

## Legislative Assembly of Alberta

Title: **Monday, April 18, 1994**

**8:00 p.m.**

Date: 94/04/18

### head: **Committee of Supply**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: Order. I'll call the committee to order. The committee is reminded – how time flies when you're having a good time – that this is the 25th night of the estimates.

### head: **Main Estimates 1994-95**

#### Transportation and Utilities

MR. CHAIRMAN: I'd invite the Minister of Transportation and Utilities to perhaps lead off with a few comments and any outstanding questions.

MR. TRYNCHY: Thank you, Mr. Chairman. At the last session I was asked a number of questions, and I'd like to provide the answers to those questions and to see if there are any more after I'm done. I'd like to start and go through them as quickly as I can. There are a number of questions, and I hope I have the time to provide the answers.

The first question relates to the Member for Edmonton-Mayfield. You want to know what number we use for quality index on our pavement, and the numbers range from zero to ten, 10 being the best quality of road. Once a road reaches five or below, we then look to pavement overlay and pavement rehab. The road that the hon. member was talking about and he mentioned again today, I'm sure a road that he has some concerns about because of news media, is well below the five. That's the number we use. Anything below a five will receive attention in regards to pavement overlay.

The next questions came from the Member for St. Albert, and he had a number of questions. One was: are we using day labour for construction? We only use day labour now on small projects. Most of our projects and jobs are tendered to the private sector.

The next question was: is secondary highway 777 scheduled to be paved in the next few years? I'd like to know more about what part of secondary 777 he's talking about, because both sections in the county of Lac Ste. Anne and the county of Barrhead still need to be reconstructed before they're paved. So I'll see if he can get back to me on that.

His next question was in regards to how many accidents, deaths, and injuries have occurred on the curve on secondary highway 794. [interjections]

#### Chairman's Ruling Decorum

MR. CHAIRMAN: Order. I know there's some evidence to suggest that one team that's nearer to us than others are ahead or behind, but let's not talk about it here. If you wish to talk about it, go out and view it in the lounge if you have your Whip's permission. Please, you don't have permission to talk here. The noise was getting so loud that many of us couldn't hear the important points that the Minister of Transportation and Utilities was making.

#### Debate Continued

MR. TRYNCHY: Mr. Chairman, I want to thank my colleagues for all the support they're giving me. I really appreciate it.

The question was: how many accidents, deaths, injuries have occurred on the curve on secondary highway 794 south of Westlock? We have some stats on it. There were three fatal collisions from 1988 to 1993. In the period 1988 to 1992 there have been 106 collisions. It's just slightly above the provincial average for two-lane highways, but still it's comparable to a number of other highways in the province.

MR. CHAIRMAN: St. Albert, on a point of order.

MR. BRACKO: I'd just ask if the previous answer could be repeated because I couldn't hear him.

MR. CHAIRMAN: Which only magnifies what I had said.

MR. TRYNCHY: Highway 777 is scheduled to be paved in the next few years. The sections that I know of both in the county of Lac Ste. Anne and the county of Barrhead still need to be reconstructed, so they're a long way from being paved. I don't know which section the member is talking about, but if he wants to get back to me and clarify that for me, I'll get some answers for him.

The next question was: how much has the traffic flow increased on the Yellowhead Highway and how has this benefited Alberta? Well, the traffic flow increased between Jasper and Edmonton between 5 and 7 percent, between Edmonton and Lloydminster around 4 percent. It's benefited Albertans because the highway is much safer, it's reduced travel time, it's reduced injuries, and it's reduced deaths. Of course, I'm sure that people traveling from B.C. or Saskatchewan welcome the four-laning across the province.

The next question was: how is the implementation of the end product specifications proceeding in Alberta? I just want to advise that the department has moved entirely to the use of end product specification on all our paving projects.

What is the traffic flow on Highway 37, and are we proposing upgrading? Traffic flow on Highway 37 ranges from 3,700 vehicles per day at Highway 28 to a low of 810 vehicles at Highway 43 west of Onoway. Planning and design on Highway 37 is in progress. The exact timing of construction is in the future.

The next questions were from the Member for Edmonton-Roper. He was concerned about the total motor vehicle registration of \$159 million revenue and \$122 million dedicated to Alberta Transportation and Utilities. Was a formula used? Yes, we consulted with Alberta Treasury, and it was determined that \$122,439,000 was the share of the total motor vehicle registration licensing revenue that should be dedicated to the department. The rest went to pay for their department activities.

What areas and how many people are we assisting in the budget of \$250,000 for the rural area heating allowance? The answer to that question, Mr. Chairman, is that it's about a thousand to 1,100 households that receive an annual rebate of about \$300 per year, and that's mostly to a typical household in Fort Chipewyan.

How did the department decide that the dedicated revenues, \$597 million, are going to be actually brought into the department? Well, this was done, Mr. Chairman, in consultation with Alberta Treasury, and we agreed that the revenue from motor vehicle fuel taxes, an appropriate portion of the motor vehicle registration licensing, and other department revenue should be dedicated as revenue to Alberta Transportation and Utilities.

The next question was: was a formula used to calculate the \$122 million of vehicle registration? I've answered that question.

We felt that was a reasonable share from that collection to go to Transportation and Utilities.

Did the department sell something that generated other department revenue of \$24 million? The answer to that, Mr. Chairman, is that the department revenue of \$24.1 million comes from a variety of sources. That would include payments from the government of Canada for the highway improvement program, airport revenue, and sale of assets such as land and miscellaneous material.

The last question from the Member for Edmonton-Roper was – I guess that's a repeat of the question I just answered.

The next group of questions, Mr. Chairman, was from the Member for Lethbridge-West. The weigh scale at Leduc and the weigh station at Balzac are a couple of large facilities that have a big sign on them that says Safety in Motion, and he wanted to know just what took place in these buildings. The answer to that question is that inspection buildings were built to allow safety officers to conduct safety inspections in weather conditions that were adverse to being outside and to conduct a more thorough check of an unsafe vehicle without tying up traffic at the inspection station itself. I think it's a very positive move. We've had a number of positive comments about it. It's also been used by the RCMP, the Treasury people in regards to fuel tax, and public safety services in transportation of dangerous goods.

He wanted an update on the community business signs. Mr. Chairman, there's been quite a bit of interest on these signs. I understand that we'll be seeing these signs put on our highways in the very near future. We should be making some announcements once we get the communities with the signs in the ground.

The last question from the Member for Lethbridge-West: is it normal to require three vehicles and seven people to change a pole? I guess I'd have to have more specifics, because in some cases where there is an accident – and we had that in Calgary where we had to have some flag people involved. There are also times when it's AGT trucks. So I'd have to have more information in regards to whether there are three vehicles and seven people that change a pole. He'd have to be more specific so we could get down to the root of the concern the member had.

### **8:10**

The next questions were from the Member for Three Hills-Airdrie. The question was: where is the government going on interprovincial trade barriers with regards to the trucking industry in particular? We do have some difficulty. We're very, very actively involved with the federal and provincial transportation sectors. We will be meeting again July 3 to 8 in Calgary. We will present that again to the provincial ministers. We do have some difficulties in regards to the government in B.C. and the government in Saskatchewan, and I hope to have that resolved. Our position is to push for total elimination of interprovincial barriers or at least tie our removal to a schedule in the very near future.

Another question from the Member for Three Hills-Airdrie is: what damage is done to bridges and other surface parts of our roads by large trucks hauling logs, and is there compensation for that? The answer is that, yes, we've entered into an agreement with the forestry industry, and it's the first time that we've done this. We'll be able to have a levy for all trucks hauling on public roads and on bridges with winter weights. We expect to collect somewhere in the neighbourhood of \$3 million, and that will go somewhat to the cost of repairing some 57 to 60 bridges in the province of Alberta. Hopefully over a period of three to five years we might have that under control.

Would the minister explain the different types of road construction and the standards that have to be met? Well, road construction and standards are based on traffic demand and safety requirements. When we look at secondary highways, we take the advice of the local governments. We will not be involved in base coursing any roads in the province without involvement with the local governments because it's cost shared. Of course, when we do overlay, we use the formula that I announced at the outset, that when the quality of the highway drops below five, then we will move towards the overlay on those roads. Of course, that too will be cost shared by the governments where there are secondary highways. It's only on primary highways and on other roads that we have full jurisdiction on that we would cover the full cost.

The next questions are from the Member for Medicine Hat. Has your department given consideration to unconditional grants, block funding where the municipality does not have to have prior approval? We review all our requests for potential for block funding, and in some cases we've done that. The public transit operating grant was transferred to the Minister of Municipal Affairs, and of course he has allowed that to flow back to them on block funding. The remaining cost-shared programs with municipalities are more specific, and they require joint planning with municipalities. A water and waste water partnership: we cost share treatment facilities, and of course we work those on very specific projects.

Another question from the Member for Medicine Hat relates to chip coating that's applied to highways. We had some concern where chips had become loose and had shattered windshields across the province. What we do is that the contractor is responsible for all claims and damages as a result of his operations. This work is warranted for one year, and if an individual can prove to the satisfaction of the contractor and his insurance company that it was done because of the chips coming loose on the highway, then we've had some cases where insurance has been paid.

We now move to the Member for Fort McMurray and the question was: would the sale of Alberta Resources Railway to Canadian National for \$33 million be an all-inclusive, blended amount which includes interest? The answer to that is yes. The payment is to be made over a period of 10 years. The present value is \$25 million with 8 percent interest, which will result in a total payment of some \$33 million over that period. So, yes, at today's value of \$25 million with the interest rate included, the figure then comes to \$33 million over the period of time.

Another question was from the Member for Fort McMurray: what has happened to the Daishowa spur line? The spur line was sold to Canadian National Railway in November of 1989, and the land transfers have been recently completed. No additional funds will be coming from the department, and there are no liabilities from or for the spur line.

Another question was: will the winter road from Fort Chip to Fort Smith and the winter roads from Fort McMurray to Janvier to Saskatchewan be open next winter? The winter road from Fort Chip to Fort Smith is located primarily in Wood Buffalo national park and is a federal responsibility. Any agreement we have made between the Cree band and Fort Chip, the federal government departments, and Northwest Territories to open the road in '93-94: it is our understanding that this arrangement will be continued in '94-95, but we will have no direct involvement. With respect to the winter roads leading to Saskatchewan, we have no involvement or no plans for involvement and cannot say at this time if other agencies will open the road in '94-95.

What are the plans for '94-95 construction on Highway 40 south of Hinton and Highway 40 between Grande Cache and Grande Prairie? There is some engineering being done on the road south

of Hinton, and there will be, I believe, two tenders for the continuation of base course on Highway 40 north of Grande Cache to Grande Prairie. We hope to be moving on that to get it completed, and then we will look at that section from Grande Cache to the coal mine as the last section to be upgraded. In the meantime, we will make sure that it's kept up with redoing and an oiling as necessary.

Another question from the Member for Fort McMurray was about snowmobilers: could I give him a long-range plan in effect to oblige all snowmobilers to be licensed? This is also a matter that should be dealt with through the Minister of Municipal Affairs because I don't handle licensing matters.

Some of the last questions. Is there any additional bridge work on the route from Fort McMurray to Fort Chip and from Fort Chip to Wood Buffalo national park into Fort Smith? The answer to that is that no additional bridge structures are planned on these routes within the foreseeable future.

Doesn't the net budgeting approach mask the ability of this Assembly to vote on cost issues? The answer to that is no, it does not. As a matter of fact, it shows a better picture of our business. It doesn't mask anything. I can't follow the member's question, but if he had some other specifics that he'd like to present to me, I'd be only too glad to answer.

The next set of questions are from the Member for Leduc. He talked about the Solicitor General's highway reps being heavy handed in applying the 10-hour limit for driving. Well, just in case the member is confused, there are no Solicitor General's highway reps in this province. The only people on the road are motor transport officers under Transportation and Utilities, and we don't have a 10-hour driving rule. We have a 13-hour driving rule, and that's being, hopefully, enforced. Our people, unless I hear differently, use a lot of common sense. They have been praised by the truckers and people involved on how well they work with that industry. I might mention again that we have set up a trucking industry across the province that works very closely with the motor transport officers. A lot of our MLAs are involved in this, and I would encourage them to maybe spend some time with our motor transport officers such as I do, by having a coffee or a breakfast with them and going over the concerns they might have, and also talk to the trucking industry to see what concerns they might have in regards to what's happening.

8:20

The next question was: is there a plan to construct a new highway from Leduc weigh scales to Highway 60 as an Edmonton bypass? The member says that he saw such a plan when on Leduc council. Well, Mr. Chairman, we have no such plan. I don't know of any such plan. So if he saw something in the city of Leduc, he might want to raise it with them or else bring it forward, because we have no plans in that regard.

He talked about merging lanes at the interchange at Leduc. Yes, both the southbound . . . [Mr. Trynchy's speaking time expired]

MR. CHAIRMAN: May we have unanimous consent to let the minister finish? All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. CHAIRMAN: Opposed, please say no.

Mr. Minister, you have unanimous consent to continue.

MR. TRYNCHY: Well, thank you. I just have . . .

AN HON. MEMBER: You can't go past 20 to 12 though.

MR. TRYNCHY: Gee, I didn't know it took that long.

Merging lanes at the interchange at Leduc. Yes, the southbound ramp from Highway 39 to 2 and the northbound ramp from 2A to Highway 2 are relatively short by current design standards. However, our collision history at these is quite good. If we were building those interchanges at today's standards, they would be considerably longer. We'll have to have a look at how we can rectify those situations either by slowing the traffic down or some other means because of our - I won't say financial difficulties - shortage of funds within transportation this year.

The next question was: has an inventory of department land been completed, and is there a mechanism in place to determine that the land is surplus? Land inventory has been completed, and a mechanism is in place to determine if the land is surplus. We had some \$800,000 generated from the sale of surplus lands during '93-94, and as I said, I believe in the first set of questions some time ago, any lands that are surplus to our needs will be put on the market through a real estate or through public tender for sale.

Another question was: why do the budget documents for financial assistance for urban transportation show a reduction of \$17.9 million when the minister mentioned \$6.1 million? Well, there's a number of reasons for it. We've moved the public transportation grant over to Municipal Affairs, so it's there. The actual figures: transportation in '93-94 was \$64 million; in '94-95 it's \$58 million after that movement of funds in regards to the public transit.

Is the department considering privatizing the department's survey work? Yes, that's been ongoing for some time, and we're moving with privatization as much as we can. It is our intention to fully implement the policy by the end of year '94-95, and hopefully by '95-96 we will have totally privatized survey work within the department of transportation.

What work is planned for Highway 40 between Grande Cache and Smoky River Coal this year? I just answered that to a question asked by the Member for Fort McMurray, and it's still the same. The road will be oiled and upgraded but will not be reconstructed or base coursed this year.

Has the minister given any thought to completing the stretch of Highway 40 south of Hinton to Cadomin with pavement? The answer to that is yes, but it will be some several years before we can expect this work to be completed. The next project that is likely to proceed is continuation of a grading program toward the mines on the south end of Highway 40.

What negotiations are undertaken with these communities to assume full control of airstrips? Well, Mr. Chairman, all community airstrips are operated and maintained by the community. They all are. Capital expenditures such as runway resurfacing are funded by the department, but our written agreements, wherever they exist, are that the communities fund the operation and maintenance of all these airports at the present time.

The last questions, Mr. Chairman, are from the Member for Redwater, and I'll go through those. Will the minister consider bringing back licence plates in the front of vehicles? That's something that's been raised with me on a number of occasions, as late as last Saturday when I met with the RCMP in regards to highway safety. It's something that I will raise with the Minister of Municipal Affairs because that's within his jurisdiction. I believe it is a wise move to bring back two licence plates. I would even go so far as to say that we should have them built in such a way that the numbers are brought out when the lights of a vehicle hit them. We used to have them that way before. They're not that way anymore. They're just plain. I would also like to say that if we bring back two licence plates, which I believe we should, we should charge the fee to pay for that so the

people buying licence plates will have them. Again, the Minister of Municipal Affairs and myself – and of course any member here that is interested in seeing that happen should take the ability to write the minister and encourage him to bring that back: two licence plates on vehicles in the province of Alberta.

The next question from the Member for Redwater says: what are the plans for the disposition of the provincial warning centre bunker at Penhold? Well, we have no provincial use for the bunker, and we'll not be making any efforts to acquire it. It's a federal government bunker, so they could, I suppose, write to Ottawa and find out what their thoughts are, but we have no intentions of taking it over, and we will not make any effort in that regard.

Also a question from the Member for Redwater says: while we're at it, why not adopt an old British, west European custom of permanent licence plates? Of course, that's another question that we can raise with the Minister of Municipal Affairs. If it makes sense, if the public will accept it, why not?

The next question was: will the money from the sale of Alberta Resources Railway go into this year's income to help reduce the deficit or will it be used to reduce our total debt? It's my understanding that the money from the sale – and we've had a cheque delivered just recently for \$4 million – will be deposited into general revenue. How this revenue source is eventually used is best answered by the Provincial Treasurer.

Is the budget amount for the remote area heating allowance program adequate, and will the program be eliminated? No. We have just expanded the program for a further three years. We have renewed it. It'll expire on December 31, 1996. As I mentioned at the outset, some 1,000 to 1,100 applicants apply for that each year, and it is adequate for the people that apply for the remote area heating allowance.

There's another question from the Member for Redwater about complaints through northern Alberta in regards to railroads not keeping their fences up along the right-of-ways, so if you're running cattle or horses, it's a big fight to get the railroad to fix the fence. We have no jurisdiction in regards to railroad fencing. With regard to his specific concerns, I would suppose the best way would be for the local landowner to either contact the railway directly or request some assistance from the federal Members of Parliament.

Another question from the member is in regards to the spur line that goes to Daishowa, that it has a subcontract with the department of transport to repair it if it slides from water or rain because it's built on the banks of the Peace River. The railway spur line that goes to Daishowa is owned completely by Canadian National Railway, and there is no responsibility – and I say "no responsibility" – for the department or the government to repair any damage to the spur line however it's caused. So again that question could be directed to the CNR.

Then he goes on to some personal requests. What is the status of funding for water and waste water projects in his municipality between Redwater and Smoky Lake? I'd like to advise the hon. member that grant applications for some of these municipalities is as follows. Redwater: the project for funding in '94-95 is subject to confirmation from the town that they will be proceeding to construction. If they are, then we will be involved there. Radway: I'm pleased to confirm that funding approval has been provided for the regional water supply line connection to Radway. Construction is proposed for this summer. Smoky Lake: the town of Smoky Lake has no eligible water or wastewater project identified for '94. Warspite: the village of Warspite is in the process of completing an upgrade to their water system and will receive the final grant payment this year. Waskatenau: I know

that Waskatenau has identified a potential water supply, because they've been in to see me. Once the municipality has finalized its plans and provides the necessary details to the department to allow confirmation of eligibility and of course budget availability, we will then look at giving them funding approval.

### 8:30

Will secondary highway 794 be upgraded and be designated as a primary highway? The answer to the first part is yes, it will be upgraded. The answer to the second part is no, it will not be designated as a primary highway. It will remain a secondary highway. The traffic count on that is still conducive to secondary highway numbers. But we will be looking at engineering very quickly to see if we can get into our project approvals this year the first section of highway 794 from Westlock south, which I've driven. There are some curves on it. We'd like to get that engineered and put to tender as quickly as we can. Hopefully, that could be done this year.

The last question by the Member for Redwater said: would the minister look at paving township road 572 from Lily Lake Road to Highway 28? I think the member has got it confused. When I look at the map, there's a township road 542. Maybe that's what he's referring to. On local market roads that are the full jurisdiction of the local county – they're not a secondary highway – they would be responsible in total. If they want to pave township road 542 from Lily Lake to Highway 28, they're free to do it and we would not be involved, but if they want to become involved with ourselves in regards to secondary highway continuation of 651 and they want to move it south of the lake or whatever they do, I'd be happy to consider such an alignment and to go over it with them whenever they so request.

Mr. Chairman, those are the questions I've had put to me. Hopefully that answers all the concerns they've raised. If there aren't any more questions or if we want to move to the vote, I'd appreciate that.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Are you ready for the vote?

The hon. Member for Leduc.

MR. KIRKLAND: There are a couple of questions I'd like to ask of the minister if I might, Mr. Chairman. I thank the minister for offering the information that he did and correcting me on the 10-hour limit. It's something that I run into frequently, and I know that if in fact it's a problem on the roads, he's intervened in the past. That's all I was asking this time around.

One question has been brought to my attention, and I would suggest it's an indirect safety feature simply because it amounts to the pitting of windshields. That is directly related to the coarseness of the sand that we use to sand our highways in the winter. It certainly is more prevalent and more noticeable within the city of Edmonton than it is on the highways. If I recall correctly – and maybe the hon. Member for Calgary-North Hill could speak to this issue – I believe the city of Calgary actually visited this issue and reduced the coarseness of the sand used simply because it was causing too much windshield damage and too much pitting of the front ends of cars. The windshield pitting of course is a hazard, particularly if it rains or at night with headlights oncoming or if you're driving into the sunset. It's not an item that's covered by insurance, so people are reluctant to actually have it changed. I would ask the minister if in fact that has been brought to his attention before and whether there have been any concerns that he would feel concerned enough to actually address.

In the world that we're functioning in today, there's not a department in government that's not looking for new revenue. I do know that the item I'm about to bring up was briefly touched upon in the very first transportation estimates, but I would like to bring it to the minister's attention again. That is our signing concept in Alberta. We can visit our neighbour to the west, British Columbia. Those businesses that function along a highway or near an access to a highway have the benefit of actually having their company logo or company business put on B.C. Transportation approved signs. Now, I'm not familiar as to whether they charge a fee for that sort of service, but I think the minister certainly can see that if we wanted to enter into that or go into a comanagement with chambers of commerce along the highways, there are dollars to be gained there. I have no doubt that some of the large multinationals would be very pleased to have their logo stuck on a highway sign near an exit that they're close to. People generally are reluctant to leave a highway if in fact they aren't sure as to what services are available. Our pictorial signs that presently exist on the sides of the highways are generic and don't go far enough. I would suggest it would help small businesses in this province and the commerce of many small cities if they were given the benefit of actually promoting alongside the highway some of the businesses that they have within their community.

The hon. Member for Redwater spoke very briefly on vanity plates. I would ask the minister, and I would describe vanity plates – and there are several on this side that have them – as being somewhat ostentatious. It is a real luxury. I believe it's \$150. Okay; he's pointing to the man next door, so I'll continue with my comments so the man next door can benefit from my comments; that is, I think we should visit that \$150 fee.

The other thing that I would like to of course push – and it's a pet peeve that I brought up with the minister of the environment – is tire recycling. When we look at the province of Ontario, they now are using tire recycling crumb in their tarring process on highways to safeguard the infrastructure. I think by driving that industry we would encourage small industry in the province, and we would also receive the benefit of moving into some true recycling. So I would ask the minister if in fact he has his department looking at that or whether he has looked at Alberta Research Council and perhaps a partnership there. If we were to look at the American example when it comes to asphalt on highways, some states are actually insisting on a certain percentage of recycled rubber in that asphalt. I would think we could drive the industry if the hon. minister asked his department to look seriously at it or co-ordinate it with the minister of the environment to see if in fact we can't capture something there.

I want to refer to page 8 of the annual report just for a minute. It deals with aviation, Mr. Chairman. It's not a big-ticket item in the department's overall cost. I had asked last time if the minister had entered into discussions to explore partnerships with the communities that ran the airports. I think that in fact I was pleased by his answer that they do have operating agreements and that the municipalities generally look after those sorts of items at their own expense. I would take it a step further and ask the minister if in fact he's looking at or would explore off-loading the actual paving of those runways again if they're important to the communities and it fits hand in hand with the downloading of financial responsibilities this government has plotted the course to. So I would suggest it's a next step.

When I talk about partnerships and I talk about aviation, I was looking at the report and I see where we have installed additional runway lights at Whitecourt. Also at Whitecourt, in this area here, Mr. Minister, I would suggest is one that probably we could have entered into partnership with, and that's the microwave

landing system at Whitecourt. Traditionally those are federal government expenditures, and I would suggest that that million dollar cost of a microwave landing system probably could have been offset. It is after the fact, but I would suggest that if we're looking at any other airports in this sense, we should certainly try to draw the federal government into a partnership at that point.

MR. MAGNUS: What was that?

8:40

MR. KIRKLAND: The hon. Member for Calgary-North Hill has been gone from air traffic control for so long he doesn't know what a microwave landing system is anymore.

Anyway, I would suggest two things in the aviation industry. Certainly if the communities are serious about their airports, they should undertake the paving themselves. When it comes to navigation equipment, that falls under the auspices of the federal government 90 percent of the time. I think for consistency throughout the country, that's where it should stay, and some of the cost of that should be there as well.

I wanted to look again at the annual report that we got. On page 21 it states:

Long range planning of Alberta's highway system helps guide the department in setting priorities and applying limited resources to the highway priority needs.

It further goes on to state that

the second phase of this twenty-year plan was completed, and it's pertaining to and dealing with secondary highway needs. I would ask the minister if he would share that with us so we can have a look and probably provide good guidance to our municipalities that we deal with so they know where they stand in the long-term planning aspect.

An item was brought up that I know is not the direct responsibility of the minister of transport, but I'm sure that again it's a matter of co-ordination between departments. We heard the environment minister indicate that the Shunda Creek young offenders program, where they cleaned campgrounds and provided wood and that sort of thing, was very successful. We're aware of a 4-H program in the province of Alberta where the 4-H members do a sterling job of cleaning the sides of the highways in their one-week initiative. I believe that's coming up very shortly. I would ask the minister if he'd enter into discussions with the Minister of Justice and determine whether we can actually use some of the young offenders for that particular program as well. I know there are community hours of work, and I would suggest it would be a dual purpose. It puts the young offenders in a situation of doing something worth while, and also the highways receive the benefit of a cleanup.

Those are a few of the short questions that I have. I have to share with the minister – and I will bring it up at this forum; I think it's only fair that he has a chance to know it's brewing out there – that I received a phone call. Actually, there were four phone calls that came into the constituency. There was a suggestion that the department was attempting, I guess, to expend its last dollars before year-end. The employee that called me indicated that we were moving into such expenditures as hundred dollar sweaters for the field hands, buying T-shirts and baseball hats, and also were in the process of changing the logos on the sides of the vehicles – he says needlessly; I can't comment on that; I certainly didn't explore it – and also that we were painting vans somewhat needlessly as well. Now, that caused me a great deal of concern.

I certainly didn't want to bring it up in anything but the least public forum we have here, so I would ask the minister to allay those concerns or those fears, that this is not occurring. I know

that we ourselves have been accused of that as far as our constituency offices are concerned. I would like to think that the minister is very astute and wouldn't play those sorts of games. Certainly it wouldn't look very good in light of some of the other expenditures that we cannot make due to a lack of dollars. I leave that with him so he can clear it up before it gets out of hand or out of control.

With that, Mr. Chairman, I will conclude my comments, and I will ask honourable members if they would in fact like to carry on with the line of questioning.

MR. CHAIRMAN: Hon. Minister of Transportation and Utilities.

MR. TRYNCHY: Mr. Chairman, maybe I didn't hear right, but was the hon. member accusing this minister of buying baseball uniforms out of department funds?

MR. KIRKLAND: No, not at all.

MR. TRYNCHY: Well, he wanted me to clear up something.

MR. KIRKLAND: Would you like me to restate it, Mr. Chairman?

MR. CHAIRMAN: Hon. minister, if you're asking a question, through the Chair.

MR. TRYNCHY: If the hon. member is accusing me of something like that, I hope he will withdraw it.

MR. CHAIRMAN: He said he did not and would withdraw it.

MR. KIRKLAND: If I may, Mr. Chairman, I'll clarify that. I did not say baseball uniforms. The employee that called me indicated that the department was into some needless expenditures, Mr. Minister. He described those expenditures as field sweaters at a hundred dollars apiece, as baseball hats that were given to employees, T-shirts, needless painting of vans, changing of lights and logos on the sides of the vans. Now, I'm giving you the opportunity to defuse that. That's all I'm doing at this particular point. I'd like to think that in fact you would take that opportunity and set the concerns and fears aside. I did not ever make the allegation. I bring you what was passed to me as an MLA, and I said I wouldn't act on it unless there was somebody who could give me information. So the hon. minister certainly can, as I say, defuse that.

MR. TRYNCHY: Could I just respond to that last question, Mr. Chairman, and then give the other members a chance to ask questions?

I'm surprised. If the hon. member heard about that just now, he could raise it, but if he heard about it a month ago, what has he done in regards to notifying me by letter or coming to see me? I think it's just unreal that he would raise it in the House if he's known about it for some time, which he said he did. Maybe he should learn how to respond to these kinds of things quicker, so I could put his mind to rest. To raise it in here after knowing about it for some months, which he said he did, is just unreal.

MR. CHAIRMAN: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you. I hadn't planned to speak tonight. I hadn't planned to take my 20 minutes, but since the House leader has not let me know directly or indirectly tonight what

subject matter we'll be tackling, I do have some . . . [interjections] I'm glad now, Mr. Chairman, that I am speaking because I see the Galvinator is standing.

MR. DAY: A point of order.

MR. GERMAIN: Does he have a point? I think he was just slow sitting down.

#### **Point of Order Imputing Motives**

MR. DAY: A point of order.

MR. CHAIRMAN: The hon. Government House Leader is rising on a point of order.

MR. DAY: It's simply on the allegation of motives, Standing Order 23(i). I would simply advise the member opposite to consult with his House leaders. I don't run around and phone 32 individual members. I make this bold and brazen assumption that the members opposite are in communication with their House leaders, and I would suggest that he take 10 seconds and do that.

MR. GERMAIN: I want to respond to his point of order. [interjection]

MR. CHAIRMAN: Whoa. [interjection] No, no. Point of order. Fort McMurray, would you please respond?

MR. GERMAIN: Yes. I'm entitled to respond to his point of order. I wasn't suggesting that the House leader had a duty to come and tell me anything specific. I know what the Order Paper is, but I realize that this afternoon debate was adjourned on a rather controversial Bill. I understand we're moving on to some other Bills, so as a result there are important transportation issues affecting the citizens of this province. The minister has always indicated to us, by the way, that he's happy to continue answering questions after the vote, but because of the importance of transportation issues and because there's been no indication that anything is pressing at the government, then I'm happy to spend some more time dealing with pressing transportation issues.

The Galvinator, as he likes to be referred to, is waving pieces of paper in the air, Mr. Chairman. If he wants to make another point of order, I'm happy to respond to that point of order.

That is my comment on the House leader's point of order. I don't know why he'd take that position when the very last night that I spoke here in the Assembly, I did the best that I could to make him look grand in getting out of here at a time that he committed he would get out of here. After doing that for him, that he would come up and suggest that I was imputing motives to him - shame on him.

MR. CHAIRMAN: Hon. member and hon. members, I think this just shows you that there is no gratitude when you're in politics. Well, the House leader has disappeared.

On the point of order, I don't know of any rule that I could invoke to oblige the Government House Leader to tell us anything more than what's on the Order Paper. That would be only upon his kindly nature if he wanted to be more elaborative on that matter, and when that mood sweeps over him, I'm sure we'll hear what the hon. member was asking for. That's about as far as I can rule on that issue.

MR. GERMAIN: Okay. I take your ruling, sir.

### Debate Continued

MR. GERMAIN: Now let's talk about transportation issues that the minister of transportation so enjoys to dialogue on. I've got to tell you, Mr. Chairman, I'm not going to waste the minister of transportation's time tonight talking about vanity plates. All of us have our own personal views about vanity plates and how much they should cost and what the characteristics of vanity plates are and that sort of thing, but I am going to talk about budget issues that are of importance and some that have developed since the minister graciously shared his estimates with us now over a month ago, roughly.

8:50

Mr. Minister, you'll recall that about a month ago you said that you would know in a couple of weeks what would happen to Highway 63 in terms of the construction that had been announced, construction that had been announced, as I understand it, by the MLA whose riding most of Highway 63 is in, the hon. minister, the Member for Athabasca-Wabasca. You indicated that it would take you a couple of weeks to put things together and you would be able to tell us in more detail what work would be done on Highway 63 in addition to the bridge improvement, which is ongoing now and which you did speak about either in the debates in the House or the debates outside the House that go on from time to time. So since more than two weeks has gone by, if you can expand on that a little bit.

Now, Mr. Chairman, sometimes Members of the Legislative Assembly wonder: what is the role of government and opposition? What is the ying and the yang and what is the pro and the con and the to and the fro and the twist and the pull and the yank and the resistance? What is that role? Well, the minister of transportation has provided us with one example of that role. Last year many of us here were new. Some 52 members were new, and we heard speeches from the new members, and we spoke to the minister of transportation about policy for road restructuring, the policy for repaving. The minister this year tabled with us a document dated October 1993, and this was the PMS document. The minister and his deputy minister and others in the department created their PMS program, and he filed that document and served all Members of the Legislative Assembly that document in the second round of these transportation debates. Notwithstanding whatever credible role I have as critic of transportation, I was not consulted on either the terminology, the wording, the abbreviations, or the tone of that particular document. That document was dated subsequent to the June 15 election, so I am happy that the minister last October developed this policy. If the policy was not previously articulated but was sort of operational before, then it is useful, because it apparently sets out an objective statement and an objective standard for the determination of the worth of pavement.

As a result, Mr. Minister, I would be grateful if you would give me the PMS rating according to that official government PMS statement on that section of Highway 63 that lies between kilometre 58 and kilometre 64, approximately, of Highway 63. That is the remaining section of Highway 63 that is now starting to crumble from the edge inward, that is as narrow as a road can be in the province of Alberta, that is now starting to crack diagonally.

Now, Mr. Chairman, I had one of the great privileges that a male has in the world last week.

AN HON. MEMBER: Well, tell us about it.

MR. GERMAIN: Thank you. I wasn't going to tell the members of the House about it, but they've asked, so I will. I can see by the amount of blond hair that has crept into your darker hair that

you and I are somewhat the same age. I got to ferry back a 1965 Chevy convertible from Edmonton to Fort McMurray a couple of weeks ago. Because of the age of that vehicle, that antique, that classic car, I took it very slowly and had a good chance to observe all of Highway 63. I can tell the minister that the minister's PMS evaluation for that section of Highway 63 must be very, very low. I expect that his budget and the votes will occur today and it will be done, but I would be very grateful if sometime in the privacy of our mutual offices maybe we could get together and discuss the PMS rating for that section of Highway 63, unless it is going to be brought up to a 10 rating this summer, in which case there will be no further issue.

DR. WEST: What kind of nonsense is that? That's ridiculous.

MR. GERMAIN: It is?

DR. WEST: Totally irrelevant.

MR. GERMAIN: The minister in charge of Municipal Affairs engages in the debate from his seat by indicating: what's that debate about? Well, we are talking about a highway in the province of Alberta. We're talking about a primary highway in the province of Alberta. We're talking about a minister's capital budget in which there will be spent this year in the province of Alberta on capital investments \$297 million, and it is a highway that is much used for the industrial commerce of the province. The minister has indicated that he has a rating system called the PMS, the minister's rating system. I asked the minister what the rating would be on that highway, and the hon. minister engages in the debate not on his feet but sitting down and says: what nonsense is that? Well, I say to you, Mr. Chairman, that if in the transportation budget you cannot talk about highways in the province of Alberta, then clearly I am at the wrong place at the wrong time and at the wrong opportunity in my life.

I want to move on now, if I might. [interjections]

MR. CHAIRMAN: Order. If you could speak through the Chair.

MR. GERMAIN: Yes. I'm trying to do that, Mr. Chairman.

Now let's get to the third quarter issue. The Member for Leduc raised a potential concern, Mr. Minister, that the department of transportation had appeared to be running a very good third quarter surplus based on the third quarter budgetary issues that were released. The capital expenditures as budgeted on the third quarter forecast were to come in at \$311 million in capital versus \$352 million. That left \$42 million of savings that must be credited either to bad weather, to projects not being completed, or to good hard-working management on the part of the minister, his deputies, and all of the department. So it is only appropriate that we ask what steps the minister took in his role as the minister to counteract a well-established alleged phenomenon, and that is the last quarter expenditure.

One of the issues that the Treasurer has raised and recognizes in his role as Treasurer and one of the issues that government leaders have always recognized is that there is a let's get the things we need type of attitude that prevails at year-end. With that \$42 million of creditable savings I wonder if the minister could tell us what steps he took and put into place to ensure that there would be no temptation to make extraordinary expenditures during the last quarter of the transportation budget that could have resulted in more savings passed on and could have eased the pain for other services, including some administered by the Minister of Municipal Affairs, others administered by the minister of social

services, others administered by the Minister of Education. That would be of interest to me.

[Mrs. Gordon in the Chair]

Lastly, Mr. Minister, an issue that has developed since you began speaking on these debates, and that issue is the concerns that relate to the anticipated increased road traffic activity to the Swan Hills plant if certain applications for waste disposal under the department of environment go ahead. There is some growing community concern that the ministry will have to be very vigilant in terms of transportation issues that relate to the transportation of dangerous goods. Now, in the 1994 transportation budget the items that relate to dangerous goods are found in item 5.3 and particularly 5.3.1 and 5.3.2. It is to be noted that the inspection services for dangerous goods transportation is going down significantly more than the operational support for dangerous goods transportation. So my question to the minister of transportation this evening is: did he in the budgetary process plan or contemplate or prepare for the increased traffic concerns that would occur at Swan Hills if there is approval to do more waste disposal at Swan Hills than they are presently conducting? If the minister knew of that in advance, can he explain to the House how he will be able to come in with this much reduction in dangerous goods inspection and still preserve the integrity of the consumer confidence that dangerous goods transportation in this province will continue to be monitored closely and be well regulated through the minister's efforts?

[Mr. Tannas in the Chair]

That, Mr. Chairman, does conclude the comments that I had to make tonight. I would have been much briefer had it not been for the interventions of ministers opposite. That concludes my comments. Thank you.

9:00

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

MR. BRACKO: Thank you, Mr. Chairman. A couple of questions to the minister. Back in the late '40s and early '50s Highway 2 went from Edmonton to Calgary. It would take four or five hours to go to Calgary. It went through every town along the way. It was good for the businesses, but for speed it took a long time. Then we got the two-lane divided highway from Edmonton to Calgary, a great advancement for speed and flow. The question I have for the minister is: what are the government's plans for the area south of Red Deer? I believe it's called Gasoline Alley. The businesses are concerned that a new highway section may be put in around their businesses. Secondly, the people traveling back and forth want to know if there are going to be changes which would lessen the travel time to Calgary. So that's one question.

The second one. I know this is the government of planning for the future, and I know the minister is in tune with this. My question on this is: what are the plans for a bullet train from Edmonton to Calgary? I know I had the opportunity of riding the Shinkansen in Japan. It was 225 kilometres an hour; the tracks, made of steel, were a quarter of a mile long. The ride was very smooth, like flying, and it was very quick and very efficient. I recognize that the population of Japan is much greater, but they do have in Japan 225 kilometres per hour. In France I believe there's a bullet train that goes 450 kilometres an hour, which would move very quickly the travelers from Edmonton to Calgary

or the reverse. What is the minister doing, or what is his department doing? Are you looking at companies, even international companies, that would be interested in this? It would be privatized, of course, to make it more efficient. We know that our population is only growing very slowly, but the government has looked at that in the past, and I know that it's important that you look at it in the future.

Those are my two questions to the minister, Mr. Chairman.

MR. CHAIRMAN: Are you ready for the vote?

HON. MEMBERS: Question.

MR. CHAIRMAN: Okay. We're dealing this evening with the Department of Transportation and Utilities. First, program 1, departmental support services: total operating expenditures, net zero dollars; summary of capital investment for program 1, net zero dollars.

Program 2, construction and operation of transportation systems: total operating expenditures, a net surplus, \$45,585,000. Are you agreed?

#### Point of Order Voting on Net Expenditures

MR. GERMAIN: A point of order, Mr. Chairman. I appreciate, first of all, that you are making the motions on the filed documents of the minister. So really I'm rising on a point of order to the minister's motions. The last argument, the last presentation you made points out the fallacy in this, and my point of order is under our own standing rule 57(7) and also *Beauchesne* paragraph 936.

This is a supply estimates debate, with respect, Mr. Chairman, and while I appreciate the net budgeting concept of the minister of transportation, we are here tonight to vote on government expenditures. It is not, in my respectful estimation, appropriate to be voting on net government expenditures within the confines of our existing Standing Orders and our standing rules. I suggest that these votes may well be a nullity. It is important that what the minister gets tonight is clear direction as to how many spending dollars he is getting approved, not how many taxation dollars he is getting through utility taxes, registration fees, and the like. We are obliged, I say to you in this point of order, to vote on the expenditures by the item. The footnote might be that anticipated offsetting revenues – I mean, if you carried that argument to its logical extreme, all we would ever vote on in this province is the annual deficit. We would say: "The annual deficit is \$2 billion. We vote on that." We're here tonight, in my suggestion to the members of this Assembly, to vote on what we're going to spend. Now, when we vote on a net budget, we are voting for a revenue assessment for which we have not been properly briefed, properly argued, or properly developed. We are voting for taxation legislation in an inappropriate form. Any one of those net figures can be affected by unexpected increased revenues, unexpected revenue decreases, or expenditure issues.

I for one, and I hope all members of this Legislature on both sides, will not want to vote on a net basis, because if we pick up more money in tax revenue, say through the fuel tax this year, it to my view does not give the minister of transportation that increased spending mileage to get to the net figure. We have no provision and no precedent in our Standing Orders, is my submission, to vote on a net basis.

The minister has done very well and has honoured this House by presenting the information that way. It is a step in the right direction. We are interested in net budgeting from a presentation



point of view, but we're voting here tonight on expenditures. How much are you going to spend for road building? How much are you going to spend for the department of highways?

MR. DAY: You've made your point. Sit down.

MR. GERMAIN: Well, I'm sorry. I wanted to finish my point.

MR. DAY: You made your point. You're making a speech.

MR. CHAIRMAN: Can we have the hon. Member for Fort McMurray complete his point of order? I think it's a substantive one.

MR. GERMAIN: I don't want to raise any further the blood pressure of the member opposite. He at least has got my point.

MR. DAY: Well, Mr. Chairman, the standing order quoted talked about the designated supply committee, which when you go back to Standing Order 56 talks about the Committee of Supply appointing five designated supply subcommittees. That is what's referred to in this case by "designated supply subcommittees," of which this is not one. Even having made that point, that there is no point, I don't think the minister would have a problem whether it was the net or the gross, but we do want to proceed with this.

MR. GERMAIN: Let's vote on the gross then.

MR. DICKSON: Mr. Chairman, on the point of order.

MR. CHAIRMAN: I wonder, hon. member, if you could give us some time, and then we'll hear further. Or would you like to talk while we're trying to . . .

MR. DICKSON: No, I wanted to speak to the point of order. I'm happy to give the Chair an opportunity to check the authorities first as long as I have the opportunity to respond before you make your rulings here.

MR. CHAIRMAN: Yes. Indeed you will.

[The committee adjourned from 9:10 p.m. to 9:14 p.m.]

MR. CHAIRMAN: Will the committee come to order? I would offer a preliminary undertaking and then invite Calgary-Buffalo to comment and a government spokesman to comment.

We have before us, committee, a departure from traditional estimates as we have known them over the years and as we have already voted on in all of the departments that to date have been voted upon. The Chair would propose that we have two items under each one. So let us go back to program 1, departmental support services, and look at that for the moment. We would say that we would vote on it this way. Total operating expenditures: gross expenditures, \$9,615,000; net expenditure, zero dollars. We'd have both of them there. Would that meet the . . . It wouldn't. All right then; we'll hear from Calgary-Buffalo.

MR. DICKSON: Thank you very much, Mr. Chairman. I appreciate the point of order raised by my colleague from Fort McMurray. I speak in support of the point he makes, but I wanted to raise a couple of additional points of authority. Before I do that, I wanted to respond to the observation by the Government House Leader.

Standing Order 57 clearly is appropriate. I refer you to subsection (7), and I quote:

When any portion of the estimates is considered by the Committee of Supply, a member of the Executive council shall move in the committee a supply resolution relating to that portion of the estimates.

So clearly the Standing Order cited by the Government House Leader to oppose the point of order raised is not helpful to his position. If one looks at *Beauchesne*, Mr. Chairman, I refer you both to clause 933 and clause 936. Clause 933 says, and I quote:

The purpose of the Estimates is to present to Parliament the budgetary and non-budgetary expenditure proposals of the Government for the next fiscal year.

I just alert members that I'm only reading the first sentence, but I invite members to read the balance of the paragraph if they think that puts it in a different context. I submit that it does not.

The presentation as it's been put to us by the minister through the office of the Chair is of interest. Certainly the net numbers are helpful, of interest to members in this Assembly and of interest to Albertans, but clearly it doesn't meet the test. What we're here to vote on are expenditures of the government of the province of Alberta. We're not here to vote on taxes, and we're not here to vote on government income. If we were, we'd be truly in an Alice in Wonderland kind of situation. There's no control coming in over the revenues, and that means we couldn't possibly expect the hon. minister to be accountable in the same way that he can for expenditures in that respect. He has total control over those, and he's supposed to come in front of this Chamber and be totally accountable for every one of those dollars. It seems to me that we don't have the same kind of control over revenue. The presentation that's been made and that we're now asked to vote on is not only outside the convention and the rules of this Assembly, but it also distorts the whole purpose of this Assembly. We're supposed to be a Chamber to control government expenditures, not revenue projections and user fees and the kinds of things that go into net budgeting.

So in conclusion, Mr. Chairman, there's ample authority that what we're being asked to do is wholly inappropriate and in fact wholly without authority. The other thing I say is that it's useful to have the presentation in the form it is, but we can't be asked to vote on it in that fashion. The difficulty I have with the interim resolution tendered by the Chairman – I appreciate the Chairman's effort to meet the substance of my colleague's objection, but it still puts us in a position. All it means is that we do it sequentially and we do it in two stages, but we end up in exactly the same position as if we vote in terms of the net numbers.

So my respectful submission, Mr. Chairman, if I can make my point over the racket I hear from the Minister of Municipal Affairs, would be that we deal only with the expenditures of this department, full stop. Thank you.

MR. CHAIRMAN: Hon. Government House Leader, do you have anything further?

MR. DAY: Well, it's called straining at a gnat to swallow a camel, but we do want to get on with the business of the Assembly. We want to get on with the business of supplying the necessary dollars so that the people of Alberta can see services delivered. If we're talking about gross expenditures, as I've already indicated, even though the Financial Administration Act has been passed by this Assembly and agreed on and therefore agreed on net budgeting, even given that, we are willing to put the matter under your guidance, Mr. Chairman. Either or both will accomplish the goals of moving on with the business of government for the people of Alberta to receive the services.

MR. CHAIRMAN: On this matter the hon. members are invited to look at *Beauchesne* 944(1).

The Estimates are limited to setting out only the sums which it is calculated will be required in the current year, and do not show the value of assets held or the liabilities.

And so on. With your concurrence, I would like to, until we have further debate on this, have at least the gross expenditures and the net expenditures mentioned and have agreement on that. Is that agreeable?

9:20

MR. DICKSON: Mr. Chairman, with respect, why wouldn't we simply deal with the gross expenditures? There's ample authority to do that, and I think you'd find no objection from the opposition to proceed in that fashion. What's problematic is then trying to deal with the net expenditures.

MR. CHAIRMAN: Hon. members, the Chair has taken the various bits of advice under consideration. I think if anyone were to look at the beginning of each and every department, you would see that we deal each time with the net estimates to be voted upon in operating expenditure, capital expenditure, and the ministry total. So as to cover both eventualities, I see nothing, at this point anyway, to prevent us from going on each program and voting on the gross and the net together. If you then wish to work it out, we can come back to that at a later time.

MR. DICKSON: Well, Mr. Chairman, with respect, what I understood the hon. Government House Leader acknowledge was that he wasn't prepared to make an issue of it. It's my understanding, sir, that there's no need for you to require a vote on the net expenditure. Surely if the government isn't pressing the point, can we not simply deal with the gross expenditure? It seems fairly straightforward, with respect, Mr. Chairman.

MR. CHAIRMAN: The hon. Deputy Government House Leader.

MR. EVANS: Thank you, Mr. Chairman. It is very strange to me that this kind of an argument would be raised on the 25th day of estimates. The hon. members opposite, the two who have been promoting this cause, are both lawyers, and I'll use a term for them: they're estopped from this kind of a ridiculous argument on the 25th day of estimates. They are estopped because we have had a number of votes in committee. They have participated in those votes. Those votes have been consistent with the rules that we have adopted in this House, the procedures that we have developed in committee over the years. If there was an argument that we should be dealing merely with the net part of the budget, gross expenditures or whatever, the time to do that is at the beginning of estimates at the beginning of a session of this Legislature. It is not on the 25th day of estimates. I repeat: the rules of this committee are very clear. The hon. members opposite, the Government House Leader, and the rest of the Liberal caucus have participated in this process, and they are estopped from making such a ridiculous claim on the 25th day of estimates.

MRS. HEWES: To my knowledge, Mr. Chairman, this is the first time we have called the vote. [interjection] It's the first time that a vote has been called where this has been an issue, sir. This is new, Mr. Government House Leader. [interjections] Yeah.

Mr. Chairman, the rules are our rules, your rules, and they're very clear: we are to vote on the expenditures. I see no reason why the vote in this case cannot be called on the program

expenditures under every vote – that would be the accurate thing to do – and on every other department as you call the vote on those departments, which we are going to do subsequently. Is that not correct? Are we not going to have the votes on the other departments tonight?

MR. CHAIRMAN: It shall be done one way or another, at quarter to midnight or before.

MRS. HEWES: And as we get to those, then the same should maintain.

MR. CHAIRMAN: The same what? Gross and net?

MRS. HEWES: The same rules, that we are voting on expenditures, because that's all we are permitted to do by 57(7).

MR. CHAIRMAN: The hon. Provincial Treasurer will shed some light on this.

MR. DINNING: Mr. Chairman, I'd be delighted to. May I point hon. members to the *Revised Statutes of Alberta* for the Financial Administration Act under part 3 on supply votes. Section 29(1.1) of the Bill, which was amended by this Assembly in 1993 by new members and even the odd veteran – very odd veteran – passed net budgeting such that the Bill reads and the law of this province is:

If the details in the estimates respecting a supply vote that is approved by the Legislature show an item as a credit [in this case, dedicated revenue] or recovery, the vote is deemed to authorize the payment of an amount equal to the aggregate of

- (a) the amount appropriated by the supply vote,
- (b) the estimated credits [in this case, dedicated revenue] or recoveries set out in the details respecting that supply vote.

It goes on, Mr. Chairman. But that is net budgeting.

May I refer hon. members to the votes that have taken place in this Assembly heretofore, and I will use only some examples so that I know I'm on safe ground. This committee approved the net estimates of the Department of Environmental Protection: gross expenditure of \$323,214,000, dedicated revenue of a little over \$5.4 million. This committee approved the expenditure of \$317,808,000. Agriculture is the same, Mr. Chairman. I'll give that as my one last example. There is a gross expenditure of \$366,345,000. The dedicated revenue is \$10,806,000. The net estimates approved by this committee and recommended to the full House and approved and received and accepted by the full House were \$355,539,000.

So, Mr. Chairman, I know that there is important business of the Assembly, in addition to this committee, that must be gotten to, including a very important Bill, Bill 16, which I will be happy to move second reading of. I think it's now time to do the people's business and stop the obstructionist tactics of the members across the way.

MR. CHAIRMAN: Thank you, hon. Provincial Treasurer. The Chair was about to read to the whole Assembly the very things that you are talking about under part 3 of the Financial Administration Act, where it does indicate "an amount equal to the aggregate of." All I was trying to do was to build a compromise to get us over this debate rather than prolong the debate. The hon. Provincial Treasurer has also properly drawn to our attention the very fact that we have on a number of occasions in this spring session voted estimates which included then the net aggregate in our net estimates on some of the ones that the hon. Provincial

Treasurer mentioned and others, which brings us back to how we began when we went through program 1 and put in there net zero dollars. All I was offering was a compromise that would put into effect the gross in there. I would put in there that this is to help us over this evening and is not a precedent-setting occasion.

Having said that, I think the Chair has ruled and we can proceed.

**9:30**

Agreed to:

Program 1 – Departmental Support Services

Total Operating Expenditure:

Gross Expenditure \$9,615,000

Net Estimates -

Total Capital Investment:

Gross Expenditure \$134,000

Net Estimates -

Program 2 – Construction and Operation of Transportation Systems

Total Operating Expenditure:

Gross Expenditure \$243,678,000

Net Estimates (\$45,585,000)

Total Capital Investment:

Gross Expenditure \$297,527,000

Net Estimates -

Program 3 – Financial Assistance to Alberta

Resources Railway -

Program 4 – Development and Support of Utilities Services

Total Operating Expenditure \$31,880,000

Total Capital Investment \$20,000

Program 5 – Disaster Services and Dangerous Goods Control

Total Operating Expenditure \$31,585,000

Total Capital Investment \$60,000

Summary

Total Operating Expenditure:

Gross Expenditure \$317,718,000

Net Estimates \$17,880,000

Capital Investment:

Gross Expenditure \$297,741,000

Net Estimates \$80,000

Department Total

Gross Expenditure \$615,459,000

Net Estimates \$17,960,000

MR. TRYNCHY: I move that the vote be reported.

[Motion carried]

MR. CHAIRMAN: This is alphabetical from the front to the back of my book, if that's agreeable. Community Development is the first department to be considered. Are you ready for the vote?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Program 1, departmental support services: total operating expenditures, \$3,084,000. Are you . . .

Sorry; we're having some difficulty here.

MR. DAY: Mr. Chairman, I think that if we are following Standing Orders and precedent, on each of these departments that have not yet been voted, we do the entire vote rather than program by program.

MR. MITCHELL: No, no. Mr. Chairman, we only do that if we are 15 minutes before the normal adjournment hour on the last day on which estimates can be considered. Of course I'm referring to Standing Order 59(3). So it would be 11:45 before we could actually do that without the consent of the House, and we'd have to I guess pursue whether or not we want to get the consent of the House.

MR. CHAIRMAN: That would be my understanding as well, hon. Government House Leader. Would you care to move that we give unanimous consent to go to the . . .

MR. DAY: Recognizing, Mr. Chairman, that collegial agreements made outside the House have in fact no weight in law, I was under the estimation that they had some kind of moral suasion, and since I felt that agreement was in place, yes, I have no problem asking that that be agreed to.

MR. CHAIRMAN: Okay. The request is that we go department by department on the summary. So we'll need unanimous consent, then, to waive Standing Order 61(4). All those in favour, then, of going with the summary of the amounts for each of the departments, please say aye.

HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed, please say no. Let it be noted that unanimous consent has been agreed to.

If we may back up then for a moment, we'll go then to the Department of Community Development: comparative summary of votes to be voted on. [interjections] Hon. members, I'm sorry if I moved that past too fast. The Chair asked if we might have unanimous consent to go through department by department on the summary of the votes. We voted yes and there were no noes. Now, did I mislead you? [interjections] Okay. Hon. Opposition House Leader, I'm sorry. Would you say that again so that the Chair understands what the objection was?

MR. MITCHELL: Well, I thought it was said that somehow we had made a deal, the Government House Leader and I had made a deal. I am not aware of that. Didn't do it.

What I did stand to say was that if you wanted to get unanimous consent, Mr. Chairman, to consider this all at once, we would certainly consider that, and we did and we passed it.

MR. CHAIRMAN: Good. Just a function of my bad hearing.

For the parliamentary niceties, I think we also need to waive Standing Order 59(3), if you could have a look at that, which will then facilitate it for sure, then we could have this vote as we've all agreed. All those in favour of waiving Standing Order 59(3) in order to facilitate the vote this evening, please say aye.

HON. MEMBERS: Aye.

**9:40**

MR. CHAIRMAN: Those opposed, please say no. Carried unanimously. Now we're ready to go.

Agreed to:

**Community Development**

Operating Expenditure	\$158,955,000
Capital Investment	\$581,000
Department Total	\$159,536,000

**Economic Development and Tourism**

Operating Expenditure	\$136,584,000
Capital Investment	\$954,000
Department Total	\$137,538,000

MR. DAY: I move that this vote and Community Development be reported, Mr. Chairman.

[Motion carried]

Agreed to:

**Executive Council**

Operating Expenditure	\$24,543,000
Capital Investment	\$201,000
Executive Council Total	\$24,744,000

MR. DAY: Mr. Chairman, I move that the vote be reported.

[Motion carried]

Agreed to:

**Federal and Intergovernmental Affairs**

Operating Expenditure	\$5,917,000
Capital Investment	\$70,000
Department Total	\$5,987,000

MR. DAY: Mr. Chairman, I move that the vote be reported.

[Motion carried]

Agreed to:

**Justice**

Operating Expenditure	\$334,269,000
Capital Investment	\$1,669,000
Department Total	\$335,938,000

MR. DAY: Mr. Chairman, I move that the votes be reported.

[Motion carried]

Agreed to:

**Treasury**

Operating Expenditure	\$49,158,000
Capital Investment	\$590,000
Department Total	\$49,748,000

MR. DAY: Mr. Chairman, I move that the vote be reported.

[Motion carried]

MR. CHAIRMAN: That concludes the 1994-95 government estimates.

Agreed to:

**Legislative Assembly**

Total Program 1 - Support to the Legislative Assembly	\$20,580,934
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**Point of Order**

**Appeal of Chairman's Ruling**

MR. GERMAIN: A point of order.

MR. CHAIRMAN: The hon. Member for Fort McMurray is rising on a point of order.

MR. GERMAIN: Yes. Mr. Chairman, I apologize for the underground audible noise here, but I wanted to put on the record that under Standing Order 62(2) we do wish to appeal the previous orders that you made on the very contentious issue that related to the net voting approach. My reluctance to get up now was so that the House in committee could conduct some more relevant business, but I didn't want to be precluded from raising the point of order, so I was to-ing and fro-ing with myself. I make the point of order on an appeal of those issues, but I am prepared, if you feel there's a way of doing it, to defer it until we conduct other business that the deputy House leader seems to want to push through tonight.

**9:50**

MR. CHAIRMAN: Thank you for your point of order. The Chair will now leave the Chair.

MR. DAY: On the point of order, Mr. Chairman.

MR. CHAIRMAN: I think the way we're reading it, in the case of an appeal to the Assembly, which the hon. Member for Fort McMurray has done, the Chairman shall leave the Chair immediately and report the point of order to which he has decided.

Just so that you know the joy of this all, if you look further on 62(6) it says:

If the Speaker is absent, the chairman shall take the Chair of the Assembly as Acting Speaker and another member shall make the report of appeal to the Assembly, and the Acting Speaker shall forthwith put the question to the Assembly.

AN HON. MEMBER: Point of order.

MR. CHAIRMAN: No. There isn't any further debate on the topic. [interjection] There will be no further debate on the topic. The Chair is about to leave the Chair.

[Mr. Speaker in the Chair]

MR. SPEAKER: The hon. Member for Highwood.

MR. TANNAS: Mr. Speaker, I rise to address a problem that arose in committee. A few moments ago in committee the hon. Member for Fort McMurray brought to my attention 62(2). The appeal was that in estimates on Transportation and Utilities under program 1 we ran into an interesting development. When we looked at the total operating expenditures, there was a net estimate of zero dollars. Inasmuch as in other parts of the estimates that had been voted upon, we had always gone on net estimates. However, to the Chairman's recollection this is the first time when we had a net estimate of zero dollars. So we went through the vote on that and moved quickly to the next one, to program 2, when this point of order was brought up. So after much deliberation we quoted various parts of Standing Orders. In particular, we heard from the hon. Provincial Treasurer dealing with the Financial Administration Act under part 3 on what estimates shall contain and that under (1.1) of that section:

If the details in the estimates respecting a supply vote that is approved by the Legislature show an item as a credit or recovery, the

vote is deemed to authorize the payment of an amount equal to the aggregate of . . . which again brought us back to net. Because there was some concern that if you have a net expenditure of zero dollars, shouldn't you reflect that there is an actual expenditure, so as not to bind the committee further, the Chair ruled that we would record for some of those in transportation both the gross dollars and the net dollars in one vote. We got agreement of the committee to do that and have proceeded through the rest of the estimates.

We have now completed the estimates and were ready to continue through the Legislative Assembly estimates when the hon. Member for Fort McMurray rose and indicated an appeal to the Speaker on the standing order that I quoted to you earlier. Then I had my attention drawn to 62(4), where it said:

In the case of an appeal to the Assembly, the chairman shall leave the Chair immediately and report the point of order which he has decided.

I think I've exhausted what I want to say right now.

MR. DICKSON: Point of order, Mr. Speaker. [interjections]

MR. SPEAKER: Order please. [interjections] Order. The Chair will decide who will be recognized or if anybody will be recognized.

The reference before the Chair is Standing Order 62(4):

In case of an appeal to the Assembly, the chairman shall leave the Chair immediately and report the point of order which he has decided.

Standing Order 62(5) then goes on to say, "The Speaker shall then put the question without debate." Therefore, as the Chair sees it, the effect of Standing Orders is that the Chairman is to report, and then the Speaker is to put the question without debate. The question before the Assembly would be that the decision of the Chairman shall be confirmed. The Chair doesn't feel that it has any option but to follow the Standing Orders. Therefore, all those in favour of the point being that the decision of the Chairman be confirmed, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion carries.

**head: Committee of Supply**  
**head: Main Estimates 1994-95**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: I'll call the committee to order.

**Legislative Assembly (continued)**

MR. CHAIRMAN: I believe I was just in the midst of calling that vote when the point of order came; is that right? So that we have it exact.

Agreed to:

Total Program 2 – Office of the Auditor General	\$10,210,163
Total Program 3 – Office of the Ombudsman	\$1,090,500
Total Program 4 – Office of the Chief Electoral Officer	\$782,291

Total Program 5 – Office of the Ethics Commissioner	\$173,252
Total Program 6 – Freedom of Information	
Implementation	\$200,000
Total	\$33,037,140

MR. CHAIRMAN: Hon. Government House Leader.

MR. DAY: Mr. Chairman, I move the vote on the estimates of the Legislative Assembly be reported.

[Motion carried]

10:00

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

[Motion carried]

[Mr. Speaker in the Chair]

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

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1995, for the departments and purposes indicated.

Department of Transportation and Utilities: \$17,880,000 for operating expenditures, \$80,000 for capital investment, for a total of \$17,960,000.

Department of Community Development: \$158,955,000 for operating expenditures, \$581,000 for capital investment, for a total of \$159,536,000.

Department of Economic Development and Tourism: \$136,584,000 for operating expenditures, \$954,000 for capital investment, for a total of \$137,538,000.

Executive Council: \$24,543,000 for operating expenditures, \$201,000 for capital investment, for a total of \$24,744,000.

Department of Federal and Intergovernmental Affairs: \$5,917,000 for operating expenditures, \$70,000 for capital investment, for a total of \$5,987,000.

Department of Justice: \$334,269,000 for operating expenditures, \$1,669,000 for capital investment, for a total of \$335,938,000.

Treasury Department: \$49,158,000 for operating expenditures, \$590,000 for capital investment, for a total of \$49,748,000.

Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1995, for the offices of the Legislative Assembly and the purposes indicated: support to the Legislative Assembly, \$20,580,934 total; for the office of the Auditor General, \$10,210,163 total; for the office of the Ombudsman, \$1,090,500 total; for the office of the Chief Electoral Officer, \$782,291 total; for the office of the Ethics Commissioner, \$173,252 total; for freedom of information implementation, \$200,000 total. Total voted for the Legislative Assembly: \$33,037,140.

Mr. Speaker, I wish to file copies of all resolutions voted upon by the Committee of Supply on this date for the official records of the Assembly.

MR. SPEAKER: Does the Assembly concur in the report?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

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

**Bill 16**  
**Government Land Purchases Act Repeal Act**

MR. DINNING: Mr. Speaker, I stand before the Assembly to move second reading of Bill 16, the Government Land Purchases Act Repeal Act.

Mr. Speaker, consistent with our budgetary approach to try to streamline and make more efficient the operations of government, the operations of the land purchase fund, primarily as an aid to the likes of the department of public works or the department of transportation in the purchase of land for future use, now can be done specifically by those two departments involved through their regular budgetary activities under the auspices of the general revenue fund. So in the interests of making our government more efficient and more effective and more streamlined, I would ask all members to concur with Bill 16 at second reading.

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

MRS. ABDURAHMAN: Thank you, Mr. Speaker. I rise to speak in favour of Bill 16, and I commend the government for bringing it forward. Certainly it's been long overdue, but as I say, it's better late than never.

Streamlining government operations and certainly reducing administrative costs is something that we as Albertans have all been looking for. When we look at the move in the direction of capitalizing and amortizing the province's entire portfolio of capital assets – and this was certainly recommended by the Auditor General and the Alberta Financial Review Commission – it's gratifying to see that the government indeed took those recommendations seriously.

Mr. Speaker, I can remember well, whether it was when I was involved in the public health system or chairman of Alberta Hospital Edmonton, the frustration, when you had your auditors in and your financial statements were brought before the Auditor General, of asking the Auditor General why indeed we did not have the value of our capital assets clearly documented in our annual financial statements or the debt amortized over the life of the facility, to be told that that was not the way the government of Alberta did business and that it would be too costly to look at what the value of those capital assets was. So this is certainly long overdue, and I found it rather disturbing that it's taken so long for us to get to this point in time.

If indeed the province is serious about moving towards a full recording of the value and the cost of capital assets in the consolidated financial statement, there's certainly no need to maintain a number of different funds which only disclose a portion of the province's capital assets inventory, and that's what Bill 16 will achieve. This repeal of the government land purchase is, as I've said previously, a step in the right direction. With the elimination of the fund it will fulfill the commitment to eliminate interfund transactions, which certainly have created confusion and made it difficult to analyze the province's overall financial situation.

**10:10**

As we all know from the past history of the previous provincial government and to some extent the present one, we certainly have an undesirable financial situation at the present time. The existence of a multiplicity of funds which deal with asset management also makes it difficult to measure the true cost of programs

and weakens the managerial accountability. Certainly the Official Opposition has been asking that we have full accountability for programs, and certainly we should be looking at outcome measurements and sunset clauses with regards to any program. We certainly have been on record as supporting the development of a system which will allow for the measurement of the true costs of providing programs. So once again, Bill 16 is certainly going to assist us in those areas.

Now, Mr. Speaker, when we look at the principles involved in Bill 16 and ensuring that we do end up with a product which is going to serve Albertans well, there are a number of issues that certainly have to be addressed when we're looking at Bill 16. The thing that comes to mind is, you know: what are the systems that we've got presently in place that do measure the unconsumed cost or the value of capital assets? Do we indeed have systems, and if we do, what are they, and how do they fit into Bill 16? We also have to address the systems that are being developed by the Treasury Department to estimate the unconsumed costs or value of the \$190 million in assets contained within the land purchase fund as well as the capital assets contained in other government departments and agencies and funds as was recommended by the Financial Review Commission and the Auditor General. So once again there has to be an openness and sharing with us how this is going to be achieved.

You know, when you look at Budget '93 on page 143, we clearly see under the proposed future action – and I just want to read it into the record because I think it's important once again under Bill 16.

Over the next few years the government will review how to record and amortize all of the capital assets. This is a complex matter, and many issues need to be resolved. Very preliminary estimates indicate the unconsumed cost or value of capital assets owned directly by the Crown, such as buildings, equipment, highways, bridges, and dams, is in the neighbourhood of \$9 billion.

What's being suggested is that the annual amortization costs of these assets would be \$800 billion. Now the question has to be asked so that we understand how it fits into Bill 16: how did the Treasurer arrive at the \$9 billion estimate? You know, what were the criteria? How did they arrive at that number? How much land does it apply to? Is the province considering the capitalization and amortizing of capital assets in conjunction with the exposure draft being worked on by the public-sector accounting and auditing board of the Canadian Institute of Chartered Accountants? I think that's very important.

Also, we have to commend the government and acknowledge that this government probably is a leader in this whole area. So, Mr. Speaker, we have to commend the government for that. What are we looking at in time lines for the implementation of the capitalization and amortization of capital assets? It goes back to even my motion with regards to full inventories. You know, once again asking the question: has the province developed a full inventory of land held for future use and held for resale in the land purchase fund and identified the assets which are managed through other funds and agencies? There are numerous ones of those, but we really can't get to the bottom line without having that type of inventory in place. I think the Treasurer should be indicating to the House what the impact of moving to a systems capitalization and amortization of capital assets will indeed have on the province's consolidated assets and consolidated liabilities and net debt. These are things that we certainly have to be looking at with Bill 16.

How is the government proposing to present the unconsumed value of the capital assets in its financial statements? Will they

indeed appear as a note, or will they be in the full schedule? Will the capital assets be broken down by specific category? Will Albertans be able to gauge the amount of land that's being held for resale and held for future use? Once again it goes back to my motion. These things have to be addressed so that we as Albertans know what truly is an asset or what truly is in the marketplace for sale.

Is consideration also being given to recording the unconsumed cost of such Crown rights as oil and gas reserves, forestry, and other natural resources? Only when you do this do you truly see the value of the assets of the province of Alberta and you really can start to look at what is the real debt of the province of Alberta. It's like running your household or your own private business and not anywhere showing what the true assets are for the family or for your business. We in Alberta have been doing that decade after decade never showing the value of our hospitals, our schools, or, as I've said, the natural resources that we presently have in place.

Will we have an indication of whether the financial statements record the value of those capital assets, and will they include the costs of administration? We've certainly seen the Financial Review Commission clearly stating that they found in the financial statements that administrative costs were never included. Well, that's not a true costing. Mr. Speaker, I'm asking the Provincial Treasurer: when we get the financial statements in the future and we're looking at the value of capital assets, are administrative costs going to be included?

Now, why indeed have the land purchase fund statements not included those administrative costs in the past? When we don't

include them, such as personnel and accommodation, and they're not being absorbed under the general revenue fund, this certainly does us all a disservice. Mr. Speaker, I would suggest to the Treasurer that the land acquisition and disposal services provided through the general revenue fund will be cheaper than the administrative costs of the service provided by the land purchase fund.

That gets back to my opening comment that I commend the government for bringing Bill 16 before us. It certainly is beginning to get our house in order in certain areas. It's certainly streamlining government operations. But while I'm supporting this Bill, I would hope that the Provincial Treasurer will address some of the areas that I've identified that I feel are pertinent to ensure that indeed what I'm speaking to in the area of streamlining and bringing good managerial practices to government and clearly showing what our assets are worth and amortizing them over the appropriate years is going in the right direction.

So with those comments, Mr. Speaker, I thank you for the time and look forward to further debate in committee.

*10:20*

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

HON. MEMBERS: Question.

[Motion carried; Bill 16 read a second time]

[At 10:21 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

