

Legislative Assembly of Alberta

Title: **Monday, April 25, 1994**

8:00 p.m.

Date: 94/04/25

head: **Committee of Supply**

[Mr. Tannas in the Chair]

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

head: **Lottery Fund Estimates 1994-95**

MR. CHAIRMAN: At this time I'd call upon the minister responsible for lotteries, the Deputy Premier, the Minister of Economic Development and Tourism, to begin with his comments and perhaps amendments.

MR. KOWALSKI: Mr. Chairman, I had provided some information for tabling to all members of the Assembly this evening as we go through these lottery fund estimates, and one document in particular I had hoped would have been circulated by now so all members might be able to see it. I do want to make some comments on these graphs and what they're all about. I would ask that as soon as possible the graphs be circulated, and perhaps that'll be done in just a minute or two.

Mr. Chairman and members of the Assembly, we're looking at the 1994-95 lottery fund estimates. In the document the page in essence that I would draw all members' attention to is page 7. On page 7 it talks about \$125,974,000 worth of direct expenditures under the lottery fund. These expenditures are allocated into some eight different areas or activities. If you look at the first one, you'll see agricultural initiatives. This year we're asking for expenditure authority for \$22,530,000. That essentially is basically the same as the comparable - well, it is the same for the comparable 1993-94 estimates and slightly adjusted upwards from the '92-93 ones.

For cultural activities the various foundations that are funded in there we'll note and hon. members will see that there is a reduction in dollars in that particular portfolio from \$29,969,000 to \$24,779,000 in this particular year. In particular, the allocation to the Alberta Historical Resources Foundation has decreased by not quite \$2 million. That's essentially because in '93-94 we made our last payment to the Ex Terra Foundation. That's now been completed. That project is now completed, and there's no need for an additional expenditure in 1994-95. You'll note as well that the western heritage centre in Cochrane received a payment of \$3 million in '93-94, and there's none being requested for the current fiscal year. As well, we also made an allocation last year to the Chinook Arch regional library system in southern Alberta. That was a one-shot payment. That payment has now been taken care of.

In the third activity, the activity dealing with recreation initiatives, in essence the Alberta sport, recreation, parks, and wildlife foundation has been held at exactly the same dollar level. The 1995 Canada Winter Games, which will be held in Grande Prairie in the spring of 1995, we awarded dollars last year for major capital works to it, and our call this year under the program portfolio we have is for \$430,000. The Scouts Canada 1993 National Jamboree was a one-shot item. It's been dealt with. The 1994 Arctic Winter Games was a one-shot item as well, so there was no need to have an additional allocation this year.

Under tourism initiatives you'll see that the dollar figures are exactly the same. The program spending has been maintained.

The community facility enhancement program is exactly the same as well.

The education initiative. Remember that when the government announced this, it was 17 and a half million dollars in 1993-94 and an additional \$12.5 million in '94-95. I'm pleased as well to announce to members of the Assembly that we've now forwarded all these cheques to all the school boards throughout the province of Alberta for the fiscal year '94-95.

In the health and wellness initiatives, Mr. Chairman, you'll see that those dollars are essentially the same. There are some adjustments. You'll note under the Wild Rose Foundation that figure has been held at \$6.6 million. The advanced medical equipment purchases number of \$7,266,000 is a composite of the advanced medical equipment purchases expenditure last year of \$5 million plus the medical innovation program of \$2,266,000. The two were simply blended together into one program. All members are currently aware as well of the services for problem gamblers program, the one we're doing in consort and consultation with the Alcohol and Drug Abuse Commission. You can see the profile of expenditures over two fiscal years.

The injury prevention centre. That was a one-shot \$200,000 grant allocation, and this year we'll be dealing with a submission from the Calgary Handi-Bus Association, Mr. Chairman, of some \$200,000.

Then you can see under the eighth one, the science and environmental initiatives, an expenditure of \$950,000.

So what you really have in here is a reduction from the comparable 1993-94 estimates from \$142,670,000 or the comparable forecast of \$137,900,000 to a request this year of \$125,974,000.

Mr. Chairman, these three graphs that I brought to the Assembly tonight show what's happened with the allocation of dollars from the lottery fund into the general revenue fund and the lottery fund expenditure level requests for the program over the last three years. If hon. members want to look at the last graph first - it's a pie-shaped graph - you'll see that in 1992-93 the actual amount of dollars allocated was \$113.5 million in total. In that year 22 percent was transferred to the general revenue fund, and the remainder of the dollars went to various lottery-funded programs.

In the last fiscal year, in the 1993-94 year, the lottery fund took in \$250.9 million, and in that fiscal year \$113 million, or some 45 percent, of the lottery fund was transferred to the general revenue fund, and the remainder of the dollars were allocated to these various programs that I just finished talking about.

In this fiscal year, Mr. Chairman, we see very dramatically an increase in the amount of revenue coming into the Alberta lottery fund. In 1994-95 we estimate that the Alberta lottery fund will take in \$337 million. That's a tripling in two fiscal years, and of that \$337 million all members can see that 62.6 percent has been transferred to the general revenue fund for health and education, or some \$211 million, and we already discussed that when we in essence dealt with all of the revenue in the general revenue fund.

Mr. Chairman, just to recap those figures in terms of income: in 1992-93 the lottery fund had \$113.5 million; in '93-94, \$250.9 million; and in 1994-95, \$337 million. The amount of dollars going to the general revenue fund in 1992-93 was \$25 million, in 1993-94 it was \$113 million, and this year it'll be \$211 million. You can see that with the increase of allocations that have gone into the general revenue fund, there in essence, then, has become a percentage decrease in terms of the expenditures that have been provided to various beneficiaries under the Alberta lottery fund. In 1992-93 agricultural initiatives received 19.1 percent of the fund. In '93-94 that number reduced itself to 9 percent, and in 1994-95 agricultural initiatives will receive 6.7 percent. You can

see literally in terms of an expenditure reduction profile that that follows through in the whole categories for all of these programs.

This government has basically heard what people have said, that they want increasing amounts of dollars going into the general revenue fund. When you look at this year's \$211 million, that is very, very significant. In fact, it's almost a ninefold increase of what it was only two fiscal years ago.

It's also very, very important that we do have a lottery fund that provides benefits to the citizens of Alberta and the various beneficiaries.

So now of that \$337 million we're asking for approval tonight for the expenditure of \$125,974,000.

Mr. Chairman, every one of the groupings that you'll find on page 7 of this particular document has an annual report attached to it, a report that's made available to all citizens in the province of Alberta. These reports are either tabled in the Assembly, made available by way of various public libraries and the like, and each and every one has a story behind it.

This minister, contrary to some of the statements that have been made, is not the person who makes every decision on every allocation. What my job is, Mr. Chairman, is to run the lottery fund, make sure it is efficient and effective and running with the highest degree of integrity as possible, and then colleagues of mine are involved in the administration of a large number of these programs, either directly in the ministerial office or with various boards, volunteer boards throughout the province of Alberta.

As an example, on page 7 under agricultural societies and organizations there are hundreds and hundreds of agricultural societies in the province of Alberta. Each one has its own board of directors. Each one has its own portfolio. In fact, some 276 agricultural societies and organizations receive funding. Each one has a president. Each one has a treasurer. Each one has a secretary. Each one has a vice-president. Each one has a board of directors. We provide through the Alberta lottery fund modest grants to them to undertake all of their affairs and other activities that they have during the year.

The allocation of \$5 million to the Calgary Exhibition and Stampede and the \$5 million to Edmonton Northlands are subject matters that we've talked about before in this Assembly. I've explained, Mr. Chairman, in the past that basically those are the result of contractual obligations that the government undertook in the early 1970s, when at that time these two exhibition associations ran the lottery system in the province of Alberta. The government of Alberta moved in, took it over, took them out, and basically made an annual allocation to them of \$5 million. In the cases of both organizations in Calgary and in Edmonton essentially those dollars are used to pay off debentures for the capital expenditures and creations that they've had in both cities. As an example, nearly \$4 million a year is going in Edmonton to reduce the debt on the AgriCom, a facility which is widely used for agricultural activities of both central and northern Alberta and the like.

8:10

Then we go through the whole list. The Alberta Foundation for the Arts. There's a board of directors that looks after that program and administers it. The same thing applies to the Alberta Historical Resources Foundation. It is not the minister of lotteries who sits in a corner some Friday night and willy-nilly takes this \$126 million and dishes it out, Mr. Chairman. That mythology has put those people who've spread it into very large disrepute by all of the volunteer groups in the province. On an annual basis I receive literally that many thank you letters from groups around the province of Alberta who basically say: "Look, we're volunteers.

We can raise a few dollars. If the government can match it through the Alberta lottery fund, that's very positive and that's very beneficial, and it helps us go forward with our activities," whether or not it's a 4-H group in Barrhead or a symphony group in Edmonton or girl scouts in St. Paul or some other organization in Calgary.

Mr. Chairman, in every situation where the government has taken all of the lottery funds and directed them all into the general revenue fund, there has been a correlated reduction in people support of a lottery fund. That's a blanket statement, and perhaps the best example of that is the Irish sweepstakes, which no longer exists. Once it became known outside of Ireland that these dollars were all directed to one purpose in Ireland, people simply chose not to participate. We can look at all states in America and all jurisdictions throughout the world where this has happened, where lottery tickets have been dedicated for a particular purpose, and sales have gone down dramatically. Just recently in Ontario there were a number of tickets that were basically addressed in terms of environmental mitigation and wellness, and in fact they had to pull the tickets after several weeks because there was no support for it at all.

So it's to find the balance, the correct balance and to deal with it in a correct balance. In each additional year there are probably 10,000-plus groups in the province of Alberta who basically submit applications to these various organizations that look after the Alberta lottery fund or want to seek assistance from the Alberta lottery fund, and that number is not decreasing. In fact, it is increasing. Simply what really is happening now is that the allocation amounts have basically been reduced to meet the demand, because we basically held the limit in terms of what we have in this regard.

Mr. Chairman, in previous budgets like the GRF I discussed what a lottery fund is, the administration of it. Those votes are in a separate vote. What we have here tonight are these summary payments of \$125,974,000. The three graphs very clearly indicate how these dollars are allocated, and page 7 indicates the specifics with respect to that.

I'm very fortunate in the sense that I've got some very talented people who work with me from an administrative point of view in this particular program. Four of them are in the members' gallery tonight, and I would like to introduce them. First of all, a special adviser to me, Elenore Kubick. With her are three very key administrators who have wide experience throughout the province of Alberta in both volunteerism and promotion of recreation, sport, and cultural activities: David Bass, Rick Curtis, and Alan Roth. Perhaps if they could all stand, we'll give them a warm welcome. They are young, dynamic administrators, and they're very good at what they do. They assist very greatly anybody who does inquire and seek information.

I think, Mr. Chairman, much has been said in the Assembly about the lottery fund whenever I've had an opportunity. I think I'll conclude my remarks there and be very happy to answer any questions. I'm going to invite my colleagues who are directly responsible for the administration of some of these programs to jump in at any time.

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

MR. WHITE: Thank you kindly, Mr. Chairman. There are a number of questions that keep coming back again and again and again of course and a number of issues that are directly related to each and every member in this House. To those issues that have to do with each individual constituency and/or cultural-related

matters, I shall at the first instance leave that to some of my colleagues.

First, I'd like to speak about something that is really quite important to most of the citizens of this province that have lived more than the past 40 years, perhaps 50 or better. That's a moral question that hasn't been visited by this government but that in fact you deal with on a daily basis when you're dealing with lotteries and how those funds are collected. The great number of people that have lived through the Depression and now are senior citizens would say that in their day these kinds of things were illegal with reason. They recognized that they were another form of taxation if they were collected by a government and that it wasn't an equal taxation. The reason why one gambles was based on very many, many different reasons and not all of them were pure and simple, to enjoy a game or a match or something of that nature. This is not enjoyment. They, in fact, become hooked. They have difficulty with the moral issue as it relates to our seniors.

They have a great deal of difficulty having these funds not directed to a single purpose. They can actually almost buy it and say: "Okay. Even though there is the question of gambling and how the moneys are assembled is questionable, if they go to a special purpose, then we can understand that." In this case there is no question about it. It is purely and simply another form of taxation. When two-thirds of the funds generated, after all the largess of one particular minister, can be expended in various and sundry areas for the general revenue, some of them with very good reason, then what other conclusion can anyone have, let alone a senior?

The conclusion is that the taxation is coming from those who oftentimes can simply not afford to have these funds taken from their pockets. In particular I direct your attention to VLTs, by any other name an electronic one-armed bandit where you don't even have to pull the handle any longer and they eat up funds faster. This is not a simple afternoon's or evening's entertainment of bingo, where you can count on how many dollars you can win or lose by the number of cards you play. This is a continual plugging the machine and draws one in. In everything – graphics, presentation, location – machines are designed for one thing and one thing only: to addict, to take money. The turnaround in fact is so very, very fast that it's hard to believe a government can say that this is something they support and want members of the public to believe is entertainment.

There is one area in the expenditures that I have spoken on before and will continue to speak on, and it relates to the moral issue. The government has at least partly addressed this in spending some \$820,000 this year through AADAC to aid these problem gamblers. Unfortunately, the funds, as it works out over a three-year period using the government's own numbers and the report that was published at the same time, relate to about \$40 per person. Forty dollars. That barely gets you half a meeting and a phone call to an AADAC worker because it costs each individual at least that much an hour to operate. Now, this is hardly the place for government to try and unload some of this guilt they feel at \$40 a head. That just simply is not enough.

8:20

There's another small matter: the short sheet here that's published today. That could have and should have perhaps come a little earlier, but with the adjustments on it I suspect we can't expect a whole lot more, although in subsequent days it would be nice if the minister would give us a couple of days on any information he's going to present so as to give the opposition a little time to digest the information and to understand its full impact.

There is another matter that has to be dealt with too. It's been dealt with before, and it'll be dealt with again and again and again until the matter has been cleared up. It should be of concern to both sides of the House. This is the method of allocation of these funds, particularly the CFEP grants and some of the other grants that appear, at least to this observer, to have no criteria for acceptance or rejection. When you ask the minister's office for that kind of information, you get the proverbial dip and dive that the Premier has so well perfected in this House now. There is no simple answer. There's an administration that is run by able administrators, but when it comes time to say yea or nay, it is not their prerogative, and they certainly cannot tell you what the criteria are. What they can tell you is that you must have this piece of information, this piece of information, and this piece of information. It does not matter the value of that information or the weight of that information or how compelling the application is. It just cannot matter to them, because they in fact are conveying the information to the minister's office.

It's fine for the minister to receive that many thank you letters. He says that as though it's something to be proud of. In fact, yes, it is. If it was in his office, it was received by the government. This is the people's money returning to them and the ones that can least afford it too. This is not the way to deal with this issue. The minister completely loses any sense of perspective when he has to accept all the thanks on behalf of the government. That is not the way it should be. Members on that side of the House and members on this side of the House needn't come hat in hand in order to have a handout for their own community. That is simply not the method of dissemination of funds.

The program should be based, as municipalities did it in the past, on public hearings, on criteria as best they could put out for the benefit of the most number of people in that particular constituency, based in some such manner. You should not be turning down libraries on this hand and accepting golf courses on that hand without having it open for scrutiny and without saying, "Why?" It isn't good enough just to pass it off and say, "I get lots of thank you letters, and I get all these kudos." In fact, it's been said many, many times that the instructions to make application for these things are: fill in all the blanks, satisfy the bureaucrats as best you can, because they must do what they do, and then beg the minister. Write notes, be so very nice, and get almost to the point of patronizing him, and it'll help.

Now, that is certainly not the way I would recommend anyone go after a grant. I would think that presenting one's case in a logical, well-founded manner, aside from any personal presentations that one can make when the minister certainly doesn't have time for that sort of thing, I would think that the old method of disseminating funds on the basis of community, on the basis of a municipal body and dedicating those funds there – of course we know that that does not realize any political value. You don't get any political mileage out of giving the money away to a municipality. You do of course get political mileage if you do have a plaque or if you receive a stack of letters this high. I mean, that really doesn't cut it for most Albertans, and I'm sure if most Albertans could see how these moneys were disseminated, they certainly would not be impressed.

The members opposite seem to have a little better knowledge of how the system works, for when members in the gallery are introduced, we get big waves and hi's and that sort of thing. It leads one on this side of the House to think that there is perhaps a different method of disseminating those funds from that side of the House to this side of the House. Perhaps there is; perhaps there isn't. Perhaps a little later the minister could explain how that does occur or doesn't occur.

With the advent of this particular budget and the summary of payments required from that budget, the concept of net budgeting, reporting the income and the expenditures at once – it happens, and it is explained to all of us that that is the new way of dealing with government as business entities, except when it gets to this area. In this area we don't have and are not asked to comment on how these funds are gathered. Yes, it's true that there's an annual report published that closes off at the end of the fiscal year but in fact is not made available to members of this House until midsummer, perhaps later. That is the annual report of Alberta Lotteries. It's a lovely, glossy document that is put out by, I suspect, Mr. Boddez and his staff. Unfortunately, when we come to deal with this, when we need to deal with the hard facts in that presentation, which are the simple numbers, it's about a year late.

I have gone over those numbers, and quite frankly I have difficulty finding where there's a note that deals with the expense of simple items like VLT machines. Yes, there's an accounting of a current value, although a year and a half late, but it doesn't say whether they're expensed entirely in the first year and therefore putting off income, and that may be why we're having \$136 million net to \$336 million net this year from last year. The fact remains that the numbers are not put together for the average citizen or for this side of the House to be able to understand what each and every number means.

The net budgeting would in fact give us a clear picture of the income, and Alberta Lotteries, I suspect, would be able to report in a timely manner such that they could predict a little better than they have as to what the income level will be in this coming year. It was underestimated in virtually every year from its inception, and in fact we have no idea at this point what the income will be next year, which is not to say that we in this House shouldn't have that at our disposal at the time of decision.

I would like to ask questions of the minister dealing with the Western Canada Lottery Corporation and how and when those funds are transferred to Alberta Lotteries and whether they're transferred directly or whether they go from western Canada lottery fund to Alberta Lotteries and then to the lottery fund proper, managed by Mr. Boddez, the deputy minister in this area.

There are a number of questions that relate to these financial statements that I hope we'll be able to get into a little later this evening. Perhaps the minister can answer some of those later.

In the interim I'll leave it to my colleagues to ask the specific questions. Thank you, sir.

8:30

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

MR. WICKMAN: Thank you, Mr. Chairman. I want to make a few comments on lotteries, and I certainly hope that I get the ear of the minister responsible for lotteries. I look back over five years ago to 1989 when we came into this particular Assembly; I look back then to the way lotteries were handled. When I look at the accounting, when I look at the reporting, when I look at the changes that have occurred, it gives me some hope. It gives me some cause to believe that opposition can in fact play a role. I'm not going to sit back here and say that this caucus has to take all the credit for changes that have happened. It was our caucus that harped away at it. The New Democrat caucus did on occasion, and of course the Provincial Auditor made his recommendations as well. Now, in respect to the member that spoke before me, he did not have the advantage of seeing the system as it was before, so he may be somewhat taken back by my remarks, which are going to be somewhat positive. [interjections] Now I grabbed his ear. Now I grabbed his ear.

Mr. Chairman, it is very, very important when we look at the figures that the minister handed out – even I am astounded by the growth. We look at '92-93, \$113 million; the next year, \$250 million; '94-95, an estimate of \$337 million. Then we can look at the increase in the VLTs that will be happening. Give us another two or three years; we could be talking about half a billion dollars in net revenue to the province of Alberta. When we talk in terms of those kinds of dollars, we have to have full accountability. We have to have those dollars treated like any other source of revenue, whether it comes from oil resources, whether it comes from user fees, or whether it comes from taxation. Yes, this is a form of openness here that we did not have during my first term, and it is refreshing. It is an opportunity for us to be able to point out to the taxpayers that, yes, this is what happens to the lottery dollars. This is what happens when you go out and spend a dollar, two dollars, whatever, attempting to achieve your dream of riches or those that blow their paycheques in the VLTs and are somewhat saddened afterwards and wonder just what did they contribute to.

Now, we don't of course have full disclosure. We can break it down to the community facility enhancement program, for example, and there's still some question in my mind as to what mechanism is used to approve all the applications that are approved. I must say that in my riding of Edmonton-Rutherford in the last year I haven't heard of an application being turned down. Possibly that may mean there haven't been too many applications filed. I'm aware of a small number that have applied, and they have been approved, some not for the amount that they sought. Nevertheless, they appreciated the dollars, and those dollars are going to go to benefit two or three of the community leagues in the riding.

Now, Mr. Chairman, when I look specifically at the figures that the minister has provided in his lottery fund estimates – I want to go to page 7. I'm going to ask some questions here, and if the minister gets an opportunity to answer them tonight, fine. If not, I'd appreciate them in writing.

I want to start with agricultural initiatives. The minister can correct me if I'm wrong, but my understanding of the commitment to the Calgary Exhibition and Stampede and Edmonton Northlands – and this question comes up a number of times, and I have to defend the moneys that do go to these two exhibition associations. It's my understanding that it goes back to an agreement many, many years ago. I can recall when I used to occasionally go out to the racetrack, particularly around derby day. For \$2 I would buy a derby raffle ticket, and that used to raise Edmonton Northlands a fair amount of money, and the same was happening in Calgary with the Calgary Stampede. My understanding is that the two associations came to an agreement with lotteries that they would drop those two lotteries in exchange for a certain percentage of lottery revenues, eliminating that competition. So in effect I think it is incorrect to say that these are direct handouts to the two exhibition associations. It's an exchange; it's an agreement that was arrived upon, and furthermore it's my understanding that it is capped at this \$5 million apiece. So to those taxpayers that will raise that on many occasions – because there's not always the greatest love affair in the world with Northlands in particular right now. People say, "Why are they getting any lottery dollars at all?" They are getting lottery dollars because of an agreement that was struck some time ago.

When I go down to the next category, cultural initiatives, I see the Alberta Foundation for the Arts and I see the Alberta Historical Resources Foundation receiving dollars for cultural activities within the province, very meaningful cultural activities. But it's to my dismay that the minister will stand up on occasion with the

heavy whip and simply threaten to reduce dollars accordingly if a particular cultural organization doesn't walk the line according to the interpretation of the minister or possibly the Member for Red Deer-North or the Member for Cypress-Medicine Hat, is it? To hold that over the groups in this province that put on various arts performances without sitting down and talking with them and possibly even going out and viewing some of these performances I think is very, very wrong.

I know, for example, there was one I went to occasionally, *Spring Thaw*, and there has been some criticism of that one. But when I went with a number of other people on a Saturday afternoon to the matinee, it was indeed very, very entertaining. There are a couple of the members of the front bench that would find it particularly entertaining, because they did get star billing in that particular performance.

MRS. SOETAERT: What was it?

MR. WICKMAN: Well, you're going to have to pay \$8 and go and see for yourself now. In fact, the thing unfortunately is over, but *Spring Thaw* does come every year, and it is very, very entertaining.

Further down I look at tourism initiatives. Now, CTAP, the community tourism action program, Team Tourism, is of course the program where in the past we've seen instances of the so-called ice-cream stand affair in Alberta Beach and the question of some laundromat in Vulcan receiving dollars. This is one that has come under a great deal of criticism in that it interferes with what the private sector is there to do. Again, it's my understanding, Mr. Chairman – and correct me if I'm wrong – that this particular initiative is coming to an end. In fact, I believe this is the last fiscal period that we're going to see it in place.

The community facility enhancement program has served many communities throughout the province well, and in terms of the \$25 million in this year's budget in relation to the overall estimates of \$337 million, I believe there is some rationale for it. I believe it gives people a feeling of well-being, a feeling of some pleasure in spending dollars looking for their dream, and if they don't realize it at least feeling that some of their dollars have gone to better the community with a better community hall or helping some amateur sporting club, whatever the case may be. I believe taxpayers will accept that on the basis that the vast number of dollars are used, of course, towards debt retirement, and I'm going to get to that point a little later on.

Now, I go down a bit further under 7, health and wellness initiatives. The Wild Rose Foundation is an organization that I've had a lot of personal experience with in the past, advising groups of their purpose, attempting to assist organizations that fall between the cracks. They again have funded many worthwhile endeavours throughout the community.

8:40

We see services for problem gamblers. Now, the minister, Mr. Chairman, can go back here in his memory somewhat. This particular one was a struggle. Our caucus did do a great deal of research on this matter, and we looked at areas like Texas, where they had taken some initiative with a self-help group. There were problems out there, and I can recall on many instances that the minister stood up and said that there were no problems with gamblers gambling in Alberta. In fact, on one occasion he said that the only person he was aware of that had a problem gambling was Mr. Wickman, and of course that was not the case.

MRS. SOETAERT: Oh, he didn't say that. Oh, terrible.

MR. WICKMAN: Oh, yes, he did say that. I did lose \$7 that particular evening on the video machines.

MRS. SOETAERT: But you were doing research.

MR. WICKMAN: I was doing research.

Mr. Chairman, the services for problem gamblers, \$820,000. Again in terms of the overall estimates I believe that is a worthwhile expenditure. I believe there is great, great potential for many, many families to be damaged socially and economically because of the addiction that some people encounter when they get involved with gambling, particularly the VLTs. So that \$820,000 we see for '94-95 – I certainly hope those amounts of dollars will do the trick. I would certainly hope that the minister would look at further advances in that area, such as posting signs or stickers, some type of hot line notice where people that want to seek help because they do have an addiction, they do have a problem, are readily able to access it.

The Calgary Handi-Bus Association, \$200,000. That one puzzles me. The Calgary Handi-Bus Association of course does good work. There is a similar association in Edmonton. There's DATS, the disabled adult transportation system. I don't see them here. I would wonder why, though, the Calgary Handi-Bus Association wouldn't have been able to access dollars, say, through the Wild Rose Foundation, why specifically \$200,000 would have been earmarked towards them.

Mr. Chairman, I would just want to speak a bit on the VLTs and the estimates that we see further down the road. I'd like to get an update from the minister as to the number of VLTs that are currently out there, the number of VLTs that are eventually anticipated throughout the province, the possibility of us seeing a provincialwide coin-in, coin-out operation. There was the experiment going on in Lethbridge. I don't know if that particular experiment is still going on, as to whether we're going to see that type of VLT gambling. In fact, we may even see the limits increase from a dollar to higher figures, thereby creating even more difficulties for people that have problems in setting their own limits.

Mr. Chairman, I'd like the minister to give us some indication as to what he projects down the road in terms of estimates. We've seen three years where it's gone up substantially. Does the minister intend to see that continue going up, up, up after each year? Does the minister intend to kind of follow this similar type chart that he has presented us with, where we see a greater and greater portion of the proceeds going towards a transfer to the general revenue fund to pay down the debt for health and education, whatever the instance may be? I believe that is the way it should be done. A portion of the pie should be used, let's say, for the frills, for community enhancement, for the arts, for recreation, and so on, but by and large I think it's important that we maintain that the largest portion of that go to the essential services within this province.

Mr. Chairman, I'm going to conclude by commending the minister for having changed his approach to the way lotteries were handled before. There is always room for some improvement, and I would expect that we'll see continued improvement. This caucus will continue to press to ensure that there is total openness, but I must say that it has come a long, long way since the days of, let's say, opening up those Samsonite personalized briefcases back in about 1990 or '91.

On that note, I'll conclude.

MR. CHAIRMAN: Okay.
Hon. minister.

MR. KOWALSKI: Mr. Chairman, if I could respond to a few questions, I'll take them in reverse order to which they came.

First of all, the coin-out process with respect to VLTs. In the fall of 1993 Alberta Lotteries did a pilot project in the Lethbridge area that basically had machines that you put the coins in and then when you won something, the coins fell out. All of the machines that we have in our system today – and the answer to the question is that there are 4,516 of them in service in the province of Alberta as at April 17, 1994. We said that we would be going to 8,600 machines in the program in the policy statement that I initiated two years ago, Mr. Chairman. All of the machines in essence can go to coin-out tomorrow, by flicking some switches. The fact of the matter is that there is no decision made at the moment. One of the interesting conclusions in terms of the pilot project that was held in Lethbridge is that people were not so sure. Originally, at the start, everybody said, "Yes, I want to have the bells and the whistles, and I want the coins jingling out," but after there has been some interest with respect to VLTs the way they are, I'm not so sure that people really want to have the coin-out machines.

The coin-out machines basically cause the following little issues. If you win a thousand dollars in loonies, you literally can't carry a thousand dollars in loonies. If you'd ever walked around to figure out how heavy that is, you'd be very, very surprised to see how heavy that is. Secondly, it means that somebody has to count these, count these consistently and continuously, and there's a lot of extra work that presumably will come to the local bars and establishments. The third point: those people who've played have basically gotten quite used to the fact that if you've won a thousand dollars, you press the button, out comes a piece of paper. You take your paper and get your thousand dollars cash, so you get 10 hundred-dollar bills. That's easy to carry, and away you go. The wear and the tear of that – so we're not at the moment in any rush at all to go with coin-out machines. In fact, many places in Las Vegas and Reno are decreasing the amount of coin-out machines that they have and are going with the ticker tapes that are in place. We've made no decision with respect to that at all, and we're not in a hurry to make such a decision at this point in time.

Mr. Chairman, the gentleman from Edmonton-Rutherford asked the question about the Calgary Handi-Bus Association and said: well, why was that figure in there instead of under the Wild Rose Foundation? Well, the Wild Rose Foundation has a maximum grant allocation of \$50,000 once in every three years. The Calgary handi-bus system is basically a volunteer component that runs the handi-bus system in the city of Calgary. The system itself, not the city of Calgary, owns the buses. It's the volunteer group called the Calgary Handi-Bus Association that owns the buses. They fund-raise, and we basically said that if they raised a certain amount of dollars for the replacement of buses beginning in 1994-95, we would assist them under the Alberta lottery fund. That's the reason for it. We've met on a continuous basis with the leaders from that particular organization.

The gentleman also asked questions about the Edmonton Exhibition Association at Edmonton Northlands. The government has basically avoided getting involved in domestic issues within the city of Edmonton. Although we certainly have been asked by the mayor of Edmonton to cut off the \$5 million to Edmonton Northlands when there were some negotiations of a recent type going on lately, I politely suggested to the mayor that perhaps as the owner of the Northlands site, the city of Edmonton should be able to deal with its lessee, and the province of Alberta should not be asked to intervene on behalf of one side or the other. We sort of avoided getting involved in such a thing. It would be highly

irregular for us to do that. There is a municipal council duly elected that does own a facility. They have leased it to a lessee, and the two of them must work together for the benefit of the whole community.

What is very clear though: Edmonton Northlands is an agricultural society. It is on the point of being an agricultural society that we have pointed out to Edmonton Northlands that the basic roots must be maintained in terms of agriculture in this part of Alberta. Edmonton Northlands is not to deviate from its basic charter that it has to function as an agricultural society if it is going to continue to be involved in the receiving of dollars under this particular portfolio. It does have a charter, it does have a code, it does have terms of reference, and it does function firstly and foremostly as an agricultural society for service to that benefit. Now, if Edmonton Northlands wants to change that completely and wants to become something else, they certainly have the right to do that, but in terms of the contractual obligations from the province of Alberta, they in essence would have to be reviewed then in that context.

8:50

Mr. Chairman, the gentleman from Edmonton-Mayfield asked a series of questions about seniors and the VLTs and basically concluded that it's seniors, I guess, who spend a lot of time playing VLTs. Statistically I'm not sure that that's correct. There's no doubt at all about the fact that there is a large number of individuals who have chosen to remain in Alberta rather than go south simply because of the devaluation of the Canadian dollar versus the American dollar. If you can gain in Alberta and not lose 30 cents on the dollar, as by simply going to a place like Las Vegas or Reno or even going into Montana – in essence many of them have told me they appreciate that they save 30 cents on the dollar by simply doing it here in the province of Alberta, and they have told me that they very much appreciate having the approach of . . .

MR. WICKMAN: Yeah, but if you win, though, you get more.

MR. KOWALSKI: The Member for Edmonton-Rutherford says that if you win, you get much more. The fact of the matter is that that isn't true, because if you win a prize over a certain level at a machine in Las Vegas or Reno, you pay tax right at the machine – right at the machine – of 30 percent. At the machine. There is no such tax on your winnings in Canada and certainly no tax if you're winning in the province of Alberta. It certainly is so in jurisdictions in America, and that becomes one of the additional sales reasons why a lot of people here in the province of Alberta have basically said that they want to deal with this as well.

The gentleman from Edmonton-Mayfield also asked a question about consolidation of all of this, and in fact that has been identified in the quarterly reports of the Provincial Treasurer. They've been issued on a quarterly basis with respect to this matter.

I'm going to ask my colleague the chairman of the Alcohol and Drug Abuse Commission to make some comments, because both the Member for Edmonton-Mayfield and the Member for Edmonton-Rutherford raised questions on AADAC's involvement with compulsive gaming. Perhaps that would then deal with those questions.

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

MRS. LAING: Thank you, Mr. Chairman. I'm pleased to add a bit of light, perhaps, on what AADAC is doing with the mandate

to work with problem gamblers. As you recall, in January of '94 the government announced that AADAC would receive funding to support community-based agencies and initiatives for prevention and treatment of problem gambling. Based on the Alberta prevalence rate, which is 5.4 percent, an estimated 74,000 to 125,000 Albertans currently experience some level of problem, of a minor to a severe nature, related to gambling. Experience from other provinces suggests that about 1,500 to 2,500 individuals will seek treatment services. Pathological gamblers are sufficiently more likely than recreational gamblers to have defaulted in debts and other financial responsibilities, passed bad cheques, borrowed money from illegal sources, got a bailout from gambling debts, perhaps paid by parents or friends, and have made a suicide attempt. In addition, problem gamblers also suffer from stress-related emotional, physical, and psychiatric disorders – and this puts a strain on the health care system – have high rates of substance abuse, and about 18 percent of pathological gamblers file for bankruptcy. So we can see that this can lead to some very severe personal problems.

Research indicates that the majority of problem gamblers are also heavy users of tobacco, alcohol, and other drugs. Such findings lend credence to a general theory of addiction, which is the crossover addictive behaviour. AADAC has extensive substance-based addiction expertise that can be applied directly to the treatment of gambling addiction and is also involved in many national and international organizations which study and have research projects on addictions of all kinds. So they have a direct line into the recent developments in that area.

Given the many similarities between alcohol and drug addiction and gambling addiction, provision of services for problem gambling can be most effectively achieved through the existing infrastructure and community-based addiction agencies. So rather than set up a brand-new bureaucracy and a new structure, the AADAC structure has been used and the AADAC staff have been brought in and received special training. They in turn are training people in the community-based agencies. They will be able to in the future also expand that network so that you have someone with a very easy access for counseling, and later on they'll be setting up more intensive programs in some of the funded agencies in the communities.

[Mr. Clegg in the Chair]

Consistent with the government's commitment to provide services related to problem gambling, AADAC implemented a 1-800 line in January of this year. Now, this line will be tendered out to one of the community organizations.

MR. WICKMAN: Excuse me, Mr. Chairman; I'm having difficulty hearing the submissions being presented.

MR. DEPUTY CHAIRMAN: Thank you, hon. member. Sorry, hon. member. We'll be a little quieter, please.

MRS. LAING: All right. Thank you.

Tenders for the operation of this line are currently being reviewed, with the transfer of service scheduled for about the middle of May. They've had 25 different groups who have applied for this, and they're being looked at now. Twenty-five AADAC and community agency counselors have completed 60 hours of extensive training. An additional 320 community agency and AADAC staff have received a short course in gambling addiction assessment and counseling. AADAC and its community partners are working diligently to establish appropriate services for

the prevention and treatment of problem gambling. A forum on problem gambling will take place in June. Guidelines for funding community projects are now under development, and an advisory group made up of key stakeholders in the gambling area is being formed to provide input and advice regarding services and implementation strategies. So the program is moving ahead, and it certainly is involving many of the community agencies. As you know, AADAC also refers people to things such as Gamblers Anonymous and other community groups who do excellent work in the field as well.

Thank you.

MR. DEPUTY CHAIRMAN: The hon. Member for Lac La Biche-St. Paul.

MR. LANGEVIN: Thank you, Mr. Deputy Chairman. First of all, I'd like to extend my appreciation to the minister responsible for lotteries in Alberta to be available tonight to answer inquiries from members of this House. I would like to say that I'm quite pleased to see that the increased revenue over the last three years, which went from \$113 million to \$337 million – most of the increase is transferred to general revenue, and I think that's quite acceptable to Albertans because the money expended in all the other programs, from 1 to 8, was pretty well stable over the last three years. This way the department can still fund the commitment that they've made to ag societies and other programs in the province.

I have a few questions that I'd like to address to the minister this evening. The first one is under program 1, which is agricultural initiatives, especially for the ag societies. I would like to know about the \$15,000 annual grant that is allowed to agricultural societies for operational. Is this program to be continued in the future, or is there a termination date under this program? I know that most agricultural societies have received this grant in the last several years, and they count on this amount to keep up their operation. This grant, it's my understanding, is totally different from the grants allowed for holding fairs and other community events that the ag societies are holding in their communities. Also, Mr. Minister, I'd like to know: is the \$75,000 capital grant that's available to all ag societies still in existence for the following year past this year? There are some ag societies who have not used the total amount of the \$75,000 of the capital grant. Can they be eligible to claim the difference from what they used to the maximum of \$75,000, to use all of what was available?

I'd like to know the rules of forming ag societies. There are smaller communities that are now looking at forming ag societies. Is there a distance that they have to be from an existing ag society, or do they have to have a minimum number of memberships in order to be chartered as an ag society? If they are chartered or given permission to operate under the rules, if their membership falls lower than a certain number, would they be discontinued as an ag society?

The other question I have is under program 5. Program 5 is the community facility enhancement program. When CFEP 1 was put into place several years ago, I think roughly \$80 million was allocated, and then it was used up over a number of years. Once CFEP was initiated, I think about three years ago, I'd like to know if the same amount at that time was put into the fund for that program. The amount spent under that program: is there an attempt made to allocate the same amount per constituency, or are you looking at evaluating each program individually and it's strictly allocated on the value of the program instead of the amount per constituency?

9:00

Also the tourism action plan: is there a termination date on that plan? I understood . . . [interjection] CTAP, the community tourism action plan. I understood that when that was put in place, there was a certain amount of money allocated for the program. Is there still a considerable amount of funds available under CTAP? That program I understood was a per capita grant. Have the rules for applying for the grant changed? Are they still per capita?

The lottery machines that are put into malls and liquor outlets and eating establishments across Alberta are operated on a percentage, I understand, and I'd like to know what percentage the government retains on these operations. What percentage will go to the owner of the machine? What percentage will go to the owner of the establishment for what I would suppose to be the lease to place the machine in such a location? Are these machines allowed to be placed in bingo halls where patrons of bingo could play these machines before and after bingos?

I was wondering about the location of these machines. Are there rules that they have to take in a certain percentage of dollars per year or per month and, if they fall below the intake, that they would be removed? Is it left to the discretion of the owner to decide this, or is the department taking a lead in this decision and only allowing machines to be located if there's a certain amount of intake that comes through certain machines?

One question is under your program 4, which is the municipal anniversary grants. I'd like to know if that's a per capita grant that's made available to municipalities for anniversaries. Under what circumstances or for which anniversaries are these available? I'm sure they're not available on all anniversary dates. At which level is the community eligible to receive a grant for anniversaries? Are there rules and regulations that this grant has to be used for certain celebrations, or can the municipality decide the use of that grant on their own?

Those are all the questions I have, Mr. Minister. Thank you.

MR. KOWALSKI: Mr. Chairman, I list about nine or 10 or 11 questions, and I hope I've got them all down. First of all, the first question had to do with agricultural societies. Under the agricultural societies and organizations grant there are five class B agricultural societies in Alberta that receive a hundred thousand dollars on an annual basis. There are 67 class C agricultural societies; they receive \$25,000 each. There are 204 class D agricultural societies which receive \$15,000 each on an annual basis to undertake promotion of agricultural activities and to assist with prizes. There's no change in that allocation at all, although there has been a considerable amount of work with the Alberta Association of Agricultural Societies to take a look at this, but to the moment everything remains as is.

The capital grant for a newly created agricultural society: there is a once only capital grant of \$75,000 allocated. That has not changed. In terms of organization of agricultural societies, there is no provision that I'm aware of for distance. In essence, if there are 20 agricultural societies organized in the city of Edmonton, as an example, and they all have a certain function or a certain purpose for being – remember that the purpose of all of this is to promote voluntarism and to accentuate it. Wherever we've had volunteer organizations, the benefit to the community far outweighs the modest amount of dollars that they would get. So there's really no barrier that I'm aware of with respect to that.

In terms of the community facility enhancement program this is the second year of a three-year program. Under community facility enhancement program 2 the amount of dollars in the

program is \$75 million over three years, or \$25 million for each of three years. Community facility enhancement 1 was a three-year program, but the total was \$100 million. So there was a 33 percent reduction in the programs from CFEP 1 through to CFEP 2. We're currently in the second year, and the program will terminate December 31 of 1995.

CTAP: this is the last year for the community tourism action plan program, and the dollars involved in this particular document are for the cleanup of the program. All members will recall that last September the government made an announcement. I announced in essence that as of the last day of September of 1993 we were no longer accepting applications from private firms, private businesses. They were acceptable to that point in time. We then dealt with the remaining applications. They were to end at the end of fiscal year 1994, March 1994, so what we're basically dealing with now are the applications that are still in the mill.

In terms of VLTs, the gentleman asked a number of questions. First of all, he asked questions about: how much money does the owner of the machine get; how much money does the place where the machines are located get? Perhaps I'll just sum up this way. The only facilities in the province of Alberta that are eligible for VLTs are those that have a certain category of liquor licence. VLTs are not permitted in any establishment that allows anybody under the age of 18 to attend. They cannot be put in a restaurant that serves people under the age of 18. They are not located anywhere where anyone under the age of 18 can see them and/or access them. You must have a liquor licence that allows public access to the venue that you have. In other words, they can't be in a private club that has restrictions as to who can come in or who cannot come in. They must be in public establishments with a certain class liquor licence, and that's the one criterion. So bingo halls are not eligible. The only places are lounges, certain restaurants that only allow adults in, and bars and the like, and those are the only places in the province of Alberta where these 4,516 machines are located as of April 17, 1994.

Now, the system is very simple. So much money goes into a machine on a weekly basis; so much money comes out of the machine on a weekly basis. The difference between how much goes in and how much comes out is known as the net win. The province owns all the machines, first of all. Nobody else owns the machines other than the province, and that's been a policy of the province of Alberta. There's only going to be one godfather in the province, and it will be the province.

AN HON. MEMBER: And it's Ken Kowalski.

MR. KOWALSKI: Yes. That's right. Thank you very much.

I can assure hon. gentlemen and ladies in this Assembly that if there were private ownership, there would be a lot of people walking around with black suits and they'd have black shoes with white tops on them and they'd wear certain fedoras with certain kinds of flowers.

Mr. Chairman, that's very clear: only the province. The province is the owner of the machines. So in a week so much money goes in; in a week so much money comes out. The difference is known as the net win. Of these 4,516 machines we know what the average net win is per week. Anybody who is below the average net win per week receives 15 percent commission on the net win, and if you're above the average net win on a weekly basis, you can earn 4 incentive percentage points to 19 percent. So you will get as a commission between 15 and 19 percent of the net win on every machine. Some venues, some in Fort McMurray, some in Lethbridge, will have as many as 10

machines in a particular establishment, and they would get 10 times whatever that percentage is on a weekly basis. There is actually a fairly healthy return for a fair number of places.

Mr. Chairman, I think that covers the question of who owns the machines, what we pay in rent. For that rent the private sector must provide basic maintenance for the machines, must provide the necessary coins and the service and the like. Where you do have establishments in Alberta that really do cater to people, it is quite amazing how people phone you up and tell you: "That's a nice place to go. I feel safe; I feel secure. They offer me coffee and the like." Very few people take in alcohol when they play VLTs. Liquor sales have gone down like that. There's absolutely no doubt at all about that in any establishment throughout the province of Alberta, but there's been a compensatory upturn in terms of what the local entrepreneur will get.

A question was asked with respect to the municipal anniversary grant. That's a very, very modest grant. It used to be in the Department of Municipal Affairs, but several years ago the Treasury Board, in looking at the Department of Municipal Affairs' GRF budget, decided that they wanted to reduce their budget, so they took a whopping \$14,000 out of that department's budget and transferred it over to the lottery fund. This is a very modest grant. I think we provide to a municipality on their 50th birthday and their 100th birthday a \$1,000 annual grant. We just check with the Department of Municipal Affairs. They give us the printout on your community. On your 50th anniversary we send you a cheque for a thousand bucks. Then don't come back to the government and say you want X hundreds of thousands of dollars to have an anniversary activity.

That, I think, covers all the questions.

9:10

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

MRS. SOETAERT: Thank you, Mr. Deputy Chairman. I just have a few specific questions that I'd like to address to the Deputy Premier tonight.

I was up in Donnelly – you can relate to that, Mr. Deputy Chairman – having a wonderful visit up there. While I was there, I went to visit the genealogical centre. To me this centre would fall under both tourism and culture, because this is a centre in which their goal is to collect and classify and preserve the ancestral information of not only the Francophone pioneers but English, Irish, Ukrainian, Metis, native, and other origins. It's one of very few. I think there might be one other one in western Canada. To me this is a very worthy centre. In fact, the people in that community work bingos every Saturday to keep it going.

Now, last year they requested a grant from the Wild Rose Foundation, and they were refused. So I would ask the minister if he would maybe look into that, if they should re-apply. To me it was a very reasonable application. If he's interested in seeing a copy of that – if the Treasurer would quit talking to him, he might be able to listen to me.

MR. DINNING: Mr. Chairman, point of order over here. [interjections]

MRS. SOETAERT: Oh, citation. [interjections] No. It was him, not you. I know you'll listen to me.

I was saying that this centre applied for a grant through the . . . [interjections] Go outside, you two.

They asked for a grant from the Wild Rose Foundation. Now, I've seen their application. I thought it was quite reasonable.

Maybe they missed some of the criteria that were needed, but they got just a one-page letter of refusal, and the bottom line was: it was determined that the proposed project does not demonstrate a necessary and valuable community service. I just can't buy that. If you can tell me that maybe we don't give lottery dollars for a \$19,000 wage to keep it open, I can accept that, but to say that it's not a necessary and valuable community service when it's one of the few tourist attractions certainly in Donnelly – it's a great historical site that I think it's a tragedy to lose.

In fact, they've virtually closed it. The town of Donnelly, the mayor and the councillors, have moved into that building so that at least people can access it. To me it's just a tragedy if that were to close. The people work bingos every weekend to try to do their part to keep it open. I think the request was somewhere around \$50,000. I'd gladly send you a copy of it. I know it was refused, but I would like you to revisit that one if possible.

Just a little aside. My own great-grandfather from St. Malachie, Quebec, John Sheehan, who married Annie O'Farrell – well, I found them in there. Now, isn't that a valuable resource, that I could find that? You don't care, but that's okay. It's all relative.

My second point. I'm pleased to see some of the fund going into education. I know that last year we did a one-time shot to equity funding from that. To me, that worked well. Wouldn't it save a lot of rallying and angry people if we just did that equity funding every year instead of this major tax grab? It sounds like a simple solution. Then I know those Catholics – of course the hon. Deputy Premier is always defending the Catholic religion. I'm very proud of that. I'm very pleased with that fact. He would avoid a lot of hassles, certainly, in St. Mary's in Westlock. So that's just an idea that you might address to your caucus.

I just have a concern about VLTs. I know you explained them well, thank you very much. Unlike my colleague from Edmonton-Rutherford, I don't frequent those places, but I've had a lot of – how do you say this? – not-for-profit groups come to me and say that bingo revenues have been way down since the VLTs have come in. Things that they used to be able to support quite well they just can't anymore. So I'm wondering if you can address that for me or what answers I can give them. I'll leave that with you.

The CFEP grants in my constituency. Generally, the people have been very pleased and have met with quite positive response. One I know of was refused, and the explanation I thought was quite good as to why it was refused. I could accept the explanation of it.

I know the minister is worried about the old Kowalski slush fund perception that's out there, so maybe PR work might be in line. Maybe to circumvent that in my own area, I would love to come into the office and see how the decisions are made, how the criteria are decided, who decides what. I would really appreciate that opportunity, and then I could explain that to my constituents, that it really is a fair process, because as it stands right now, I just can't really explain exactly how it works.

Now, one of my constituents suggested that we have a debt lottery ticket, so I'll leave that in your hands. We can all buy debt lottery tickets, and all the money goes directly to the debt. It's just his idea, and I thought I'd repeat it.

Now my final point; I'm glad you're pleased to hear that. I know that presently – and I hope this will come up in the '94-95 budget – the Villeneuve Athletic Association has a CFEP grant request in. Of course, that's my own personal community and I know that the grant is quite needed, so of course I'd like to endorse it. Do churches get the 100th anniversary bonus money? I'm not a charter member – I'm sure you're glad to hear that – but the Villeneuve church has their hundredth anniversary coming

up. Do they qualify for that \$1,000 birthday party? I kind of like that idea.

Now a final question. When constituents come to me to ask me to endorse a CFEP grant, what should be the procedure? I've always looked at their proposal, gone out and seen it, and if I've liked it, I have endorsed it. Does that work in favour of my constituents? Some people think that if you're in the opposition, you should steer clear. So I'm asking you quite honestly: does it help my constituents if I endorse it, or should I steer clear and let them battle their own battles?

Thank you very much, Mr. Deputy Chairman.

MR. KOWALSKI: Mr. Chairman, I'm very, very pleased to respond to all the questions raised by the Member for Spruce Grove-Sturgeon-St. Albert. There are some really contradictory questions in there, so I hope I'm going to have a little care here in dealing with this.

Mr. Chairman, I'll deal with the last one first: what should the involvement of the MLA be? Well, when the government introduced the community facility enhancement program, we introduced it and said we wanted all MLAs in the province of Alberta to be involved with the program. We said that all MLAs could choose to be community liaison officers. In essence, I prepared packages for MLAs. I even had a briefcase full of information provided to all MLAs, including opposition MLAs, and what I got was hammered over the head with a big issue: what was the intent of the government? The intent of the government was to have all MLAs participate as local liaison officers. We gave them packages. We gave them the criteria, we gave them the addresses, we gave them a briefcase, and what I got was ridicule and humiliation from the opposition.

That set the tone, hon. member, for the manner in which this program was dealt with. For years I stood on this side of the House only to be hammered by opposition members ridiculing everything from T-shirts for volunteer appreciation week, making a big deal about it, to the fact that an hon. member was sent to lead a volunteer group to Japan with principal volunteers in the province of Alberta. It met with ridicule, and the same thing dealing with the community enhancement program. So the conclusion of the government was that the opposition wanted no part of any of these programs. They wanted to play politics. They wanted to ridicule. They wanted to get cheap stories. Well, they got their cheap stories. They got the ridicule, Mr. Chairman, and in fact their attention to it. The same party – philosophies don't change in dealing with that.

9:20

Mr. Chairman, no MLA has ever been treated, in terms of providing recommendations to me, with other than the greatest degree of respect. For the hon. member to have to stand in the House and raise the question of whether or not it would be helpful or negative for her means that she has to pay a little more attention to what's going on in here. I want recommendations from MLAs. I welcome recommendations from MLAs. I look forward to letters from MLAs with respect to endorsements of this, and there's absolutely no doubt at all about the fact that it tells me that the MLAs show some interest in what's going on in their communities.

Churches are not going to receive dollars for anniversaries under these programs, Mr. Chairman. In the same way they're not going to receive dollars, they do not pay taxes and property taxes in the province of Alberta. Churches have held out and basically said that they want the right not to be a taxed organization in the province of Alberta, and in essence we can't have it both ways.

The hon. member has put in a petition for the Villeneuve Athletic Association. I have no idea what that application is about, but she's certainly done her job in terms of advancing that.

In terms of a debt lottery, I don't know if the hon. member is in favour of a debt lottery or not. If we're going to put all the money in the lottery fund to the debt, then she can't come forward and ask questions about the Villeneuve Athletic Association.

CFEP grants are done. I've already talked about CFEP grants.

In terms of VLTs and bingo revenues, Mr. Chairman . . .

Point of Order Clarification

MRS. SOETAERT: A point of order, Mr. Deputy Chairman.

MR. DEPUTY CHAIRMAN: A point of order.

MRS. SOETAERT: Can I clarify something for the hon. minister, please? [interjections] Oh, 23(j). Can I just clarify something?

MR. DEPUTY CHAIRMAN: Order. Well, it's a little unusual, but we'll let you. Just for a minute.

MRS. SOETAERT: Thank you. I want to explain the debt lottery tickets. It's just that a constituent said – I mean, what are some of the tickets we have? I never buy those things, 6/49s and all that. They just said, "Why don't we call it a lottery for the debt, that went straight to the debt?" That was his suggestion – it wasn't mine – just a specific ticket that they could buy that went right to the debt. Okay? I still want the grant for the Villeneuve Athletic Association, just to clarify.

Debate Continued

MR. KOWALSKI: I haven't been clarified, Mr. Chairman, but anyway I'll go on.

Mr. Chairman, with respect to VLTs and bingo revenues, the hon. member should appreciate that in her community and her constituency it may very well be that bingo revenues have gone down because she has within her own constituency a bingo operator that has been allowed to produce a superbingo with a \$100,000 prize. The traditional policy in the province of Alberta is to maintain maximum bingo prizes of \$15,000 to \$20,000. There is absolutely no doubt at all, in my opinion, that because one group of her constituents has worked very hard to have the superbingo that provides a \$100,000 prize, in essence people won't go to all the other little bingos around the area. If they can go and pay a buck or two bucks to play bingo for a \$100,000 prize, why would they go to one that's only going to have a \$500 prize? So the hon. member might want to investigate that in her own constituency, how she wants to deal with that.

I appreciated the comments that the hon. members made with respect to religious education.

In the case of the Wild Rose Foundation in Donnelly, I sincerely hope that the people of Donnelly have talked to their MLA with respect to this matter, because I pointed out in the first response to the first question about the very important need for MLA involvement. But the interesting question with respect to the Wild Rose Foundation: it is run by a board. I am not the minister responsible for the Wild Rose Foundation. The Minister of Health is responsible for the Wild Rose Foundation. We have an independently appointed board to receive the applications, to adjudicate on the applications, and to make decisions. Should there be political involvement? Is the hon. member saying that MLAs should in fact call the shots as to how that board should make these decisions? I hear the hon. member saying that that's

exactly what she wants us to do, and I appreciate hearing that perspective, because I don't know how else one can deal with it. Why should the hon. member raise the question of the Wild Rose Foundation grant in Donnelly with me? There's a board that deals with the Wild Rose Foundation. I'm not involved. The board makes its decision. The concern should be addressed to the board, not raised in the Assembly, unless the MLA in question believes that in fact there is political involvement in making decisions with respect to the Wild Rose Foundation grants.

I think that covers it, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Thank you.

The hon. Member for Edmonton-Avonmore.

MR. ZWOZDESKY: Thank you, Mr. Deputy Chairman. It's a pleasure to get up and speak tonight with regard to lottery fund estimates for 1994-95. I want to address my comments to those aspects of lottery funding which pertain to what are referred to in the budget here as cultural initiatives.

Let me begin by addressing the area of the Alberta Foundation for the Arts. We all recognize that this is a foundation that was set up several years ago. It was probably the second one to come onstream. It has demonstrated excellent capabilities in that regard, and I for one – and I think there are many others across Alberta – am very happy to see that funding for this organization is being maintained if not slightly increased. I do have one concern in that regard however. I just wonder whether or not the amount of funds that we are making available through the Alberta Foundation for the Arts is commensurate with the growth that that whole arts industry is in fact experiencing.

With regard to the other area affecting the Foundation for the Arts, specifically the juries and the board members that are appointed to it, I wonder if the minister responsible for the foundation, along with the Deputy Premier, has now had a chance to take a look at this issue and determine whether in fact there is any duplication here between so-called subjuries and the board members. If so, are they moving to sort of amalgamate that process by putting onto the board perhaps more people who have the expertise which these juries in fact are having to bring to the discussion? It's my view, Mr. Deputy Chairman, that if the appointments to this foundation board were made entirely on a merit basis and entirely on an experiential basis, where we saw people coming onto these boards with more direct affiliation in their previous life with arts related endeavours, then I think we would see a really powerful lobby group develop there that would help maintain the arts in a much more viable way.

In that regard I know there has been a very hardworking executive director with that particular foundation, and I would hope in the event that, for whatever reason, he might leave, there would be an open competition for that position shortly after it's exited. I would hope there would be some comment forthcoming from the ministers responsible for that.

I know that as we look at the programs that the Foundation for the Arts supports, there are many good things that the arts foundation does in fact do for our cultural industries here in the province. Let me just talk briefly about one of them. It is the marketing component. Traditionally what happens, Mr. Deputy Chairman, is that we see quite a bit of support going toward the creation of some products but not enough emphasis being placed on marketing them. Again I say that it doesn't matter what you produce and how good it is and how much support you feel it has. If it's not marketed beyond your own enclaves, then what's the point in doing it at all? So I wonder if there has been an opportu-

nity for the marketing aspect to be addressed, with a view to perhaps increasing the level of support for it.

We hear comments around Canada and into the States, as both ministers know, that refer to Edmonton as Nashville North, Festival City, and Calgary becoming the burgeoning film capital for at least western Canada. There are so many projects like that which are coming onstream now that I do hope we will see the continuation of these valuable programs to support that very kind of thing. However, I do have a concern that the traditional role of determining these grants sometimes may risk being interfered with. I'm hoping that the ministers will both take under advisement the notion of trying to keep this foundation operating to its full capacity by retaining the integrity that has been usually the case with regard to its arm's-length relationship. I would like to think they have that in mind and that they will preserve it into the future.

9:30

The business of providing moneys to the second program of the Foundation for the Arts with regard to professional development I also want to comment on. It has traditionally been the case that moneys provided for professional development are really aimed at self-improvement of the particular artist. We see funding being available, usually, for things like attending seminars or anything like that that provides for increased training and study, personal self-development within the arts. I think we have to keep in mind that artists really only have one thing to sell, and that is really themselves and the particular craft that they offer, and anything that we can do to help them gain more professional information about how to better themselves in that capacity is always welcome.

So in that regard I want to speak specifically to one aspect of professional development, and that is the recordings component. Usually what we've seen in the programs, as a matter of habit, is some minimal funding being provided for what they call demo recordings. Demo recordings, just for purposes of the record, Mr. Chairman, are recordings made by a very small group of musicians, usually three or four and perhaps a singer. The intention here is that a sampling would be given in a professional setting as to what a particular artist might do with his or her talent. However, while demos are an important part of the process, what I would like to see the Deputy Premier and the Minister of Community Development consider and perhaps pass on is a review of the recordings component wherein we might see a larger scale grant program being created to in fact help those artists who want to make a full professional CD or long-play type recording here in Alberta.

If we were to try and create a program like that, then we would see the use of the handful of excellent 24-track studios that we have here in the province. We have such excellent facilities at Damon recorders on the south side and at Beta Sound here on the north side of Edmonton as well as groups like Sundae Sound in Calgary, who have the very best of facilities. There is absolutely no reason why those 24-track studios couldn't be kept busier, but unfortunately they aren't being kept as busy as they should be, given the huge investment that they and their partners have made to keep them viable. Therefore, I wonder if the ministers would, in fact, consider instituting some kind of a grants program that would allow for our Alberta artists to make their full-fledged 24-track recordings right here in the province of Alberta and not have them go to Vancouver or Winnipeg or Toronto or elsewhere for that particular service.

The other part that I want to comment on briefly is with regard to some of the direct recipients of lottery dollars as comprised by this particular area of the budget. Specifically, I want to talk

about the symphonies, the excellent symphonies, that exist in Edmonton and Calgary. The Edmonton Symphony as well as the Calgary Philharmonic would probably tell you, Mr. Deputy Premier, that they're very appreciative of the support that this government gives towards their operations. However, in the same breath they might also tell you that they are having to scramble a little more for their own safety and for their own survival, and in that regard they may be experiencing cutbacks to some of the programs that they would traditionally be rather aggressive with.

One such program affects rural Alberta in a very large way, and that is what they call the symphony run-outs. Now, symphony run-outs are those programs which allow a professional organization such as the symphony in Edmonton or the philharmonic in Calgary to take a concert and present it in a smaller community centre anywhere in Alberta. The Deputy Premier asked for recommendations and suggestions in response to my colleague from Spruce Grove-Sturgeon-St. Albert's questions, and I would like to make a suggestion to the Deputy Premier that he really take a look at this issue of where it is that the symphonies are having to trim back and cut back as a result of reduced funding and not penalize rural Alberta in the process.

There's an expression that the Deputy Premier will be well aware of in this regard, and that is this: they say that a trip from Sangudo to Edmonton is really relatively short; it's not a long distance to travel from Sangudo to Edmonton, but, by gosh, from Edmonton to Sangudo, whoa, that's a terribly long distance. There is that mentality that sometimes guides people in decision-making. I know that other members opposite know exactly where I'm coming from on that, and so do members on this side know where I'm coming from. So let us not penalize rural Alberta by seeing a cutback in those kinds of rural run-outs.

The same thing can be said not only of symphonies but also of our drama groups and literary groups as well who might like to take presentations out. I think it would be an excellent idea, and I'm sure that the Deputy Premier's response to that will be very welcomed by those communities affected. We know that a community isn't only judged by a financial bottom line but more importantly perhaps by the type of culture that it represents and supports and allows to flourish. This would be one way of proving that right across the province.

There are also a few concerns that funding in general to arts activities has been on the downslide. I want to just highlight here that there's a tremendous misunderstanding among many people about how the arts really operate. An evening at the opera or at the symphony or at the theatre or an evening with a good book goes by in about two or three hours. However, we must take a look at how long it took the artist or the artists to create that opera or that symphonic work or that piece of theatre or to write that book which we enjoyed in such a small period of time. Frequently it would take anywhere from two months to two years to accomplish any one of those things. The point here is that the arts will always require some type of additional funding other than what they get at the gate or at the bookstore. They will always require some form of support, and I'm hopeful that in the longer range plans that the Deputy Premier and the Minister of Community Development are undertaking, they will keep that foremost in mind.

I also want to know if the Deputy Premier and the Community Development minister have anything in mind out of the lottery portfolio to assist the Edmonton Concert Hall Foundation. In general, if you could maybe just provide an update on where that project is at from a financial point of view vis-à-vis the powers that he has to effect it.

I think it goes without saying, Mr. Chairman, that every dollar invested in the arts is returned anywhere from five to tenfold. Unfortunately, those statistics are frequently hard to come by because the spin-offs are rather incredible. The arts provide a lot of unemployment in subtrades that don't frequently show up. When we go about doing a television project, for example, there are a myriad of personnel that get involved in that, and they don't show up and get credited for it. There are writers and producers and directors and lighting people and recording people and makeup people and costume people and sets and props and so on. They are all small cottage industries, and they give back a lot more than they take out of the so-called arts dollar pie. So the economy does benefit from these investments.

9:40

My final point I want to make, with respect to the time on the clock, is with regard to the Chinook Arch regional library system. There is great appreciation for the fact that funding of \$250,000 was provided to this group for purposes of renovating a facility that allowed that library system to come onstream, so to speak. However, there is equally grave concern, from my point of view at least and perhaps also from the other libraries such as Mari-gold, Yellowhead, and others, that this move, while very welcomed in a generic sense, should not be viewed as one that has only positivity to it.

The concern here is that at least a small provision could have and still should be made to allow for some operational funding. What's happened here is that the facility has been built and the operating-dollar pie, let me call it, has stayed the same, which means that now we have one more person sitting at the table. Therefore, all participants at the table are going to have to take a little bit less for their operation. I'm just so sure that somewhere within the lottery pie there must exist a few dollars for the Chinook Arch library system to help them specifically with operational dollars. I would like to leave that question with the Deputy Premier and perhaps with the Community Development minister. I've posed it before, and I would like to reiterate it here again. Please don't be put into the position of seeing other library systems somewhat penalized here by taking a lesser share of dollars than would otherwise be coming to them.

Mr. Chairman, with due respect to others who might still have a few comments or questions they might want to pose, I will conclude my comments there.

Thank you.

MR. KOWALSKI: Mr. Chairman, I'll respond to the questions that have been raised. What's really interesting is that in one year and 340 days from now, Alberta will be in a balanced budget scenario. One year and 340 days: that's how far we have to go. So sometimes when we talk about some of these programs and we talk about some of these funding allocations, we should put it in that kind of a perspective.

The reality is that there's no reduction at all in support for those activities sponsored by the Alberta Foundation for the Arts. I would be horrified – absolutely horrified – if I were to be told that the Edmonton Symphony were to make the argument that it would now discontinue its symphony opportunities in rural Alberta and make the argument because the province of Alberta had reduced its funding. If that were to be the case, I want to serve public notice that I would simply quit sending cheques to the Edmonton Symphony so that they would understand that one of the contractual obligations they have is to make sure that the Edmonton Symphony does visit rural communities. I can't believe that that's happened, because I've a very good relationship with the Edmon-

ton Symphony. They keep us very, very well informed. In fact, they even periodically ask us: which communities should the Edmonton Symphony go to? I just want to serve notice, though, very publicly that the Edmonton Symphony will continue to serve the people of rural Alberta and visit communities in all parts of Alberta and bring its wonderful music, because it is just as easy to go from Edmonton, in fact, to Sangudo than it is the other way.

Mr. Chairman, in terms of the marketing of arts, that's one subject that the hon. gentleman raised which is very significant. There is tremendous creativity in the province of Alberta in a whole variety of materials, from recordings to paintings to pottery to clothing to what-have-you built in this province. I'd encourage all Members of this Legislative Assembly to as much as possible buy Alberta products and use an Alberta product in terms of the promotion.

As an example, one of the things that I've done as a minister of the Crown is said that I will never support any group in the province of Alberta who wants to come and ask me as the Minister of Economic Development and Tourism to provide a banquet or a dinner. I said that I'd never ever sponsor them or provide the allocations unless 100 percent of all the food served and 100 percent of all the drinks served at such a banquet are produced in the province of Alberta. I think that's a form of action that all of us as Albertans should be doing. I mean, I was stunned a number of years ago to have been invited by a group who were promoting beef cattle, and they served me salmon at the dinner. I didn't think it quite kept in the spirit of what it was: on the one hand to promote Alberta beef, and on the other hand I got served salmon.

I'm an Albertan, and I think we've got tremendous product in the province of Alberta. We should do everything possible. We should make sure that if we have a pin, it should be produced in the province of Alberta, designed by an Alberta artist. Everything else goes right to the length of the whole thing. In fact, the marketing of the arts and artistic materials is very important. When we have visitors coming to the province, if they want something about Alberta, I'll oftentimes give them the CDs that are produced by the Edmonton Symphony as an example of the tremendous music created in the province of Alberta or a painting from the province of Alberta or a recording by a famous Alberta recording artist or something like that, because it's a matter of pride that's really significant and really, really important.

The hon. member is right that we look at all the things that are happening and in terms of its promotion, and the hon. member should know that most of the advertising that's done about Alberta outside of the province of Alberta does not focus on Rocky Mountains and RCMP. In fact, it focuses on festivals and artistic endeavours and opportunities in the province of Alberta. Now, if we want to have tourists come to the province of Alberta, of course we won't advertise in Alberta, because Albertans know what's going on. So you advertise outside. The vast majority of Albertans never see the advertisements, Mr. Chairman, but if you take a look at all the numbers that are going to come to this province this summer over a three- and four- and five-month period to go to a variety of communities throughout this province of Alberta, it will be quite incredible, because we're going to have a tremendous myriad of different kinds of activities way, way, way too long for me to comment on here in the short time available to me. We have tremendous opportunities in our province from an economic point of view, from a development point of view, in essence, to deal with that.

The last question the hon. member asked was with respect to the Edmonton concert hall. This government through the lottery fund

supports the concept of the Edmonton concert hall. As recently as two Fridays ago I discussed this matter with the federal minister of Heritage, the Hon. Michel Dupuy, and the federal government was seriously wondering whether or not they would continue with their funding allocations to the Edmonton concert hall project. They wanted to know what the position of the government of Alberta was, and I told him quite emphatically that we've already put \$3 million into the pot and the \$3 million is held in escrow. The Edmonton Concert Hall Foundation uses the interest on the \$3 million to carry out their ongoing work and to do their ongoing development of their project. I indicated to him that the Alberta government would not be in a position to provide an additional one penny of support to the Edmonton concert hall until we had balanced our budget and that we were going to balance our budget in one year and 340 days from now. He was elated to hear that. That's when we would be coming forward. As a result of that, he allocated dollars from the federal government in support of the Edmonton concert hall, and I'm told the board of directors of the Edmonton concert hall are just really quite ecstatic about the whole thing and are just giggly all over, and they're proceeding with the project they have here in the city of Edmonton.

So that's positive, and I think most things are. With a little bit of patience we'll probably get to dealing with all the projects that people want in the province of Alberta.

MR. DEPUTY CHAIRMAN: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Chairman. I've a few questions I'd like to put to the minister as well regarding the estimates in this year's lottery fund. The \$5 million to the Calgary Exhibition and Stampede, I would argue, is certainly a worthwhile expenditure. The money there supporting an initiative in Calgary that brings in better than a million tourists on an annual basis is certainly something that I can support not only because I'm a Calgarian but because I think it makes good sense for the province of Alberta.

Having said that, however, I do have some questions about the second issue, cultural initiatives, and in particular the western heritage centre in Cochrane. Now, I noticed the number beside there is blank, and that raises a number of questions. I note that in the previous year, the 1993-94 comparable forecast is for \$3 million. Has that \$3 million already been extended to the western heritage centre; i.e., has the cheque already been written and gone? If so, the question then is: why did that occur? Because they didn't have \$3 million in the bank to cover it and it was supposed to be matching funds. If it's not been extended, does the blank figure under the '94-95 column indicate that the commitment is no longer there for the \$3 million for the western heritage centre in Cochrane? I'm a little perplexed as to what is being proposed here. There's no question, I think, in anyone's mind about my position on the western heritage centre. I don't believe it's a good expenditure of funds on this particular project, and I'm wondering what the government's commitment is to that project. Is it continuing? Is it canceled, or where is it going? Because it seems to be rather contradictory.

9:50

With respect to tourism initiatives, Mr. Chairman, the community tourism action program. The minister has addressed that particular issue in the wrap-up. No more applications are being accepted, but over the years several millions of dollars have been expended on this program. My question: is there going to be any follow-up in terms of an evaluation as to the effectiveness of this

program; i.e., how many jobs were created? How much additional business was brought in; in other words, value for money, which I know is something the Treasurer is always concerned about, wanting to make sure we get good expenditure of our dollars? The Member for Edmonton-Rutherford did raise some concerns that I want to echo here about some questionable allocations of cash under that particular program. The concern there, again, with that program – and it is ending – of course is that some get the money and some don't get the money and it creates an inequitable playing field. So I just wonder if the minister could comment on any potential wrap-up to that program.

Team Tourism, Mr. Chairman, is a \$4 million expenditure. That's pretty constant over the years. One of the things that I hear the most frequently from players in the tourism sector, if you will, is a desire, a need, a concern, however you want to put it, to increase marketing. Now, that is precisely the focus of the Team Tourism program. By and large, the people that I speak to in the tourism sector support that program. They're more than happy to see the CTAP come to an end, but there's concern about Team Tourism coming to an end. Although it's not directly related to the lottery fund, I'm wondering if the minister might make a comment about the proposal for the new Alberta tourism corporation and its relationship to Team Tourism, because as I understand the proposal for the ATC, the Alberta tourism corporation, it is primarily a marketing orientation or focus, as is the Team Tourism program. So I'm wondering how those two things are going to relate together, Team Tourism that is now on the books before us today as a \$4 million proposed expenditure here and the Alberta tourism corporation.

Mr. Chairman, just a couple of words on the Science Alberta Foundation. As a former science educator myself I've seen some of the projects that this foundation funds, and I must confess that I like the orientation of them. I think this is, for a relatively small expenditure, a pretty good bang for the buck.

In conclusion, I have three particular questions under the community facility enhancement program, three applications that I believe are still sitting on the minister's desk. One is from the Crowchild Twin Arena regarding an enclosure for the balcony to convert it from a part-time to a full-time use facility. Two is one that I phoned him on about a month ago or so, I believe, on Monsignor Doyle school with respect to funding for their playground. This is a new school in my constituency that has just opened up in September and in fact is looking for funding for a playground, similarly in Hawkwood, a new school. The current Treasurer, former Minister of Education, was there with me at the sod turning several years ago. The school is now open. They're looking again for funding for a playground. That's a CFEP application grant as well that's before the minister for a wheelchair/handicapped playground, kind of a new concept. So those are three particular projects that I wonder if the minister could comment on.

I'll close my comments there. Thank you.

MR. KOWALSKI: Mr. Chairman, the three CFEP applications, they're just not etched in the head right now, so we'll find an answer for them and get back to the hon. member as quickly as possible.

I do want to bring the member up to date with respect to the western heritage centre in Cochrane, because this sure seems to be of fascinating interest to the hon. member. He's been very critical of it. He's been totally, totally opposed to it. So why don't I just bring him up to date and let him know what happened?

Mr. Chairman, we're dealing with a total amount of \$5 million with respect to the western heritage centre in Cochrane. In 1991,

\$2 million was provided to the Alberta heritage resources foundation. That foundation in turn advanced \$1,720,000 to the western heritage centre at Cochrane. The balance, the remainder of nearly \$300,000 was held by the Alberta Historical Resources Foundation. The \$3 million – and the hon. member should listen, because I don't want him to screw this one up anymore – allocated very shortly has been provided to the Alberta Historical Resources Foundation. So the Alberta Historical Resources Foundation has held in trust the dollars for the western heritage centre. It has not been wasted dollars, hon. member.

Now, in addition . . .

Point of Order Repetition

MR. DEPUTY CHAIRMAN: A point of order.

MR. HAVELOCK: Thank you, Mr. Deputy Chairman. A point of order. *Beauchesne* 459, repetition.

MR. DEPUTY CHAIRMAN: Hon. minister, is it you that's doing the repetition?

MR. KOWALSKI: Mr. Chairman, the hon. gentlemen must have just woken up, because we've been talking about consistently different subjects. Both the members of the opposition and myself and my colleagues have been participating. It's good to see him back among the living.

Debate Continued

MR. KOWALSKI: Mr. Chairman, I also want to point out that on October 22 of 1993 the western economic diversification group approved \$2.5 million for the western heritage centre project. That 2 and a half million dollars will be provided over several fiscal years. So what is in reserve for the western heritage centre in Cochrane and to be met by matching funds is really some 5 and a half million dollars that still have not been committed but in essence are held in escrow as per the arrangements for them in terms of contractual obligations. The province of Alberta in terms of the contractual obligation it had with the western heritage centre has in fact now made good in all of its payments.

In terms of the Alberta tourism corporation, it's an idea, and it's an idea of the Tourism Industry Association of Alberta, TIAALTA. It has not found wide, overwhelming support from all of the tourism players in the province of Alberta. We've set up a mechanism for the proponents of the new proposal. In fact, we should basically be in touch with all of the players in the tourism industry in the province of Alberta, in fact to participate. There seems to be a perception among some people who advocate the new Alberta tourism corporation. They believe that if the province of Alberta were to cancel its 5 percent room tax, then in essence what the province of Alberta would simply do is provide ATC X millions of dollars. But there are other people who also believe that the province of Alberta should not only cancel its 5 percent room tax, which is essentially equivalent to the amount of dollars paid for tourism in the province of Alberta, but in fact then have the industry tax itself. The vast majority of the players in the industry, whether or not they're restaurants or hotels, have basically told me that if they had to go to volunteer taxation, there wouldn't be a penny flowing into the new Alberta tourism corporation fund. So it's an interesting dilemma.

[Mr. Tannas in the Chair]

Most individuals and most players in tourism in Alberta tell me they like the system quite fine, thank you very much. They will complain on the one hand about the 5 percent hotel tax. On the other hand, they see where it is dedicated. They think they have to go through the thing of saying, "On the one hand, yes, I oppose it," but silently they're quite appreciative of it. I will be speaking to a number of tourism groups in the next couple of months, and I'll be able to report back to the House after those consultations are over.

MR. CHAIRMAN: The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Chairman. I had five pages of notes, but I'm paring them down considerably at the behest of all and sundry.

Mr. Chairman, I have one item here, and I'll go to the heart of the matter. The Royal Canadian Legion in Hinton has asked the Deputy Premier that they be allowed to install a VLT even though they do not have a class A licence of course, and the Deputy Premier has already outlined that that is not commonly done. I'm just asking him to look into the matter and find a way, because the legion - I'm sure there are others as well - is really not able to raise the same kinds of funds that they have thus far been able to raise.

I know that in the town of Hinton the legion customarily hands out about a hundred thousand dollars worth to all kinds of community organizations, including even schools, Mr. Chairman. That has shrunk drastically because of the inroads of the VLTs. They think their clients, if I may call them that, their patrons, have in fact been lured by VLTs to other establishments that do have an A licence. So I would certainly join my voice to that of the legion and many of the community organizations that have requested this move, and perhaps the Deputy Premier could find his way to make sure that legions, too, can install VLTs to the betterment of all and sundry.

10:00

Then the next item, Mr. Chairman, really has to do with CFEP grants. I'd like to go back to the election last year when I was flush with the victory which the inhabitants of my riding so generously bestowed on me. I was approached by a constituent who said, "Would you find out where my CFEP application stands at this moment?" I said, "Sure; no problem," grabbed the phone, called the Deputy Premier's office, and said to the secretary, "Just patch me through to Ken, please." It was like asking to be patched through to God, I think. [interjections] The godfather. I did my best, but I was put on hold, and finally I was told that the Deputy Premier prefers these kinds of requests in writing. When I protested that these requests would generally take about several months to be responded to, I was told that that was the way the Deputy Premier wanted it. So I did put my request in writing, and I received a response I think two months hence.

Then I thought: there's something a little strange here. Mr. Chairman, it dawned on me that there was something wrong with the system. Therefore, once the session started last fall, I decided that I should go once a week to the office of the Deputy Premier and speak with whoever was willing to speak with me. At that time I had many a pleasant conversation with one of the ladies upstairs there who was introduced, who would give me, who'd feed me bits and pieces of information that wouldn't quite give me the total picture, but it kind of led me to believe that my application was still being considered.

I was told that there were thousands of applications and that the Deputy Premier always insisted on viewing each and every one of

them personally, which I thought was pretty good actually. This went on, and finally I discovered that certain grant applications had been granted, even though I was still going and trying to gather information. So then I decided: I'm going to write the Deputy Premier and ask him if he would be so kind as to give me a copy of any communication with the grant applicants. I haven't received an answer yet, but I'm sure it will be coming.

Mr. Chairman, I'd like the Deputy Premier to know that I also, in the spirit of openness and generosity, offer to him to deliver any cheque to any of the applicants in my riding, and I will do so free of charge. Now, I think that's a pretty magnanimous offer.

Finally, though, while we're on this spirit of generosity, Mr. Chairman, there is one request that I would like to underline to the Deputy Premier, and that is the grant application from the golden age club in Grande Cache, which I think went in over a year ago. To this day, as far as I'm aware, they haven't yet heard from the Deputy Premier.

So that's all I have to say, Mr. Chairman. I've cut my remarks considerably. I hope the Deputy Premier will appreciate that. Thank you very much.

MR. KOWALSKI: Well, first of all, Mr. Chairman, I really appreciate the compliments the hon. gentleman gave about my staff. They've been well trained in terms of protecting me, and I do appreciate that very much.

It's highly unusual to have more than 10 working days for a response from my office, so there must have been something unique about the statements that the hon. member raised, and we'll certainly look into that. If, however, I feel that there is a setup, then I will sit on the paper and I'll sit on the paper forever. There have been occasions in the past when I had been set up by hon. members of the opposition, so there are certain reasons why I do it. It's a subjective call. I can't believe that the hon. member would be one of those who would have motives such as that.

In terms of the golden age club in Grande Cache, again we'll do a double check on that one.

The request for the legions, though, is one that is really difficult to deal with. I've already identified which groups and which clubs can have access to VLTs in the province of Alberta. There is no one who would stand up and have greater empathy and support for the Royal Canadian Legions than this member would. If hon. members would look back in *Hansard* in years gone by, they will know that speeches have been given in commemoration and support of the Canadian legion. But the Canadian legion, in essence, has an option. If they choose to be a private club - one of the things that this government would want them to try and understand is that there is a way that they can get another liquor licence and make themselves open and available to the public.

I guess what is most difficult for me in the submission made by the Member for West Yellowhead is that we are in that situation because of a furor raised by the member of his own political party when a certain Liberal went into a legion in Red Deer several years ago and created all kinds of havoc and chaos about being admitted or not being admitted. Now we have the flip side of the argument here. Now there's a request being made for a private club in essence to have a certain special privilege. Mr. Chairman, this is a government, and a government must treat all people in this province equally and equitably. We have certainly met with the legions. We've talked about the options for the legions. Some legions in fact have made provision already to basically go with the liquor licence that allows public access to the legions, and they are certainly eligible for VLTs. As recently as last Friday the Minister of Municipal Affairs, who is also responsible for the Alberta Liquor Control Board, met with representatives of the

Royal Canadian Legion and the province of Alberta to work towards this particular submission.

MR. CHAIRMAN: Are you ready for the question, for the vote?

HON. MEMBERS: Question.

Agreed to:

Program 1 – Agricultural Initiatives	\$22,530,000
Program 2 – Cultural Initiatives	\$24,779,000
Program 3 – Recreation Initiatives	\$15,315,000
Program 4 – Tourism Initiatives	\$10,014,000
Program 5 – Community Facility Enhancement Program	\$25,000,000
Program 6 – Education Initiative	\$12,500,000
Program 7 – Health and Wellness Initiatives	\$14,886,000
Program 8 – Science and Environmental Initiatives	\$950,000
Total	\$125,974,000

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

[Motion carried]

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

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. DEPUTY SPEAKER: Order.

The hon. Member for Dunvegan.

10:10

MR. CLEGG: Thank you, Mr. Speaker. The Committee of Supply has had under consideration and reports that the resolution relating to the lottery fund estimates for the fiscal year ending March 31, 1995, has been approved.

Mr. Speaker, I wish to table the list of the resolution voted upon by the Committee of Supply pursuant to Standing Orders. I also wish to file copies of the documents tabled this day during Committee of Supply for the official records of the Assembly.

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

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried. So ordered.

MR. DAY: Mr. Speaker, I request that we revert to Introduction of Bills.

MR. DEPUTY SPEAKER: Might we have unanimous consent to revert to the Introduction of Bills? All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Hon. members, as you know, at times the Deputy Speaker suffers from a hearing loss. May we hear that again? All those opposed, please say no. Carried.

Point of Order

Allegations against a Member

MR. KOWALSKI: Mr. Speaker, I'd like to rise on a point of order. The difficulty with rising at this time is that it arises out of an event that occurred in question period this afternoon. In order to raise the point of order, I had first of all to review the Blues. As we were in committee starting at 8 o'clock, the first opportunity to raise the point of order is now. I couldn't raise the point of order before, but it certainly comes under section 23 of Standing Orders. May I have permission to raise the point of order?

MR. DEPUTY SPEAKER: The Chair would like to confer with the Table officers on whether we raise the point of order now. It would be the Chair's understanding that if you wanted to raise this matter, it might be best to put it on record now to be dealt with at a later time, but if you would just indulge the Chair for a moment while he consults.

The hon. Member for Calgary-North West was rising to add to this point of order before the Speaker has . . .

MR. BRUSEKER: Mr. Speaker, I'm just looking at *Beauchesne* 317(3).

Since the introduction of a time limit on the daily oral Question Period it has become the custom for the Speaker to recognize points of order only at the conclusion of the Question Period.

Further, 321 says:

A point of order against procedure must be raised promptly and before the question has passed to a stage at which the objection would be out of place.

I appreciate the concern that the hon. Deputy Premier says that he wanted to review the Blues. However, Mr. Speaker, it is not unusual for points of order to be raised at the time and then the Blues addressed later on. So to raise a point of order about something that occurred almost nine hours ago seems to me to be more than well past the stage and to be at the point where the objection is now out of place. So I would suggest that it seems inappropriate to raise a point of order at this time.

MR. DEPUTY SPEAKER: I think, hon. member, it's hard to prejudge the point of order at the moment till we know what the point of order is. That would be my consideration.

The hon. Government House Leader wishes to speak further to this point.

MR. DAY: Well, I don't know if you had a conclusion to your remarks, Mr. Speaker. If I presume what you're saying, I think I would tend to agree that it's difficult to prejudge the point of order. I appreciate what my learned friend is saying in terms of the as soon as possible opportunity. I do believe that once the point of order is heard, it will clearly show that the Blues indeed were needed for this particular point of order because of the serious nature of it. The Blues definitely had to be in place, and that was the point I wanted to make.

MR. DEPUTY SPEAKER: I think the Chair would be advised to hear the point of order. We may not rule on it at this time but at least hear it. Then it becomes a matter of record. If it goes any further, the Blues will be instructive, and further learned individuals can speak to the matter.

The hon. Deputy Premier.

MR. KOWALSKI: Mr. Speaker, I'll be very brief. I'll cite section 23(h) of the Standing Orders of the Legislative Assembly of Alberta. Section 23(h) basically deals with a member called to order if that member makes allegations against another member. I could just as easily cite (i) and (j) and other sections in there.

Mr. Speaker, in question period this afternoon the Member for Fort McMurray made the following statement:

Mr. Deputy Premier, can you tell us please why you allowed your constituency office to be used to supply postage for your recent constituency fund-raising golf tournament?

I've never done such a thing, and my constituency office did not do such a thing.

The hon. member also tabled in the Assembly this afternoon a document, which was tabled in here and has been given a sessional citation, and the document is a photostat of a piece of paper that says, "P.O. Box 4576, Barrhead, Alta, T7N 1A4." Box 4576 is a box number that's registered to the Barrhead Progressive Conservative Association, Mr. Speaker. It is not a box registered to my constituency office. That matter is one that I'd like clarified, and I'm going to ask the hon. Member for Fort McMurray to retract his statement.

MR. GERMAIN: I'm happy to speak to this, Mr. Deputy Speaker. The question, I can assure all members of the Assembly, was asked in good faith. The minister could have answered the question at that time. Let me tell you that we communicated by phone to the constituency office of the hon. member and were given that particular box number, 4576, at which we could respond to the member relative to constituency office matters. If the member indicates that that is in fact the Progressive Conservative constituency office and not his MLA constituency office, then clearly the information that we were given was incorrect. Perhaps the Deputy Premier may wish to ensure that people disseminating that information make it clear what they're disseminating.

Based on the minister's commentary, I'm happy to retract any comment I might have made that he feels offended him and apologize to him unreservedly.

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

MR. BRUSEKER: Thank you, Mr. Speaker. I guess just prior to your making a ruling on this point of order, which I take it we are now allowing to occur some nine hours afterwards, is it the Speaker's decision now that points of order can be raised anytime within nine hours from the event of it occurring? The Deputy Premier has been in the House for a considerable number of years, longer than any of the members on this side of the House. For the Deputy Premier to claim he needs nine hours to wait for the Blues to stand up and defend himself to me seems to be absolutely outrageous.

We have points of order. There are rules under *Beauchesne*. I'm surprised. Regardless of the nature of the point of order, our rules are very clear. If it is the intent that we will now be able to raise points of order nine hours after the event, then I guess we'll be raising substantial points of order ourselves.

10:20

MR. DAY: Just a further observation, Mr. Speaker. We'll await your ruling either tonight or tomorrow, but the observation was also made today in the good wisdom of the Speaker at the time – it was his decision that in fact the point of order attempting to be made by the minister of economic development was in fact not allowed at that time to go forward. Also, we've already made the

point about the ensuing delay because of the necessity to have the Blues. So I think that combined with the Speaker's good wisdom this afternoon, which we don't question, are all factors leading up to this point now being raised and certainly is not setting a precedent for a nine-hour delay in further points of order.

MR. DEPUTY SPEAKER: I think there have been some good points raised on either side. The fact remains, though, that it could have been raised earlier in the afternoon. We were in the Assembly all afternoon, so it could have been raised there. In spite of all that – and I have not read the Blues – it would appear not to be a true point of order. The hon. Deputy Premier is not raising a point of privilege, which would be required if the hon. Member for Fort McMurray was misleading the Assembly. So in the event that there was a misunderstanding, the hon. Member for Fort McMurray has offered his retraction and his apology, and the Chair would assume that the point of order ends at that as not being sustained.

MR. DAY: Mr. Speaker, given the hour, I would like to hear from the Provincial Treasurer.

MR. DINNING: Mr. Speaker, isn't he a swell guy?

head: **Introduction of Bills**

**Bill 24
Appropriation Act, 1994**

MR. DINNING: Mr. Speaker, I request leave to introduce Bill 24, the Appropriation Act, 1994. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 24 read a first time]

**Bill 25
Appropriation (Alberta Heritage Savings Trust Fund,
Capital Projects Division) Act, 1994**

MR. DINNING: Mr. Speaker, I request leave to introduce Bill 25, the Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1994. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 25 read a first time]

**Bill 26
Appropriation (Lottery Fund) Act, 1994**

MR. DINNING: Mr. Speaker, I request leave to introduce Bill 26, the Appropriation (Lottery Fund) Act, 1994. This being a money Bill, His Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the same to the Assembly.

[Leave granted; Bill 26 read a first time]

[At 10:26 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

