions for losses as the Provincial Treasurer did in his statement last night, why did the Provincial Treasurer fail to properly account for the inevitable future losses on financial fiascos like MagCan, Softco, Alberta Mortgage and Housing Corporation, just to name a few?

MR. DINNING: Mr. Speaker, the hon. member has asked a question, the answer to which is on page 22 of the document. The document spells out very clearly that we have taken the advice of the Financial Review Commission and exercised an abundance of conservatism by ensuring that we do write down those investments when and as soon as we are concerned that they will not be repaid. That is why the valuation adjustments for 1992-93 are a substantial amount of money, some \$277 million. That also includes foreign exchange provisions. But we have exercised and implemented the very recommendations of the Financial Review Commission, which the hon. member has asked us to do.

10:40

MR. HAWKESWORTH: Mr. Speaker, his answer is simply not believable. In the last five years write-offs have averaged \$300 million to \$400 million per year, and they're making provisions now for \$60 million a year and would have us believe that these losses will virtually disappear over the next four years when the Financial Review Commission says that they're going to go up. The real reason he did this is to maintain a fiction that they're really cutting spending. If he had done what he should have and followed the recommendations of the Financial Review Commission, spending cuts would virtually disappear in this budget. How

can the Provincial Treasurer justify continuing the same kind of dubious accounting tricks that we've been getting from this government for so many years?

MR. DINNING: Well, Mr. Speaker, I can walk through the Financial Review Commission report with the hon. member and with all members of the Assembly and virtually line by line show that this government in last night's budget and in the budgetary document that's spelled out the four-year budgetary plan to balance the budget as well as this year's 22 percent reduction in the deficit, \$700 million in spending cuts, has implemented and is implementing the advice of the Financial Review Commission, which came down some 32 days ago.

Social Assistance

MS MJOLSNESS: Mr. Speaker, currently in this province we have almost 92,000 people on social assistance and 140,000 unemployed. People are out of work and many have little hope of finding a job despite what the Treasurer says. Three years ago this government predicted that it could remove 10,000 people from social assistance, but instead those numbers continue to climb. Now they are trying it again. My question is to the Minister of Family and Social Services. Given that unemployment continues to increase, how can this minister justify his plan to remove 10,000 people from social assistance, including children, in his plan which consists of making it more difficult for people to be eligible for social assistance, which is clearly spelled out in the budget, and simply terminating benefits of people that are on social assistance?

MR. CARDINAL: Mr. Speaker, I'd just like to advise this Assembly again that for the size of Alberta we do have a \$1.6 billion budget, and I've also advised this House that my priority as a minister is to make sure that the needy are looked after, people that cannot fend for themselves. On the other hand, I don't know of a soul in Alberta that wants to be on welfare. This minister has a responsibility to make sure that we put in processes and opportunities for the people that want to get off welfare and back into the work force and training. In addition to that, I want to advise the hon. member that in April alone the caseload has dropped by 3,000. So something is working out there.

MS MJOLSNESS: Well, it hasn't dropped over last year, Mr. Speaker, if he looks at the figures.

Mr. Speaker, my supplementary to the minister. This minister plans to save \$20 million by reducing supplementary benefits to people on social assistance, which include such things as nutritional supplements for infants and supplements for pregnant women. I'd like to ask the minister how he can justify these punitive measures and engage in an outright attack on the poor of this province when the financial crisis that we're facing is due to an incompetent government and one that's mismanaged our finances.

MR. CARDINAL: Mr. Speaker, I'd like to again advise the hon. member that the budget under child welfare is still \$155 million. I'd just like to advise the hon. member also, as I said in this House, that we will continue looking after the people that are needy. If you look at the budget document, it shows a \$9.2 million increase in programs for training and job placement purposes, a \$4.3 million increase for AISH and widows' pension, \$9 million for persons with disabilities, a \$3 million increase in foster care. In addition to that, we're offering the 28 communities

that have been waiting for years to enter the FCSS program an opportunity to get on stream with us immediately.

MR. SPEAKER: Edmonton-Gold Bar.

Health Care System

MRS. HEWES: Thanks, Mr. Speaker. In terms of health care planning this government is perpetually on hold. First we had to wait for Hyndman, then we had to wait for the previous minister's reforms, and now we're supposed to hold our breath for the current round table meetings. My questions are to the Minister of Health. This government is a master at cutting services: beds closed, jobs lost. Do that first, then talk about it. How can the minister rationalize cutting \$127 million now only to meet, maybe talk about it in a few months' time, then maybe next year get around to doing some reforms? How can the minister rationalize that?

MRS. McCLELLAN: Well, it's really unfortunate that the member across the way is so out of touch with what has been occurring in health care review in this province, because in fact there has been a very intensive review process in this province beginning a year ago. In January of this year I communicated with all of our health boards and a number of consumers and asked them to give us some responses as to the next process. I have those responses, and through the budget announcement we've indicated that we will be convening a round table on health to make the decisions and the action plans for the future. That will be convened on June 28, and we will be in an action mode.

I think the thing that really is interesting is that it would appear that the way to go from the Liberal Party would be: slash, burn, cut, and identify. Talk to the health care providers in this province and see whether they prefer to work with us to restructure and to establish the health priorities of this province. I believe that's what they want to do.

MRS. HEWES: Ow, Mr. Speaker. What a shocking answer.

Mr. Speaker, then perhaps the minister will answer this for the House. One hundred and twenty-seven million dollars cut: what areas in the health care system does the minister think can sustain this? Are we talking about acute care? Are we talking about long-term care? Are we talking about public health? Are we talking home care? Where is it going to be?

MRS. McCLELLAN: Well, Mr. Speaker, again the decision-making on the reductions and the restructuring will be made in full consultation with all of the health providers and indeed the consumers from this province.

MR. SPEAKER: Innisfail, followed by Edmonton-Avonmore.

Education Funding

MR. SEVERTSON: Thank you, Mr. Speaker. Last night the Provincial Treasurer introduced a tough and fair budget plus a four-year plan to eliminate the deficit. I was wondering if the Minister of Education could outline what effects this budget has on his department.

MR. JONSON: Mr. Speaker, certainly the budget introduced last night takes a long-term and responsible approach to the overall fiscal situation in the province, but I'm pleased to indicate that within the context of that budget education has clearly remained a priority of this government. In the coming fiscal year the

overall Education budget will increase by some 93 millions of dollars, but most importantly there will be an increase of 35 millions of dollars, or a 2.5 percent increase, in the money flowing to school boards and into the classrooms of this province.

MR. SPEAKER: Supplementary, Innisfail, followed by Edmonton-Avonmore.

MR. SEVERTSON: Thank you, Mr. Speaker. Last night in the budget it showed that 14 departments reduced their expenditures. Could the minister tell me if the Department of Education is sharing in the reduction of its operating expenditures?

MR. JONSON: Mr. Speaker, in terms of the operation of Alberta Education we have certainly done our share to increase efficiencies, to consolidate operations. The staffing levels of Alberta Education in the coming year will be at 1971 levels, and with that particular move there's going to be the consolidation of divisions, a reduction in the number of assistant deputy ministers, and I could go on with a number of the other initiatives and efficiencies that are being exercised by the department.

MR. SPEAKER: Edmonton-Avonmore.

Senior Citizens Programs

MS M. LAING: Thank you, Mr. Speaker. My questions are to the Minister of Health. This budget attacks the most vulnerable in Alberta, including seniors. Seniors will be paying higher fees for accommodation in long-term care institutions, and it appears that they may be losing their only avenue of consultation with the government through the elimination of the Seniors Advisory Council. Inasmuch as another \$105 million has to be cut from the health care budget, will this minister guarantee that seniors' programs, including extended health benefits and Aids to Daily Living, will not be further affected?

10:50

MRS. McCLELLAN: Well, Mr. Speaker, the hon. member raises the increases in long-term care resident fees, the fees that are charged for lodging, for room and board in essence. There are no fees for the health care delivery in those facilities. I would remind the hon. member on that point that these are indexed fees in Alberta, and they're indexed against the income: old age security, guaranteed income supplement, and the Alberta assured income plan, I believe the only province that has that. The fees that will be increased in our province will still leave our seniors, or indeed anybody who's in a long-term care facility that's under those plans, with the most disposable income. For example, in British Columbia, under another government, for a standard room it's an average of \$709. With the increase in Alberta it will be \$651. I find that interesting. In Saskatchewan, which is another government, the standard again is much higher.

MR. SPEAKER: Thank you, hon. minister. We're trying to get a few more questions.
The supplementary.

MS M. LAING: Well, Mr. Speaker, I asked about extended health benefits and Aids to Daily Living, not the fees. So I guess her answer is no, and they will be affected.

Mr. Speaker, my second question is to the minister responsible for Community Development and seniors. This budget says that 13 advisory committees and councils will be eliminated. At that

same time, this government holds out a promise to Albertans of consultation and of listening. Will this minister now name the advisory councils that are being disbanded so those Albertans who will now no longer have an effective voice know that the government does not want to hear from them?

MRS. MIROSH: Mr. Speaker, I believe the member opposite was concerned about seniors, and seniors are a priority to this government and to this department. The Seniors Advisory Council is a very important process and will continue as a very important process for consultation. They have already advised us on many areas that we have been fulfilling.

Mr. Speaker, just to add to the Minister of Health, we are spending now over a billion dollars a year in funding seniors' programs, and that's not including health care.

MR. SPEAKER: Calgary-McKnight.

Education Funding (continued)

MRS. GAGNON: Thank you, Mr. Speaker. Last night the minister of finance announced increases in the Education budget, an announcement scooped by the Minister of Education on April 15. The increases announced deal with only two areas: a short-term measure to deal with fiscal equity and paying for increased enrollment, which I understood was a government obligation. For the average Alberta student there are cuts to transportation, native education, community schools, early childhood services, and early childhood services disadvantaged area grants, to name but a few. My question to the Minister of Education is this: can the minister please justify his claim that Education spending has actually increased to meet the needs of all – and I said “all” – students?

MR. JONSON: Mr. Speaker, as I have indicated, education certainly is reflected as a high priority in this budget. In terms of the total commitment to education in this province, from ECS to grade 12, this is quite clearly identified if you look at the bottom line in terms of the figures for the budget. There is an additional \$35 million across this province being provided to school boards, which represents about a 2.5 percent increase, for school boards to deliver in terms of the operation of the classrooms in this province. That is a very significant overall additional commitment by this government to education.

MRS. GAGNON: Mr. Speaker, I'd like to compare spending in public works to spending on kids. There is a \$21 million cut in transportation of students and other program grants, while there's an \$8.9 million increase to the operating budget of public works. What this says to me is that the government is incapable of really prioritizing. Are roads more important than kids?

MR. JONSON: Mr. Speaker, there have been reductions in certain grant lines, but there have been very significant additional dollars put in to cover enrollment increases to equalize across this province the ability of school boards to spend on education. The majority of school boards in this province are receiving additional money. Given the financial situation that we are dealing with and when you compare our situation to other provinces in this country, the Department of Education's budget reflects a clear priority on education and there is an overall increase in spending for the school boards and school operations of this province.

MR. SPEAKER: Might we revert to the introduction of guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

The Member for Three Hills, followed by Calgary-Currie.

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

MR. MacDONALD: Thank you, Mr. Speaker. It's a pleasure for me today to introduce to you and to this Legislature 42 students from the grade 6 class of Our Lady Queen of Peace school in Airdrie. They are accompanied by their teachers Maureen Haggarty and Greg Woitas and helpers Dorothy Rushfeldt and Debbie Howard. This class is seated in the public gallery, and I would ask them to stand and receive the welcome of the Legislature.

MR. ANDERSON: Mr. Speaker, today we have with us in the members' gallery a gentleman who has worked hard for Alberta at the McDougall Centre in Calgary. He and his wife are visiting the Legislature for their first time, and I'd ask John and Lyda Friedt to stand and receive the warm welcome of the Assembly.

head: **Motions under Standing Order 40**

MR. SPEAKER: Calgary-Mountain View. A Standing Order 40 request.

1993-94 Budget Estimates

Mr. Hawkesworth:

Be it resolved that the Legislative Assembly urge the government to immediately table today, May 7, 1993, the 1993-94 government estimates and element details to enable Albertans to see more precisely the impact of spending cuts referred to in the provincial budget presented May 6, 1993.

MR. HAWKESWORTH: Thank you, Mr. Speaker. Standing Order 40, as you know, is an opportunity for members of the Assembly to bring forward an item "in case of urgent and pressing necessity." I believe it is of pressing and urgent necessity that the province of Alberta needs a budget, and it's important that this government table the budget.

Last night we got a speech from the Provincial Treasurer. We got a brochure, we got rhetoric, but we didn't get a budget. A budget, Mr. Speaker, consists of estimates, and it consists of supplementary information and element details, both of which were failed to be tabled by this government last night. A budget tells you where hospital beds will be cut. A budget shows where jobs will be lost. A budget shows where ordinary Albertans will be hurt and have to pay with reduced services. None of this was provided to the Assembly last night. We got extravagant claims, but we didn't get a budget.

This morning ministers keep talking about following the numbers. The Minister of Labour said that he would be glad to show us how we could follow the numbers, but we weren't provided with the numbers last night in order for him to show us anything. They talked about a plan, but they didn't give us a bottom line. They talked about giving us more material than they've ever given us before, Mr. Speaker. In no way have they done that. They say that the cuts are fair, but they haven't shown us how the cuts are fair. They say that the budget is tough, but they won't give us any estimates to evaluate who's paying the price. I think it's a matter of pressing and urgent necessity that this information be provided to this Assembly.

MR. SPEAKER: Hon. members who are signifying their desire to enter into debate are indeed cognizant of Standing Order 40. It's only the mover that makes the request for urgency.

The members of the House willing to allow the matter to proceed on the urgent basis, please signify.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed?

SOME HON. MEMBERS: No.

head: **Orders of the Day**

head: **Government Motions**

11:00 **Provincial Fiscal Policies**

42. Moved by Mr. Dinning:

Be it resolved that the Legislative Assembly approve in principle the fiscal policy of the government for the fiscal year 1993-94.

[Adjourned debate May 6: Mr. Fox]

MR. MARTIN: Mr. Speaker, to talk about the budget speech, I want to come back to what I said in question period and also refer to what my colleague has just said. This is not a budget. When you have a budget, you have the budget estimates brought before you, so you at least have some idea of what the government's going to do in the year. This is purely and simply an election document. As I said last night, in my almost 11 years of being in the Legislature this is the most vague document I've ever seen that would pass as a budget. In this discussion, though, we'll have to look at what they have given us. It's sort of fill in the blanks. Now, you must, you know, bear with us if we are a little cynical about hearing about balanced budgets coming from this government. We've heard it all before. At least the Member for Lethbridge-East, who was the former Treasurer, even though his figures were never right, did bring in the estimates books when he brought in a budget. I'll at least give him that. I never thought I'd see the day that I'm looking back in fondness to the previous Treasurer as compared to this one.

Let's just go back in history. Now, they like to indicate that they are under new management. You would have thought they woke up one day, and out of the clear blue they all of a sudden dropped into the Legislature here: all new faces, no responsibility for what's happened in the past. Well, Mr. Speaker, when I look at the front bench over there, I see the Deputy Premier and the minister of economic development and some of the others. They've been there a long period of time. Most of the people have been over there since 1986, and the Premier has certainly been there since 1989. So I think it's perfectly legitimate if Albertans generally are skeptical of what this government says.

[Mr. Deputy Speaker in the Chair]

I want to just repeat in a little more detail a quote from a previous budget speech. It sounds very familiar. It could have almost been juxtaposed under what we're talking about now. I look back at the budget speech, page 13.

Fiscal Strategy for Deficit Reduction

We must take action now to realign the government finances.

Deficits in the order of \$3 billion cannot be allowed to continue. If not checked, Alberta would find itself in a chronic deficit position with more and more tax dollars diverted from services for Albertans

to paying interest on debt. We would be passing to our children and grandchildren the responsibility of paying the bills for the services we enjoy today.

They go on to say,

The principles underlying our strategy are financial responsibility, fairness, and caring for those in need.

Mr. Speaker, as I said, you could juxtapose the two.

Mr. Speaker, our fiscal strategy is to reduce our deficit sharply in '87-88 and to balance the budget by 1990-91.

Well, guess what? Here it is 1993, and we're getting basically the same plan again.

What's really quite amusing reading in that particular budget address in 1987 is that it says the following things, and I quote:

Alberta's Fiscal Flexibility

Alberta's reputation for sound, stable financial management is well established.

Alberta ends 1986-87 with no sales tax, the lowest personal income tax rate and the most attractive corporate tax structure of any province and, consequently, substantial unused fiscal capacity.

Couldn't we have read that last night in the same budget?

Even more recently than that was the one back in 1991. Not only at that time did we have a balanced budget – do you recall that? – we had a \$33 million surplus. Well, that was funny. I remember the Provincial Treasurer saying this, and he ended up: "The 1991 budget delivers on . . . our commitments to Albertans." Remember that? "Mr. Speaker, this is a balanced budget." I remember all the backbenchers thumping away. They were all there. Well, some things never change. The leopards just don't change their spots.

Now let's look at what has been happening over the last number of years on the projections from this government. If we look at their estimates and why we shouldn't believe them in the future either, I'd go back to 1988-89, the estimated budget deficit, Mr. Speaker. They predicted a surplus. It actually was a consolidated of \$671 million, and the actual consolidated deficit was \$2,015,000,000. They were only 200 percent out. In 1989-90 they predicted approximately \$1.5 billion deficit, and that came out to a \$2.3 billion deficit. That was one of their better years. They were only 56 percent out, Mr. Speaker. In 1990-91 they estimated a deficit of \$780 million, and they came in at \$1.8 billion, 135 percent out, but, you know, what's a few figures here? In 1992-93 the deficit estimate was about \$2.3 billion, and as we now know, it came in at almost \$3.2 billion, only 38 percent out, Mr. Speaker. We'll see what happens in '93-94.

Now the government comes back, changes a couple of faces but it's still the same old gang, and says, "Trust us." The Premier said last night: you've just got to trust me. Well, I don't think that Albertans are going to. I mean, this is the record. That Premier was there since 1989. He was there for the balanced budget where they had the \$33 million surplus, and some of the other people in the front bench have been there even longer. Certainly all the people in this Legislature have been here since 1989, Mr. Speaker. Now we're to trust them with an even more vague document than we've got in the past and no estimate books, nothing. Projections. Somehow they're going to cut here magically and not do this, that, everything else. A brochure.

Let's try to fill in the blanks of what we do know, first of all, for 1993-94. Well, it's interesting they're talking – what? – about almost \$700 million, just to round the figures off, that they've cut. Well, let me remind them of a couple of interesting figures, if we go back to last year, in their projections. It's always their projections we should look at, Mr. Speaker. Last year they projected a \$2.3 billion deficit. Now, here's progress in dealing with the deficit: last year they projected a \$2.3 billion deficit; this year they're projecting a \$2.5 billion deficit. I know that they

were wrong in the past, but my point is that they'll probably be wrong again. Actually, they're increasing the deficit in their projections from what they had last year. How can we have any faith at all, Mr. Speaker, in their projections?

Now, I will say this in the name of trying to be somewhat positive. I will agree with one thing the Treasurer says, that they are being more realistic with the revenues, a complaint that we made year in, year out with the previous Treasurer, Mr. Speaker. Certainly the oil and gas revenues are probably, if anything – and I hate to use that term – conservative, from the projections we've seen.

I do think, Mr. Speaker, that there are a couple of areas where they're dreaming a little bit in technicolour. One, I notice that even they admit the unemployment is going to go up, and I suggest to you that welfare is going to go up, but even with the higher unemployment that they're acknowledging, Mr. Speaker, they still say that there will be \$200 million more in personal income tax. Well, I think that's wishful thinking, to say the least. I don't think they're going to get that sort of income. As my colleague talked about, the major flaw I think in terms of the projections is the valuations, all the mismanaged deals, the loans guarantees, and the handouts to their business friends that have averaged \$300 million to \$400 million, the write-offs. Now all of a sudden, contrary to what the Financial Review Commission said – they said that they should up that – I notice that they're down to \$60 million. Now, I say to you that this is misleading. They often refer to the Financial Review Commission. Why would they go down that far when they're saying that you should probably bring that up further? That's a follow-up from the questions earlier from my colleague for Calgary-Mountain View. I think that's very misleading. Again, some of the old habits of the previous government die hard, I guess.

11:10

Now, I want to go into some of the other specifics in this budget. We're told again that \$127 million is going to be cut from health care. Well, Mr. Speaker, we don't know where. We're going to ask them to cut it. What we're seeing is a downloading of responsibility: we'll undercut you, and then you figure out how to do it. No leadership coming from the top at all. I could judge this \$127 million, again, if there was some sort of alternate delivery plan that they were giving us. I don't see any plan from this government dealing with health care. All of a sudden, out of the blue, \$127 million is going to be cut. Do we know if that's going to be hard on patients and potential patients? Could it be life threatening? We don't know. Where is it coming from? How do we judge that here? It's a figure plucked out of the air, and that's the point that my colleague was trying to make. I don't see an alternate delivery of health care talked about, as we've talked about in the past. So how do you judge that?

Also alluded to in question period, we look at the welfare budget. Now, this is interesting. They're talking about taking 10,000 people off welfare, saving approximately \$150 million. Again, you may excuse us, but we did hear that before from this government. At the same time, they admit that unemployment's going to go up, and we know that it has drastically in Edmonton, almost a percentage point from last month. Now, is this Houdini? Unemployment goes up. How are you going to do that? Are you just going to throw the poor out on the scrap heap, Mr. Speaker? This work for welfare: all these jobs are not there. There's nothing in terms of job creation, and I'll come back to that. So I say to you that they're not going to save \$150 million. Remember how far out they were on the welfare budget last year? We're over a billion dollars now on welfare. I would refer to the first

three months of this year – and we have the figures – there were 91,000 families on welfare. Where are they going to save that money? I think that's illusionary, those savings.

Now, the other disappointment, to come back to my second question today, is job creation. Listen to them. You know, I thought Ronald Reagan had transformed himself and put himself over there, or at least George Bush or Margaret Thatcher. All the outdated economic policies that didn't work there, that people are getting rid of around the world, this government's jumping on the bandwagon. At one time, though, I thought the Premier was talking about at least looking at some needed infrastructure development, which helps the private sector, I might point out to the Treasurer, because the bids come in low and they put people back to work and there's a major spin-off. I'm not saying that over the long term that solves all the problems, but it's the quickest way to put people back to work.

All the infrastructure departments are basically cut back, Mr. Speaker. Now, it seems to me that that's the cruelest of all in terms of this budget. We have, by their figures, seasonally adjusted, 10 percent unemployment in this province. If you take the hidden unemployed, it's going to be much higher. What's happening out there, if you talk to people other than their wealthy corporate friends who don't want to pay any taxes, the wealthy, is that people are looking for some hope. They're looking for some security in their lives. It's not just the people that are unemployed – they're the worst off – but even if you have a job, you're just not sure how long you're going to have that job. Formerly secure jobs in both the private and public sectors are no longer secure. So there's a great insecurity and lack of hope out there, and that impacts on our economy also. For instance, people don't go out and make major purchases because they're not sure how long they're going to be there or how long before they're on the unemployment line.

Now, Mr. Speaker, I would have thought that that should have been self-evident to this government, and I was encouraged when the Premier did make some statements about looking at the infrastructure. But, no, we can't afford that, they say. We'll just let people, you know, hang in the wind. We'll cut them off welfare, and we'll throw them on the scrap heap. What kind of a government is that? As I said, it didn't work with Reagan and Thatcher, and it's not going to work here. It didn't work in the '30s, and it's not going to work here now. That's the hard reality.

It seems to me that sometime it's got to cross the Reaganites over there that if you want to deal with your deficit, you put people back to work. Then not only will your welfare budget not skyrocket, as ours did last year, but those people pay taxes. Also, they have some confidence, not only the unemployed but the people that are worried about it. They have some confidence in their future, and they go out and spend and get the economy rolling. But this has totally been ignored by this government. As I say, every other government that has practised Reaganomics is going out the window, and here we go, jumping on it after it's been discarded by other countries. It just blows me away. It just absolutely blows me away.

Now, Mr. Speaker, I would refer again to today's figures in terms of unemployment. They might get great satisfaction that our unemployment is lower than Newfoundland's, but that doesn't say anything to our people here in Alberta. There's absolutely no hope – I stress, no hope – for people that are unemployed, or on the verge of being unemployed or underemployed, coming from this budget, not even an acknowledgment that it's occurring.

Let me go from there into the so-called four-year plan, Mr. Speaker. I hate to use the cliché smoke and mirrors, but I can't think of any better thing to say. This is Houdini at his best,

Houdini the Treasurer. Here's what he's telling us: I have a plan. Well, as we say, we looked at the plan. If you look at it, here's the plan, the four-year timetable, as I said in question period: fall round table, fall round table, summer round table, negotiations, review, phase 1, design new system, review, review, partial review, implement changes, develop, blah, blah, blah. That's a plan? What he is telling us, if you listened to question period, is that somehow Houdini can deal with no new taxes at all, is not going to deal with the trust fund – right? – and he can make enough cuts in four years to balance the books. Well, Mr. Speaker, forgive me. That is just not telling the truth to Albertans. It cannot be done, the Treasurer knows full well it can't be done, and many of the economists are telling him that also. The only way you could do that – and if this is what he's saying, then he should be more clear about it – is by dismantling our health care system, not putting any money into education, allowing our educational system to further deteriorate, and just throwing the poor out on the scrap heap, because most of our budget comes from those areas.

You know, the Treasurer, if I can look back here, talks about the fact that we have an expenditure problem, not a revenue problem. Mr. Speaker, that is misleading. The government's own documents that the Treasurer, who was the Minister of Education, put out, if you go through these charts, clearly indicate that we have a revenue problem. Here it is, the background, coming from the government. They say we have a revenue problem. The expenditures have actually been cut back fairly significantly. Just to give you some example, look at the provinces. The government's own document here, hon. member, says that revenue growth in Alberta is the lowest in the country, the absolute lowest in the country. It shows how expenditures have stayed level and in some cases have actually gone down, but revenues have gone down even further.

11:20

To look at that part of the equation, I'm not saying there can't be cuts. There have to be some cuts. We've talked about \$33 million here in the golden handshake, international trade offices all over, patronage boards and commissions, and all other sorts of wasteful spending. Yes, there are cuts that can be made, brutal or massive cuts, but to suggest that you can just hack, hack, hack in the people services and somehow have a decent economy in the future, you're kidding yourselves. There are the facts, the government's own figures, Mr. Speaker, right there: a revenue problem along with their so-called expenditure problem.

So what's their answer? "Oh no, we can do this without any new taxes." I say to you, hon. member who's a principal, over there: you should be very concerned if they go in this direction without looking at the revenue side, very concerned. That'll throw us back. How are we going to compete in that so-called global economy with a half-rate educational system? For all the business groups that cheer and say we don't need a health care system, one of the big advantages they have in competition in the global economy is our health care system. The Americans are complaining about it all the time. One of the advantages you're going to have in a global information economy is a well-trained, adaptable citizenship, Mr. Speaker. If you have nothing but social problems because you've thrown the poor out on the scrap heap, how are you going to compete with that? How are you going to do it?

So they're not telling us the truth. Either they're going to dismantle those programs or they're going to have to look at the taxation side, Mr. Speaker. My point is that the way to start is to stop making Alberta a tax haven for the wealthy, and that's what we have compared to other provinces. There's money there, and

it's time that we said to profitable corporations – not to overly tax them but to be competitive with other provinces – doesn't it make economic sense to you in the future if you're going to compete, Mr. Corporate Executive, to have a good health care system, to have a good educational system, and not to have more people on welfare? They've got to grow up and find out what the real world is out there. That's how they will compete, not slash and burn and all the problems that that creates. That's what they'd better learn and learn it quickly, because other countries are learning that. Other countries that are competing spend more on social programs than we do. That's not what causes the deficit. You're putting people back to work. Federally, if we weren't dealing with high interest rates, we wouldn't have the deficit.

So, Mr. Speaker, I just say to you that this was a dishonest document about balancing the books in four years, just as back in 1987 it was a dishonest document because they didn't do it. They're not going to it again with the plan that they've given us or the lack of plan, if I can put it that way.

What I'm suggesting to you is simply this. Of course we have to worry about our financial deficit. There are different ways to come at it but certainly not the way they're doing it. In any given year, Mr. Speaker, you have to worry about the human deficit. We have to ask ourselves three simple questions. Does it make economic sense to have well-educated, well-trained citizens? Of course it does. Does it make economic sense to have a healthy population? Of course it does. Does it make economic sense to help the poor to help themselves? Of course it does. That's why we can't get preoccupied with just this slash and burn mentality. They're going to drive us into a deeper recession, lay more people off, have a bigger welfare budget. It's exactly the wrong way to go. I would have thought that through history we would have learned that even from a Conservative government.

This is a cynical document. It's not a budget, to come back to where I started. This is not a budget; this is an election document. They want to snow Albertans one more time. I mean, these people have been in power for so long, Mr. Speaker, that they can't imagine not being in power. They will say anything, do anything that it takes to stay in power. That's what this is all about. The whole operation since “under new management” came in: that's precisely what this has all been about. That's what all this has been about. The minister is saying: do anything; say anything. As the minister said: cling on to power at all cost. There are too many patronage jobs involved here, Mr. Speaker, to give it all up. Too many people on the gravy train to give it all up. So this so-called budget, without any estimates, without telling us where they're going to do it, let's say what it is: purely and simply an election document.

I look forward if the government has the courage to call an election on this document. We wait with bated breath to debating this. It will be a very interesting debate throughout the province, Mr. Speaker. If they think this is the answer, then they shouldn't hesitate. I know there are a lot of pollsters making a lot of money today. “Did you buy it? Did you buy this budget?” If the polls are right, we're into an election. If they're not, oh boy, we've got to cling on to power. We might have to wait till the fall. If they think that this is such a great document, let's go on principle. Don't worry about the pollsters. Save yourself some money. Save the PCs some money and call the election. That's what we should do. We'll have a legitimate debate about it all. So we wait and see what happens next week. I hope that they have the courage of their convictions to call an election. [interjection] Hon. former Minister of Energy, you're not running anyhow so it doesn't matter to you, but maybe there's a patronage job that you won't get if they don't get back into power.

Thank you very much.

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

MR. DECORE: Thank you, Mr. Speaker. Before I get into the analysis of this budget, I just would like to take a moment to remind hon. members of some of the gruesome facts that face Albertans in the financial area. In 1986, according to an analysis now done by the Financial Review Commission, our province had assets of some \$12 billion. In seven years those assets have been completely lost, and the Financial Review Commission has noted that as at their date of examination, in March of this year, the debt of Alberta stood at a net position of \$11 billion.

Mr. Speaker, the gross debt of our province after this budget goes up to \$25 billion. Interest on moneys that we have borrowed from other Albertans, other Canadians, and internationally goes to \$1.4 billion. That's 10.7 percent of the total budget. It's interesting to note that the moneys that accrue on the heritage savings trust fund by way of interest fall to some \$940 million.

Mr. Speaker, we have had nine deficit budgets. We have had eight separate plans from the Conservative Party, the Conservative government, to deal with the deficits, always telling us that there was a plan to bring the deficit down to zero. This, then, is the eighth plan, and we're asked to believe that this plan is better than the seventh, the sixth, the fifth, the fourth, the third, the second, and the first.

Mr. Speaker, a couple of facts also need to be brought forward to remind Albertans about the kind of stewardship that the Conservative Party has provided Albertans. Just two years ago this government said that we would have a \$33 million surplus. I'd like to just read some comments that were made by the hon. Premier in relation to that \$33 million surplus. He said:

We have a fiscal plan in place, and it's a plan that will lead to a balanced budget. It's a plan that will meet the social, educational, health, and cultural needs of Albertans. It's a plan that will achieve . . . government efficiency and productivity and create pride in the public service workplace. It's a plan that will spur on economic [growth] and at the same time provide for environmental protection.

Those comments were made by the Premier in *Hansard* on March 19, 1991.

Mr. Speaker, Albertans also need to be reminded that in last year's budget, the forecast for the deficit was \$2.3 billion. That was readjusted when I guess the Premier said to the Treasurer: “Let's start being honest with the public. Mr. Treasurer, go out and tell Albertans what the real deficit is going to be.”

11:30

The Treasurer in January came forward and said: well, we have a \$300 million adjustment; it won't be \$2.3 billion; it will be \$2.6 billion. Then, Mr. Speaker, all of us know that when the Financial Review Commission came forward with their examination in March of this year, they said: no, the deficit isn't \$2.6 billion; it is \$3.2 billion. Those are pretty startling numbers from a government that now wants the trust of the people of Alberta.

Mr. Speaker, I think it's also important, for the record, to remind Albertans what happened with something called the Spending Control Act. That's the Act that when the previous Treasurer brought it forward in this Legislature, there were such gales of laughter that the Legislature had to be adjourned for a few moments to gain composure. That Act was breached. The Act promised that special warrants would not take place, that the opposition parties would have the opportunity to challenge the government if special warrants were wanted in this Legislative Assembly. The Act was breached by this current administration,

this Premier and this Treasurer, when \$4.5 billion in special warrants were put through.

I believe the Act was also breached on the spending side and the capital side of the budget. We need only remind ourselves of the overruns on the Husky upgrader: some \$150 million in capital cost overruns treated by simply setting up a shell company, borrowing some money – a few hundred million from the heritage savings trust fund – writing a promissory note back, and getting around the requirements of that Spending Control Act. So the comfort legislation that was supposed to give Albertans comfort last year failed miserably.

Mr. Speaker, I think it's also important to note some other comments that have been made by government members with respect to the finances of our province. The Premier said during the leadership race that he had – that is, the Premier had – a surefire plan to balance the budget by 1996. The Premier was confident, the Premier was certain, the Premier was specific that he had a surefire plan to balance the budget by 1996.

Now, Albertans I guess would have some reason to believe that a person running to be the Leader of the Conservative Party would have some reason to know what was going on with the finances of the province, having sat as a cabinet minister, having sat as a member of the caucus of the Conservative Party. Later the Premier said that it would be necessary to delay the balanced budget to 1997. Then subsequently the Premier said: Even with respect to the 1996 commitment to a balanced budget, that's not to say I'm going to reach it. But what if it doesn't happen? I mean, I can't predict what is going to happen four years down the road.

Those are the comments made by a member of this Assembly who has sat for more than four and a half years as a member of the government, for more than four and a half years as a cabinet minister, one who should know what's going on with the finances of the province.

Now, Mr. Speaker, I'd like to make some comments about the budget. As the hon. Member for Edmonton-Meadowlark has noted, this isn't a proper budget. The estimates have not been brought forward. We're not able to see which programs have been cut or which programs are set out as priorities and those that are put down and cut away. If somebody were a treasurer and they brought this kind of a document to their corporation, I know that the members of the board of directors of that corporation would have thrown that treasurer out the window. You need to provide statistics and analysis and prioritization and clear evidence that savings and cutbacks and prioritization have in fact taken place.

There were a couple of things in this budget that were good, and Albertans should at least acknowledge the fact that some movement has taken place. For the first time in a long time we see a government being realistic about the revenues in oil and gas. I like the initiative that the government is taking with respect to the collection of corporate tax by one level of government and not two. I like the initiative that the government has taken with respect to the amalgamation of boards and some departments. I like the fact that the government has agreed to put lottery funds into the general revenue and to have analysis done in this Assembly. I like the fact that there are three-year funding cycles for institutions. Mr. Speaker, I also like the fact that there is a suggestion that there will be periodic assessments of the financial position of Alberta. Sadly, I have to remind myself and Albertans that this last promise is the same that was given to Albertans last year when the previous Treasurer talked about quarterly reporting to Albertans on the budget. We haven't seen any of that, and the kind of promise that was made was totally hollow.

Mr. Speaker, the government tells Albertans that it will cut some \$700 million in expenditures. Today in question period much has been made of the fact that those cutbacks seem to be hollow, suspicious, and not likely to come into being. This is the same old pattern that we've seen in the past from the Conservative government. The Treasurer had great difficulty answering two questions in question period that I put. One question dealt with the \$200 million that's shown as part of the \$700 million in cutbacks, that money that applies to the Alberta Municipal Financing Corporation, which was intended and stated and clearly put out as a one-time payment to the municipalities of Alberta and that it would not reoccur. To bring it up and show it as an expenditure cut in this document is outrageous.

The second area that needs to be looked at, and the hon. New Democratic Member for Calgary-Mountain View made this point in question period as well, is the valuation adjustment component of the budget, that area that the Treasurer quite correctly noted was the area where interest adjustments take place or are recorded, where losses on loan guarantees or involvements with other businesses that government has are recorded. We know that MagCan is out there. We know that Gainers is out there. We know that NovAtel is out there. People in the civil service still contact our offices and suggest that the \$614 million that the government says will be lost on NovAtel will be much greater than that, that it is closer to a billion dollars. The average loss each year for the last four years in this area was some \$340 million. The government is now telling us that in this category the loss will be \$112 million. Mr. Speaker, I think Albertans have reason to be suspicious of this valuation adjustment component in the budget.

I then stood and asked the Treasurer this morning to explain how cutbacks of some \$700 million could involve new dollars showing up from the workmen's compensation board.

Point of Order Factual Accuracy

MR. GIBEAULT: A point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Mill Woods, rising on a point of order.

MR. GIBEAULT: I wonder if we might ask the Liberal leader to use language that is more current and not over a decade out of date. He refers to the workmen's compensation board. It is now the Workers' Compensation Board. [interjections]

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

MR. DECORE: Mr. Speaker, I take the comment. I note it accordingly and thank the hon. member for making sure that I speak of the workmen's . . .

AN HON. MEMBER: Workers'.

MR. DECORE: . . . of the Workers' Compensation Board appropriately. Thank you, hon. member.

Debate Continued

MR. DECORE: Mr. Speaker, \$160 million in new money is set out. Now, we saw the Minister of Labour stand up to say: Oh, a readjustment has taken place; actuarial assumptions have changed. This is the same old line that we saw and heard on the unfunded pension liability that was reaching some \$9 billion. A wand was waved by the government. We were told that new

actuarial assumptions were put into place and that \$9 billion was reduced to \$3.4 billion, as I recall it. I stood in this Legislature and asked the Treasurer to give us the changes in the actuarial assumptions, and to this day we still have not seen those changes. I think it's incumbent upon the Minister of Labour, when he stands and says that there are actuarial changes, to give us those changes, to show those changes, to prove to the public that there's something real to the waving of a wand. I think Albertans aren't going to accept \$160 million in new moneys that are applied to the reduction of this debt, some \$700 million in expenditure cuts when we have an organization like the WCB that is hopelessly in debt, hundreds of millions of dollars in debt.

11:40

Over a number of years we have had hail and crop insurance claims that are clearly in the \$100 million level. Just arbitrarily the Treasurer comes along and chops \$10 million out of that area. They do the same thing in the Alberta Mortgage and Housing Corporation. They do the same thing in crop insurance. Just a flick of the pen, and we've got a few million here and a few million there, \$10 million here and \$100 million there. Mr. Speaker, people won't buy it.

Finally, we have what is called a plan for the future. If you poll the financial document, some people have already referred to the graph that shows the consultation process as the nerd table. This is the four-year timetable that the government suggests is the plan to get Alberta's finances under control. If you look at years two, three, and four, there is no plan. There are no targets that are set out. We have simply vague positions that there will be round tables in education, in postsecondary education, in health care, that somehow, by magic, a wand is going to come out at these round table discussions and show where these cutbacks are going to take place. I don't believe it, and I don't think the people of Alberta will believe it.

Mr. Speaker, my last point is this. In the same way that we had an attempt at comfort legislation through the Spending Control Act, we now have the sequel thereto. That's the Deficit Elimination Act. This is intended to provide comfort for those people who say: I just can't believe the Conservative government after nine consecutive deficits. Let's just take a moment and look at this Deficit Elimination Act. It is not even clear in the Act whether the matter of debt is consolidated debt or debt dealing with the general revenue fund. It isn't clear where the capital fund or the heritage savings trust fund are included, and all kinds of games have been played by the Conservative government in those areas. The whole area of special warrants, that has been so dreadfully and terribly abused by the Conservative Party, continues to be abused. It says that the Lieutenant Governor may not order a special warrant without being authorized on the expenditure. Then a huge loophole is given allowing the Treasurer, if in his opinion there is an urgent need because of an emergency, to issue a special warrant. The document sets out a plan that is no plan. The document doesn't properly define terms. The comfort level for Albertans simply isn't there, Mr. Treasurer.

So how can Albertans feel about a government that gave us NovAtel? How can it feel about a government that gave us MagCan and continues to pump millions of dollars into Gainers? Well, I think the answer is clear. It's a government that no longer should have or can have the trust of the people of Alberta. It fails on all counts, Mr. Speaker, and I would delight in going to the electorate of Alberta on this particular document.

Thank you.

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

MR. McEACHERN: Yes, thank you, Mr. Speaker. I'm pleased to rise and speak on this budget, which is really no budget at all. The first question one has to ask is: where is the proper blue book with all the line-by-line estimates and the supplementary estimates? Where are the heritage trust fund estimates? Where are the capital fund estimates? Where are the Leg. Assembly estimates? Where's the budget?

MR. FOX: They haven't had time.

MR. McEACHERN: No, they haven't had time. They've only been messing around for the last six months.

Mr. Speaker, this book is not really a budget; it's a series of figures, a changing of accounting practices. Some of those changes are the right ones. For once the Treasurer has at least put together the operating budget and capital budget figures, which is usually done, but then the capital fund has usually been kept separate, and the heritage trust fund has been kept separate, and a whole series of commercial enterprises and provincial agencies have been kept separate and in fact not even mentioned in the budgets in the past. The government finally has bowed to public opinion and the pressure from the opposition to bring in a budget that is at least a consolidated statement.

[Mr. Moore in the Chair]

The Treasurer has been at pains for a number of years to use the operating deficit figure as the deficit. Just to give you some examples, last year the government tried to pass off that the budget deficit was \$2.3 billion. Well, that's all very well and good, but anybody that turned a page or two of the book could see that net borrowing requirements were going to be much higher than that, that the capital fund had a 2 and a half billion dollar expenditure in it, that the heritage fund had a hundred million dollar expenditure in it, and clearly the deficit was going to be in the neighbourhood of \$2.65 billion. Yet the government kept on using this figure 2.3, 2.3, \$2.3 billion. That sort of epitomizes the process that this government has been using for a number of years.

If you go back one year before on that same kind of basis, he was claiming a balanced budget, in fact a \$33 million surplus on a budget that clearly was not balanced even at the operating level. In fact, it turned into a \$2.1 billion deficit at the operating level. If you add in all these other things, and it's been true for the last three years, the difference between the operating budget and the final consolidated figure as put out by the Auditor General has been in the neighbourhood of \$600 million. In '90-91 the operating deficit was \$1.2 billion, and the Auditor General's consolidated figure was \$1.8 billion. The next year the operating budget turned into a \$2.1 billion deficit, but the overall deficit was really \$2.63 billion. Then last year, the '92-93 year, of course that \$2.3 billion deficit that the government tried to pass off to the people of Alberta turned out to be \$3.2 billion.

Now, I would like to point out that last year's budget was really an election budget. If you look at the average deficit since I was elected in 1986, over the seven years this government stacked up a 17 and a half billion dollar debt. Now, that's separate from the heritage trust fund; you still have a heritage trust fund. They just went in debt 17 and a half billion dollars in the seven years since I've been elected. That's an average, Mr. Speaker, of 2 and a half billion dollars a year. So what that means is that we've got a 2 and a half billion dollar structural deficit problem in this province.

[Mr. Deputy Speaker in the Chair]

Just to stay with last year for a minute longer, this \$2.3 billion deficit gave the Treasurer, evidently, the right to ask for borrowing power to be increased. When he brought in the Financial Administration Amendment Act, it gave him the right to ask for an extra \$4 billion in borrowing power, from 13 and a half billion dollars to 17 and a half billion dollars, even though he's claiming that the deficit's only going to be \$2.3 billion. Now, clearly there were no intentions of staying at \$2.3 billion. I mean, already the heritage trust fund and capital fund expenditures would put it above that. It was very clear from the start that that was an election budget, because this gang on the other side thought they were going to go out and wow the people of Alberta with a generous budget, spending taxpayers' dollars to try to buy their votes in an election. Now, somewhere along the way something went awry. I think it was the polls. The polls showed that the current Premier at that time could not get re-elected, and so he decided to retire, wipe the slate clean, get a new Premier. All the same people are there, except the Premier has changed. One other person has left the Assembly, but all the rest of you are still there. This is supposed to be a new government, a new style, a new way of doing things. Well, they've made some modest cosmetic changes is all they've made.

11:50

What we have is a government that spent \$3.2 billion more last year than they took in now trying to tell the people of Alberta: "We've made these vicious and difficult cuts. We've cut \$700 million from the budget." Guess what it brings you back down to? To the 2 and a half billion dollar structural deficit that we've had for the last seven years. It doesn't accomplish anything. There's nothing new, nothing different in this. Just because they spent rather extra lavishly last year and now say, "No, we're not going to spend extra lavishly next year," doesn't mean that they've got at the fundamental problem of trying to solve the 2 and half billion dollar deficit.

Quite frankly, all of their friends that are asking for action on the deficit should be upset with them. This budget is no more effective than Mazankowski's budget. It does very little. If you're going to attack the deficit in this province, you've got to come at it from two or three different angles. You can't just come at it from cutting expenditures, as the Leader of the Official Opposition just said a few minutes ago. If all you do is cut expenses and you think you can balance the books by doing that over the next four years, you're kidding yourselves and trying to kid the people of Alberta, who know better. To do that, you would have to cut education and health care, the two biggest items, and municipal infrastructure grants. Of course they've tried to claim they're going to cut welfare. Now, if you cut those first three, you're not going to be able to cut welfare. You're going to increase welfare. What happened last year on the welfare budget? You had to put in an extra \$85 million. You had to put in an extra \$85 million because the economy did not recover, and it's still not recovering, and because you guys have done nothing to stimulate the economy in this province in the last few years. You don't seem to know how.

You can cut education and health care all right, but then you'd have an unhealthy population, you'd have a population not as well educated, and how are we going to compete in these international markets that you keep taking us into? You take us into the free trade deal and the North American free trade deal, and we've got to be competitive in knowledge-based industries. We're going to do that without a solid education system? No, sir; you cannot afford to cut health care, education, grants to municipalities – the biggest items in the budget – and highway construction and then

try to claim that you're going to reduce welfare at the same time. You'll put more people onto unemployment insurance and onto welfare as they find themselves without jobs for over a year.

So this \$700 million cut doesn't even close the gap between the \$2.3 billion that they said they were going to spend last year and the \$3.2 billion that they did spend, a \$900 million gap. You haven't even got us back down to the point where you promised to be last year when you brought in your budget. So really, Mr. Speaker, this budget is quite laughable. It just carries on a series of shams that this province has lived with.

You know, the Treasurer prior to this recent Treasurer developed a style of budgeting that was really quite interesting. One of the things that absolutely astounds me is how you guys have the gall to sit over there without red faces and tell us that you had to go to an independent committee of auditors to come and look at your books to tell the people of Alberta what's really going on. We on this side of the House, I know this member anyway, knew exactly what was going on. We've been watching the numbers long enough, and if you guys had watched them long enough or listened when I spoke in the House, you would have known that the Auditor General has been telling us the truth all along. If you didn't have a Treasurer that threw in this kind of a smoke screen every year – every year he would bring in a budget with a billion dollars of inaccuracies in it, of course to make it look better.

A year later when he brought in his new budget without having given us any update whatsoever on that budget, never a word on the budget between times, he would give us a forecast on the previous one telling us of half the mistakes or errors. Then the Auditor General six or seven months later would put in the public accounts the rest of the errors. But guess what? The Treasurer got in the last four or five years so he wouldn't release that until near year-end so that there would be another budget out by that time. Who was paying any attention to the Auditor General? Who of you over there ever listened when I analyzed the books and showed you that the balanced budget would not be a balanced budget, when I showed you that the billion dollar deficit of the year before would not be a billion dollars but would be closer to \$2 billion?

Yet for anybody that watched the books and listened to the Auditor General, you could project and predict exactly what the deficit was going to be. Our researcher put together a document in January showing that the net debt on the liabilities and asset statement would be \$3.2 billion. Guess what they came out with: \$5.3 billion, a hundred million dollars' difference. In fact, they found \$50 million that he didn't know about and rounded it upwards instead of downwards, as he had done, and that was the difference. If you had followed the Auditor General's statements, you would have known better than to believe the Treasurer over the years and you'd have known and understood what was happening with the books in this province, but you have all been negligent. You have been so negligent that it took us on this side of the House to say over and over again that the Treasurer was not telling us the truth. The Auditor General always confirmed it. By that time there were two more budgets out there with a whole series of misinformation in them that made it difficult for the people to sort out.

Finally, when the Treasurer's so-called balanced budget of 1991-92 turned into a \$2.1 billion deficit, people started to believe. Finally, you guys said that you had to get in independent auditors to tell you what was going on, when your own Auditor General was telling you all the time. All you had to do was read, look, think, look ahead, and listen to us in this House. Year after year I told you what the story would be, and year after year we were proved exactly accurate by the Auditor General, but you

guys wouldn't listen. Your credibility in the province is so bad, so low that you had to get in independent auditors. Aren't you ashamed? Aren't you embarrassed by that? To get in independent auditors to tell you what's in your own books when your own Auditor General has been telling you year by year by year? I mean, we on this side of the House knew.

I bet one of your members a hundred dollars on the balanced budget, and he lost it. I bet him a hundred dollars on the year before that, and he lost it, but he won't admit it.

AN HON. MEMBER: Did you collect?

MR. McEACHERN: No.

The year before, the Treasurer said the deficit would be a billion dollars. I said, "No, it will be \$2 billion." Well, it was \$1.8 billion, but he won't pay up because he doesn't understand the difference between the consolidated deficit and the budget deficit. It's absolutely incredible. And I showed him. I said: "Do you want to look in the book? Do you want me to explain?" No, no. He hasn't got time for me to explain. But can you imagine the cabinet ministers sitting there believing the Treasurer when he said he had a balanced budget? It boggles the mind, Mr. Speaker.

MR. DAY: Not much to boggle.

MR. McEACHERN: Well, as a matter of fact, maybe I'll sit down and let my colleague from Calgary-Mountain View go in a few minutes, since none of the rest of you seem to have anything to say about the budget. You don't seem to know anything about it.

Listen, this budget is really something of a sham. Now, it's true that the Treasurer, in an attempt to convince the people of Alberta that there's a new style and a new management, has finally bowed to the pressure – it's only taken this government seven years – to put in a consolidated statement of the deficit. So that \$2.5 billion deficit supposedly represents the total picture. At least that's a change and that's different from the Treasurer. But unless the other numbers are as accurate and as carefully crafted – and after 22 years in power it's really hard to believe that this government is really being accurate in all its figures. In some areas you can tell that they are. In other areas, questionable; we'll see. The valuation adjustments I think is one of the really interesting ones.

12:00

It's funny how that's been played around with through the years. The year the previous Treasurer changed the accounting practices – I believe it was the '90-91 fiscal year – he suddenly decided he would put more of the debt into valuation adjustments. That was the year he wanted to have the billion dollar deficit, because he was halfway to his balanced budget; right? So what he did was say there was only going to be a \$780 million deficit in the operating budget side. But then if you turn over to the next page, you find this thing called net cash requirements. Guess what net cash requirements were? One point seven six billion dollars. Well, Mr. Speaker, as soon as he did that, you knew darned well that what he was doing was widening that gap between the operating budget figure, which he was passing around to the world as being his debt figure, and the consolidated debt figure.

So there we were the next year, back to this \$600 million gap. Actually there had been one back in '86-87 when we were first elected, and it had gradually been eliminated till the two were closer together in the two or three years previous to the '90-91 budget, but the Treasurer just had to find a way to try to look like

he was halfway to a balanced budget. So what he did was just obscure the accounting practices to the point where nobody could tell what was going on. That was why his own cabinet minister got caught in believing that that billion dollar deficit was going to really be a billion dollar deficit instead of two.

Mr. Speaker, we would be foolish, and the people of Alberta would be foolish, to buy this deathbed repentance and a nice, pretty document that has a lot of facts and figures in it and is very convoluted. Changing departments is one thing that makes it difficult to compare directly to last year but also some of the ways of adding things together and a reconciliation of consolidated positions. For example, there are a lot of different ways of doing things in this book than there were before. That was a technique that the previous Treasurer used to like to use: switch the accounting practices halfway through. Not do anything substantive; he never tried to have a consolidated statement as this Treasurer has done. I think that's a step in the right direction at least, but I can't help believing that the Treasurer has purposely made this fuzzy so it's very difficult to follow and figure out exactly what is going on. He has purposely made the plans vague. There is a series of targets in here of how he's going to reduce the deficit over four years, but there are absolutely no concrete plans to do it.

If you are going to deal with the deficit in this province, you have to come at it from several different ways. I said this earlier, and I want to tell you some of the ways that we're thinking of working on this. You'll see it in our plans. In our fiscal plan, Mr. Speaker, we will be closing the gap by a billion dollars. You can see how in the detailed plan, which lays out a number of savings that we can make on the government operations to the tune of \$450 million. Those are specified. Then we would raise taxes in a number of areas. The Treasurer tried to make a big deal this morning that New Democrats are going to raise taxes. Yes, we are, in some very specific cases. There are lots of people in this world that know that profitable corporations are not paying their fair share of taxes. When we form the government, we're going to raise the tax on financial institutions from 2 percent to 3 percent. We're going to put a .3 percent tax on big corporations with capital of over a million dollars. So yes, we're going to raise some taxes, and we're going to lower the ceiling on the royalty rebates so that we don't put out so much money on royalty rebates. Those things together, very specific, will save a billion dollars. They will close that gap by a billion dollars.

So what we're basically saying is that you come at the solving of the deficit in both those ways I just mentioned in terms of fiscal policy, but you also put people back to work again on the economic side. We have some very specific plans for putting money into infrastructures, into small businesses, and into local economies, Mr. Speaker, because seeing what we could do for ourselves in this province is a direction that we have to go. This federal government and this government took us into a free trade deal before we had done our homework in our local communities to see what we can do for ourselves and to see how we can develop our own economy and put people back to work so they're paying taxes in our society, not taking welfare and unemployment out of the economy.

Mr. Speaker, those are a few of the comments I wanted to make on this budget, and I'll stop there for the moment.

MR. DAY: Mr. Speaker, the consideration of a budget is no small matter and definitely requires a lot of thought and input. I notice, and I'll say in a positive sense that last night after the budget was delivered here, even though both members of the opposition parties had opportunity with television and the galleries full to stand and

make remarks, they obviously wanted to give it due consideration and spent the night doing that and were able to make remarks here this morning at length, remarks which I know I for one want to give some thought and consideration to. I think I actually heard one or two positive comments, and I'd like to give some time to acknowledge and look into that.

Given that, Mr. Speaker, and the fact that we, too, would like the same opportunity as the opposition members had in terms of being able to have some time to make remarks – we want to respond to theirs – I would move that we adjourn debate on this item.

MR. DEPUTY SPEAKER: Having heard the motion of the hon. Deputy Government House Leader that debate be adjourned on this motion, all those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Carried.

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

Bill 66
Members of the Legislative Assembly
Pension Plan Amendment Act, 1993 (No. 2)

Moved by Mr. Martin that the motion for second reading be amended to read that Bill 66, Members of the Legislative Assembly Pension Plan Amendment Act, 1993 (No. 2), be not now read a second time because the Legislative Assembly finds the Bill fails to extend the principle of retroactivity on the matter of pensions collected by sitting members of the 22nd Legislature and undermines the principle of retroactivity on the matter of proposed cuts to the members' pension entitlements insofar as those cuts are minuscule compared to the enormity of the pensions to which several members will be entitled.

[Adjourned debate May 6: Mr. Gogo]

MR. DEPUTY SPEAKER: Before recognizing the hon. Member for Lethbridge-West, the Government House Leader.

MR. KOWALSKI: Mr. Speaker, I move that debate on second reading of Bill 66, Members of the Legislative Assembly Pension Plan Amendment Act, 1993 (No. 2), shall not be further adjourned.

MR. DEPUTY SPEAKER: All those in favour of the motion by the hon. Government House Leader, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Carried.

[Several members rose calling for a division. The division bell was rung]

12:10

[Eight minutes having elapsed, the Assembly divided]

For the motion:

Adair	Gogo	Payne
Ady	Hyland	Rostad
Black	Jonson	Severtson
Bogle	Kowalski	Sparrow
Brassard	Laing, B.	Stewart
Cardinal	Lund	Tannas
Cherry	McClellan	Thurber
Clegg	McFarland	Trynchy
Day	Mirosh	Weiss
Dinning	Moore	West
Drobot	Musgrove	Woloshyn
Fischer	Orman	

Against the motion:

Decore	Hawkesworth	McInnis
Ewasiuk	Hewes	Mitchell
Fox	Laing, M.	Mjolsness
Gesell	Martin	Sigurdson
Gibeault	McEachern	Wickman

Totals: For – 35 Against – 15

[Motion carried]

MR. DEPUTY SPEAKER: The hon. Member for Lethbridge-West.

12:20

MR. GOGO: Thank you very much, Mr. Speaker. Last evening when I spoke on Bill 66, I shared some thoughts that I had hoped hon. members would consider. I wish to add to those thoughts today in some degree of hope that it may persuade hon. members of the Assembly to rethink the position of where they stand on this Bill.

Mr. Speaker, I spoke at some length on the whole question of retroactivity, anathema to me. I simply cannot find within my heart to support that principle at all. I've been here some 18 years, and this will be the second government Bill in all that time that on a matter of principle I simply cannot bring myself to support. Members may recall in this Assembly legislation some 10 years ago which provided beverage alcohol to be used in parks; people could drive to our parks system and have picnics and drive away. I was totally opposed to that liberalization of alcohol, and as a result I voted against that government Bill. Little did I dream that we would now arrive at another point. I have always been very supportive and proud of this government. However, on a matter of principle I simply have great difficulty with Bill 66.

I shared last night as well, members may recall, that I was prepared to seek alternatives, to find some way, whether it be through a voluntary action or through a waiver of any benefit. If the public of Alberta is that vitally concerned, so be it, Mr. Speaker. I for one would be quite prepared to accommodate that.

One looks at the history, and I think it's a proud history. I recognize that MLAs not only serve the constituents, but I think they must also serve others. I'm reminded, Mr. Speaker, of days gone by – and I'm sure others will – of the local pastor in the village church, who through his dedication wanted to serve his parishioners. He lived in a manse, lived in a cottage that he didn't own, and that was fine. He worked for groceries. But the real world has crept up on him and her. They've recognized that they have spouses and children, people who probably would survive them, and today we find even in our ecclesiastical circles of local churches that pension plans have been put in place,

recognizing that no man lives alone and that some provision should be made for spouses.

I do think that one major factor overlooked altogether in this whole business of termination of pension plans is: what benefits are those people who, for example, were elected in 1989 going to lose? I think it's a major undertaking for them to give away whatever benefits they've accumulated to date, and they should be recognized for that, Mr. Speaker.

Looking to the future, I don't know how we will attract appropriate candidates to serve in this Assembly. However, that obviously is someone else's decision and not mine.

I simply want to concentrate on this whole question of retroactivity. The Assembly in its wisdom, when it passed the amendments that it has – and I note that the pension Act was brought in in '69 and 1970, which was under previous administrations; 1971, another Social Credit amendment; '72 was the beginning, of course, of the Progressive Conservative administration, and then in '72, '75, '77, '80, '85, '88, and '92, which culminated in the increase of contributions of some 33 percent – I think recognized in a very significant manner that members serving this House were quite prepared to pay their way. If the pension plan is too rich today, then obviously it has to be changed, and I don't argue with that. I only argue, Mr. Speaker, against the principle of having passed legislation which was duly thought out to compensate members in the form of a pension for their years of service and turning around for whatever reason and applying the principle of retroactivity. It raises the question with me: what is next? What is next? Will it be our public servants, who are for the most part extremely dedicated? Will it be municipal governments? Will it be schoolteachers? Will it be our nurses? I don't know. But I do know that once you establish a precedent, just like British common law you then begin to hang your case on that precedent.

So I think it's an extremely negative move on behalf of the sponsors of this Bill, the government of Alberta. I think that in the days ahead we'll reflect – many of us won't be here obviously – that this indeed was a very, very negative move in terms of not only backtracking on a commitment made by members of the Assembly, but also it will be reflected in future members being elected to this House by not having an MLA pension plan.

Mr. Speaker, for what it's worth, I would encourage the government to reconsider the principle that we're dealing with and perhaps at the committee stage bring in an amendment, recognizing that if we hope to attract suitable people to serve in this Assembly in the future, appropriate amendments should be brought in not only to reconsider the retroactivity but indeed to consider the termination of the MLA pension plan.

Thank you, Mr. Speaker.

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

MR. WICKMAN: Thank you, Mr. Speaker. I want to add a few comments to the debate surrounding this particular motion related to Bill 66. There are others that want to speak prior to the adjournment, so I won't burn up too much time.

I want to go just a bit back in history here. It's not that many days ago that we heard the Premier of this province, we heard many, many ministers over there saying that retroactivity can't be done; it simply can't be done. There were all kinds of reasons why it can't be done, but we saw a little degree of it. There was heat, Mr. Speaker. There was no question that there was heat coming from the public, a great deal of heat. Everywhere one moved about in this province, the number one issue that came up,

the number one concern was the fat pensions many of the MLAs were going to walk away with. People were saying: "Why aren't those pensions related to the private sector? Why aren't those pensions related to the public-employee sector, to what teachers get, to what fire fighters get?" and so on and so forth. But those arguments came forward that retroactivity could not be achieved, despite the fact, when we look back at a bit of history, that it's not that long ago in this very Assembly that we heard the statements coming forward from the Treasurer, from the Minister of Education, about negotiations with some of the unions and some of the staff associations to retroactively affect pensions of public employees because of bungling that had been done by this government, because of mismanagement of those pension funds, because of mismanagement of the general revenues, period.

I pointed out in this Assembly, Mr. Speaker, the case of Margaret Hartwell, a constituent in Edmonton-Whitemud, who wrote the Premier of the province pointing out what they had done to her retroactive, where they had taken the early retirement. Instead of a 2 percent reduction per year between the 65 and the 55, they changed it to 3 percent, so in effect the net impact to her pension was 10 percent and in her particular case \$1,000 a year. That was a retroactive change. There is no other way of describing it. When I spoke to the pension appeals officer, he pointed out that there were instances where it was high as \$2,400 a year or a bit higher.

In any case, a great deal of heat came down on the Premier, heat like he's never felt before. Suddenly I see him on TV one night: well, I'm going to listen to the people of Alberta; I'm listening; I'm going to roll back 25 per cent retroactive. Twenty-five percent. I thought: well, my God, the man is listening. But then after we started to unfold his very words, what was being said – that 25 percent that was going to apply to this member, the 25 percent to that member – was not 25 percent, Mr. Speaker. In some cases it was 8 percent, in some cases 5 percent, and in some cases 18 percent. It was deliberate misleading on the part of the Premier in terms of trying to appeal to the masses out there. But it did not work, because Albertans can't be fooled. Within 24 hours – within 24 hours – Albertans were saying: "What has that Premier done now? He tried to pull a snooker job on us. He tried the old smoke and mirror trick." No matter where I went – the Superstore; it didn't matter where I went – I had mobs of people come up to me and say, "You tell Laurence Decore that he is right and that the Premier of the province is wrong on this one."

Mr. Speaker, when we look back at what happened that Friday, a week ago today – no, it wasn't even that long ago; it was at the beginning of this week that the Premier made these massive changes. So on the one hand he's allowing 28, maybe 29, maybe 30 – could be a whole bunch more; in fact I would predict that a whole bunch more are going to escape with those big fat pensions. But Albertans aren't going to forget, because Albertans are paying for those fat pensions out of their own pockets. While he's done this masking job, this smoke and mirror job of finding a mechanism to allow these ones to leave with the big fat pensions, he attempted to use a little manoeuvre saying: we're going to be the good guys and we're going to eliminate the pensions entirely – entirely – for those elected in 1989 and for those that will be elected in this coming election. Again Albertans were not fooled. Within 24 hours Albertans saw through that one as well, and they said: "We were never asking for the Legislative Assembly to eliminate the pensions totally. We were just asking, demanding that the government come to its senses and adapt that pension plan retroactively to apply to what the private sector is getting, to what public employees are getting," more so to the type of Bill that was introduced in this House by the Liberal caucus, a self-supporting

plan comparable to what we see out there that is felt by so many employees.

12:30

Albertans aren't going to be fooled on this one. Albertans aren't going to sit back and say: "That Premier is a wonderful guy because he's let all these people off with \$35 million worth of pension funds. Anyhow, for these over here, because they're not going to get any pensions at all, the deed is done and everybody is happy." No, they're not happy, Mr. Speaker. They will not be happy until leadership in this House is demonstrated, until the ability is there to handle finances properly, to handle the pension issue properly, and to show that there is equality throughout this system, that we don't have these double standards in place where there are those that run off with big fat pensions.

There are many, many, many public employees who are struggling on the types of pensions they get. For some of them, such as the Margaret Hartwells who retire on a pension of \$937 a month, the pensions aren't that good. Now, \$937 a month is not a great deal of money.

Mr. Speaker, when we look at these big fat pensions many, many members will walk away with, at the same time we have to also look at the retroactivity of those pensions. Also, we have to look at the relocation up to 12 months. We have instances where in this Assembly one member will leave with, by my calculations, roughly \$135,000 in the first year, and then we scale it down from there. Then we have the Premier stand up and say: well, somebody is taking a rollback of \$4,000; \$4,000 is a lot of money, a great deal of money. But is \$4,000 a great deal of money in terms of perception by the public when they see that \$4,000 is coming from a first-year total benefit of maybe \$135,000? What is that 4 percent? That 4 percent in perception is not a great deal of money by any means.

Again, it is a question of snookery, an attempt to really, really fool Albertans, and Albertans aren't going to be fooled. I believe that as each day goes by we're getting closer to the point where Albertans are going to demonstrate that they are no longer going to buy that type of smoke and mirror trick. We saw it to a degree here with the budget coming down. That same pattern is being followed: try and fool the people here; a little bit of hokey-pokey and everything will settle things down and everybody will be happy. Mr. Speaker, they are not happy.

The government still has the opportunity in their dying days to do the correct thing, to adjust those pensions, make them retroactive the way they should have been done retroactively, bring them down to a reasonable size. Put a pension plan in place for MLAs that are going to run in the forthcoming election that is reasonable, that in fact does relate to the private sector, that relates to what the average Albertan can visualize as being fair.

What the government has done here is really, really wrong. Again, it just demonstrates a desperate government. I'm not going to use the term of that little animal the Premier used in reference to the Member for Edmonton-Glengarry, but it almost reminds me of that little animal trapped in a box and trying to get out of this maze, going this way and that way in a desperate manoeuvre to see some daylight. Well, that daylight isn't coming. It's unfortunate that reality has not set in, because thousands and thousands and thousands of Albertans spoke out and we heard the Premier say: you have a new type of government, a government that listens to people, a government with open doors.

DR. WEST: Mr. Speaker . . .

MR. DEPUTY SPEAKER: The hon. Minister of Municipal Affairs is rising on a point of order.

Point of Order

Questioning a Member

DR. WEST: Would the hon. member entertain a question during debate under *Beauchesne* 482?

MR. WICKMAN: Mr. Speaker, I would love to, but when there is such limited debate because of closure, closure imposed by these guys over here, and others over here want to speak, it would be very unfair to simply give them another stage when they've limited that stage.

Debate Continued

MR. WICKMAN: On that note, I'm going to conclude and allow some further debate to occur.

Thank you.

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Mountain View had attracted the Chair's attention before the hon. Member for Edmonton-Whitemud.

MR. HAWKESWORTH: Has the hon. Member for Edmonton-Whitemud completed his remarks?

MR. DEPUTY SPEAKER: That's what he said, hon. member.

MR. HAWKESWORTH: Very good. Thank you, Mr. Speaker. I'd like to take a few moments here to address the issue of retroactivity and the question of whether the Alberta Legislature has the right, the authority to bring in retroactive legislation. I believe it has. As the hon. member for Lethbridge said earlier this morning, the question of precedent is an important one, because once precedent has been set, of course the Legislature in the future should find it easier to pursue the principle. I would concur with that.

I would like to make a few points this morning about how in fact the Alberta Legislature in years past has enacted retroactive legislation. Some days ago the hon. Member for Edmonton-Strathcona pointed out that in 1977 this government passed Bill 29 which retroactively amended the Alberta Land Titles Act back to 1905, the time Alberta became a province. In passing that legislation, Mr. Speaker, they prevented a caveat from being filed on Alberta Crown lands in northern Alberta in order to establish a claim by the Lubicon people and other communities in the north to establish their particular rights. Amending that Act removed those rights from them.

I would like to take a few moments to look at another example of retroactive legislation adopted by this Legislature some years ago. In my view, it was an important incident in the history of this province. Given that the issue that was debated at the time is still current, I'd like to briefly go back into the history of this Assembly to make the point that we do have the right, the power, and the authority as an Assembly to pass retroactive legislation.

It was in 1935, Mr. Speaker, that the Aberhart Social Credit Party was elected and formed the government in this Assembly. There were a number of principles to their platform, but it's interesting that it was at a time in this province very similar to the times we're experiencing now: high debt, high unemployment. It was politically turbulent, people were desperate, and in that context a new government was elected. One of the platform promises made by Mr. Aberhart's Social Credit government was the issue of recall, whereby people could remove their member of the Legislature if they weren't happy with his or her performance. Now, I've heard this proposal being made frequently in recent

days and months. In fact, I understand the Alberta Liberal Party has adopted it as their policy.

Well, Mr. Speaker, on Friday the 13th – an auspicious day – in 1936 in this Assembly, the Hon. E.C. Manning introduced Bill 76, an Act providing for the Recall of Members of the Legislative Assembly. It was the first legislation of its kind in the Commonwealth and, given the experience that was to follow, I think it was the only time in the British Commonwealth that such legislation was adopted. Amongst the provisions, 10 electors were to give reason in writing why they wanted to get rid of their member. They had to put down a \$200 nonreturnable deposit, which, as you can imagine, was quite high in the middle of the great depression. They then had 40 days in order to get the requisite signatures. What they needed to do was find two-thirds of all the registered voters in the constituency and each signature had to be witnessed. The entire petition then had to be submitted to the Alberta Supreme Court, at which point the signatures would be reviewed and it would be vetted to ensure it met all the requirements of the Act. Then and only then could a recall vote be ordered. These were considered extremely onerous requirements, and opposition to the Bill was muted when it was debated in this Assembly. I think members didn't think there would be any practical way it would be possible to implement recall. I was interested that the Liberal opposition at the time opposed the Bill on principle but then moved to have the provisions made less onerous in order to make it easier to implement. I couldn't follow the reasoning, but there you go.

12:40

The Bill was passed and assented to in this Assembly on April 3, 1936, and so it rested, Mr. Speaker. Now, Mr. Aberhart had not been elected along with his government in 1935, so the Member for Okotoks-High River resigned his seat and Mr. Aberhart was elected by acclamation in the subsequent by-election. It didn't take long for the honeymoon to be over with the voters of Alberta. His dealings with the bank stirred controversy, and a number of other pieces of legislation were quite controversial.

It was a press Act that really got things rolling. The press Act would have given the government powers . . .

**Point of Order
Relevance**

DR. WEST: A point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Minister of Municipal Affairs is rising on a point of order.

DR. WEST: On relevancy. Could you make a reading on relevancy as to the discussion and debate that's going on today?

MR. DEPUTY SPEAKER: The Chair must admit it was enjoying the history lesson, but the Chair also has to admit that there seems to be a little disconnection with the amendment proposed by the hon. member's leader.

MR. HAWKESWORTH: Very good, Mr. Speaker. If you just hang tough for about 30 seconds, you're going to get the story completed.

Debate Continued

MR. HAWKESWORTH: To everyone's surprise, the newspapers in the Okotoks-High River area got behind a petition to recall Mr. Aberhart, and by late September 1937 they accomplished what was

deemed or considered to be impossible and had 4,440 names witnessed and submitted and approved by the Supreme Court as being a valid petition for the recall of Mr. Aberhart.

Then things really got interesting, Mr. Speaker, and at the end of September 1937 there was a resolution passed in this Assembly calling for retroactively changing the recall legislation that had been passed only a little over a year before. So the question about retroactivity was interesting. It would not be enough to simply retroactively repeal the Bill, because under the laws of the province of Alberta these 4,400 people had gone out, had done what the law required, and had in fact presented a legitimate petition for recall under that legislation. So the question of whether such legislation could be made retroactive had to arise since the application for the petition already [had] been granted and . . . circulated on the basis of the . . . Recall act.

Now, I find it very interesting that Mr. Duggan, the Conservative member for Edmonton, had this to say on October 1, 1937, as recorded in the *Edmonton Journal*:

Now, Mr. Speaker, if the government has had a change of heart or if the introduction of this amendment is the result of caucus consideration and is to be taken as an indication of repentance, well, the government is to be congratulated, if this is the first step in their program of repealing offensive legislation.

So certainly the Conservative member at the time was in favour of introducing and pursuing retroactive legislation.

Well, Mr. Speaker, assented to on October 5, 1937, was one of the shortest pieces of legislation ever passed by this Assembly, An Act to Repeal The Legislative Assembly (Recall) Act. It's made up of four brief and very short provisions. The third one reads thus:

The repeal effected by this Act shall relate back to the third day of April, 1936, and to every act done or right or liability accruing or accrued or incurred under the Act hereby repealed and to all proceedings in respect of any such act, right or liability; and any proceedings heretofore instituted under the provisions of the Act hereby repealed shall utterly cease and determine and shall be and become null, void and of no effect, as if the Act hereby repealed had never been enacted.

Now, you are not going to find retroactive legislation any more conclusive than a provision such as this. By so doing, the government of the day saved Mr. Aberhart from having to face the electors of Okotoks-High River.

I think it's fair to say that if the hon. members opposite want any precedent to cite as to whether this Assembly has within it the power and the right to enact retroactive legislation, one needs to go no further than to the experience of this Assembly in this province in recall legislation adopted by the first Social Credit government.

MR. DEPUTY SPEAKER: The hon. Member for Clover Bar.

MR. GESELL: Thank you, Mr. Speaker. Well, time is going to be extremely short here, but I need to . . .

AN HON. MEMBER: Take half an hour.

MR. GESELL: Take half an hour.

We have an amendment to hoist, I guess, on this particular Bill, but I need to make some comments. Since it is a hoist, I'm able to make comments on the general Bill. I want to confine my remarks to the principles. First of all, I need to clarify perhaps to some people out there, Albertans, that my decision to sit as an Independent is not as a result of this particular pension legislation. It had some impact, but it is not the sole cause of that particular

decision. The cause perhaps was related more to freedom of speech and free votes. [interjections]

Speaker's Ruling Relevance

MR. DEPUTY SPEAKER: Order please. The hon. member was recognized to speak to the amendment before the House, which deals with retroactivity in relation to Bill 66.

MR. GESELL: We'll deal with that, Mr. Speaker.

MR. DEPUTY SPEAKER: You will deal with it, hon. member, because that's the issue before the House.

MR. GESELL: Mr. Speaker, I've agreed with you. I'm sorry.

AN HON. MEMBER: Pretty touchy isn't he?

MR. GESELL: Yeah, a little bit touchy.

MR. DEPUTY SPEAKER: Order.

Debate Continued

MR. GESELL: There are two points. [interjections] Could I speak in this House, Mr. Speaker, without interruption?

MR. DEPUTY SPEAKER: Order.

MR. GESELL: Mr. Speaker, there are two parts to this pension legislation that are critical. One I can agree with; the other one I cannot. The first part that I can agree with is that we make some decisions for the future, and that is that we eliminate the pension plan even though that has some very tremendous impact on myself and others that have been elected in 1989. I can agree with that, because that is an action we're taking towards the future. The second part that I have difficulty with is the portion that deals with retroactivity. In principle, even though it does not affect me, it is wrong. For anyone to stand in this House and say it is correct, that's just not so. I believe the Member for Lethbridge has made some very cogent arguments about that particular principle.

Now, we seem to be operating on crisis management when we deal with some of these issues such as pension reform. The government spent two days dealing with that particular issue. It would have been more important, I believe, to have had some leadership on that particular issue and deal with the MLA pension reform when the other pensions are considered. I think that would have shown some leadership: adjusting the MLA pension at the same time teacher or public-sector pensions were considered. But that was not done; we dealt in a crisis situation. That concerns me, Mr. Speaker, and I believe it should concern all Albertans. Two days were spent on this particular crisis management. When were two days ever spent on leadership by the total caucus, two days to structure a framework for the future, for the next five years?

I believe what the government is doing by this particular action confirms some of the displeasure, some of the criticism, some of the cynicism out there with the public. That is that government is not really consistent. There's no great assurance in some of the actions that occur. There's no security, very little commitment to Albertans. Now, I have difficulty with that, because when a government provides its word or contract, I believe that is very, very important to all the people in Alberta. If we cannot keep that word, that contract, then the perception by Albertans that the word

or even the contract by government is worthless is in fact borne out. That concerns me greatly, because I think we have to . . .

12:50

MR. DEPUTY SPEAKER: Order please. The Chair hesitates to interrupt the hon. member but is required to do so under Standing Order 21(2), which states that "all questions . . . must be decided in order to conclude the . . . debate." I must now put the following question: all those in favour of the amendment to second reading of Bill 66 now under consideration will please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Those opposed will please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: The amendment fails.

[Several members rose calling for a division. The division bell was rung]

[Eight minutes having elapsed, the Assembly divided]

For the motion:

Decore	Gibeault	McEachern
Ewasiuk	Hewes	McInnis
Fox	Laing, M.	Sigurdson
Gesell	Martin	Wickman

Against the motion:

Adair	Hyland	Payne
Ady	Isley	Rostad
Black	Jonson	Severtson
Bogle	Kowalski	Shrake
Brassard	Laing, B.	Sparrow
Calahasen	Lund	Stewart
Cardinal	McClellan	Tannas
Cherry	McFarland	Thurber
Clegg	Mirosh	Trynchy
Day	Moore	Weiss
Dinning	Musgrove	West
Drobot	Orman	Woloshyn
Fischer		

Totals: For - 12 Against - 37

[Motion on amendment lost]

1:00

MR. KOWALSKI: Mr. Speaker, in anticipation of perhaps an argument that may be made by an hon. member with respect to the clock at 1 o'clock . . .

MR. DEPUTY SPEAKER: Order please. The Chair is not prepared to listen to such an argument, because *Erskine May* at page 407 says with respect to closure proceedings that when an interruption occurs during a division, the time is projected to allow for the completion of the question before the House. Therefore, the question now before the Assembly is: all those in favour of the motion for second reading of Bill 66, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Those opposed will please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Carried.

[Several members rose calling for a division. The division bell was rung]

1:10

[Eight minutes having elapsed, the Assembly divided]

For the motion:

Adair	Fischer	Payne
Ady	Hyland	Rostad
Black	Isley	Severtson
Bogle	Jonson	Shrake
Brassard	Kowalski	Sparrow
Calahasen	Laing, B.	Stewart

Cardinal	Lund	Tannas
Cherry	McClellan	Thurber
Clegg	McFarland	Trynchy
Day	Mirosh	Weiss
Dinning	Moore	West
Drobot	Musgrove	Woloshyn

Against the motion:

Decore	Gibeault	McEachern
Ewasiuk	Hewes	McInnis
Fox	Laing, M.	Sigurdson
Gesell	Martin	Wickman

Totals:	For – 36	Against – 12
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[Motion carried; Bill 66 read a second time]

[At 1:14 p.m. the Assembly adjourned to Monday at 2:30 p.m.]

