

Legislative Assembly of Alberta

Title: **Thursday, November 4, 1993**

1:30 p.m.

Date: 93/11/04

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

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

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

Amen.

head: **Presenting Petitions**

MR. SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you, Mr. Speaker. I would like to present a petition signed by 104 people in my constituency who are concerned about education cuts and how it will affect the Catholic school system.

MR. SPEAKER: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Speaker. I would like to present to the House a petition signed by over 400 students and parents asking the provincial government "to cease cutting funding for education . . . in Alberta."

MR. SPEAKER: The hon. Member for Calgary-McCall.

MR. SOHAL: Thank you, Mr. Speaker. I beg leave to present a petition signed by 317 ward 5 residents in Calgary. The residents are requesting a review of the Local Authorities Election Act as it relates to candidate eligibility.

Thank you.

head: **Reading and Receiving Petitions**

MR. SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Speaker. I beg leave of the Assembly that the petition dealing with secondary highway 830, tabled by myself on behalf of constituents on November 1, be read.

CLERK ASSISTANT:

We the undersigned petition the Legislative Assembly of Alberta to urge the government to halt plans for the proposed upgrading of secondary highway 830 and make better use of the money in these times of economic restraint.

head: **Notices of Motions**

MRS. HEWES: Mr. Speaker, I rise to give oral notice that following question period today I'll rise under Standing Order 15 to discuss an issue of privilege that arose from a discussion I had last night with the Minister of Municipal Affairs.

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Yes, Mr. Speaker. I rise to give notice of a motion under Standing Order 40 that I expect to present at the proper time giving congratulations to our new cabinet ministers. I'll have copies distributed. I don't know where it is right now.

head: **Tabling Returns and Reports**

MR. SPEAKER: The hon. Member for Edmonton-Meadowlark.

MS LEIBOVICI: Thank you, Mr. Speaker. I would like to table four copies of a letter to the Minister of Education from the LaPerle Parents Advisory Association in my constituency. This letter outlines the parents' concerns on topics raised in the education workbook Meeting the Challenge. The parents are looking forward to the minister's response.

head: **Introduction of Guests**

MR. SPEAKER: The hon. Minister of Labour.

MR. DAY: Thank you, Mr. Speaker. I'm delighted that today in the Assembly we have 35 visitors from River Glen school. There was a group from River Glen yesterday and another group today. They're with their teacher Mrs. Audrey Brattberg and parents Sharon Edwards, Jerri Kopores, Lori McLean, Kevin Taylor, and driving the bus for them is Mrs. Irene Kozowy. I hope I pronounced all the names correctly. I'd ask them to stand and receive the warm welcome of the Assembly.

MR. SPEAKER: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Speaker. I would like to present to you and through you to the members of the House 59 grade 6 students from one of St. Albert's finest schools, Bertha Kennedy community school. They are here with their teachers and parent helpers Mrs. Sonia Reid, Mrs. Heather McKay, Mr. Rick Moss, Mrs. Marlene Skulsky, Mrs. Deb Martyna, Mrs. Mary Anne Gamble, Mr. Ed Spaans, and Mrs. Shaonne Letourneau. They are located in the public gallery. I'd ask that they rise and receive the warm welcome of the Assembly.

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

MR. DUNFORD: Thank you, Mr. Speaker. I would like to introduce to you and through you to the members of the Legislature this afternoon two residents from the city of Lethbridge that are seated in the members' gallery. They are Greg and Joanne Weadick. Greg is an alderman with the city of Lethbridge, and Joanne is the able assistant and a community worker and activist. I'd like them to rise and receive the warm welcome of the Legislature.

MR. SPEAKER: The hon. Member for Edmonton-Centre.

MR. HENRY: Thank you very much, Mr. Speaker. It's with great pleasure and honour that I would like to introduce to you and through you to members of the Assembly 38 students from the public board of education, continuing education branch. These students are studying English as a Second Language. Although they study in my constituency, they live all over Edmonton, and they come from diverse places all over the world: Thailand, Laos, Vietnam, Hong Kong, China, as well as Central and South America and the east European bloc. I would ask the 33 individuals who are seated in the members' gallery and the public gallery

with their instructors Jeanette Flesher and Karen Markel to stand and receive the warm welcome of the Assembly.

MR. SPEAKER: The hon. Minister of Advanced Education and Career Development.

MR. ADY: Thank you, Mr. Speaker. I'd like to introduce to you and through you to the members of the Assembly the eight recipients of the 1993 outstanding adult learner awards. These eight students are extremely dedicated individuals from our four Alberta vocational colleges and have been recommended by their instructors for this award. Myself and some of the members of this Assembly had the pleasure of meeting these fine students earlier today. I would like them to stand as I call their names: from AVC Lac La Biche, Celine Gauthier and Wayne Nelson; from AVC Calgary, Lina Rousselle-Chan and Debbie Bowen; from AVC Edmonton, Sheila Klatt and Cliff Tomkulak; and from AVC Lesser Slave Lake, Alfred Schmidt and one member who is not able to be with us today but I would like to mention him, Darrell Auger. Would all of them please stand and receive the warm welcome of the Assembly.

MR. SPEAKER: The hon. Member for Edmonton-Meadowlark.

MS LEIBOVICI: Thank you, Mr. Speaker. I would like to introduce to you and through you to the members of the Assembly Lois Sampson, who is a student at Grant MacEwan in public relations and advertising. She's following me around today to see what a day in the life of an MLA is all about. If she would please stand and receive the warm welcome of the House.

MR. N. TAYLOR: I'd like to introduce to you, Mr. Speaker, and through you to the House – I don't know where she's sitting – a woman from Calgary that's been very dominant in English education in Japan for some years and has just returned: Edith Jesswein. If she would stand and receive the welcome of the Legislature.

head:

Oral Question Period

Day Care

MR. DECORE: Mr. Speaker, I'd like to start by tabling four copies of a letter from Page & Associates management consultants written to day care centres in Alberta. The letter that I'm tabling, which in fact was sent to day care centres, is a letter from a company hired by the provincial government. In the letter it makes it clear that the government is preparing to strip away protective day care regulations. It is also clear that the government intends to pull away its financial support to day care in this province. My questions are to the minister responsible for day care. Mr. Minister, why would the government even consider threatening the welfare of some 40,000 children in day care centres in Alberta by reducing or eliminating the very regulations that protect them?

1:40

MR. CARDINAL: Mr. Speaker, first of all I'd like to advise the hon. leader that I'm still waiting for their participation in the welfare reforms, which includes day care. I'm still waiting for that. I had asked for that April 1, '93, and I still haven't seen anything.

Specifically to day cares, Mr. Speaker, as I've mentioned in this Assembly before, Alberta probably has the best day care system across Canada. We are spending \$70.7 million on day care. We

have 32,000 spaces in day care in Alberta, 644 centres. We do have some changes that have to be looked at in the whole system, because in the profit day cares right now we have a 36 percent vacancy. A review has to be done somewhere, but there is no indication from this minister at this time that there will be any financial adjustment now in that particular program.

MR. DECORE: Mr. Speaker, perhaps the minister would listen to questions and then try to answer the questions that are put to him.

Let me try again. Why would the minister flip-flop? It was just a year ago that there were extensive consultations and new regulations put in place to protect children in day care. Why flip-flop now?

MR. CARDINAL: The only person that's flip-flopping here, Mr. Speaker, is the person asking the questions. There are no changes in the day care system. We are spending \$70.7 million on day care today. Close to half of those dollars go to operating subsidies, and the other portion goes to subsidies for lower income families that participate in this very important program. One thing I've always indicated when the reforms were put forward is that a high percentage of the people that will be put back into the work force through training and hopefully to employment in private industry will require the services of day care support and other supports of that nature. When I review the whole plan of the reforms, I am reviewing all components, including day care, to make sure that those supports continue to be provided to the people that need them.

MR. DECORE: Mr. Minister, how on earth could you authorize a letter like this to be sent by a consultant to day care centres that calls for deregulation, that calls for a reduction of government support? How could you allow that to be sent out?

MR. CARDINAL: Mr. Speaker, the report the hon. member is talking about is not a plan that's going to move forward. It's a review of the whole process of various components of my department, which includes day care. There are at this time no changes in that particular program.

There are also requests from parents out there that use for an example private babysitting services or day care services who want less regulation in that particular system. This is what this minister is willing to review to make sure we provide a high quality of service, the number of spaces that are required in Alberta, but on the other hand do away with some of the regulations that are not required at this time.

MR. DECORE: Wow.

Education Funding

MR. DECORE: Mr. Speaker, parents, teachers, and students have told the government that its education consultation process was all wrong. The government responded by calling those people agitators. Now the message is coming from a group that the government calls friends, the Alberta Chamber of Commerce. The chamber has called for the efficiency audit concept to be used to cut waste in government ministries. My first question to the Minister of Education is this: does the minister agree with the Chamber of Commerce when it says that the minister has ignored new ways of delivering education in his frenzy to cut costs?

MR. JONSON: First of all, Mr. Speaker, I would like to indicate that the Chamber of Commerce was represented on the advisory

committee planning our roundtables and planning the workbook that was provided for the roundtables across this province. Indications seemed to initially be from the Chamber of Commerce that we were to be congratulated on our roundtable process. So I have some concern with recent representation from the chamber, although I always welcome representation from organizations as important as the chamber.

Secondly, Mr. Speaker, in terms of looking at the whole area of the delivery of education and alternatives and some new approaches, the workbook was a prominent feature and took a great deal of attention, and many recommendations came forward at the roundtables. So this has certainly been a focus of Alberta Education and of this minister. We had some time ago made many proposals as to how the delivery of education might be changed, and we are looking for people's responses to that particular set of proposals.

MR. DECORE: Mr. Speaker, the minister is always defending, because the system hasn't been set up right from the beginning.

Mr. Minister, now that the Alberta Chamber of Commerce president is turning out to be a critic, will the minister agree . . . I don't think this is funny, Mr. Treasurer. You may think this is funny. I think for the record we should put down that this is not a laughing matter, Mr. Treasurer. You may think it's funny. The people of Alberta and I don't think it's funny. I don't think it's funny, Mr. Treasurer.

Mr. Speaker, I would like to ask the minister whether he will agree to redo this consultative process now that even the Chamber of Commerce is on his back and agree to look at education into the future and do all of the other things that the other critics are saying are wrong with this consultative process.

MR. JONSON: Mr. Speaker, the very focus and the very issue that the Chamber of Commerce seems to be wanting to reinforce and was indicated, as I understand, at their press conference yesterday is an issue which was very thoroughly considered at the roundtables: the whole area of alternatives in terms of delivery of education and funding for education, the issue of delivering the resources that are available as close as possible to the student and to the teacher and to the classroom across this province. That was certainly a theme that came out of the roundtables and other representation that we have received, and I have so indicated previously in this Assembly.

MR. DECORE: My last question is to the minister that thinks this is so funny, Mr. Speaker. I'd like to ask the Treasurer if he would agree with the Alberta Chamber of Commerce and institute and commit to putting efficiency audits in place so as to cut the waste from all departments so that we don't have to cut with the kind of frenzy that is being contemplated in education.

MR. DINNING: Mr. Speaker, I am delighted to get a question from this gentleman across the way. The Alberta Chamber of Commerce said yesterday that they were fully in support of this government's deficit reduction plan. It says so right here in this paper, and for the hon. gentleman across the way to suggest otherwise is a major fertilization of the truth. What they have also suggested is exactly what the Minister of Education has been talking about. May I read from the document?

The focus of the debate should . . . be on re-thinking the delivery of education, just as we are compelled to re-think the delivery of all government services and programs we consume. The education debate should be drastically different from other debates.

That's exactly what this government has been saying, exactly what the Minister of Education has been saying, and that is why we have a plan, we have the people, and we've got the will to make sure it happens.

MR. SPEAKER: The hon. Member for Edmonton-Roper.

1:50

Gainers Inc.

MR. CHADI: Thank you, Mr. Speaker. Gainers is costing us \$22,000 a day, and we're spending another \$75,000 a month in finder's fees. After four years of legal wrangling, we're no closer to recovering the \$61 million in loan guarantees that this government so generously gave Mr. Pocklington. My question is to the minister of economic development and trade. Will the minister admit to this House that immediately after this session ends the government is planning to announce the closure of Gainers and subject the taxpayers to yet another multimillion dollar disaster?

MR. KOWALSKI: Mr. Speaker, I sincerely hope that the Liberal caucus does not believe that Edmontonians are rubbing their hands in glee about the possibility of another job loss in the city. That is indeed a sad situation.

This government has indicated that Gainers and the resolution of Gainers was before it. It has been talked about for many, many months. Consistently the Liberals have said: shut down; shut down; shut down; shut down Gainers. They talked about it in the spring election of 1993, Mr. Speaker. They said months ago: eliminate jobs. I know sometimes they say: well, you know, that was then and this is now. This government is working through the issue of Gainers, is trying to find a buyer for Gainers, and will not leave any sheet unturned in attempting to resolve this issue in a positive way. If it does come about that we're unsuccessful in that regard, then it will be I think a sad day for the economy of Edmonton.

MR. CHADI: Mr. Speaker, if it's indeed true that they're not planning on shutting this thing down, then please explain to Albertans now, Mr. Minister, why it is that Gainers is offering to buy out the contracts of senior employees rather than pay out severance packages when Gainers is shut down.

MR. KOWALSKI: Mr. Speaker, Gainers is run with a management team. I've not been in consultation, and I don't know if other colleagues have been in consultation, but we'll certainly look into the matter and report back to the House.

MR. CHADI: It's clear that no one over there is in charge.

Mr. Speaker, my second supplementary is to the Provincial Treasurer. Will the Treasurer immediately seek an injunction to prevent the only tangible security that we may have, being the Edmonton Oilers, from leaving this province until the matter is resolved by the courts?

Speaker's Ruling Sub Judice Rule

MR. SPEAKER: Order please. That is not a supplemental to the question, and there's also the question of the pending lawsuit.

MR. DINNING: May I respond?

MR. SPEAKER: Well, you may respond if it does not infringe against the sub judice rule.

MR. DINNING: I respect that ruling, Mr. Speaker.

Gainers Inc.
(continued)

MR. DINNING: What I find so disappointing and frankly what I find so shocking is that here is a member representing Edmontonians who is literally rubbing his hands in glee at the thought of shutting down . . .

MR. SPEAKER: Order please. That also demonstrates the Chair's concern about the relevancy of that second supplemental to the main question.

The hon. Member for Medicine Hat.

Liquor Sales

MR. RENNER: Thank you, Mr. Speaker. Concern has recently been raised regarding the possibility that private liquor store operators may not be stringent enough in the enforcement of laws as they relate to the sale of liquor to minors and persons under the influence. While I do not necessarily share these concerns, I would like to ask the minister responsible for the Alberta Liquor Control Board a question regarding these. Does the minister's privatization plan include provision for additional liquor inspector manpower to enforce regulations due to the increased number of retail outlets?

DR. WEST: Mr. Speaker, since about 1990 there has been an expansion of the private sector in the distribution of liquor products. About 600 additional outlets have come on stream since 1990. Previous to that, we had about 225 outlets through the ALCB plus the hotels and other licensees. To enforce that till now, we had about 45 inspectors. When the rest of the class D licences come on stream – and by the looks of it those 600 plus about 400 to 500 more would make about 1,000 of these types of licences that would be out there, along with about 6,000 restaurant and other type licences that would be used – we will have to look and see if the number of inspectors we have is adequate. We will bolster those inspectors to the level that's adequate to ensure the enforcement we have today.

MR. RENNER: Can the minister advise this House what the penalty would be should a private operator breach the regulations regarding sale of liquor to minors and persons under the influence?

DR. WEST: We have various levels of penalty depending on the offence, right from the fact that you could have your business shut down for a period of time to the complete extraction of that licence. We are going to ensure the utmost enforcement of our regulations at this time while this new model comes on stream. Those that are caught abusing, selling to minors or to those that are intoxicated or any other form, will come under the most severe scrutiny that I can enforce.

MR. SPEAKER: Final supplemental.

MR. RENNER: Thank you, Mr. Speaker. My final supplemental question: how will the recent amalgamation of liquor inspector services from Medicine Hat to Lethbridge ensure that our regulations are enforced in all of southern Alberta?

DR. WEST: We are in a process of streamlining some of the inspection divisions. The point of having an inspector absolutely on location in your community isn't the essence of enforcement.

These inspectors will move around the province from location to location and listen to complaints from the public. We must have the public giving complaints, if they identify that something is going wrong. Therefore there should be no effect whatsoever on amalgamation of these inspectors to one location in the future. If it's deemed that the intensity of complaints or some of the problems we have in a location has increased, we will move inspection in there quickly.

MR. SPEAKER: The hon. Member for Calgary-Buffalo.

MR. DICKSON: Thank you, Mr. Speaker. Studies have shown that privatization of liquor sales will lead to an increase in crime, an increase in family violence. In Calgary and Edmonton police and community leaders continue to be concerned that we do not have and they will not have the resources to handle more crime. My question is to the Minister of Justice. What will the minister do now to respond to these legitimate concerns of our police and community leaders?

MR. ROSTAD: Mr. Speaker, what I'll do now is ask the hon. member to provide me with the information that privatization will in fact result in that.

MR. DICKSON: Well, I'm happy to provide that information to the minister. I would have thought he would have had it already.

Mr. Speaker, my supplementary question is to the Minister of Family and Social Services. What are the plans of his department to deal now with increased family violence?

MR. CARDINAL: Mr. Speaker, I'd just like to indicate again to the Assembly that on April 1 I asked the Liberal opposition to assist us in the development of a long-range plan in welfare reforms. In the plan, of course, we can incorporate any information they may have in relation to processes that may occur because of the changes that we are making in the department. I am still waiting for that plan.

Mr. Speaker, the overall welfare reforms we're doing I believe are very successful. The second phase of the reforms, which the opposition members no doubt have been waiting for because they're not participating in making the changes, will be announced in the very near future and will identify some issues of that nature. If the opposition members have any information that we don't have that will help us in designing a better system for Albertans, I would ask them to provide that information. You will be guaranteed that if it's good information, it'll be incorporated in the plans I'm moving forward with.

2:00

MR. DICKSON: Well, if that minister has no current plan, I'll then go to the minister responsible for AADAC, Mr. Speaker. How will that minister address the needs of the larger number of Albertans who will require help with their alcohol addictions?

MRS. MIROSH: Mr. Speaker, I think the chair for AADAC should respond to that question.

MR. SPEAKER: The hon. Member for Calgary-Bow.

MRS. LAING: Thank you, Mr. Speaker. At this point in time there is some concern among the police and some of the agencies about late hour problems with people. At this point in time consumption has not gone up; it has gone down. I think with the

proper, responsible habits that people have developed in Alberta, this should not lead to any sudden increase.

Thank you.

MR. SPEAKER: The hon. Member for Calgary-McCall, followed by Edmonton-McClung.

Urban Transportation

MR. SOHAL: Thank you, Mr. Speaker. Transportation is important to all Albertans, but most people only consider rural areas when they think of transportation. Safe and efficient transportation systems are extremely important to those of us who live in cities as well. My question is to the Minister of Transportation and Utilities. In light of the current fiscal realities in this province will there be a reduction in funding from your department to the cities, and if so, when will you advise them?

MR. TRYNCHY: Mr. Speaker, on June 15 the people of Alberta gave this government a mandate to balance the budget, and I want to assure Albertans and I want to make it very clear that the minister of transportation will be reducing his budget by 20 percent effective the new budget year. I have communicated this to some of the mayors across the province, to some of the counties, MDs, and I'll be meeting with the city mayors shortly. I'll also be meeting with AUMA next week, and I'm sure I'll get the message out to them.

MR. SOHAL: I understand that the basic transportation grant allocation to cities has already been reduced from \$40 per capita last year to \$25 per capita this year. Are you now proposing to reduce this basic capital grant even further?

MR. TRYNCHY: Mr. Speaker, there are five areas that the cities receive funding for from this government in regards to transportation concerns. They are the basic capital grant, which is at \$25 per capita, and four others. I would look to meeting with the cities, meeting with the mayors, and meeting with councils across the province to see where out of the five programs we have available to them we can best reduce the funding by 20 percent without hurting some of the more important projects that they wish to develop.

MR. SOHAL: In light of the millions of dollars that have been provided to the city of Edmonton in recent years, as witnessed by yesterday's opening of the Whitemud freeway, are there any major projects in Calgary that have received funding that you can tell us about?

MR. TRYNCHY: Well, Mr. Speaker, the hon. member is correct: yesterday we did open the Whitemud freeway. It's unfortunate that while I was there, I did not see one Edmonton MLA to help participate. [interjections] As I've said, I did not see one. If they were there, then of course they were hidden from my view.

There are a number of projects that I will be participating in opening tomorrow in Calgary, where the funding is some \$27 million. I would invite the Calgary MLAs to join with me so I can fully explain the type of funding we've provided to the city of Calgary over the last year.

MR. SPEAKER: The hon. Member for Edmonton-McClung.

Heart Surgery

MR. MITCHELL: Thank you, Mr. Speaker. Earlier today I wrote to the Minister of Health to ask her to investigate why an Albertan

who requires urgent heart surgery has been kept waiting for more than two months. I'm not expecting the minister to address this issue in the Assembly today, but it does raise the broader issue of lengthy waiting lists for critically needed heart surgery. In fact, there are as many as 150 people waiting for heart surgery in northern Alberta alone. Could the minister please tell us how much shorter this waiting list would be had she not imposed arbitrary across-the-board cuts to hospitals based upon political considerations but instead had set real priorities for hospital funding based upon health care needs? What a novel idea.

MRS. McCLELLAN: Mr. Speaker, first let me say to the hon. member that hospitals manage their waiting lists. There are a number of reasons for waiting lists. Many of them are because of the surgeon's schedule. The member is perfectly correct: I am not going to comment on one particular person's circumstance. However, hospitals prioritize with the surgeons on the basis of the most urgent need. I can say that in heart surgery in particular our waiting list has decreased significantly, and it would be our hope that that would continue to happen. The lists are managed by the hospitals working with the surgeons and the patients.

MR. MITCHELL: How can the minister stand in this Legislature and try to establish that there is no relationship between her arbitrary, unplanned, across-the-board cuts and what the hospitals are left to work with, which in turn results in ever lengthening waiting lists for things like heart surgery? How can she stand here and keep denying that?

MR. SPEAKER: We assume that is the question.
The hon. Minister of Health.

MRS. McCLELLAN: Mr. Speaker, what I was outlining to the hon. member – and I hope he listened carefully – is that there is a number of reasons that we may have waiting lists. In fact, in heart surgery we have dedicated funding for that specific area to ensure that our waiting lists do come down. There are a number of factors that cause a waiting list: surgeons' schedules. The hospitals, the surgeons, and the patients manage their waiting lists on a prioritization, and I think that is most appropriate.

MR. MITCHELL: No matter what the minister says, she still has a fundamental responsibility to ensure that Albertans' health care needs are met.

What monitoring has the minister put in place so that she can assure Albertans that patients requiring urgent heart surgery aren't dying while waiting on a waiting list and that others who eventually get this surgery aren't put at greater risk because they have had to wait too long before receiving it?

MRS. McCLELLAN: Well, Mr. Speaker, if the hon. member wants to discuss just cardiovascular surgery, I can tell him that the waiting list has decreased significantly. I can also tell him that it is co-ordinated through the Provincial Advisory Committee on Cardiovascular Services. I think that is most appropriate, and I am assured that the needs of any Albertan who requires urgent surgery are met. That is sometimes why a person may be scheduled for surgery and have their surgery time changed: because of an urgent case that has come forward.

Now, Mr. Speaker, I have every confidence in the people that sit on the Provincial Advisory Committee on Cardiovascular Services to manage that waiting list in consultation with the hospitals, with the surgeons, and with the patients.

MR. SPEAKER: The hon. Member for Little Bow.

Advanced Education Institutions

MR. McFARLAND: Thank you, Mr. Speaker. It has come to my attention that the instructional staff and employees of the University of Lethbridge may have their children's tuition paid by their respective institution. If this is a fact, would the minister of advanced education indicate if this is a policy or directive of his department or the government of Alberta?

2:10

MR. ADY: Mr. Speaker, to answer the last part of the hon. member's question first, no, it is not a policy of this department or of this minister. To more fully answer his question, my understanding is that in some cases, yes, that is part of the collective bargaining process that has taken place, and through that the faculty and staff have been able to negotiate that as part of their benefit package. I frankly was not sure the University of Lethbridge had that as part of their negotiated settlement, but I would advise that perhaps the hon. member will have to get the definitive information from the institution itself because that's where it takes place.

MR. SPEAKER: Supplemental question.

MR. McFARLAND: Thank you, Mr. Speaker. Will the minister in this upcoming budget year specifically direct a 5 percent reduction to the institutions under his department in respect to the salary and the benefits portion of their operating budget?

MR. ADY: Well, Mr. Speaker, I think all of us are aware of the press release that the Premier issued relative to a voluntary 5 percent rollback. Indeed it was targeted and focused towards the benefit package. A significant portion of our budget goes directly and indirectly into salary and benefits, and currently we are examining that area. So to answer his question, yes, it's focused on the benefit package.

MR. SPEAKER: Final supplemental.

MR. McFARLAND: Thank you, Mr. Speaker. Would the minister of advanced education, then, take it upon himself to discuss with his institutions as soon as possible the public concern over tuition payments to staff children and salary reductions?

MR. ADY: Well, Mr. Speaker, the minister has to be cognizant of the collective bargaining process that is certainly a proper process and one that we respect in this province. I'm not at all sure that as minister I have a proper right to interfere in that process. My understanding is that if that has been negotiated in a fair negotiation under the labour Act, there's nothing illegal about it. It's not too different from similar benefits that are negotiated in the private sector. Many employees in this province, through the companies that they're employed by, negotiate educational benefits for their families.

MR. SPEAKER: The hon. Member for Edmonton-Manning.

Social Assistance

MR. SEKULIC: Thank you, Mr. Speaker. Roughly 140,000 Albertans are currently unemployed, an increase of 10,000 unemployed Albertans over the same period last year. Despite this continuing growth in unemployment, the Minister of Family and

Social Services has made a commitment to move 40,000 people off social assistance and into the work force. My questions are to the Minister of Family and Social Services. Where in the work force does the minister intend to place the additional 40,000 Albertans? Where are these long-term jobs going to appear?

MR. CARDINAL: Mr. Speaker, part of our overall plan of course is to create jobs as much as possible in Alberta, and this Assembly has talked about it. The member in charge of economic development and trade indicated that part of our plan is to create jobs. The other part of the plan is to make sure that as many Albertans out there of the 92,000 or so cases I had in early April, when the reforms were announced, are given the opportunity to get back into the work force in a number of ways, through training or through placement in private industry or through placement in short-term job-creation programs created by municipalities, nonprofit organizations, and the government. That is what this minister has done. As of November 1 the caseload has dropped by 23,600. Close to 7,000 of those are taking training right now and hopefully will continue training until they graduate and go back into the work force either in Alberta or elsewhere. I believe that is what this minister is doing.

MR. SPEAKER: Supplemental question.

MR. SEKULIC: Thank you, Mr. Speaker. My supplemental is to the same minister. Mr. Minister, by your own admission the department has no ability to track the reasons for closure. How will Albertans know whether clients are returning to the labour force or simply being put out on the street by this government?

MR. CARDINAL: I'd just like to indicate to the member, Mr. Speaker, that the programs that are designed are there to assist people that are in the high-needs area. That is why we've increased the budget in that area by \$28 million this year. You can be assured that anyone in Alberta that is eligible for assistance and needs assistance will get it. On the other hand, I will not be tracking the 50,000 or so individuals that are employable, young, healthy, single, that are able to get back into the work force and training. I believe they will look after themselves.

MR. SPEAKER: Final supplemental.

MR. SEKULIC: Thank you, Mr. Speaker. Mr. Minister, how do you account for a caseload reduction of 23,600 files when your \$9 million worth of employment and training initiatives are just getting started? How can the outcome precede the plan?

MR. CARDINAL: I believe part of it is good management, good planning even without your input.

Mr. Speaker, this minister of course has always indicated that we will be looking after and transferring dollars to the high-needs area. In the initial transfer to student finance of course we committed \$32 million. As of yesterday, because there's such a high need in the training area, we transferred an additional \$5.3 million to that particular area.

When you're talking about job creation and where the jobs should be, I have a press release here from the Liberal opposition, June 28, that says that we're on the hook for \$1.3 billion in the forestry industry, which is creating thousands of jobs right now. I'm glad we didn't listen to those people.

MR. SPEAKER: The hon. Member for Calgary-Currie.

Liquor Sales

(continued)

MRS. BURGNER: Thank you, Mr. Speaker. The issue of privatization of liquor stores and the ALCB has raised a number of concerns expressed today. Beyond the alcohol abuse issue that's been raised, we have concerns about what will maybe happen to the retail market. There's concern in Calgary particularly and in my constituency, which includes 17th Avenue, about the number of licences that have been issued in that particular location. My question to the Minister of Municipal Affairs is: have you participated in any way with city officials with respect to the issuing of these licences from a zoning perspective?

DR. WEST: Mr. Speaker, in the beginning we said that any Albertan could apply for a licence. [interjections] Divine governance.

I was getting to the point that in the beginning we said that we would allow a class D licence to go to any Albertan that met the criteria. In that application it also said that this licence would be granted in principle alone to you and that you would have to go and seek a location in a municipality that had an area that was zoned and where regulations allowed this to happen, and that is what we've done. We did not say whether there'd be 10 in this area or 20. Those decisions will be made by the municipality with those licensees, as well as a business decision. I don't believe that seven liquor stores can set up in a row. In fact, I know they can't. But that will be a decision made by the investor and by the municipality.

Second of all, as a government or as the ALCB I do not want to get into the business of picking the location of every restaurant, every discotheque, every hotel, every larger centre that does this. We have 6,000 licences out there, everything from the major restaurant chains right down to that small corner restaurant that only has a cooler with beer and a bit of wine in it. If we get into the picking and zoning of those licences, it will be a planning nightmare.

MR. SPEAKER: Supplemental question.

2:20

MRS. BURGNER: Thank you, Mr. Speaker. My supplementary to the Minister of Municipal Affairs would be: if a moratorium on zoning is developed in a city like Calgary, what would be the effect on the privatization model that we're looking at?

DR. WEST: Mr. Speaker, I don't believe, again as I said the other day, that this is a privatization issue. The privatization model will go ahead. Alberta is a place where business has evolved. We've zoned businesses in different areas and will continue to do so. I don't see the privatization model being jeopardized whatsoever.

MR. SPEAKER: Final supplemental.

MRS. BURGNER: Thank you, Mr. Speaker. Again to Municipal Affairs: are you prepared at this time to meet with the municipalities and set up some guidelines with respect to zoning?

DR. WEST: Once again, Mr. Speaker, I indicated that I have talked to some individuals at a municipal level: Mayor Jan Reimer. I have indicated that Bob King, the chairman of the ALCB, and the ALCB are willing to sit down anytime to discuss any concerns that they have. I do not intend to sit at council

meetings and pass bylaws and get involved at the municipal level of government.

MR. SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Special Education

MRS. SOETAERT: Thank you, Mr. Speaker. Parents of children with hearing difficulties, parents of children with special needs are living in fear at this moment. They are living in fear because of the questionable actions of this government, which deals with rumours about education cuts and not facts. They are worried because the Premier's Council on the Status of Persons with Disabilities has given the Department of Education a failing grade. My question is to the Minister of Education. When will the minister come clean and tell the parents of children with special needs exactly how his cuts will affect them?

MR. JONSON: Mr. Speaker, as I have indicated and would like to reinforce, we have put out a considerable amount of information. We have put out a number of alternatives for discussion and invited other ideas and recommendations with respect to the future direction of education in this province. We will carefully consider the recommendations and the input that comes to us. As I have indicated – and the Provincial Treasurer has as well – in terms of the decision-making, it'll come out in the regular and properly planned fashion of the grant announcements to school jurisdictions and the provincial budget, and that will only be after very careful consideration of the input that's being received.

MRS. SOETAERT: So we have to wait till the budget to allay these fears.

How can the minister even consider further cuts to special education and program unit grants when on August 24 of this year he made a commitment, and I quote, "to improve the quality of life for all Albertans with disabilities"?

MR. JONSON: Mr. Speaker, what does not seem to be understood or acknowledged is that in the open process that we're involved in, we are welcoming also recommendations, priorities being identified. In the area of special needs students I would like to acknowledge that subject to our overall assessment of input certainly funding for special needs students has been identified as a very significant matter in terms of our overall plan. Secondly, there have been some excellent suggestions and recommendations about how this money could be applied differently or more effectively. Those things have to be considered.

MRS. SOETAERT: Still too vague, Mr. Speaker.

Perhaps you can explain, Mr. Minister, to the parents of children with special needs exactly how your proposed cuts will improve the children's quality of life?

MR. JONSON: Mr. Speaker, I'd like to mention two things. First of all, in terms of the delivery of education – and it was brought up earlier today – and, very importantly, the delivery of funding and services to students and to special needs students we have already undertaken an initiative under our co-ordination of services initiative to look at better co-ordinating departmental activities and serving students with special needs. So there is an initiative and a recognition of that already.

Secondly, Mr. Speaker, there have been no decisions made on cuts to education funding. There was an increase in education

funding this year, and we are considering very carefully the representation that is being made to us as we go through fulfilling our budget plans.

MR. CARDINAL: I have a supplement.

MR. SPEAKER: To augment the answer, the hon. Minister of Family and Social Services.

MR. CARDINAL: Thank you very much. I would like to advise the hon. member also that through the handicapped children's services area, the '93 budget in my department alone provides over \$19 million to this particular area, Mr. Speaker. We do serve over 6,231 children, and 96 percent of those children are at home. That is additional support that's provided from by department for that particular area.

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

Edmonton Oilers

MR. DUNFORD: Thank you, Mr. Speaker. When the word "Pocklington" is said in my area, some people start to grab hold of their shirts and their wallets. Now, I understand that the Alberta Treasury Branch is the banker of the Edmonton Oilers. Can the Provincial Treasurer inform the Legislature as to whether taxpayer dollars are at risk if the Oilers move?

MR. DINNING: Well, Mr. Speaker, the short answer is no, but I know you'd want to hear a lengthier explanation. The short answer is no. But let's be clear that the provincial government, at least the government side of this House, does not want to see the Edmonton Oilers leave the city. They are an important part of the province of Alberta. I don't know where the Liberals stand.

The hon. member should know and Albertans should be reminded that the only taxpayer dollars that ever went into the Alberta Treasury Branches were some \$200,000 in 1938. Not one single taxpayer dollar has gone into Treasury Branch ever since. In fact it is depositors' dollars, Albertans who deposit their savings and have confidence in Alberta Treasury Branches that have made it the 20th largest financial institution in this country today, a deposit base of some \$8 billion. So I can assure the Assembly that there are no taxpayers' dollars at risk, and we have every confidence in the management of Alberta Treasury Branches.

MR. DUNFORD: Mr. Speaker, this is to the Provincial Treasurer. Will the Alberta Treasury Branches continue to be the banker for the Oilers if they move?

MR. DINNING: Well, Mr. Speaker, I do my very best and will continue to not get into matters of relationships between clients of the Treasury Branches and Alberta Treasury Branches themselves. I don't think that's a proper thing for the Treasurer to do in this Assembly or in any other forum. I can say that the mandate of the Treasury Branches is on Alberta. It focuses on individuals and businesses in this province, and I can assure the hon. member that the superintendent of Treasury Branches has made it clear that it is not interested in adding an out-of-Alberta hockey team to its client list.

MR. DUNFORD: Mr. Speaker, can the Provincial Treasurer assure the Assembly that we the taxpayers will not contribute any dollars to keeping the Oilers in Alberta?

MR. DINNING: Most assuredly so, Mr. Speaker.

MR. SPEAKER: The time for question period has expired.

head: **Members' Statements**

MR. SPEAKER: The hon. Member for Bow Valley. [interjections]

2:30 **Health Care System**

DR. OBERG: Thank you, Mr. Speaker. I guess they don't want to hear what I'm going to say.

It is with great pleasure that I rise today to speak on a recent series of health roundtables that I was fortunate enough to co-chair along with the hon. minister responsible for the Health Planning Secretariat. The first roundtable was held in Grande Prairie on September 10 and 11 before 450 people at the open forum and 150 at the second day workshop. Several messages came from that meeting; namely, that we have a pretty good health care system at present, but costs are out of control, and there's a great deal of inefficiency in the system.

Regionalization under one health board with governance and funding decision-making powers was extremely desirable. When challenged that this concept carried a great deal of responsibility and that no longer would the local people be able to blame the central government for mistakes, they wholeheartedly endorsed the concept and categorically stated that local decision-making is best. Over the next nine weeks, with an attendance of over 5,500 people at the public forum and over 1,000 people at the workshops, the same basic idea emerged: local decision-making leading to increased flexibility, efficiency, and ultimately cost saving while keeping a high standard of patient care. Numerous other valid ideas were aired, such as a multiple gatekeeper system, alternative forms of medicine, and various funding models. In the final summary all of these will be addressed.

On a personal note, one of the criticisms of the process was that the government had no plan for health care. Over the period of 10 meetings it became extremely obvious that a plan that worked in one area would not work in another. As a government our job must be to enable regions to develop a plan of their own and not to enforce an overall plan from the top down. The health care system must cater to the consumer and not the provider.

Changing the structure of health care delivery in Alberta is an extremely difficult task. The government, bureaucracy, and provider groups must keep in mind one basic principle if this is to be achieved: Health's mission must be to promote and provide for the physical, mental, and social well-being of all Albertans and not for the propagation of a system.

MR. SPEAKER: The hon. Member for Lethbridge-East.

Health Care Funding

DR. NICOL: Thank you, Mr. Speaker. I, too, want to address the health care forums. During the past few weeks I've had the opportunity to attend the public sessions on health care, the roundtables in Lethbridge and Medicine Hat. I would like to congratulate the Albertans who attended and presented their views. They presented good ideas that focused on the necessary increase in effectiveness of our health care delivery, and they showed good control, with only a few using their time for criticism.

However, today I want to comment on a concern that developed at each of these public meetings. I was uneasy about the introductory remarks presented as the rationale for the needed changes in expenditures. The audiences were presented with a simplified economic model of Alberta. Yes, Mr. Speaker, it was simplified:

simplified to a point of being deceptive, simplified to a point of being self-serving. The participants were told that wealth and infrastructure were the basis of our economy; expenditures on health, education, social services, and interest on debt were drains on the economic system's capacity and were wastes as government expenditures.

Mr. Speaker, what happened to economic models which show education and a healthy work force as major contributors to income generation, income which is used for expenditures, investment, and taxes? In this system expenditures circulate to create other incomes, investments contribute to wealth and subsequent increases in productivity, and taxes contribute to, among other things, infrastructure, education, and preventative health to promote a productive labour force.

I propose that not all expenditures on health and education are necessarily drains on our economic system, and presentations by the government to the people of Alberta should reflect a more realistic view. Based on my background as an economist and a management professor, I would grade these presentations in an introductory course in economics as an F. In an advanced course in effective promotion and marketing the presentation would have been an A. In ethics, Mr. Speaker, I leave this grade to the Alberta people.

MR. SPEAKER: The hon. Member for Grande Prairie-Wapiti.

Water Management

MR. JACQUES: Thank you, Mr. Speaker. Earlier this year an oil field company named Petrorep Resources received approval to conduct exploration drilling into a potable water source called the Valhalla aquifer. The proposed use of the potable water is for oil field injection. The Valhalla aquifer is located in a narrow strip of green zone in the Saddle Hills. It is the major source of potable water for a very large area that comprises established farms and many communities, such as La Glace, Hythe, Wembley, Beaverlodge, and Sexsmith. There are literally hundreds of oil wells in the area and over a dozen oil field companies. All of the existing operators, with no exceptions, use the saline water from the deeper Cardium formation for oil field injection.

The Petrorep feasibility study is now complete, and they have applied for a licence that will allow them to use a maximum of 55,000 gallons of potable water per day. If Petrorep receives the licence, it will establish a precedent for every oil field company to utilize potable water under the same conditions. That precedent, Mr. Speaker, would apply throughout Alberta. Assuming the utilization level within the application conforms to existing provincial policy, then the licence will be issued and, sadly, without the element of due process as provided by a structured public hearing.

On behalf of the people of my constituency and indeed on behalf of the people of this province I plead and beg the minister of the environment to immediately establish a moratorium on any applications that would utilize potable water for oil field injection. We must take the time to examine all alternatives, to listen to arguments from all affected parties, and to develop a long-term policy that will ensure the protection of drinking water for our children. This is a critical issue to all Albertans. Mr. Minister, please implement the moratorium now, before it is too late.

head: **Projected Government Business**

MR. MITCHELL: Mr. Speaker, I rise to request that the Government House Leader outline what he is proposing for the legislative agenda next week.

MR. KOWALSKI: Mr. Speaker, today will be the final day in terms of discussion and resolution of all the estimates associated with the government of Alberta, so in essence what we will be doing beginning Monday is focusing and concentrating on the Bills on the Order Paper. Those Bills are clearly identified. We will be advising and moving on them in sequential order, in essence, on Monday afternoon. This now is all going to have to be very flexible because we don't know how much time will be addressed on a particular Bill or what stage it will arrive at and the like. The Order Paper clearly identifies, and Monday we'll be dealing with the Bills that we have, 19 and 21; as well, government motions 19 and 21. We'll be dealing with second reading on all of the Bills identified other than for Bill 1 and will be taking them through the various stages.

Later in the afternoon today we'll be reverting to the appropriation Bills: 13, 14, 15, and 16. We'll be then moving on them starting Monday, and it's difficult to say what level of progress we'll reach on Monday, Monday evening, Tuesday, or Wednesday. That will be the directive: to take all of those Bills and move them to conclusion. That same kind of schedule will carry through on November 15, 16, 17, and 18 as well.

Privilege Intimidation

MR. SPEAKER: The hon. deputy leader gave the Chair notice more than two hours before the House met this afternoon of a question of privilege that she wishes to raise. The hon. deputy Leader of the Opposition.

MRS. HEWES: Thank you, Mr. Speaker. I rise under Standing Order 15 concerning an exchange that occurred last night during the Committee of Supply meeting when they were considering estimates of the capital fund.

I reference citations under *Beauchesne* 1 and 99 and in *Erskine May*, the 21st edition, pages 126 and 128. *Beauchesne* 1, the very first principle, states: "to protect a minority and restrain the improvidence or tyranny of a majority." Mr. Speaker, 99 then speaks to privilege and states that "direct threats which attempt to influence Members' actions in the House are undoubtedly breaches of privilege." *Erskine May*, page 126:

That the assaulting, insulting or menacing [of] any Member of this House . . . upon the account of his behaviour in Parliament, is an high infringement of the privilege of this House, a most outrageous and dangerous violation of the rights of Parliament and an high crime and misdemeanour.

Page 128 of *Erskine May*: "To attempt to intimidate a Member in his parliamentary conduct by threats is also a contempt." It goes on to list a number of items. Finally, the last one is: "threatening to end investment by a public corporation in a Member's constituency."

2:40

The exchange was between the Minister of Municipal Affairs and myself. The Member for Redwater was recognized by the Chair and had been speaking for several minutes when he introduced an amendment. This amendment was being circulated, and the Member for Redwater continued speaking. The Minister of Municipal Affairs rose and walked over to sit next to me and asked what the amendment said. I handed him a copy of the amendment, which he read and then stated, in my terms angrily, that he would cut my women's shelter. I responded by requesting that he return to his own seat and make that same statement from that place. He reiterated that he would cut the women's shelter, and I responded that he should not threaten me. The minister

returned to his seat, and I again enjoined him: don't you threaten me.

I submit that the minister threatened not only my conduct and participation in the House, but also by his choice of what he would cut, he threatened the women and communities of our province. The minister knows of my long-standing support, Mr. Speaker, my commitment to women's shelters, and this was a clear expression on his part that he could and would use his power to reduce support to women's shelters because of the amendment presented by the Member for Redwater. This was not a casual conversation. This was not a casual comment. This was a threat and was repeated and reinforced. There was no doubt on my part that it was his intention to carry through with it.

Bullying and intimidating and menacing and threatening members: those are all unacceptable behaviours. They are clearly out of order in this House and a breach of the rules. Mr. Speaker, I believe it's reprehensible when any member of the House threatens another member and particularly so when that member is a minister who has the power to take action. This infringes on my privileges in this House, my capacity to serve my constituency and the citizens of this province, and on the privileges of every member. I submit that the minister has committed a breach of my privilege by his actions in this Chamber, and I ask that you give this matter your most serious consideration.

MR. SPEAKER: The Chair appreciates what has been said, but the Chair feels that because of the heavy schedule for today, under Standing Order 15(6) this matter could well be deferred until Monday for continuation without prejudice.

MR. DECORE: We want to hear from that side, Mr. Speaker. This is serious.

MR. SPEAKER: Hon. Leader of the Opposition, the Chair is not taking away the seriousness of the allegations made by the hon. deputy Leader of the Opposition. The rules do provide that these matters can be deferred and they are in no way prejudicing.

The Chair is willing to listen.

MR. MITCHELL: Mr. Speaker, rather than have it hang for four days, maybe he'd like to have a chance to speak.

MR. SPEAKER: Okay.

DR. WEST: Could I appeal to your judgment that I make a statement in reference to this allegation? I feel that it's damaging to my reputation in this Assembly.

Mr. Speaker, I've noticed an increasing level of privilege motions brought forward to this House. Before I state what I'm going to say, I would hope that in the future we get some level of understanding from the Chair as to what constitutes privilege and what constitutes a frivolous and vexatious attack on another member for political reasons.

Last night the hon. member stated that there was an amendment before the House, one that stated that the capital fund estimates be reduced by \$15.5 million. We had to have unanimous consent to allow this to come in because it wasn't a properly worded or signed introduced amendment. For months and months and even years in here I've heard members of the Liberal Party say that this type of cutting, cookie-cutter cutting, is unacceptable. There were five departments up last night, including my department, in the capital fund. They had forever stated that you just don't go across and indiscriminately cut a mass of money without making priorities.

Now, up until that point in time the hon. Member for Edmonton-Gold Bar is correct. The debate was on, I did go around, and I sat down. But that is where the story is skewed. What I said was that this is a blanket-type cut. Where do you want them cut? Would you indicate to me whether it was the women's shelter in Edmonton? I said: I can't just stand here and support an amendment. [interjections] That is correct. But if selective hearing takes it that it was only directed at this individual, then I appreciate that she may have heard it wrong.

I repeated myself: you can't just indiscriminately level an amendment like this. I said: where do you want it cut? Would it be the women's shelter in Edmonton? Where would you selectively cut? You charge the government with an amendment like this, that I consider ridiculous, and then turn around and charge privilege against this member for asking for a clarification of an amendment that is ridiculous and that took unanimous consent of the House to introduce because it wasn't due process.

I ask this House to consider that not only is leveling privilege against this minister's reputation frivolous and vexatious; it is also poor conduct to bring in such amendments when indeed nobody can address them in a common voting procedure in here without clarification. When I asked for clarification – and, yes, I was irritable – this is the response.

MR. N. TAYLOR: A point of order, Mr. Speaker. It's got nothing to do with the fight; it's just to do with the filing.

MR. SPEAKER: Order please, hon. Member for Redwater. We are now discussing a point of privilege raised by the hon. deputy Leader of the Opposition. We've now heard from the Minister of Municipal Affairs. If the hon. Member for Redwater has something germane to point out concerning this point of privilege, he will be recognized. The Chair won't recognize the hon. member on a point of order while we're discussing a point of privilege.

MR. N. TAYLOR: I think what I wanted to say was that the motion that was passed out was decided in conjunction with the Chairman of Committees. We must remember that last night they wanted to finish early because of the snow and rain. I had four amendments. I was requested by the House leaders of both sides and also the Chairman. We put the omnibus motion together in order to convenience people so that they wouldn't have to take four votes, at the request of the government Chairman.

MR. SPEAKER: Anything further?

The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Well, Mr. Speaker, there was a statement made that offends me as a member of this caucus. It was implied that we tend to rise too often on breach of privilege. There's a reason for it. When the conduct of government members is such that it's intimidating, that it's threatening, we have no choice but to do so. We've had it from not just one member; we've had it from the front benches on more than one occasion. They've got to shape up. They have to shape up or ship out.

MR. KOWALSKI: Mr. Speaker, I rose only because the hon. gentleman from Edmonton-Rutherford was making comments which are totally ungermane to the matter at hand. It would seem to me that the most operative clause that the Speaker might want to refer to in assessing the merits of the argument and the counterargument with respect to this point of privilege will be found in *Beauchesne* 31(1).

2:50

MRS. HEWES: Mr. Speaker, simply to clarify. As I made my statement regarding privilege, I referred to the amendment that was presented by the Member for Redwater. I did not read it because the size and shape of the amendment had little to do with the threat that was made. I believe those were two separate issues and should be considered separately. Certainly the Minister of Municipal Affairs came to me for an explanation and to speak his thoughts about that amendment. To try to suggest that it was because the amendment was incorrectly presented, that that had anything to do with the threatening or intimidating manner, is simply not the case. I hope you'll consider that.

MR. SOHAL: Sir, whatever we say in this House is recorded in *Hansard*, and if there's a private conversation between two individuals, it shouldn't be a concern of the House.

MR. SPEAKER: The Chair is not prepared to make a ruling at the present time. This matter did happen in committee. I suppose the weather was one of the reasons why it wasn't raised in committee last night. Nevertheless, the rules do provide for the hon. deputy to bring it forward today. The Chair wants to consider the representations and arguments that have been put forward today and will make a ruling on Monday.

head: **Motions under Standing Order 40**
Federal Cabinet Appointments

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Speaker. I rise to ask for unanimous consent – I'm not so sure with the fractious House here whether we can get it – to send a rather personal message. I'm speaking to the urgency. I hope we don't get off on a political debate like we did the other day, just a very short congratulations to two people we're very proud of that have entered the cabinet.

MR. SPEAKER: Having heard the request by the hon. Member for Redwater, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say no. Carried.

Moved by Mr. Taylor:

Be it resolved that the Legislative Assembly recognize the appointments of both Anne McLellan and Joyce Fairbairn to the cabinet of the federal government and that the Assembly send its congratulations to the two new cabinet ministers as well as its expectation that the interests of Alberta will be well served around the cabinet table in Ottawa.

MR. N. TAYLOR: In speaking to it, I'll just take a moment because we have a very crowded agenda. Two people, one of them an Albertan by birth, another one an Albertan by choice. Joyce Fairbairn was born and raised in Lethbridge and took her degrees in English and journalism. She worked for newspapers, almost a who's who of the west. She worked for the *Winnipeg Free Press*, *Calgary Albertan*, *Lethbridge Herald*, *Vancouver Sun*, *Victoria Times*, and finally the *Ottawa Journal*. From there she went into political work with the administration of the day in the '80s. Anne McLellan was born in the other end of the country,

Nova Scotia, where there are of course great energy developments today. She moved west and was a law professor since 1980 and acting dean of the law department of the University of Alberta. So she comes well equipped to her position as minister of energy, you might say combining the old and the new. We have the old energy in Alberta, from tar sands to oil; off the east coast, the new energy, the new gas and everything offshore. So she indeed will be a great help. I would hope the House will just approve without further ado sending them congratulations.

MR. KOWALSKI: Mr. Speaker, this is an important date for two individuals from the province of Alberta: the Hon. Joyce Fairbairn, who is now appointed to the position of leader of the government in the Senate and the minister with special responsibility for literacy; and the Hon. Anne McLellan, who is now the new Minister of Natural Resources. All citizens in the province of Alberta would want to extend congratulations to these two individuals and wish them the very best. We would sincerely hope that in the days and the weeks ahead consultations will occur in terms of the expectations of the people of Alberta in terms of their positions around the cabinet table of the federal government.

It also should be noted that there are now 22 members of the new federal cabinet, and to have two individuals from the province of Alberta around that cabinet table perhaps is positive in the sense that some would have made the argument – and some have tried to make the argument today – that Alberta should never have expected that. From the point of the government I think this is a pleasant development and a positive development. The government would also like to congratulate both individuals. I know there's always danger when one talks about the gender position, but we're also very pleased that both of the cabinet ministers from the province of Alberta are indeed women. Mr. Speaker, we would ask all members of the House to join in this congratulations.

MR. SPEAKER: The hon. Leader of the Opposition.

MR. DECORE: Just a moment. We've had ministers of energy in Canada that have not been involved in the energy sector. One I can remember from Manitoba was a schoolteacher. Another that I remember from Saskatchewan was involved in agriculture. We have, I think, a day to be proud of in the fact that Ms McLellan has been named the Minister of Natural Resources, which includes responsibility for oil and gas, coal, for Alberta's natural resources. This is an Albertan. That's a big positive for Alberta. This is an Edmontonian. That's a positive for Edmontonians. The fact that there are two ministers when there are provinces that don't have – I think the hon. Deputy Premier is right in making note of that. When there are provinces that have but one minister, having two – albeit one of them is the leader of the Senate – is also a plus for Alberta. I don't know how anybody could construe it any other way than that a woman who has been exceptional in terms of her accomplishments at the university will learn quickly and be a good minister of energy, issues that involve and affect Alberta. The minister responsible in the Senate, who is well known in southern Alberta, will be a good representative for southern Alberta. We gain two. We don't have one; we have two.

Thank you, Mr. Speaker.

MR. SPEAKER: Is the Assembly ready for the question?

HON. MEMBERS: Question.

MR. SPEAKER: All those in favour of the motion proposed by the hon. Member for Redwater, please say aye.

HON. MEMBERS: Aye.

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

head: **Orders of the Day**

head: **Private Bills**

head: **Committee of the Whole**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: I call the committee to order.

3:00 Bill Pr. 2
The Youth Emergency Services Foundation
Amendment Act, 1993

MR. CHAIRMAN: The hon. Member for Edmonton-McClung.

MR. MITCHELL: Thank you, Mr. Chairman. I move that Bill Pr. 2 be amended as follows. The following is added after section 1:

2. Section 1(g) is repealed.

This is merely a housekeeping matter, and everybody on both sides of the House and the people involved with this Bill are aware of it and have requested it. I see that there should be no problem with it.

MR. CHAIRMAN: Thank you, hon. member, and I believe they've been circulated as well.

Any comments or questions?

[Motion on amendment carried]

MR. CHAIRMAN: Are you ready for the question? You are. Good.

[Title and preamble agreed to]

[The sections of Bill Pr. 2 as amended agreed to]

MR. CHAIRMAN: The hon. Member for Edmonton-McClung.

MR. MITCHELL: Thank you, Mr. Chairman. I move that Bill Pr. 2, The Youth Emergency Services Foundation Amendment Act, 1993, be reported as amended.

[Motion carried]

Bill Pr. 5
Canadian Union College Amendment Act, 1993

MR. CHAIRMAN: The hon. Member for Lacombe-Stettler.

MRS. GORDON: Thank you, Mr. Chairman. I move that Bill Pr. 5 be reported.

MR. CHAIRMAN: It will be in due course, but just move it.

MRS. GORDON: Mr. Chairman, I move third reading of Bill Pr. 5, Canadian Union College Amendment Act, 1993.

MR. CHAIRMAN: All right; if the committee will give me a little further indulgence in this, what we need is a motion that the question be now put to the committee on Bill Pr. 5, the Canadian

Union College Amendment Act, 1993. I think that's what you were intending. Is that so?

MRS. GORDON: Yes.

[Title and preamble agreed to]

[The sections of Bill Pr. 5 agreed to]

MR. CHAIRMAN: Now you can have it reported.

MRS. GORDON: Thank you, Mr. Chairman. I move that Bill Pr. 5 be reported.

[Motion carried]

Bill Pr. 6
Mennonite Mutual Insurance Co.
(Alberta) Ltd. Amendment Act, 1993

MR. BRUSEKER: Mr. Chairman, the committee has done such a marvelous job on this Bill that I would move that the question now be put.

[Title and preamble agreed to]

[The sections of Bill Pr. 6 agreed to]

MR. CHAIRMAN: Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. I would move that Bill Pr. 6, the Mennonite Mutual Insurance Co. (Alberta) Ltd. Amendment Act, 1993, be reported.

[Motion carried]

Bill Pr. 17
Canadian Health Assurance Corporation Act

MR. CHAIRMAN: The hon. Member for Grande Prairie-Wapiti.

MR. JACQUES: Thank you, Mr. Chairman. I would move that Bill Pr. 17 be amended as follows: firstly, that section 4 of the Bill be deleted, and secondly, that in section 5(1) the words "Subject to section 4" be deleted.

I should point out, Mr. Chairman, that this item was discussed by the Private Bills Committee. The amendments were agreed to. A brief background is that the original Bill under section 4 dealt with certain powers that the petitioners had sought for the corporation, and the superintendent had some concerns. He was present at the meeting. The petitioner was there. Subsequently the petitioner came back and agreed to delete the section entirely and also to amend section 5, which referred to section 4, and indeed those amendments were also concurred with by the superintendent.

MR. CHAIRMAN: All right.

Any comments on the amendment?

[Motion on amendment carried]

MR. CHAIRMAN: Are you ready for the question?

HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill Pr. 17 as amended agreed to]

MR. JACQUES: Mr. Chairman, I move that Bill Pr. 17, the Canadian Health Assurance Corporation Act, be reported as amended.

[Motion carried]

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

[Motion carried]

[Mr. Speaker in the Chair]

MR. TANNAS: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills. The committee reports the following: Bills Pr. 5 and Pr. 6. The committee reports the following Bills with some amendments: Bills Pr. 2 and Pr. 17. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

MR. SPEAKER: Having heard the report by the hon. member, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: All those opposed, please say no. Carried. So ordered.

head: **Government Motions**

3:10 Heritage Savings Trust Fund Investments

20. Moved by Mr. Dinning:

Be it resolved that this Assembly, pursuant to section 6(4.1) of the Alberta Heritage Savings Trust Fund Act, authorizes for the fiscal year ending March 31, 1994, the making of investments under section 6(1)(c) of the Act in

- (1) the Alberta Opportunity Company in an amount not to exceed \$10,000,000 in aggregate, and
- (2) the Alberta Mortgage and Housing Corporation in an amount not to exceed \$15,000,000 in aggregate.

MR. DINNING: Mr. Speaker, there is often some query as to why such a motion is required before this Assembly, and I would refer hon. members to the Alberta Heritage Savings Trust Fund Act, section 6(4.1).

No investment shall be made in a Provincial corporation after March 31, 1984, unless the Legislative Assembly, by resolution, has first authorized the making of investments pursuant to subsection (1)(c) in that Provincial corporation and has approved a maximum investment in that Provincial corporation for the fiscal year.

So, Mr. Speaker, the heritage savings trust fund out of the Alberta investment division is seeking the concurrence, the agreement, of the Legislative Assembly in loaning these dollars from the Alberta heritage savings trust fund to AMHC and to AOC. These loans will be delivered or made to these two Crown corporations at rates of interest that prevail in the market at the time that the loan is made. That is a process that is as transparent and open as we possibly can make it, and that is why we stand before the Assembly today to seek the Assembly's concurrence in this important investment by the Alberta heritage savings trust fund.

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

MR. BRUSEKER: Thank you, Mr. Speaker. It's always a pleasure to speak on a motion that's presented by the hon. Provincial Treasurer.

Mr. Speaker, the Treasurer asks this Assembly to concur in granting some funds: that being a total of \$25 million in two different batches, \$10 million to the Alberta Opportunity Company and \$15 million to the Alberta Mortgage and Housing Corporation, to be transferred from the heritage savings trust fund. This may come as a surprise to the Treasurer, but I don't intend to support this motion. The reason that I don't intend to support this motion is based primarily upon the record of the government, number one, and, number two, the Alberta Opportunity corporation.

Mr. Speaker, when I look at the Alberta Opportunity corporation in particular, what this is probably going to be used for will be for funding the operations of the Alberta Opportunity Company. Now, curiously earlier on today in question period the Treasurer said: well, the Alberta Treasury Branches were funded out of a small amount of money – I believe he said \$200,000 – in 1938 by the government. I listened carefully, didn't I? The rest has all been supported by the depositors, who indeed are taxpayers of course of the province of Alberta, but that's where the bulk of the funding for the Alberta Treasury Branch comes from. The Treasury Branch since 1938 has been operating with some success, but now we have the Alberta Opportunity corporation coming to the well once again, this time for a \$10 million dip.

Now, Mr. Speaker, we think back to previous occasions. This House has in fact done motions of this type in the past: \$30 million in AOC in the 1992-93 fiscal year. My concern with actually both of these corporations, Alberta Opportunity Company and Alberta Mortgage and Housing: neither of them are self-sustaining corporations. When I look back to the annual reports, for example, of the Alberta Opportunity Company – and I could only go back a decade because that was as long as I could bear I guess would be the way to describe it. Just putting it into perspective: from 1982 to 1990, eight years, \$82 million in grants to the Alberta Opportunity Company. Out of that they lost \$51 million. That's not a particularly good record. Quick arithmetic tells you that's about 66 cents on the dollar that they lost based on the operations of the corporation. In 1991 they were granted \$26 million, and I remember the former Member for Sherwood Park who was at that time the minister of economic development and trade saying: gee, they turned a profit. Well, turned a profit by only losing \$21 million out of the \$26 million, and they said: gee, we turned a profit. Then the year after that they were granted \$16 million, and they only lost \$14 million out of the \$16 million and said: gee, we turned a \$2 million profit again.

The problem, Mr. Speaker, is that the interest that these corporations, particularly the Alberta Opportunity Company, draw in from their investments tends to be equally offset by the cost of operations and the interest they pay out. So the net effect is that these corporations will only survive as long as we, we being the taxpayers of the province of Alberta, continue to put money into these corporations. The Alberta Opportunity Company, in particular, when we look at the most recent annual report, shows a net deficit or an accumulated deficit so far of \$33.4 million. So the Treasurer comes to this Legislative Assembly today and says to this member and other members of the Chamber that we should give another \$10 million to the Alberta Opportunity Company that has over its 20-year history accumulated a \$33.4 million deficit. That to me does not make sense. It just does not make sense.

I look at that request from the Treasurer and knowing him to be an honourable gentleman know that he makes this request in all

sincerity. On one hand, the government says that we have to balance the budget and we've got to get our finances under control, yet on the other hand we're going to give \$10 million to an entity that hasn't been able to get its own finances under control. That to me just doesn't make any sense. So when I look at that, I say to myself: I cannot support that.

The other thing that I have to look at with respect to where we are with the heritage savings trust fund and AOC and the relationship between these entities is the record that as of March 31, 1993, the Alberta Opportunity Company owed the heritage savings trust fund \$128.4 million in addition to its \$33.4 million deficit in addition to the losses that I referred to earlier on. I say to myself, based on all the good information that this open and accountable government pretends they provide to us: is this a decision that I can support, is this a motion that I think is a good motion, and, most importantly, is this a motion that will assist Albertans to help them get out of the financial hole in which we find ourselves? Mr. Speaker, I think the answer to that question is clearly no, and that's why I cannot support Motion 20 before the Assembly today.

Thank you.

MR. WICKMAN: Mr. Speaker, I want to make a few comments on the portion that pertains to Alberta Mortgage and Housing Corporation and the housing division now in Municipal Affairs. My colleague from St. Albert had the opportunity to address similar concerns during the capital budget process. I'm sure the minister would in all likelihood agree with me when I make the statement that the government should not have been involved in the business of providing housing that the private sector was very, very capable of providing. That did occur a number of years ago. The government tended to buy up every piece of land that was in sight. A lot of the projects that were developed, a lot of the government enrollment, was very, very directly with the private sector and did duplicate tasks that the private sector could do.

However, there is the one area I feel that the provincial government through its division of housing still has a responsibility to be involved with, to be a partner in that process, and of course that's with social housing. Questions were asked that pertain – and these are very, very applicable, because we are talking in terms of dollars that will be going to the housing division within Municipal Affairs. So we have an obligation to try and determine how these dollars that are being funneled over will end up being utilized.

I have to refer, Mr. Speaker, to documentation the minister sent out on October 22 to chairpersons, board members, foundations, housing authorities, and so on that makes it very, very clear or leaves a message that there's going to be a new way of doing things. It has already started to cause concern in the communities. The concern in the community is that these projects that have been developed with money from the provincial government through Alberta Mortgage and Housing, that have had a very close link with government and have felt that certain sense of security, will now somehow be left out on their own to have to link up with the private sector. Possibly we may see total privatization of these types of projects. We may see them simply turned over to the municipalities, to the local authorities without the dollars following, very similar to some of the comments the minister made in Calgary.

3:20

Nevertheless the directors, the management, the staff of many of these housing projects are becoming alarmingly concerned. I know a meeting is scheduled where somebody from the department is going to attempt to give some further elaboration as to

what is anticipated. Possibly because the minister did not have the opportunity – or chose not to, whatever – to address the concerns that are very, very similar to the concerns raised by the Member for St. Albert during the last two evenings and possibly in conjunction with this particular motion, the minister responsible for Municipal Affairs could stand up in the House and tell us very, very clearly: what does the government intend to do with its social housing that it has supported in the past, that it has a direct link to? Is it going to privatize? Is it going to leave these projects to nonprofit groups to kind of look out for themselves without that direct assistance from the government that they've been accustomed to in the past? The sooner the minister can address those concerns, the sooner he'll start to possibly put a stop to the growing concern that's occurring in the community.

I guess the concern is multiplied, Mr. Speaker, by the minister's own actions. When it comes to privatization, he is developing a reputation as being one that's relatively gung ho on privatization, and of course that filters down as well. When it's this particular minister that is sending out the documentation, it's sort of like waving a red flag in front of a bull. It does cause a bit of concern. Some other minister may not create the same type of anxiety, but the community is saying that it is possible, based on the minister's past actions, to certainly privatize virtually anything. So I'd like the minister to stand at the first occasion and clarify what the intention is going to be.

MR. SPEAKER: The hon. Member for Edmonton-Roper.

MR. CHADI: Thank you, Mr. Speaker. I rise today to speak against this motion, being Motion 20. I've got some grave concerns, not so much with the AOC or Alberta Mortgage and Housing Corporation or MPI or Municipal Affairs Sales but with the fact that we're going to put more money into Alberta Opportunity Company at the present condition that Alberta Opportunity Company is in.

Now, when I look at what has been happening with Alberta Opportunity Company for a lot of years, I see a corporation that can do wonders in this province. Initially it was set up to do great good for corporations, small businesspeople who needed some seed money or some capital to get their ideas going. That's a wonderful idea. I mean, it was a great concept. I don't want to see that end, to be quite frank with you. I do have a problem with us putting more money into the same sort of setup that we already have. Initially it was a good going corporation. It did well. Today I think the approval rate is 1 in 6. Well, I can tell you, Mr. Speaker, that the banks are probably approving 1 in 6, and I don't see us having another bank in this province. We don't need another government bank. We've already got the Treasury Branches, we've got the credit unions, we've got North West Trust, and we've got Bancorp Mortgage, which North West Trust bought. For the life of me I can't figure that one out. Nonetheless, we've got these banking institutions that are controlled by this government and by the province of Alberta. So why yet another one? That doesn't add up for me, and that's the reason that I speak against this at this point in time. I would speak in favour of this motion if I knew full well that reforms were going to happen within the Alberta Opportunity Company.

I want to give you an example of what's happening now with the Alberta Opportunity Company. Not so long ago – and my background is in financing to some degree – I had a fellow come to me who wanted some financing on his property in a northern Alberta community. It was a good idea. It was a good investment. It was probably one that would make money, and it was probably one that would employ Albertans, but it was marginal in

terms of its success as far as a lender like myself would have been concerned. I suggested that they go and speak to the Alberta Opportunity Company, because I really feel strongly that the Alberta Opportunity Company can play an important role in this province, particularly in rural Alberta. It seems to me, though, that the bankers today and our conventional lenders don't really care to lend in rural Alberta. They find that if they are investing or putting their money in loans, they want to put those loans in the cities where they think or feel that the security would be a bit more secured, if you will. Within the rural parts of the province we have the Treasury Branches, and the Treasury Branches have been quite good in functioning within the realm of loans to small businesses.

This fellow came to me, and I suggested the Alberta Opportunity Company. He went over to speak to the Alberta Opportunity Company, and he was turned down. Mr. Speaker, after two months he was turned down. He came back to me and he said, "What a waste of time." Let me tell you that I did assist him in the financing, and once I did that, today it's a functioning corporation that he's got. He's employing Albertans, and he's doing well. The fact is that the Alberta Opportunity Company should have been there for him.

Now, that's only one example. There is another fellow that had come to me at one point in time, and he wanted to buy something very simple. He needed a measly \$25,000 to start a bus line service. That's all he needed to finish off the financing that he already had. I again sent him to go see the Alberta Opportunity Company, because he had an idea. He had something that would work. He had an idea that would employ Albertans. He had an idea which I felt fit into the criteria that AOC would require. Again this fellow was turned down a lousy \$25,000.

DR. WEST: A lousy?

MR. CHADI: Yet we have no problems putting \$400 million in loan guarantees to people like Al-Pac to employ 400 people. A measly \$25,000.

The Minister of Municipal Affairs makes some comments about a lousy \$25,000. Yes, I feel it is a lousy \$25,000 in comparison to the \$400 million into Al-Pac and the hundreds of millions of dollars that we've put into Gainers and the \$200 million that we've set aside for Vencap, which we're receiving very little benefit from. I'll suggest to you, Mr. Speaker, that the hon. Minister of Municipal Affairs should agree that it is lousy.

We look at what Vencap has done, another corporation that was set up almost identical to what maybe AOC was set up to do, on a larger scale perhaps. Here the province of Alberta put \$200 million into this corporation; \$50 million more came from some private sources for a total cumulative amount of about \$250 million for which there were no set terms of repayment on our \$200 million. So here we were. After 10 years we received, I believe, in the range of about \$60 million, which represented somewhere around 3 percent on our investment of \$200 million on this company. Yet the private placement, if you will, on the \$50 million received somewhere to the tune of 15 percent return on that investment. It's just not right, and it's not fair. Albertans put that kind of money into a corporation that was supposed to do good for Albertans, similar to what AOC was supposed to do, yet we're not reaping the benefits of it as we should. When we look at the amount that has been written down today in Vencap – and I'm going to suggest to you, Mr. Speaker, that what I'm doing is

making an inference here: we have a corporation already, so why are we putting more money into Alberta Opportunity Company? So when I relate my comments to Vencap, please bear with me, because I'll bring it all around, and it will all make sense to you in short order.

3:30

When we have a corporation like that, that apparently has to be paid back to Albertans within 20 years but no set terms of repayment, if you take the \$200 million today or even at 1983, when we put out that money, and you calculate the future value of that money, say, at an interest rate of 9 percent, which was really modest at that time, it amounts in the year 2003 to about \$1.3 billion. If you calculate the \$200 million that we're going to get back on Vencap in the year 2003 and if you figure out the \$60 million that we've already gotten and the \$60 million that we'll probably get again at the end of the 10-year period . . .

Point of Order Relevance

DR. WEST: Point of order, Mr. Speaker.

MR. SPEAKER: Is the hon. Minister of Municipal Affairs rising on a point of order?

DR. WEST: On relevancy, Mr. Speaker. We seem to be a fair ways away from AOC and Alberta Mortgage and Housing on this request for financing. I just wonder if you'd make a comment on the relevancy of a detailed discussion on Vencap.

MR. SPEAKER: The hon. Member for Edmonton-Roper saw some of the Chair's discomfort a few minutes ago and said that he was going to make this relevant. The Chair has been rather lenient in that. The Chair would urge the hon. member to fulfill his undertaking to bring this together very quickly.

MR. CHADI: Thank you, Mr. Speaker. I will.

Debate Continued

MR. CHADI: We have a net loss here, in my opinion, in Vencap if we take it to the year 2003 to the tune of about a billion dollars based on those calculations. Today, incidentally, in the public accounts we've got it written down to \$127 million, which is the present value of that \$200 million investment. I don't have any problems with that. All I'm after here is a level playing field. If we can put out funds to large corporations and we can put out loan guarantees and loans, let's do it with small businesspeople too, and let's do it through AOC. Let's look at reforming AOC. Let's look at putting money, if we have to, in AOC – that's not a problem with me – but before we do that, let us look at reforming it. I'd submit to you, Mr. Speaker, that we'd be much better off assisting small business, particularly rural Albertans, because they need the assistance in small business, and they need the Alberta Opportunity Company and the like.

With respect to the Alberta Mortgage and Housing Corporation, which the hon. minister would dearly like me to get into, I had the opportunity to meet with a fellow by the name of Gil Cox,* from New Zealand, not long ago. This fellow was head of the chartered accountants institute, similar to our Institute of Chartered Accountants of Alberta here. He heads that. What he told me about the housing market and the portfolio of housing that they had in New

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

Zealand was startling. It's not really different from what we've got here in Alberta. I started to press him on it, get more information as to what they did, because I think that they've really got their house in order, that entire portfolio of housing in order. That's something that perhaps the hon. Minister of Municipal Affairs should be interested in. I would strongly recommend, Mr. Speaker, that the hon. minister consult with success stories like New Zealand's instead of perhaps maybe unilaterally making decisions without the benefit of debate in this House.

What they did in New Zealand was take all of their social housing and housing of all sorts and put it, in terms of rental, in used market rates. They did away with subsidies. If people needed subsidies – if you needed \$600, for example, to rent the house and, before, it had been subsidized at \$200, what they did through their social services department was increase that so that a recipient could receive more social assistance if need be just to pay the rent on the accommodation that they had. What they did was bring it in line with market values and market rates. There's nothing wrong with that. I think that would perhaps eliminate things like slums, because anybody who had the opportunity to receive a certain amount of money in terms of housing allowance would be able to go and get housing at their discretion. They could go to different parts of a city. They could go wherever they wanted to find housing within their budget but not necessarily within a certain category of housing designated for low income. So I would strongly recommend that perhaps what we ought to be doing is having the Alberta Mortgage and Housing Corporation look at that. When we're talking about pumping more money into it and \$15 million – and the hon. Provincial Treasurer made mention that this \$15 million that we're putting into Alberta Mortgage and Housing Corporation is indeed a loan, nothing more, and we're going to get a return on our investment. Goodness, we've heard that time and time again. These corporations are bleeding us. I can't imagine why we would be putting it in as a loan. Why don't we just come clean and say that we're granting more money, that we're putting more money in this? Do we honestly believe we're going to get that money back?

I'm going to leave it at that, Mr. Speaker, for my comments. Thank you.

MR. SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Thank you, Mr. Speaker. I rise also to speak against Motion 20. The reason that I speak against this motion is clearly the failure of this government to give Albertans an opportunity to assess the assets of the fund through the public review process.

Given the fiscal realities that we face as a province – the deficit, the growing debt burden, the debt servicing costs, and the erosion of our health care and educational programs – it's time to acknowledge that the heritage fund can no longer be a security blanket. The Auditor General and the Institute of Chartered Accountants of Alberta and also the Alberta Financial Review Commission, Mr. Speaker, have also made this point very clear. It is time that the government reassesses the buildup of the internal debt held by the fund and the Crown corporations such as AOC, Alberta Opportunity Company, or indeed the Alberta Mortgage and Housing Corporation before it manages the fund's assets into oblivion. I firmly believe that that's what's going to happen if we don't stop this.

The Auditor General recommended that the Treasury Department initiate a review of the heritage fund to determine whether the assets are being used in the most effective manner in relation

to the province's overall financial objectives. That's the difference between the Liberals and this government. We should be fiscally responsible in ensuring that we look at how we are expending our moneys. That's why we should be doing efficiency audits within every government department, with every publicly funded, whether it be a hospital, whether it be an educational institution. That's not happening yet. There's no accountability or credibility to the process.

The Alberta Financial Review Commission stated that the retention of the heritage fund in its present form may indeed be creating a false sense of security among Albertans and recommends that the investment of the fund be transferred to general revenue funds. The Institute of Chartered Accountants has recommended that the government initiate a comprehensive analysis of the fund, including an independent evaluation of the Alberta HSTF portfolio. They feel that such an analysis would result in the inevitable conclusion that the fund be liquidated to pay down the debt, something that we would support, that differs substantially from the members across the way. However, the fund must be liquidated in an orderly fashion. This should be undertaken once government expenditures have been brought under control. Something that this government has not learnt to do well is to plan and think out indeed how you're going to get our fiscal house in order. We just need to look at the privatization of ALCB to see the fiasco that's developed and the questions even coming from the government members' side on that whole privatization, Mr. Speaker. The Alberta Liberal opposition agrees wholeheartedly with these experts, once again seeing that the retention of this fund does indeed give a false security to Albertans. We feel the assets of the fund must, as I've said, be liquidated. We also oppose applying the proceeds of these funds to the annual deficit. That certainly was not the intent of the heritage trust fund when it was founded. This is simply a quick-fix solution and does not deal with the structural nature of our deficit.

3:40

In light of the request made under the government's Motion 20, we indeed are disturbed that the government continues to stall on its promise to establish a mechanism to conduct a public review of the heritage fund. This was originally promised in the May 6 budget, reiterated in the throne speech of August 31, and mentioned once again in the September 8 budget update. This review was to take place in the current fiscal year, with the recommendations indeed being implemented starting in 1994-1995. I would put to you, Mr. Speaker, that this government is very selective when they're talking about being open and accountable and indeed doing the reviews that are essential to get our fiscal house in order. The Treasurer suggests that there is money set aside within the Treasury Department's '93-94 budget under departmental support services to conduct this review, but he has not given Albertans any idea on the composition of the review, whether it'll be public or in-house, its timetable, and its mandate.

The government has made a number of decisions with respect to the assets of the fund without consulting Albertans. Syncrude and the Alberta Energy Company come to mind. Now the Treasurer is asking this Assembly to make further decisions with respect to investments of the assets of Albertans once again without consulting us. These decisions should involve all Albertans, and I would like to put forward to you, Mr. Speaker, that the standing committee on the heritage savings trust fund plays a significant role in this review process.

In opposing this Bill, I would suggest to you that there are four good reasons why it should not be supported: the government's

mismanagement of the heritage fund and certainly the significant decline in the value of its assets; two, the failure of the Klein government to give Albertans an opportunity to evaluate the assets of the heritage savings trust fund through public review. Where is the open and accountable government that has been promised to Albertans? Three, the fact that AOC and AMHC continue to rely on grant loans from the general revenue fund on an annual basis in order to pay down the debenture debt held by the heritage fund is just going around in a circle. We're on a merry-go-round, and we're not getting off. Four, the fact that the government may be counting on an unrealistic turnabout in operations of the Crown corporations such as AOC and AMHC in order to balance the budget of 1996-1997. The suggestion is that these two organizations will become self-sustaining in the near future despite evidence to the contrary. I just want to stress once again, Mr. Speaker, to all the members of this government: please learn that secrecy leads to disaster. This is exactly what we're seeing again: blind faith, with no evidence to suggest that anything has changed.

Thank you, Mr. Speaker.

MR. SPEAKER: Is the Assembly ready for the question?

The hon. Member for Edmonton-Avonmore.

MR. ZWOZDESKY: Thank you, Mr. Speaker. I wish to offer just a few comments as well with regard to this request for funds in the amount of approximately \$25 million from the so-called heritage savings trust fund. I fully recognize what the purpose was regarding the establishment of this trust fund: to protect against a rainy day, to protect our future, the future of our children as well, and so on. While I applaud these very, very worthy and noble intentions, I do think that before we allow it to be tapped yet further, we should take a look at what I think taxpayers are telling us about loans and loan guarantees in general.

With no direct disrespect intended to AOC or to AMHC, in spite of some of the misgivings that have been uttered, I really think that a straightforward, uncluttered, and simplified explanation should first be offered to taxpayers regarding the entire business of the heritage trust fund. I think that there are a lot of misconceptions on this matter that are perhaps well founded, and I would like to see the government come straightforward and clean with regard to what these investments are yielding. How far away are we from our projections, or are they really close? What are we getting in return? Are these good investments or bad? Who's accountable for the bad ones, Mr. Speaker? What is that process that we have in place that would see an evaluation for the success or failure of these kinds of loans, and what are we doing about them? I think that we see from time to time a lot of the answers buried in some clever type of accounting, which is perhaps understood by very precious few, and I would like to see that also cleaned up. I don't think it's fair to be giving money with the left hand, seeing it go through some channels of use or misuse, and when that money is not returned in terms of an investment, the other hand comes in to bail it out. There's some circuitous thing going on there that I think needs to be clarified. That's what leads and prompts the hon. Member for Clover Bar-Fort Saskatchewan to ask for efficiency audits. I would ask for accountability audits as well.

There is a tremendous misunderstanding about these obscurities, and I don't see much of an attempt, quite honestly, to see that situation clarified and/or corrected. Today, for example, we again read about yet another company that received a loan of some six figures. I think it was the badlands hovercraft, was it not, Mr. Speaker? It, too, looks like it's going under or perhaps already has, and taxpayers are again being asked to account financially for

it. But who's actually being held to account for the decisions leading up to that loan being given in the first place? Obviously this is not the first occurrence of such an unfortunate situation. It looks like these loans that are going bad are not being dealt with and headed off at the juncture, which they could be. Here when I look at Motion 20 I see an opportunity to perhaps at least call a halt and, I would hope, have some kind of a review performed.

I therefore have to question the entire process, Mr. Speaker, of how these and other loans are reviewed and even awarded. I would like to ask: is that process not in need of major overhauling, given the poor track record that we have seen? I think entrepreneurship is quite obviously one thing, but wild risk-taking at taxpayers' expense is clearly another, especially in these difficult economic times. I guess it goes without saying that these economic times were precipitated by this kind of bad loan-making, what with NovAtel, Ski-Free Marine, and so on. I would stress again that this type of backroom, secret, or quasi-secret decision-making that allows such disasters to occur must be questioned. Some of these business plans that are presented by some of these organizations or companies asking for these loans surely have to be put to a greater scrutiny in many cases. I realize that some work - I understand that - but the obvious disasters I think could have been foreseen had a little deeper investigation perhaps been done.

Nonetheless, if this government is bent on giving out such loans and making requests for the use of heritage trust fund dollars such as this motion would see, I would like to see that they are secured by something much more solid so that we can see that this fund is actually being restored from time to time, not just depleted over and over again. I wonder what kind of evaluation measures or controls we might have on companies like AOC and AMHC, Mr. Speaker, that would give Albertans at least some level of comfort surrounding the entire business of loan-making, which the government opposite seems bent on proceeding with regardless of what we on this side might be saying to the contrary. Crown corporations, I firmly believe, must be more accountable for their actions and their decisions, unless of course they are being dictated to, and/or interfered with, or overly directed by the government itself in their reviews and decision-making, in which case it must be that government itself would become truly accountable. So far there has been little if any evidence of accountability on the opposite side even as of today.

3:50

So my concerns, in summary, Mr. Speaker, are that we have an internal debt being held by the trust fund that is increasing, not decreasing. I'm concerned that both the Financial Review Commission and the Auditor General have cautioned us about how this government and the previous government have handled and/or referred to the heritage savings trust fund. Along with this caution I sense there's a potential for even greater misrepresentation of information, so I throw that flag up as well. If we're not going to heed the advice of the commission and of the Auditor General, then why have we given those two entities the power and indeed the responsibility, the requirement, if you will, to flag concerns when they do arise on our behalf? Why can't we take those concerns a little more to heart?

I'm concerned that the trust fund and any call on it must, first of all, Mr. Speaker, be very clearly understood by Albertans. In fact, I would say that Albertans even want some direct input into how that gets done. I think Albertans want to be better informed on matters relating to the heritage trust fund. It's their trust fund. It's our trust fund, and some consultation in that regard surely wouldn't hurt. I'm concerned that a review has been advocated,

but so far I don't even see any evidence of it having been started. There are numerous write-offs and write-downs that we're all worried about. It brings into question the entire ethics surrounding loan guarantees versus the funding of people's needs, which this would have the potential to do if it were brought on stream a little better.

The track record of these loans by the government is less than enviable, Mr. Speaker, and more of the same creates nervousness in the hearts and minds of Albertans. I think there's a potential here for more debt to occur. Climbing into a deeper hole is almost inevitable, and I wonder very, very seriously whether this poor money management would lead to any kind of recoverable loans, which would strike even more fear into our hearts, because we see that as being a problem that we didn't create, that was not created by the majority of Albertans. It's a \$29 billion problem, Mr. Speaker; we call it the debt. Again, we did not create it, but we seem to now be all held responsible for it. In the process we're compromising some very, very important things, such as we have seen in the case of the education cuts that are before us.

Government should not be in the business of giving out these loans and loan guarantees, and I would hope that members opposite would begin to take that a little more seriously to heart.

Thank you for your attention.

MR. SPEAKER: The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Speaker. I rise to speak against this motion. Throughout Alberta and especially around the Edmonton and Calgary areas people are very concerned with what happened to our heritage fund. It was something we were proud of, something we had for a rainy day, for our future generations, our children and our children's children. The mismanagement or whatever happened has been of great concern to all Albertans. We look at the amount that was in there and what is there now, and people are wondering what has happened to it. They want to know exactly how much is in it and what it has been used for. So they want an accounting of the heritage fund.

Speaking of the \$15 million going to AMHC, we would like to know exactly where that's going. First of all, is it going to prevent more losses in AMHC? The government, we believe, should not be in the housing market. The private sector could look after it. We look at the losses from AMHC, and I think they total close to \$882 million, close to a billion dollars, Mr. Speaker. It is hard to believe that could happen with a government that claims to have a business sense, business ability. The deficit at this time is apparently \$302 million. Now, how do we put \$15 million into an area where the deficit is \$300 million? The losses for '88-89 to '92-93 have been \$265 million, and the losses for '92-93, we're looking at \$104 million. So all we see is loss, loss, loss. We'd like to know if this \$15 million that we're putting in will help to stop the losses, turn things around, and help the government get out of the housing market.

As of March 31 the AMHC has IOUs outstanding to the heritage trust fund of \$1.6 billion. We would like to know how much of that could be paid back, the realistic figures. It is a concern: putting more money in when we're not sure what's going to happen. The more money you put in the more money you lose.

If that's the case, it's difficult to support this motion. So I will not be supporting it for those reasons.

Thank you, Mr. Speaker.

MR. SPEAKER: Is the Assembly ready for the question?

HON. MEMBERS: Question.

[Motion carried]

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

Bill 20
Public Safety Services Amendment Act, 1993

MR. SPEAKER: The hon. Member for Peace River.

MR. FRIEDEL: Thank you, Mr. Speaker. I wish that the topic I am going to bring up were going to generate as much interest as the motion that was just before us, but I think the topic is going to be much less successful in that regard.

I would like to move second reading of Bill 20, Public Safety Services Amendment Act, 1993. Mr. Speaker, the proposed changes are more of a housekeeping nature, so my remarks are going to be only explanatory. I don't think high-pressure salesmanship is going to be necessary. For example, under the present Act payments made to individuals for property damage or to local authorities for emergency operation costs cannot be recovered from third parties who cause or contribute to such damage. These amendments would allow the government to pursue recovery of such costs through the courts or perhaps through third-party insurance.

The amendment in section 2 simplifies the definition of "disaster" so that it does include damage caused by third parties. The amendments in section 3 enable the government to assume the right to take legal action against third parties who cause or contribute to damage for which disaster assistance payments are made and permits legal recovery regardless of when the actions of the third party took place.

It is about as simple as that, Mr. Speaker, and I'm willing to answer any questions that are necessary.

Accordingly, Mr. Speaker, I move second reading of Bill 20.

MR. SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. The hon. Member for Peace River has won respect on this side for his integrity and forthrightness. We accept him at face value in the sense that it's a housecleaning manoeuvre. We've canvassed the minds on this side of the House, those sharp Liberal minds. We saw nothing there that would jump out and cause us concern. If this Bill as it is simply enhances the government's position to recover costs that are a result of a third party or some other party causing a disaster, we certainly don't have any difficulty with that. We would support it wholeheartedly. We do not have any reluctance to letting it go to Committee of the Whole, where we can have a look at it one more time.

I would call for the question, Mr. Speaker.

[Motion carried; Bill 20 read a second time]

head: **Committee of Supply**

[Mr. Tannas in the Chair]

Chairman's Ruling
Decorum

MR. CHAIRMAN: Order. Before we begin the Committee of Supply, considering the lottery fund estimates, I would ask for your indulgence. Sometimes in Committee of Supply or even in Committee of the Whole, if we have a number of people standing and talking to one another, it's hard to tell whether they wish to speak or whether they don't. Obviously, if they're standing away from their seats, they are in fact speaking. It does sometimes pose a problem for the table and the Chair to determine who it is that's wanting to speak on a particular item. That isn't to say you all

have to crawl around or anything like that. You can walk around, but it does pose the occasional problem.

With that admonition and the whispering admonition you've heard 33 times, I would now call the Committee of Supply to order.

head: **Lottery Fund Estimates 1993-94**
4:00

MR. CHAIRMAN: We would ask the hon. minister responsible, the Deputy Premier, to make comments. Then we'll open it for discussion.

MR. KOWALSKI: Mr. Chairman, we've had some opening remarks on the 1993-94 lottery fund estimates. I gave them when I had two opportunities in the past to deal with the estimates of the Minister of Economic Development and Tourism. It seemed there were questions raised at the time, so some remarks were made. I would point out that for the first time we do have them in a separate estimates document. This is something this minister has been hoping to have for a great number of years, but in the confines of the time and the days of the time, it never came about. So I'm very, very pleased that for the first time we do have this individual estimate.

Now, Mr. Chairman, the estimates clearly define some segmented areas where definitions provide for agricultural initiatives, cultural initiatives, recreation initiatives, tourism initiatives, community facility enhancement programs, and other initiatives. Of course, other initiatives includes expenditure levels, including those which the government has already committed to, for Education Equity. In addition to the separate estimates document we have, we also have page 49 of the 1993-94 budget, which has an updated listing of all the expenditure levels under the Alberta lottery fund.

Some statements were made erroneously in the past by some individuals basically saying this is just a slush fund for one particular individual. Such, of course, is not the case. If you take a look at the administration of these particular areas, the particular portfolios, a number of my colleagues are here this afternoon to comment on expenditures in particular areas. I believe the Minister of Community Development would like to make a few comments with respect to expenditure levels in the cultural and arts community in the province of Alberta, and the minister of agriculture would like to make similar comments as well.

Mr. Chairman, perhaps at this point in time it would be appropriate to hear from them, and then we'll go forward with questions.

MR. CHAIRMAN: The hon. Minister of Community Development.

MR. MAR: Thank you, Mr. Chairman. I'm pleased to speak in support of the 1993-94 lottery fund estimates. Alberta Lotteries are truly the source of many great benefits in this province, and two areas that benefit from the voluntary generosity of many thousands of Albertans who purchase lottery tickets are culture and recreation. Indeed, I should note for the House that culture and recreation, including sport, are specifically identified in the legislation setting up the lottery fund as primary beneficiaries of lottery revenues. This is an important point, because when we stop and think about the severe financial and fiscal pressure we have faced in recent years, the importance of lotteries in sustaining high-quality recreation and cultural opportunities for Albertans is reinforced. I would submit to this House that the use of lotteries to support areas such as recreation and culture is both responsible and prudent.

The questions we must ask, Mr. Chairman, are: why do people choose to live where they live, and why do companies choose Alberta as a place to locate? In my submission, it is quality of life, the importance of which cannot be underestimated. I've heard from many people throughout this province how much they enjoy the performing arts, how much they support the preservation of local landmarks and historic sites, how their children benefit from local athletic programs, or how important it is that we promote the benefits of a diverse society. All of these activities are supported by lottery dollars, dollars voluntarily contributed and dollars supporting a better quality of life in the province of Alberta.

Over the period from 1984 through 1994 the total tax-based support for culture and recreation decreased from \$118.8 million to \$57.4 million. Lottery support has risen from \$21 million to \$47.8 million. I wish to note that the increase in lottery support has not completely offset the decrease in tax-based funding, as we are still spending \$35 million less today than we were in 1984-85. While total spending has been reduced, important steps have been taken to ensure that communities receive the maximum benefit from lottery funds allocated to the foundations charged with their distribution.

The first step involved the consolidation of agencies to create larger, less costly, and more efficient foundations. The Alberta Foundation for the Arts was created out of three smaller foundations in 1992. This year we moved to consolidate the Alberta Sport Council and the Recreation, Parks and Wildlife Foundation in order to achieve similar economies.

The second step was to develop partnerships between these agencies and the department in order to reduce administrative costs that were eating up far too many lottery dollars. Examples of department/foundation partnerships include the linkage of the arts branch with the Alberta Foundation for the Arts in 1992, the integration of the Historical Resources Foundation with the historical resources division in 1991, and finally, the merging of the Multiculturalism Commission with the cultural heritage branch in 1987. This year, with the merger of the Sport Council and the Recreation, Parks and Wildlife Foundation, we began to integrate their operations with the community services division of my department. As in previous examples, the resulting savings will be redirected to the community served.

In all cases mentioned above, the objective has been to reduce duplication, lower costs, maximize direct granting, absorb funding activities previously funded by the GRF, and draw upon existing skills and expertise of the administrative and program delivery staff of the department: in short, Mr. Chairman, a new, less costly way of doing business.

Today I will be asking the House to support allocating lottery fund payments to 11 cultural and recreation initiatives: \$15.7 million to the Alberta Foundation for the Arts, which supports the development of artistic excellence in the performing, visual, and literary arts, including filmmaking, publishing, and sound recording; \$14.9 million to the amalgamated Alberta Sport Council and the Recreation, Parks and Wildlife Foundation. The legislation for the new foundation will be introduced shortly. Its continuing mandate will be the development of high-quality sport, recreation, and parks initiatives and wildlife conservation. And \$5.29 million will go to the Alberta Historical Resources Foundation, which is charged with the important task of aiding Albertans to acquire, preserve, restore, and manage our historic resources and, by doing so, help keep the history of our people alive and vibrant.

For the Glenbow-Alberta Institute, \$3.2 million. As those of us from Calgary know and visitors from other places are aware, the Glenbow is a world-class museum charged with the responsibility to preserve and interpret the history of northwestern North

America, with particular emphasis on indigenous peoples. The Glenbow is a new recipient of lottery funds and is a good example to use to highlight the appropriateness of these revenues. Previously supported by the Department of Community Development's tax-based budget, the Glenbow was transferred to lottery funding at, I should note, a level 5 percent less than what it received in 1992-93.

The \$2.47 million allocated to the Citizenship and Heritage Secretariat will support its continuing program to promote fair access to the social and economic advantages of living in Alberta, meaningful participation in the community, and broad awareness of the benefits of a diverse population.

The grant to the Chinook Arch regional library system is a one-time grant to help with the capital development of the headquarters for the newest and the last library system in the province of Alberta. Similar grants were made available to assist other systems. Our contribution to Chinook Arch demonstrates this government's commitment to equitable treatment for all Albertans.

The funding for the western heritage centre in Cochrane is made available on a matching basis. Development of this interpretive centre dedicated to the history of ranching and the cowboy is made possible through extensive private donations which will fully support half of its capital development cost. This partnership between government and private sponsors and contributors is an important precedent for future developments.

Funding of the 1995 Canada Winter Games in Grande Prairie is another important initiative which is also based on a partnership between the federal and provincial governments and also the local community. Capital development is shared among provincial, federal, and municipal governments on a one-third, one-third, one-third basis. Alberta's funding also includes a 10 percent contribution toward the games' operating expenses. The \$100,000 for the 1994 Arctic Winter Games in Slave Lake is the third and final payment of a \$1 million commitment. Additional costs are being raised from the local community and the private sector. These games will see athletes from as far away as Greenland and northern Russia compete in traditional northern aboriginal sports as well as gymnastics and figure skating.

4:10

Our contribution to the 1993 Boy Scout Jamboree, Canada, was spent to host that event in Kananaskis Country. This was the second time Alberta hosted the national jamboree. In total, 15,000 participants attended this year's events.

These last three contributions are not money out the door, Mr. Chairman. They create a real economic and social benefit. The lottery and private dollars spent in these three communities stimulate local economies and help in the development of a quality sport and recreational infrastructure which continues to serve the local population long after the event ends and attracts international attention to Alberta as a vibrant place to live and a fine place to visit.

Mr. Chairman, I've heard some comments questioning why Alberta spends lottery dollars on recreation and culture. A community is known and measured by its contribution to the betterment of the human condition, by its contribution to the human spirit, and by its contribution to the quality of life within the homes and communities of the province. A people that lacks culture and recreation opportunities lacks colour and lacks vitality. It is important that we as a people and as a government find a balance among the many aspects that contribute to the wholeness of life in the province of Alberta.

In conclusion, Mr. Chairman, the lottery dollars my department accesses do not make Alberta; they make Alberta better. I'm

pleased to be committed to this, and I'm pleased to recommend to this House the approval of the 1993-94 lottery fund estimates.

MR. CHAIRMAN: Thank you.

Hon. Minister of Agriculture, Food and Rural Development.

MR. PASZKOWSKI: Thank you, Mr. Chairman. I'd just like to spend a few moments explaining how lottery funds affect agriculture and the initiatives within agriculture. We receive all our lottery funding for the agricultural initiatives programs. The programs provide financial assistance to the agricultural societies and other community organizations to provide services which encourage improvement in agriculture, horticulture, and the quality of life in the agricultural communities.

This comes forward in five different elements and five different ways. The first is through Agricultural Exhibitions and Fairs, and here we allocate \$6,880,000 in funds. These funds are provided for agricultural societies in approximately 300 communities to assist in the development of agriculture in community programs and facilities. This element was started in 1986.

The second element is funding for both the Calgary Exhibition and Stampede and Edmonton Northlands. These have been partnerships with government since the inception of the Alberta lottery fund. As a partner, the Calgary Exhibition and Stampede receives in total \$5 million; \$4.5 million is targeted to debt retirement, and the balance is used for the operations of that facility.

The third item that receives funding is Edmonton Northlands, which also receives \$5 million. Of that, \$4.5 million is used for debt retirement, and the additional \$500,000 is used for operations of the facility.

The fourth item that has money allocated to it is the agricultural initiatives program. Here we have \$2,950,000 allocated. These funds are provided to registered agricultural societies and other incorporated agricultural and community groups to encourage local initiatives in agricultural programs, leadership development, and the promotion of the agricultural industry. Since its inception in 1988, funding has been provided for over 300 projects. The 1993-94 estimates include a carryover of \$300,000 from the 1992-93 fiscal year, which explains the apparent increase in funding over the previous fiscal year.

The fifth and last item is Agricultural Societies Fair Grants, and here \$2,700,000 is allocated. This represents funds that are provided for agricultural societies to offset the cost of agricultural fairs, which basically promote local improvement within the agricultural production sector, and to offset the portion of the operating costs of facilities operated by agricultural societies.

Who benefits from agricultural initiatives? All Albertans benefit from the agricultural initiatives program. This funding helps community-based organizations provide educational programs and infrastructure. The initiatives help educate both urban and rural consumers about the diversity and quality of Alberta's agricultural products. Finally, the initiatives help agricultural societies provide programs and facilities which most communities in the rural areas particularly are in need of.

The province has 223 class D agricultural societies, of which \$2,000 per agricultural society is allocated for fairs, \$7,000 is allocated for operating, and an unconditional grant of \$15,000 is allocated. The class C fairs, of which there are 67 in Alberta, receive \$2,500 for fairs, \$7,000 for operating grants, and \$25,000 for unconditional grants. The B fairs, of which there are five, receive \$5,000 for fairs, \$15,000 for operating grants, and \$100,000 for unconditional grants. The A fairs, of which there are nine in the province, receive \$100,000 operating and \$200,000

conditional. That's a total of 304 ag societies within the province of Alberta. In addition to that, both Edmonton Northlands and the Calgary Exhibition and Stampede receive an additional \$5 million each.

With that, Mr. Chairman, I will close and certainly entertain any questions that may come forward.

MR. CHAIRMAN: Okay. The hon. Member for Edmonton-Mayfield.

MR. WHITE: Thank you, Mr. Chairman. As the lead critic on this particular matter of lottery funds, I have some general statements to make, not the least of which is one that concerns the clock. Out of courtesy we must complete our side of the debate at about 5:15 p.m. in order to allow the minister or ministers to respond. Well, this is pretty, pretty tight. We have seven speakers on this side that wish to say a number of things about this very important bit. [interjections] It's not easy to do in the time that's allotted, and certainly not with the heckling that's coming from all sides.

Sir, there is some credit to be taken for four opposition members in the previous House pushing the point time and time and time again to simply get this privilege, to be allowed to speak to the matter in debate, to be able to question the government on a number of the allocations of these funds. The government now gives credit to the Auditor General. In fact, numerous times in the past five years the Auditor General has said that this is an item that should be before this Legislature because of the way it's constituted and under a separate Act. There's absolutely no question that it should be, and thank goodness it's here. But the years and years of secrecy involved in this are no credit to this government. When you're giving money away, how can that possibly be a secret? But it was a secret, and parts of what the opposition and the public would like to know in fact still are a secret.

There's a fundamental error that this side of the House believes has been made in bringing this piece of business to the House in this manner. This should be – and we've said it time and time and time again – that all revenues acquired through the lottery fund in the manner in which they have been generated should be general fund, should be put to the general fund and then allocated. Now, certainly there's nothing that can be said. The minister of agriculture and rural development and the Minister of Community Development both spoke eloquently about some of the donations and the areas in which these funds have been put. On this side, at least from this member, you won't have a great deal of criticism, because in fact they are very, very well spent. In some cases perhaps, if we had the information, if the information was shared with the House on the applications and their relative value with others, there may be more money in fact delivered to some of these areas.

4:20

MR. CHAIRMAN: Order. Could we carry on that conversation within the hearing of the Whip, please, and not within ours?

MR. WHITE: Thanks, Mr. Chairman.

These areas of the 1993-94 lottery fund commitments: certainly some of them are very, very well deserved. We don't argue that. But if they are well deserved, how can this government possibly say these funds should or should not be allocated on the basis of how much is generated in lottery funds? I mean, the minister responsible will tell you that every day in the gaming area there are new changes. There are things occurring in the area as we

speak, some growth in some areas and some shrinking in other areas. How could you leave it from year to year to the whim of those that gamble? We say on this side of the House that it's absolutely mandatory that if you are going to fund the agricultural initiatives, the agricultural societies, and other areas the minister has gone through, they have to get long-term funding. They have to have some kind of horizon, some kind of assurance over the next number of years that the funding will continue at a reasonable level and at the same level. Not to say that if all funds crashed tomorrow and lottery funds go the way of the dodo bird, it comes crashing down. That's certainly not the way to do it.

There is something to be said, too, for taking these funds and putting them where they in fact belong, not from one ministry to another to another to another. The agricultural societies surely are in rural development; there's no question there. Where do we find them in the estimates? Under the minister for lotteries. That's ridiculous. The member opposite, the Minister of Community Development, spoke at some length about the need for the Scout Canada jamboree. Well, surely that is definitely within his portfolio, but why is it left to the whim of one minister to approve or disapprove of another ministry? It's beyond one's comprehension that this is what can happen, and it simply grew from a very small fund to a larger fund. Now, certainly the collection of these funds and the management of these funds should be done in one ministry. Absolutely. But the expenditure part of it should have nothing to do with this. Tell me – not anyone in particular; it's a rhetorical question. The generation of income for this province goes into one pot and is spent out of another pot. There's no reason whatsoever – absolutely none – that lottery funds should go into and come out of the same pot.

[Mr. Sohal in the Chair]

There doesn't seem to be any logic, other than the next area I wish to speak about, and that is simply patronage, slush, whatever you want to call it. It works on both sides of the House. And it wouldn't be so dastardly if all these funds hadn't come from primarily small town and big city Albertans that have very few funds. It's been proven time and time again that the middle to lower socioeconomic groups in our province spend the money on these lotteries. It is gathered by this government, and where is it spent? It goes through one single minister. Now, certainly some of these areas are well deserved. I'd pull out the one that really is dastardly. All these groups must come to one minister on bended knee to put forward their proposals, and time and time and time again they must come back. This is absolutely ludicrous, and it leads to the worst possible kind of government. It's a matter of who you know and how you get there and nice things you say to a minister in order to get some things approved.

Now, I don't know exactly how these things are doing, because I don't have the privilege of being allowed in the minister's office. But it would appear to all those, the 800-odd applications for the community facility enhancement program before that minister right now from every corner of this province – and the minister makes no pretence whatsoever of saying things with jocularly, saying, "You'd better be nice to me or your grants will be cut." Well, he says it, and he's wise enough that he certainly doesn't do it like some members opposite. He does it so it cannot be taken in any vein other than being funny. But the truth is that every single application must have a personal endorsement. It's clear that every application through the department is cleared for fundamental things when his department deals with it. One is the ability to match the grant from the organization, so they must have money in place, and that's understood; then to make sure they're a

charitable organization and that the purpose for which they wish to put the funds is the common good, which is another simple test. Thereafter it is easily out of the hands of the administration and on the minister's desk. Once it hits the minister's desk, it waits. It waits and waits and waits, and what does it wait for? Does it wait for a member of this Legislature to go hat in hand and say: please, sir, may I have another? Or does it happen to wait for a friendly local going to the minister and saying: yes, sir, this is the best selection of these particular projects because – nudge, nudge, nod, nod, wink, wink – we're buds; you know that; I carry the blue card. Is that what happens? Who knows? But it is absolutely the rottenest way to possibly do it. Absolutely.

We all have applications. The member opposite – the minister in this case – has stood in his place and said: we've had members opposite come to my office and ask for these things; you yourself have disseminated these. Well, that should tell you something. That should tell us all something. This is absolutely the worst way to deal with these matters.

Now, we're dealing with people's lives here. We're dealing with volunteer parts of people's lives, which is near and dear to all of us. This is not the part they must make their daily bread from; this is the part of their life that gives them the most satisfaction. One spends tireless hours and hours working on any number of projects, every single one of them benefiting this society.

I think the minister who should be in charge of most of the dissemination of the funds, the Minister of Community Development, said that this fund and the dissemination of the funds is an issue of quality of life. He's right; they should be in his portfolio. But when you're taking this money in and disseminating it in the manner it is now – with some \$30 million in the CFEP in particular, with a maximum cap of \$125,000 – that's 240 applications a year that the minister must approve. These people are coming and they're waiting and waiting. There is a large backlog of people that are waiting for them.

There's one in particular in this city now that is in the business of putting together – summer construction only, by the by – community playgrounds. He's waiting for people to have their grants approved so he can get on with the job. They're all contracted out, he's ready to go, and yet where do they sit? On one minister's desk, and they wait and they wait. Here are these people with these volunteer hours, this volunteer labour. This chap supplies them and the citizenry go out and install this. Now, because the minister is so darn tardy and doesn't seem to really care that much, these people are waiting with their volunteer hours to go out and install these things. There's something definitely wrong with the system, and the sooner the members on that side of the House realize it and rein in that front bench of theirs that is just managing things the way they've always managed things – doling out the largess as they feel is necessary to their constituencies, as well as ours – then we'll have a continuation of this process.

4:30

There is so much ill will generated and so many people out there with their volunteer hours that are saying "Why bother?" when you have to go this long, long, arduous route and plan for years and years and years just to get this application approved, and then in the view of some, in the last election, have to have elected the right party to do it. Now, that it is an absolute disaster, I believe. I think that side of the House, with the same system of collecting funds and a different method of dissemination of those funds, could do much, much, much better for themselves, ourselves, and this province in general.

Thank you, Mr. Chairman.

MR. KOWALSKI: Mr. Chairman, perhaps I'll respond to a few of the questions before we go on so that there's some continuity in terms of what's being said on both sides of the House. First of all, there was a statement made with respect to general revenue fund versus some other fund. Well, the process used with the lottery fund is exactly the same process as the one used with the capital fund and the Alberta heritage savings trust fund and exactly the same process used with the general revenue fund. There's no difference in that whatsoever. Days are allocated for the review and discussion with respect to expenditures, and that certainly is the policy taken with respect to the lottery fund. So it becomes a very, very moot point to say there's something different in the way we dealt with an estimate last week as compared to the way we dealt with it today. It's exactly the same process. A minister introduces the estimate. All members may make whatever comments they want on the estimate. The estimate comes for a vote. It's in that context that this modest fund is being dealt with as well.

Secondly, Mr. Chairman, one very fundamental point that one should never, ever forget, because it's a general question and has to be viewed in the generality of the whole thing. In essence, the purpose of the lottery fund when it was set up and it was created – it's been tested now throughout the province of Alberta a great number of times. It's been viewed in comparison to what happens in other jurisdictions, not only in North America but in other parts of the world. Essentially, the lottery fund is not a continuous, ongoing fund of expenditure. It basically is not an operating fund. It is in essence determined and was determined to become an ad hoc expenditure fund.

All of the listings on page 49 of the budget are licensed for expenditures from the Alberta lottery fund. There is a licence agreement between the Alberta lottery fund and every one of the beneficiary overview programs that are associated with it. In most cases there is a board of directors that basically administers the program or deals with the program. The licence generally is of a three-year nature, so it's a time finite, a sunset clause in terms of the expenditure level of these particular programs. That's been worked out in consultation with the beneficiary groups, the volunteer groups throughout the province of Alberta. In virtually all cases there's a matching component from volunteers throughout the province of Alberta in these particular areas and these particular activities and usually a matching program that basically sees the lottery fund providing no more than 50 cents on the dollar, the local group the other 50 cents on the dollar. We're dealing with perhaps 8,000-plus volunteer groups throughout the province of Alberta in all segments and in all aspects of the community.

Mr. Chairman, it's important for all members to understand and realize that, because there are some real live situations where, with the suggested idea that had been put forward by the Member for Edmonton-Mayfield, they would have in fact have fallen flat on their faces. Whenever you take, as an example, a particular lottery game and then tell people that you're doing the game and the funds are going for a specific cause, history shows that in all cases that game has terminated in failure. So the very reason for doing it in the beginning, the cause, has suffered and suffered. We know that. We know that to have happened with the Irish sweepstake. It no longer exists. At one time it was set up to build hospitals. It was a wonderful thing, people thought, but it was canceled because people objected, by way of the studies that were done, being convinced in their minds that in fact you buy a lottery ticket and then you have good works done as a result of it. In everything that I've ever looked at, at every lottery conference and every lottery organization, the bottom line is that people buy

lottery tickets for greed, Mr. Chairman, not because they believe in doing an altruistic good.

Several years ago in the province of Ontario, when the New Democratic government got elected, they said: "Oh, yeah, yeah. We've got to have a lottery ticket for education. We've got to have a lottery ticket for environmental cleanup." They were advised by the best brains in the lottery business in North America not to do that. But you know, after all, this is the way we've got to go. They did it, Mr. Chairman. They invented a game. They made commitments for expenditures in those areas, and then the people said, "No, I'm not buying a ticket for that." The fund collapsed, the expectation level among the people collapsed, and there was great disappointment. Now, we knew that was going to happen. They were advised that that would happen. Despite the fact that we knew it, that they were advised, they still went ahead and did it. It's incumbent upon those who are in a leadership position to in fact try and do the right thing, not try and do necessarily the next whim in the wind.

There's one other prime example where this is really, really shown to be true. It was the state of Michigan, where in fact the state committed nearly \$1 billion of expenditures in commitments in terms of health and education. Eight months, nine months went by. They all of a sudden found that people said: "No, no, no. That's not the reason for doing it." It collapsed. The state Legislature had to reconvene in a special parliament of that state, Mr. Chairman. They had to reduce arbitrarily one day and close hospital beds down, literally send patients home, and close schools down. That's the reason why this particular program is being administered this way in this jurisdiction. [interjection]

MR. ACTING DEPUTY CHAIRMAN: Hon. Member for Edmonton-Mayfield, the hon. Deputy Premier has the floor. You had your opportunity.

Continue, Deputy Premier.

MR. KOWALSKI: Mr. Chairman, that's the reason why we do it in Alberta the way we do it. We've done it in consultation with our other partners, both Saskatchewan and Manitoba. This reasoning is being given in direct response to a question raised by the Member for Edmonton-Mayfield, who basically said: "Why are you doing it this way? What is the reason for doing it?" Then he made the argument, "Well, if these are long-term funding commitments, why aren't they another way?" They're not long-term funding commitments. They are short-term licence commitments. It's really important that the hon. member understands that, that each and every one of these beneficiary areas and activities has a licence with the Alberta lottery fund.

Now, the other thing that's really important is that this government believes in grass-roots participatory democracy. This government believes in staying in touch with people, with having opportunities to meet with people, to work with people. You know, it may not be the view of some members that in essence they would sit down with a little volunteer group that may say, "Look, we want to build a playground." Maybe some members of this Assembly believe it is beneath their dignity to do that, but I am one who believes that I was elected to serve people, to be with people, and to work with people on behalf of people. I know that the vast majority of members in the House follow that philosophy as well. That's why it's important, Mr. Chairman, very, very important.

When some of these programs are in place, you meet with the group that needs to ask for this modest amount. They're volunteers, to begin with. They have no sophisticated influence. They're not, you know, well-learned members of the engineering

fraternity that have big professional organizations to lobby for them. We're talking about small groups of people who just simply want to take some time. They may pick up – who knows? – pop bottles. They may have cake-baking events. They want to meet with an MLA, and that's what we do. We meet with them. We see if we can help them. We even help them fill out application forms. We do that, Mr. Chairman, because that's participatory grass-roots democracy.

When the process has gone through, and if all the boards or others believe that there's a commitment to such a thing, we even go and meet with the people. We say: "Look, this is great. We're fortunate to have been able to be successful in this regard, and we really want to congratulate you." We go, and we even sit down with them and have a cup of coffee. Maybe sometimes we're even present when there's a cheque presentation. Many of them come to us and say, "Look, we're volunteers, and it's really nice to know that you care, and you're even prepared to give some recognition." In some cases, we even put up signs to congratulate the volunteer, and that's important. It's called grass-roots participatory democracy.

I know the hon. Member for Edmonton-Mayfield has spent a great deal of time in city hall in Edmonton. I know that; I know that. I want him now to move away from that environment where you have all these levels of administration, one piled on the other, and you have all these executive committees and then some other committees. There are some super aldermen and some lesser alderman. If you're really lucky, you can get in to see the mayor. If not, who knows what it is. You've got a superintendent here and a director there, and you've got to sort of go and see them. Well, that's not the kind of democracy this government believes in, Mr. Chairman, and we would ask the hon. member to give himself a chance to find out what democracy is all about, what participation with people is all about.

4:40

I see another hon. member in the Liberal fold who knows exactly what I'm talking about, because he and others have come to me and said, "The Great Canadian awards; that's a wonderful concept." And I said: "Yes, it is. What can we do to help?" We worked together exactly that way. They even invited me to go and participate in the Great Canadian awards. Now, I didn't push my way in; I was asked to do that. It's called participation. It's called working with people. It's being among people.

There's a great frustration level, I guess, in the mind and the heart of the hon. gentleman who represents Edmonton-Mayfield. I know that he expected to be in the front bench, and he was going to be the minister of this and the minister of that and everything else. But it didn't happen, Mr. Chairman, so I would ask him to try and learn about participatory democracy to understand the importance of the lottery fund.

In fact, he could even learn from my very good friend the Member for Edmonton-Rutherford. Look at him now. Over the years he's blossomed. He's smiling. He knows that we work cooperatively, that there are playgrounds being built in his constituency. He goes out and talks to the people. In fact, he's brought people in to see me. We work back and forth. The hon. gentleman even admits publicly that he does game periodically, Mr. Chairman. These are important things. I would love to hear from the hon. Member for Edmonton-Rutherford, because he's now become wisened in this area and he's become a proponent in this regard.

I hope that was helpful to the hon. Member for Edmonton-Mayfield.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Red Deer-South.

MR. DOERKSEN: Thank you, Mr. Chairman. I just want to . . . [interjections]

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Edmonton-Rutherford. I'm sorry.

MR. WICKMAN: Mr. Chairman, I appreciate that, because we are very, very limited in terms of being able to respond to this particular budget. I'm going to keep my comments relatively short because there are others that wish to speak. I should maybe not have sent over to the minister a note asking him not to burn up too much time. It might have backfired just a wee bit.

Mr. Chairman, I will give the minister a compliment. I'll say that since he's become Deputy Premier, he has changed his style and he has become more pleasant to work with and a little more open with information. By the end of this term I may actually get to like the guy.

Over the last four years I've raised on many, many opportunities a number of questions that related to the CFEP. I've said that the Deputy Premier has become more open with the information. Still, the questions – little nicky-picky questions, I guess, but to people they send out a very, very strange message. Like the signs, for example, all the signs like "This project sponsored by lottery dollars courtesy of the hon. Member for Barrhead" and so on and so forth. We've raised that a number of times, as to what the cost of those signs are, as to how much is being spent on those types of frills. That's never really been fully addressed, and the question as to why we as MLAs representing ridings that are outside the government constituencies are still not informed as to presentations that do take place so that we can participate on a relatively equal footing with government members when it comes to that grass-roots participation that the minister speaks of.

The minister may not acknowledge it, Mr. Chairman, but I'm still convinced that government members do have opportunities of having some idea as to what their specific allocations in terms of CFEP dollars are. They have access to applications that are filed within their constituency. The infamous briefcases that were unlocked here about three years ago I'm sure still contain many, many completed applications that government MLAs have the right to go through and say, "I like this one; I don't like that one," which would have a great bearing when it comes to the final approval by the minister responsible for lotteries. So I would hope that . . .

MR. BRUSEKER: Not in my briefcase.

MR. WICKMAN: Well, you're on the wrong side there, hon. member.

The minister has come this far with information; I would hope he would go all the way. We have made some advancement. It took a number of years, but now we at least have some degree of accountability with lottery dollars, which we didn't have in the past. That's very, very important. It's very important as we work our way to, eventually, a freedom of information piece of legislation.

Going into the election, Mr. Chairman, we made it quite clear from our party's point of view that if we were in control of the lottery funds or if we were in control of the Legislative Assembly in terms of numbers, we would do it somewhat differently. We would funnel all the dollars into general revenues, and then we would recommend as to how they should be spent. They would

be spent on the basis of a grandfather clause for the community groups that are listed here that basically do a lot of good, with many worthwhile projects throughout the province.

From there we would replace the CRC, which is now defunct, and the CFEP with a program of per capita funding, with the dollars allocated specifically to the municipalities to allow them to decide as to how those dollars are going to be spent. They're on the front lines; they know. The Member for Red Deer-South, for example, knows what groups in that riding are in greater need, but even beyond his ability to relate to those groups, there is the city council. They're on the front lines. They deal day to day with the various groups, and they know which groups are in the greatest need. They're the ones that can best make those determinations.

I recall the Premier stating during the leadership race that if he did become Premier, which he did, the CRC would in fact be extended for one year. That commitment was never lived up to and that commitment was never pressed by the municipalities, I think because the realization is that the economic times changed. In fact, municipalities were under the impression that not only was CRC going to go totally, but there was fear that the CFEP was going to be terminated and those dollars transferred to general revenue to start paying down some of the debt to make up the \$700 million commitment the province had made in reducing expenditures.

Now, we're going to see as time goes on more and more dollars being realized from lotteries as a result of the video machines, and associated of course with the video machines is that gambling problem. I know the minister has stood up on many occasions in this House and said that he is not getting feedback on problems associated with people becoming addicted to video machines and the problems that arise as a result of that addiction. I'm surprised he doesn't get it. It's pointed out so clearly in the Garry Smith report, for example. I get call after call – and I'm sure the Member for Edmonton-Mayfield does now too – from people. One example was a fellow who said that every Friday night he'd go to the bar, have a couple of drinks in the lounge after his long trip driving a truck coming back from other provinces. He'd watch the video machines, never play them. One day he decided to play them. Three months later, \$6,000 down, he's addicted to them. He acknowledges it. No place to go for help. He desperately wants help, and there are many, many like that who are falling into that situation. I would really make a plea to the minister to allocate some dollars, a small portion of the overall lottery dollars to help these people that desperately need help.

The video machines. Yeah, I took the minister up on his challenge: I went down and visited a couple of the bars. I went to a place called Darien's in Edmonton-Rutherford, a very nice little neighbourhood pub, with my former campaign manager. I got some loonies, I put them in, and lo and behold, in half an hour I had made about \$200 or \$300. I couldn't believe it. I was determined to lose \$100 that night; I didn't. However, a couple of weeks later I went over to the Locker Room at the Edmonton Inn. Twelve machines there just gobbled up the money. I couldn't believe how they gobbled up the money. In any case, I left the machines. They're not my type of machines. I prefer to go to Vegas once a year and play the real thing, just on a casual basis, very, very casual. We had friends in from Dryden, Ontario, and they wanted to try these video machines. She sat there for 15 minutes. It gobbled up \$20 and she said, "Is this what they're all about?" Suddenly she lost her interest. Some people can walk away from them, others can't, and that's the point I'm trying to make. There are those people that can't walk away from it, and those are the people that need help.

4:50

Mr. Chairman, before I wrap up, I just want to go to the summary of payments and point out a couple of examples here of dollars that are being spent as a result of lottery funds.

Now, Agricultural Initiatives. In most cases I understand the background history, the deal that was made with Northlands and the deal that was made with the Calgary Stampede. A lot of people don't realize that it was an agreement in exchange for them dropping their derby lotteries as to why that commitment is there. There are people that resent dollars going to Northlands and dollars going to the Calgary Exhibition and Stampede, but there's an agreement there, and it was given because they dropped their derby draw, and we can't forget that.

We can go down this list, and by and large most of the programs are very, very worthwhile. I've got to be very, very careful as to how I say this, because it can be used against an individual if it's misinterpreted, or the public can misinterpret it. We see a great deal of emphasis on reductions in programs like education, health care, social services. As good as these causes are, we have to respect the fact that this isn't just an open well, that simply because these dollars are there, we're going to allocate them, because any dollars that aren't allocated can go towards helping the provincial debt. I look, for example, at Tourism Initiatives, which I'm sure the Member for Calgary-North West will speak to. I was under the impression that program was going to be dropped. I thought that was CTAP, the program that was so open to political accusation of abuse.

I can look at the Wild Rose Foundation, going up from \$5 million to \$6.6 million. Now, the Wild Rose Foundation fills a need, a great need. So does education. So does health care. I know Krishan Joshee, the chairman of it, very well. I'm sure the minister does as well, and Krishan has nothing but community goodwill at heart. But I question, in times of restraint, in terms of priorities, that maybe some of these areas could do with just a little bit less. We could look at the tourism initiatives. We could look at the community facility enhancement program and say, yeah, some things have to be funded but others don't. There are instances throughout this province – and it's tough to say when they're in your own constituency – of “Well, do you really need the money; do you have to build those tennis courts this year?” I can tell you, throughout the province there are a lot of cases where groups say: “Well, the dollars are there. We could really get by without them, but if they're there, we're going to go for them.” Very similar to what the member at the back here raised. One of the Deep Sixers raised the dollars for parks under the heritage fund, where there are dollars allocated for park improvements. If they aren't spent, some other municipality gets them. But why force dollars on people? If they don't need those dollars, if they can get by without them, let's just slow down and say: are there opportunities to shift some of this money into general revenues so it can be allocated for more essential programs?

On that note I want to conclude, because there are others within this caucus that want to speak, and I hope the minister would allow them to speak before he responds to me.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Red Deer-South.

MR. DOERKSEN: Thank you, Mr. Chairman. I just want to make a couple of brief comments. There's no doubt that the lottery funds have been a huge benefit to many communities, including Red Deer-South, and it has done some tremendous good to our parks and to facilities within the communities. I'm

wondering, though, whether it isn't time to perhaps reconsider, in today's fiscal realities, how we allocate those funds. A number of my constituents have raised with me the suggestion that perhaps we should be looking at allocating some of the lottery funds to the health field, perhaps to education. I think at one time, when lotteries first came out, they were generally designated towards local sporting activities or minor sports. I think people actually bought lottery tickets at that time thinking in the back of their minds that their money was going into minor sports and supporting those communities. I think now, though, people buy lottery tickets for reasons other than that. Perhaps a suggestion would be that there could be such a thing as an education lottery. I'm just hypothesizing now, or speculating, that if there were such a thing as an education lottery, maybe people would purchase lottery tickets with the idea in mind that it was going to education. So I'm just bringing this out as a discussion item, because several of my constituents have raised it as an idea and I think it is something worthy to debate, something worthy to discuss.

To go along with that, and again referring to my opening comments that lottery funds have indeed benefited many of our communities in Alberta, that is not questionable. Again, when we're looking at a time like now when we are compressing our spending, we have to look at discretionary items. Some of the areas that are funded by lottery funds are, in my mind, perhaps discretionary. So that's where I go back to my comment: let us at least consider perhaps moving funds into the education and health areas, much like we allocated \$30 million this year to education.

So with those brief comments, I'll sit down.

MR. ACTING DEPUTY CHAIRMAN: The hon. Member for Edmonton-Avonmore.

MR. ZWOZDESKY: Thank you, Mr. Chairman. I want to make just a few brief comments about lottery funding. I think those of us who understand the arts and cultural initiatives and recreation initiatives all appreciate that moneys are made available, albeit through lotteries, for these very important areas. However, I do want to just comment briefly about some concern that I have in this regard. That is the concern with regard to the shift of funding. It used to be that these areas were of course supported by general revenue moneys or taxpayers' moneys. What I see now is a rather total dependency in these important areas that comes about through lotteries. I think that's a bit unfortunate, because as the minister of economic development just said, this is not an ongoing source of funds; it's an ad hoc source of funds. I think he went on to say that these are short-term licence commitments; this is not long-term funding. I would ask the Deputy Premier to please focus on those comments, because that is exactly what I see as being part of the problem here as we address the expenditures in this area.

The problem is not that there is money going to the areas. The problem is that we don't have any real support from what the public sees as serious taxpayer dollars, which would in turn dictate that the government might be much more serious about the areas such as arts, culture, and so on. That is the issue here from my perspective and from the constituents that I might represent. The recipients are all thankful for these moneys, but they're worried about the lack of stability or the lack of predictability with these funds.

I think, Mr. Chairman, that what has to be recognized here as we try to come to an understanding of the arts, of historical resources, of museums, of multiculturalism, of libraries, and of sports, recreation, parks, and wildlife initiatives is that these areas

have traditionally been underfunded as it is. Now we're asking these groups to be subjected to funding rather largely and almost entirely from the vagaries of lottery dollars, which at best tend to be unpredictable. What we find is a lot of our constituent groups spending more time planning and worrying about where next year's funds are going to come from than in some cases actually carrying out the programs we as a public would like to see them carry out.

Those kind of unpredictable factors could be resolved if the government took a look at moving some of this responsibility back under general revenue. I think there is a very serious concern, a well-placed concern by people in these cultural and recreational areas that once funding has been removed from general revenue and totally placed within the purview of lottery dollars, there is a danger that when lottery moneys cease flowing to culture and recreation projects, it would almost be like trying to move a mountain to get back on the budget table that is supported by taxpayers' dollars. That is surely an issue that merits some discussion on the other side of the House.

5:00

Along with that, I just want to comment briefly, too, about what it is that was intended back when the lotteries came in and funds were committed to the creation and maintenance and operation of some of the foundations that disperse these moneys. This was done in the late '70s and early '80s, Mr. Chairman. The lotteries were intended to be used as supplemental dollars to help in those areas which the government either could not fund or could not fund to the extent that it might have wished; in other words, so that larger dollar amounts could be given out to needy organizations for very worthwhile projects. At the same time, these foundations were created to help fill some of the voids that were left in the funding of cultural and recreational initiatives. That seems to have worked for a while and worked very well.

[Mr. Tannas in the Chair]

Now I see a shift a little bit away from that kind of initiative, because we no longer have any programs whatsoever really funded under the taxpayer purse. I think that is an indication in the wrong direction when we're talking about enhancing the quality of life. I think what our groups are entitled to is some greater support from this government. I think what our groups are looking for, Mr. Chairman, is a government that values those contributions that volunteers make to the preservation of the past, as would be the case in historical resources, or to the enhancement of the quality of physical living, as would be the case in the sporting area, or to artistic enhancement, as would be the case under the Foundation for the Arts, or other affected areas. So those are some of the issues that I think are of central concern.

Inherent in that process, I think we should take a look at evaluating the entire appointment process to the boards who are charged with the responsibility of evaluating these projects and doling out these lottery dollars. The appointment process, I would suggest, should include many more people who have the actual experience within the areas that they are adjudicating. That is not to put any of the people on the current membership of these boards at fault; it is simply to point out to the government that it would be much more beneficial and we would see even less criticism if there was some greater degree of expertise in the areas affected. That in fact should be reflected in the membership on some of these boards right up through to and including the chairman.

The other issue here is with regard to the mandates that these foundations have with respect to their relationship to government. It's my recollection that when these foundations were established – and I think the Deputy Premier would back me up on this – they were not only created to fill a void in relation to the government's operation in these areas, but they were also created to have the capability to be arm's length. In other words, foundations were created with boards that reflected people with expertise who were able to move freely in the decision-making process. There were people of all political stripes on these boards, and I think suggestions came forward to the government that reflected that. I think we saw a great number of lottery-run organizations or at least foundations that functioned rather well on their own with very little, if any, interference, and I think the government should revisit that point. It worked for a number of years, and I would like to see that come back again.

Within these budgets I know there are provisions, Mr. Chairman, for honoraria to be paid to some of these people. I would like to address that briefly and see if maybe there might be an initiative on their part to also take a 5 percent cut to further the government's intention in that area. It would be a novel thought.

I think I will conclude my comments there, Mr. Chairman. There's a lot more I would like to say, but in the interest of time I would like to give some other members an opportunity. Before I quit, I would like to simply make one small notation on behalf of the hon. Member for Clover Bar-Fort Saskatchewan, and that is with regard to the allied arts council in Fort Saskatchewan, who never did receive their grant from CFEP for the warden's house project even though the government did take some credit on the signage that was presented by the minister. So I think that is an issue that the Deputy Premier himself might like to address.

Also on behalf of the hon. Member for Clover Bar-Fort Saskatchewan I would just say that she as well as I and all members on this side and the other I'm sure are all very appreciative and supportive of the funding that has been provided through lotteries to the municipalities within their constituencies. In particular, she would like to thank the government for the Pioneer House project within the city of Fort Saskatchewan. It's a seniors drop-in centre. They just got that funding a couple of weeks ago, and for the record let us give some thanks where thanks is due.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Before I recognize anyone. There are only about six or seven minutes left, and I have quite a considerable number of people on my list. Is there any objection to the minister responding in writing and getting in a couple of people further down the list? I'm going to have to call the whistle here in seven minutes. The question to the committee is: in order to try and get down the list, is there agreement to have the minister respond in writing?

SOME HON. MEMBERS: No.

MR. CHAIRMAN: No? All right then.

The hon. Member for Edmonton-Roper.

MR. CHADI: Thank you. I would like something clarified here. I mean, what's wrong with having the minister respond in writing? These are estimates. There are still a couple of speakers. Allow at least another speaker from this side. We're running out of time. If the hon. minister would oblige it, I'd be pleased to see that happen. I think there's nothing wrong with that, Mr. Chairman. We need to be able to carry on this debate in the House. With all

due respect, written responses are something that is very commonplace.

MR. KOWALSKI: Mr. Chairman, a number of members have raised questions. This minister rose a few minutes ago to respond to the questions. This is the public forum in the province of Alberta that has *Hansard*. Comments made by a minister are made here in full public purview of all citizens in the province of Alberta. This minister wants to convey the responses to the questions asked of him. They deal with public policy. This is written *Hansard*, and it is not the prerogative of anybody to deny the minister the opportunity to respond to questions addressed of him in a committee.

MR. CHAIRMAN: No one is doubting the prerogative of the Deputy Premier. Many ministers, hon. Deputy Premier, on many occasions in this series of Committee of Supply estimates have suggested and have complied with the idea of written. There was just a question. If the committee chooses not to go that way, then that's fine, but many ministers have asked to do that, and that was only the question: is that what the committee would like now? If the answer is no, then let it be no.

All those in favour, then, of having the minister reply in writing to the questions, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Okay.
Deputy Premier.

5:10

MR. KOWALSKI: Mr. Chairman, the principal reason for not putting it in writing is that I have no guarantee it will ever be conveyed to all Members of the Legislative Assembly. By standing here in this House, this information becomes quite important. In fact, the hon. Member for Clover Bar-Fort Saskatchewan may twist her eyes all she wants, but one of the questions I was going to respond to was the plea brought forward by her colleague with respect to a project called the warden's house and provide an answer in the affirmative. Now, if the hon. member wants to wait six months till it comes in writing, so be it, but we're quite happy to deal with it. I'm always confused by this: that was then and we were they arguments.

The hon. Member for Edmonton-Rutherford raised a very important point, and it is a policy issue that we've been dealing with and one that we're bringing to a point of fruition very, very quickly. The hon. member knows, as do all other hon. members, that we have a review study under way right now, Mr. Chairman, with respect to what other possible steps can be taken. We are awaiting the report, which the hon. member knows about, that's been commissioned to a consultant in this province.

We have also said and it's government policy that when a group in the province of Alberta comes forward and wants to identify a mechanism whereby dollars can be allocated through the Alberta lottery fund for dealing with people who, quote, fall in the addiction category, we'd be very happy to look at it. We've had consultations with AADAC in the past with respect to this, and we will take the advice of the consultant that we've hired to provide us with recommendations in this regard before we actually commit dollars. If the consultant comes back and says that he has gone up and down the province of Alberta and found that in fact there is

no need for it, I'd hate to think that I would stand up today and say, "Commit dollars to it," then three weeks later, after responding to the speech, be told, "Well, what a stupid thing to do; you listened to me." Well, I've learned in the past, Mr. Chairman, that we'll deal with full points of information with respect to the whole matter.

Another hon. member raised a question about appointments and honoraria. I would like the House to know that there are in fact a number of people who serve on these various boards and serve with no honoraria. They have passed resolutions in their own board to in fact accept no honoraria. That is not known by people for a great period of time in many cases. Nevertheless, that is there, Mr. Chairman, and I thought it was important and prudent that members should know that today.

MR. CHAIRMAN: Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. I have a couple of quick questions I'd like to put to the minister before time runs out. I have a commitment from the minister that we won't fund the western heritage centre with \$3 million until and unless we see the funding from the minister and we have a commitment that the \$3 million matching funds are in place. This is a project that has not gone ahead very well, and we need to see that this project doesn't get funded, wasting another \$3 million.

I have a question under tourism initiatives. There's \$10 million being allocated here. I'm wondering why the \$10 million is being allocated when the funds are supposed to be committed to be completed by March 31, 1993. We've got a problem with additional funding going to that particular direction, and I'm wondering why the project is continuing on at this time.

With respect to the Wild Rose Foundation, the funding has increased from \$5 million to \$6.6 million, and I'm wondering why it is that that money has increased by \$1.6 million. Is there a net saving to the government by shifting the Wild Rose Foundation from the department of economic development and trade, where it used to be before, to now the Department of Economic Development and Tourism? Are we actually saving \$300,000, and is there a net benefit to the province of Alberta?

I see the time is up. Thank you very much.

DR. NICOL: Mr. Chairman, I had a chance to sit with the minister and put the questions to him, and he's going to respond.
Thank you.

MR. CHAIRMAN: Anyway, I hate to interrupt the proceedings of the committee, but pursuant to Standing Order 59(3) and Government Motion 18, agreed to on October 25 of this year, 1993, I must now put the following question: those members in favour of each of the resolutions not yet voted upon related to the lottery fund estimates for the fiscal year ending March 31, 1994, please say aye.

HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed, please say no.

MR. CHAIRMAN: Carried.
Government House Leader.

MR. KOWALSKI: Mr. Chairman, I would move that these estimates now be reported, if that's the correct phraseology.

[Motion carried]

MR. KOWALSKI: Mr. Chairman, I would move that the committee do now rise and report.

[Motion carried]

[Mr. Clegg in the Chair]

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

Resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1994, a sum from the Alberta lottery fund not exceeding the following for the purposes indicated: \$142,670,000 for lottery fund payments.

Mr. Speaker, I wish to table a list of those resolutions voted upon by the Committee of Supply pursuant to Standing Order 57(9).

MR. ACTING DEPUTY SPEAKER: Thank you, hon. member. Does the Assembly concur with the report?

SOME HON. MEMBERS: Agreed.

MR. ACTING DEPUTY SPEAKER: Opposed, if any?

SOME HON. MEMBERS: No.

MR. ACTING DEPUTY SPEAKER: Carried.

Might we have unanimous consent to revert to Introduction of Bills?

HON. MEMBERS: Agreed.

MR. ACTING DEPUTY SPEAKER: Opposed, if any? Carried.

head:

Introduction of Bills

Bill 13 Appropriation Act, 1993

MR. DINNING: Mr. Speaker, I request leave to introduce Bill 13, the Appropriation Act, 1993. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 13 read a first time]

Bill 14 Appropriation (Alberta Capital Fund) Act, 1993

MR. DINNING: Mr. Speaker, I request leave to introduce Bill 14, the Appropriation (Alberta Capital Fund) Act, 1993. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 14 read a first time]

Bill 15 Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1993

MR. DINNING: Mr. Speaker, I request leave to introduce Bill 15, the Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1993. This being a money Bill, His

Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 15 read a first time]

Bill 16 Appropriation (Lottery Fund) Act, 1993

MR. DINNING: Mr. Speaker, may I tell you that indeed it is a pleasure to introduce Bill 16, the Appropriation (Lottery Fund) Act, 1993. 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 Legislative Assembly.

[Leave granted; Bill 16 read a first time]

5:20

MR. ACTING DEPUTY SPEAKER: Well, we've had a very fruitful week, and it would be very nice and a pleasure that all members on both sides of the House will be back Monday afternoon at 1330.

[Mr. Speaker in the Chair]

MR. SPEAKER: The Chair feels the need to speak, but he notices the constraints that are on the Chair.

Does the hon. Government House Leader have a motion?

MR. KOWALSKI: Mr. Speaker, I would like to echo the words of the hon. Deputy Chairman of Committees. This has been a memorable week in many ways. This week was the first time in the history of the province of Alberta and the history of this Assembly that a private member's Bill was passed into law. I think that is very, very innovative.

As well, there are some other forms. I think that as we conclude this week, there were some elements of co-operation in the Assembly from the government and the opposition. It was important, I think, that there was an opportunity this week for all members to visit an institution in this province, and it was done in a very co-operative way, together in a bus, sitting side by side and even talking to one another. That kind of an outing is a good thing, because it can do nothing less than advance, I think, the cause of effectiveness and efficiency in this Assembly. In fact, we're all here to serve one taxpayer, and we all know that the vast majority of citizens not only in this province but in this country have said for years that they really didn't like to the degree that they wanted it some of the conduct, the things happening in another Parliament in this country. I think we've all looked at ourselves and tried to improve as much as we could.

I do like the Member for Edmonton-Mayfield, and I know that the Member for Edmonton-Rutherford said that he likes me. What a time for admission and what a time for commission.

So let us rise now, Mr. Speaker, in this great new mood of congeniality and go forth into the first weekend of winter, and when we return, we'll do so at 1:30 in the afternoon on Monday next.

MR. SPEAKER: The Assembly accordingly stands adjourned until Monday afternoon at 1:30 with the best wishes of the Chair to all of you and with hopes that we will reassemble on Monday in the same spirit we left today.

[At 5:25 p.m. the Assembly adjourned to Monday at 1:30 p.m.]