

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Friday, November 13, 1981 10:00 a.m.**

[The House met at 10 a.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: **INTRODUCTION OF BILLS**

Bill 96**Cancer Treatment and Prevention
Amendment Act, 1981**

MRS. EMBURY: Mr. Speaker, I beg leave to introduce Bill 96, the Cancer Treatment and Prevention Amendment Act, 1981.

This Act allows the board to delegate, in writing, to the Alberta Hospital Association or its agent in power, to bargain collectively or act on behalf of the board with respect to mediation.

[Motion carried; Bill 96 read a first time.]

MR. CRAWFORD: Mr. Speaker, I move that Bill No. 96 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **TABLING RETURNS AND REPORTS**

MR. COOKSON: Mr. Speaker, I wish to table Motion for a Return No. 131, which deals with the accidental spill of askarel at Procter and Gamble Cellulose Limited in Grande Prairie.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. JOHNSTON: Mr. Speaker, I'm very pleased to introduce to the Legislative Assembly 22 students from Lethbridge Collegiate Institute in my home of Lethbridge. At least two members of this Assembly have graduated from Lethbridge Collegiate Institute, the Member for Calgary Buffalo and I. I'm very pleased that they are accompanied today by Ms. Isabelle Henderson and Mr. Hugh Tamblin, and I'm sure they will have an enjoyable stay here today. I ask them to rise and receive the warm welcome of the Legislative Assembly.

MR. GOGO: Mr. Speaker, I'd like to introduce to you, and through you to members of the Assembly, a group of Boy Scouts and Venturers visiting Edmonton today from the city of Lethbridge. Their leaders are Mr. Frank Johansen and John Craig. They are seated in the members gallery, and I now ask them to rise and be welcomed by the Assembly.

MR. SCHMIDT: Mr. Speaker, this morning I have the privilege of introducing to you, and through you to

members of this Assembly, 30 grade 6 students from Willow Park school in my constituency. They are seated in the public gallery with their teacher Mr. Race, their vice-principal, their bus drivers, and some interested parents. I ask that they rise and receive the welcome of this Assembly.

MR. COOKSON: Mr. Speaker, it is a pleasure to introduce to you and to the members of the Assembly a group of grade 12 students from Bentley high school in the constituency of Lacombe. They are here to observe first-hand the operations of a democracy. They are with their teacher Mr. Scarlett, hopefully in the members gallery. I ask that they rise and receive the warm welcome of the Assembly.

head: **ORAL QUESTION PERIOD**

Federal Budget

MR. R. SPEAKER: Mr. Speaker, my questions this morning are on the federal budget, I think a natural follow up to last night's discourse by the federal Minister of Finance. In this Legislature, we have started out with the theme of man-on-the-street problems, and I think Albertans hoped that a number of these problems would be addressed.

My first question is to the hon. Minister of Housing and Public Works with regard to housing needs and mortgage needs of Albertans and certainly other Canadians. In light of the announcement by the federal minister of interest-free loans to encourage builders of some 15,000 apartments, which in turn supposedly would help some renters here in Alberta, could the minister indicate what cursory assessment he has made, and what help that will be to Alberta builders?

MR. CHAMBERS: Mr. Speaker, I think it's important to indicate that I've not yet had a chance to assess the document. All I've had the benefit of is having watched the television presentation last night, as I'm sure the Leader of the Opposition did. All I could say is that Alberta builds 15,000 rental accommodation units a year, if you want to put it in that context. Further, I didn't hear an indication that the capital cost allowance had been continued or retained. If that is the case, I think that's a tragedy in terms of building across this country, because the capital cost allowance, MURB, has been a major factor in the production of rental accommodations.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. One of the indications by the federal Minister of Finance was that discussions with the province would follow with regard to interest-free loans. Have any discussions taken place to this point with regard to interest-free loans for builders, in terms of rental accommodation?

MR. CHAMBERS: No, Mr. Speaker.

MR. MANDEVILLE: A supplementary question to the minister, Mr. Speaker. Is the minister considering adding any more funds to CHIP, the program for rental housing in the province of Alberta?

MR. CHAMBERS: Mr. Speaker, I really would refer members to the Clayton report, which points out that

even in 1980, with our budget of \$1.1 billion then, Alberta's capital budget was five times the total federal capital budget and represented 65 per cent of all capital investment by both levels of government in Canada. With our \$1.7 billion budget for housing this year, overall, Alberta is doing a major thing in this country in terms of housing in this province — a \$1.7 billion budget in this province addressing the problem of supply. I hope I've answered the member's question. If I haven't, I'd be happy to.

MR. MANDEVILLE: A supplementary question to the minister, Mr. Speaker. In the federal budget last night, \$3,000 will be available to some of our home-owners in dire straits. In line with this, has the minister considered bringing in any such program in Alberta?

MR. CHAMBERS: For mortgage renewals?

MR. MANDEVILLE: Yes, the grant made available last night. It's going to be an outright grant to some of the home-owners who are in dire straits, can't make their payments, and are going to lose their homes.

MR. CHAMBERS: No, Mr. Speaker. I've always said that the problem of high interest rates in this country is a federal government decision; it always has been. It's a federal policy. Therefore, it's up to them to solve it. I think it is important to recognize that at least last night the federal government acknowledged its responsibility in that area, to help people with mortgage renewals at today's rates of interest. I think that's a positive aspect.

MR. MANDEVILLE: One further supplementary question, Mr. Speaker. Some of our banks are now using a deferral program that can reduce the interest rates. That was also mentioned in the budget last night. Has there been any consideration to Home Mortgage deferring some of their payments to the end of the payment term and reducing the interest rates?

MR. CHAMBERS: Mr. Speaker, the Home Mortgage Corporation subsidizes heavily, on a graduated scale basis. At the low income scale, there's a mortgage subsidy payment of up to \$580 per month directly to the home-owner. That's the way it works with the Home Mortgage Corporation.

With regard to rate, the interest rate of the corporation is adjusted. Its policy is that it will never be higher than the low end of market, and one point over the borrowing rate of the corporation.

MR. MANDEVILLE: One final supplementary question, Mr. Speaker. Is the minister then saying that now that the interest rates have taken a drop in a lot of our banks yesterday and lending institutions have reduced their mortgage rates, the Alberta Housing Corporation will be reducing their mortgage rates from 19.5 per cent?

MR. CHAMBERS: Mr. Speaker, the rate has been reduced. As of yesterday at least, and until this morning, it was 18.5. It is assessed on Friday, and we'll no doubt be reducing that rate again at some point during the morning.

MR. SINDLINGER: A supplementary please, Mr. Speaker. The minister has referred to a program of \$1.7 billion. Could the minister translate that, in terms of how

many housing units will result from that expenditure or how many people will benefit from it?

MR. CHAMBERS: That's a fair question, because I happen to have the answer. [laughter] Mr. Speaker, Tom and I didn't get together on this before the question period.

Anyway, yes: 24,655 units.

MR. R. CLARK: Mr. Speaker, a supplementary to the Provincial Treasurer, and I hope my question is as fair. It comes from that portion of last night's federal budget that announced the \$5.7 billion reduction in health care and postsecondary education assistance to the provinces. My question is really twofold. One, can the Treasurer confirm that budgets for hospitals, health care, and educational institutions will in fact remain in place at least to the end of this fiscal year? It's my understanding that the budget for this Assembly includes that. Secondly, what are the Provincial Treasurer's plans now to give some sort of guarantee to both educational institutions and the whole health community in this province that despite this very sizable cutback by the federal government, in fact the quality in those two areas of public service will remain as high as it presently is in Alberta?

MR. HYNDMAN: Mr. Speaker, the general budget will remain in place until the end of this fiscal year. With regard to the total federal budget, I would point out that it's an extremely complex document. A record number of perhaps 150 policy changes are suggested in it. It is going to take some time to comprehend it fully and assess it in depth, including the text and tables. So I probably won't be commenting in detail about the impact of the budget until Monday.

However, with respect to the second question posed by the hon. member, I wouldn't want to leave the impression that it would be either fair or responsible for the government to give any such guarantees. The impact of the federal changes and cuts is not yet known, but it would not be possible to give any guarantees that the provincial government would automatically move in where the federal government has moved out. Every year priorities have to be struck when budgeting is set forth, and there's no question that the maintenance of a continuing high-quality education, social service, and health system will always be important. As well, of course, there are priorities and responsibilities in agriculture, transportation, justice, and environment. It would have to be looked at every year, and no long-term guarantees of filling in any federal gaps would be given.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Agriculture. That's the other man-on-the-street group that certainly needs assistance here in the province of Alberta. The federal minister indicated low-interest loans would be available to the farmers of Alberta. I wonder if the minister has had a chance to assess that, and what impact that would have on farmers' needs here today.

MR. SCHMIDT: Mr. Speaker, as was stated by my colleagues the Minister of Housing and Public Works and the Provincial Treasurer, the documentation has not been available to us. Without the basic documentation, it would be difficult to assess to what degree the budget affects agriculture, not only across Canada but how it would pertain to the farmer in the province of Alberta.

On the surface, it would appear that some programs will be available to the farmers across Canada. Also, recognizing that yesterday the interest rates were at their lowest ebb during 1981, it would appear that if interest rates continue to descend in the direction to which at least the start has been made, some support may be there for the farmers across Canada.

MR. R. CLARK: Mr. Speaker, a supplementary question to either the Provincial Treasurer or the Minister of Federal and Intergovernmental Affairs. It deals with the question of consultation. Has there been consultation with the federal government in the areas outlined in the speech last night, where the federal minister said there would be consultation with the provinces prior to the budget coming down?

MR. HYNDMAN: Mr. Speaker, over the past three or four years, it has been the custom to have a meeting every year to provide the opportunity for the provinces to make their suggestions to the federal Minister of Finance with respect to his upcoming budget. That was done this year, about a month ago. We vigorously put forward our suggestions with respect to what should be done with interest rates, an economic recovery program, and other matters I've mentioned. But with respect to the detailed arrangements and suggestions as found, for example, in the 55-page document with 13 tables on fiscal arrangements, none of that was seen by the provinces until last night. That's why the document requires very careful study before we assess the impact on this province, on the provinces generally, and down the road, bearing in mind that the document refers to federal expenditures over four, five, and six years.

MR. R. CLARK: Mr. Speaker, one further supplementary question to either hon. minister. I pose that question because two paragraphs down in the speech is the announcement by the federal government that they are going to abandon plans to strengthen the Foreign Investment Review Agency. I put the question quite frankly to either hon. gentleman: did Alberta in fact recommend that that action be taken?

MR. HYNDMAN: Mr. Speaker, we recommended that that would be an appropriate position some months ago, and we've done so consistently. So that is certainly one plus.

Cattle Industry

MR. R. SPEAKER: Mr. Speaker, my second question is related to the first one I asked the Minister of Agriculture. It's with regard to support for cattle producers and cow-calf operators in the province of Alberta. I understand the minister has had some meetings with the Western Stock Growers' and maybe the Cattle Commission. Could the minister indicate at this time whether a program is in place, and whether we will have an announcement shortly with regard to a support program for the cattlemen in the province of Alberta?

MR. SCHMIDT: Mr. Speaker, the last regional meeting of the Cattle Commission was held this week. I had the opportunity of meeting for a brief period with the Cattle Commission and of receiving their reports as to the outcome of all the meetings which covered the total province. I also will have the opportunity to meet with

the Western Stock Growers' this afternoon.

In regard to where we as a government are in regard to the livestock industry, it was stated before that first of all we're faced with the close of the meetings and the recommendations that would be forthcoming on behalf of those who represent various sections of the livestock industry, also an opportunity to close the total review of the market conditions, recognizing that the major move of replacement cattle would happen sometime during the month of October. I think that main run is about two-thirds of the way through, if the reports coming back are indicative of the numbers going through the ring.

I would think we're now at the position where we will be able to assess not only the reports and requests of those who represent the industry but an opportunity to bring to a close the total review of the market conditions from September 1 to the present time. It was stated in the House that before the end of the year, the government would be making an announcement on whatever directions it felt were necessary on behalf of the livestock industry. We will be able to meet that commitment.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. In terms of approach, could the minister indicate why there are separate meetings with the Western Stock Growers' and the Cattle Commission, and there isn't one meeting with the executive of all those groups in total, so that consensus of opinion could be reached in discussion? Is there some reason each group is meeting separately with the minister, or is it the minister's own request to have that type of format?

MR. SCHMIDT: Mr. Speaker, the Canadian cattle commission has representation on behalf of all associations that are established throughout the province. In meeting with the cattle commission, one has the benefits of the input of all the various segments of the industry. I think the reason we have, and will continue to have, individual meetings with separate groups that represent the industry — if one looks back to August and the first week of September, submissions were made on behalf of those individual groups and, I'm sure, would care to follow up on some of the recommendations made, mainly in the longer term solutions to the livestock industry, which will be varied and many and will take some time.

75th Anniversary

MR. SINDLINGER: Mr. Speaker, I wonder if the Minister of Culture could report on the status of the 75th Anniversary Commission, especially in regard to projects and programs yet to be completed.

MR. SPEAKER: This would seem to be an answer of possibly major scope, almost in the nature of a ministerial announcement or news release. But if the hon. minister, who of course knows the subject better than I do, thinks the answer can be given within the usual customary brevity that shines forth in the question period, perhaps the minister might proceed.

MRS. LeMESSURIER: Thank you, Mr. Speaker. There are only two outstanding projects that haven't been completed. One is the two bronze statues that are going in the rotunda in this building. They should be delivered by the end of November. The other item not completed is the encyclopedia, and that will not be done until 1984.

MR. SINDLINGER: Supplementary please, Mr. Speaker. If I could make an observation, I think the answer and the question were shorter than the interpretation put on by the Chair.

Could the Minister of Culture please indicate the total cost of the 75th Anniversary celebrations?

MRS. LeMESSURIER: Mr. Speaker, I could say that we are under budget at the moment, but as I have told you, two items still have to be completed. At this time, it would be improper for me to give a total cost.

MR. SINDLINGER: Just a short, final supplementary, Mr. Speaker. Could the minister indicate whether or not any projects were undertaken under the 75th Anniversary celebrations which today require assistance for operating?

MRS. LeMESSURIER: Mr. Speaker, unless it were the \$20 per capita grant . . . But I think no projects that need continual operating dollars were undertaken. Perhaps one of my colleagues would like to comment, if they have anything else to say: Mr. Adair on your Homecoming, or Mr. Moore on his . . .

MR. SPEAKER: Could the hon. minister please refer to other ministers by their portfolios.

MR. ADAIR: Mr. Speaker, I'll take the opportunity to say that the Homecoming aspect of the 75th Anniversary was a huge success. The invitations were final: once they went out, there was a response. Additional information was provided to those who requested it. We had one heck of a good time. Each community did one super job with volunteers in those communities, and I appreciate the opportunity to say that again.

VIA Rail Service

MR. R. CLARK: Mr. Speaker, I'd like to direct a question to the Minister of Tourism and Small Business. This being Friday, the 13th, but more importantly just two days away from Sunday, November 15, when the VIA Rail changes will go into effect, at this virtual last minute are there any plans or action expected to be taken by the Alberta government between now and Sunday, when the actual cutbacks will take place? Or has the government got to the point where it appears nothing more can be done?

MR. ADAIR: Mr. Speaker, the only response I'm able to give to that question is to indicate that at the request of the Jasper Chamber of Commerce, we have indicated some financial support for their presentation that goes before the courts today, Friday, the 13th, here in Edmonton. We're anxiously awaiting the results of that request by the Jasper Chamber of Commerce for an injunction.

MR. R. CLARK: Mr. Speaker, could the minister outline to what extent the province is financially backing the Jasper court appeal?

MR. ADAIR: We've indicated to the Jasper Chamber of Commerce president that we would assist with their legal costs for the action, and we haven't determined the amount on that. We're in discussions with them.

ORDERS OF THE DAY

head: GOVERNMENT BILLS AND ORDERS (Second Reading)

Bill 69

Alberta Heritage Savings Trust Fund Special Appropriation Act, 1982-83

MR. HYNDMAN: Mr. Speaker, I move second reading of Bill No. 69, the Alberta Heritage Savings Trust Fund Special Appropriation Act, 1982-83.

Because this Bill is important and relates to the very history and essence of the heritage fund, I would like to make a few remarks in urging members of the Assembly to support, for the forthcoming fiscal year, the 30 per cent transfer of moneys from non-renewable natural resources to the heritage fund. Let's recall again that this heritage fund is exactly that: it is a savings fund, a trust fund. It is not an expenditure fund. It's a heritage fund, not a slush fund. It's not for pet projects. It is a savings trust fund for the future, and it involves only 30 cents of each non-renewable dollar. It's for that rainy day which we know is coming. We know it's coming basically because our economy is extremely dependent on that depleting resource called conventional oil. If we were relying simply on soil, on what can be grown agriculturally from our soils — that is, a renewable resource — perhaps we wouldn't have to have a heritage fund. If, like some provinces and other countries, we were relying on forests, which are renewable and can be regrown, the heritage fund wouldn't have so much relevance. If we were relying on water power, that uniquely, continuing-forever resource that generates power, the heritage fund could be looked at in a different perspective. But as we know, conventional oil resources will drop by probably half or more by 1990, and that's where most of the money comes from to provide most of the daily and weekly services in education, hospitals, and social services in this province. We're spending most of it, Mr. Speaker: 70 cents out of every dollar.

Secondly, we should remember that about 90 per cent of the investments of the heritage fund earn income in a direct way. We should remember that the heritage fund has very little cash in it: less than half of 1 per cent of the fund is in cash form. Less than half of 1 per cent is in a form where a person could go to a current account and ask for a withdrawal of some moneys. The heritage fund is long-term; it is committed; it is locked in. For example, it is invested over the long term in loans to farmers, beginning farmer loans and other loans under the Ag. Development Corporation. It's invested in the Prince Rupert terminal, announced very recently. It's invested in the Alberta Opportunity Company. It's locked into long-term medical and health research. It's locked into the benefits provided by the grain hopper cars which were purchased, 200 more of which are coming. It's committed to housing in the long term on a mortgage basis in the Home Mortgage Corporation and the Housing Corporation, for affordable shelter, for roads to take some of the stress and load off municipal taxpayers. So it is important to remember that the heritage fund is not cash; it's locked up. It's much like the farmer who remembers that much of the value of his total assets is locked up in land, something not in cash form but in land.

We should note again that the heritage fund is strongly committed directly to the province of Alberta, and that

two-thirds of all the income-earning investments are in the Alberta investment division. That properly reflects what Albertans want. They want to see a very significant portion of the dollars from the heritage fund saved in Alberta, at work in the province of Alberta.

Fifthly, let's remember that the heritage fund is uniquely a non-intervention investment. It is not a threat to the private sector. It is something which complements the aggressive, private enterprise risk-taking in this province which has brought us to these days of the early 1980s through the very successful decade of the '70s. Therefore it does not threaten the stability of the province of Alberta and encourages and supports the climate for investment and risk-taking.

Lastly, let's remember that the heritage fund investments are at, what I would suggest, an acceptable level of risk. Let's bear in mind that these moneys are from the public; they are moneys which belong to Albertans. It's not a private investment fund, and therefore the kinds of investments taken must be taken after measured and considered thought and assessment, so they are sound and have competitive yields — yes, good yields — but not investments which are in any way frivolous or in high-risk projects.

I want to refer for a moment to the heritage fund special select committee report, which was tabled yesterday. That again will be studied with interest. In looking over the reports of the last four years, I think members will agree that over 80 per cent of the recommendations of the heritage fund committee have been implemented, many of them through the heritage fund initiatives of the capital projects division, but also through the General Revenue Fund. I think the fact of implementation of the vast majority of committee recommendations shows the credibility and value of that committee and shows that the results and suggestions in the latest annual report should be reviewed very carefully by MLAs in the Assembly.

On October 21, Mr. Speaker, I had the opportunity to talk about one aspect of the heritage fund, the capital projects division; to look in upon two typical families in the province of Alberta — the Smiths and the Joneses — and talk about how the 24 projects in the capital projects division came home to them as being direct benefits of the Heritage Savings Trust Fund. On that day I noted the Leader of the Opposition said, yes, he was convinced that certainly the capital projects division provided benefits. So we've made progress in that regard.

From his comments, I don't think he'd want me to continue to look in upon the Smiths and the Joneses, but there are other families, the Greens and the Browns, in the province of Alberta. They've been more directly involved with seeing the impact, in a positive way, of the Alberta investment division — over half the fund — in the Section 9 investments and the Canada investment division.

These are typical Alberta families, Mr. Speaker. For example, as we look in on the Greens, a rural family on a family farm in the province, Mr. Green and his son are on their way by car to the Ag. Development Corporation in Camrose to get a beginner farmer loan at 6 per cent for the young Green lad, who has just started out in farming. Of course, the Agricultural Development Corporation is funded totally by the Alberta Heritage Savings Trust Fund. On their way, they run into a friend of the son who was married recently. He's moving into a home under the Alberta family home purchase program. The mortgage is subsidized through the General Revenue Fund of the

ministry of Housing and Public Works, so the effective interest rate is around 8 to 10 per cent — again, one of the 8,000 families, one of the more than 14,000 units provided through the funding of the Heritage Savings Trust Fund for young families in the province.

Meanwhile, Mrs. Green is at home and has just received some of the dividends from her Alberta energy corporation shares. She was glad to see that. She was very happy to know the heritage fund has a major and significant investment in the Alberta Energy Company. She read over the heritage fund annual report, though, and was somewhat puzzled to see the Alberta Energy Company was listed as an asset of only \$70 million, because she'd been told it was in fact worth \$350 million. But of course she was told that the accounting procedures in the heritage fund report have to be generally accepted ones of the accounting profession, and they always have to state the lower of what is the market or purchase value. But she's happy to see that that heritage fund investment was well taken.

The phone rings — and she's on the Alberta Government Telephones line, which she realizes has brought massive improvement in terms of the major investments of capital dollars in Alberta Government Telephones over the '70s. Her sister works at AGT, one of many thousands of Albertans working for that corporation. Again, she is comfortable in knowing that the heritage fund is supporting and improving the telecommunications network in the province through Alberta Government Telephones.

Well, Mr. Green is back now from the Agricultural Development Corporation in Camrose and receives a call from his cousin, who lives in New Brunswick. The family came from New Brunswick about two or three generations ago. They have a bit of a talk, and Mr. Green reminds his cousin that Alberta just loaned New Brunswick \$60 million, at an interest rate of 18.1 per cent, the market rate. His cousin isn't sure that's a very good deal, because he indicates that today's market rate for loans to provinces is 17 per cent. But that's the market. They borrowed at that time, and Albertans are therefore earning, in interest alone from New Brunswick, \$10 million a year for approximately 10 years. Then they pay the capital.

One thing Mr. Green's cousin once had an argument about was whether the moneys that the heritage fund invested in New Brunswick were in fact hurting Alberta agricultural producers, by enabling New Brunswick to perhaps bring in programs which would hurt the grain or agriculture industries. Well, Mr. Green is now convinced that's not the case. He realizes of course that if there is a threat from the agricultural policies of other provinces, it's certainly not from the areas where the heritage fund is investing, the four Atlantic provinces or Manitoba. There are no moneys loaned to the governments of Ontario, Saskatchewan, or British Columbia. There are no moneys loaned to the government of the province of Quebec, only the hydro corporation.

As well, Mr. Green's cousin said, you know, it doesn't matter whether the heritage fund invested in these provinces, because if they wanted to make special agricultural programs available, they would do it with money borrowed from New York. Mr. Green is satisfied that that possible threat he once saw coming from his cousin in New Brunswick no longer exists. He's happy that in effect all the capital projects division, all the Alberta investment division, 65 per cent of the total fund, is directly at work in the province of Alberta, either through the quality of

life projects, which his neighbors the Smiths and the Joneses have talked about, or to strengthen and diversify the province through the direct benefits of the Alberta investment division.

The city cousins of the family we've talked about are now . . . Mrs. Brown is visiting her mother at a senior citizens' lodge in the city of Edmonton. Of course over 3,000 senior citizens' lodge units were built just last year under the auspices of and with moneys from the Heritage Savings Trust Fund through the Alberta Housing Corporation. As families in this province do, she wants to know her folks are properly looked after. She's impressed with the quality of the senior citizens' lodge and the fact that there's another visible heritage fund investment.

Her daughter's friend has been discussing the new apartment she's getting. It was made affordable by the core housing incentive program, where \$100 million of new money was recently injected by the province of Alberta. As Mrs. Brown drives through the city of Edmonton, she drives down a street paved with dollars the city borrowed from the Alberta Municipal Financing Corporation at the shielded rate of 11 per cent. She drives across a bridge built with moneys from the heritage fund through the Municipal Financing Corporation. She drives past a fire station built with moneys from the Municipal Financing Corporation at a subsidized rate, heritage fund dollars. Because she's seeing the heritage fund logos on some of these projects as well, she's particularly aware that the heritage fund is very directly helping to strengthen and diversify the province and helping her quality of life.

Mr. Brown is just coming back from Ponoka. He's been visiting the Alberta Opportunity Company and has one of the special interest loans for his small business.

MR. R. CLARK: How did we get those quick decisions?

MR. HYNDMAN: So many beneficial programs are available that the families have difficulty deciding which ones to take up. Of course there's some risk to his small company. Most of the banks wouldn't lend him the money, but AOC will, because they're prepared to take a bet on him. He subcontracts one of the opportunities available from the oil sands. So he's happy as well that the heritage fund is investing in Syncrude, has not a majority but a minority investment in a growing company, a major project with respect to resources in the province that he owns.

He has a few investments, and he watches the investment scene. He feels the Section 9 portion of the heritage fund, under deposits and marketable securities — about 17 per cent of the fund — is doing well too. He notes that the average yield last year on deposits and marketable securities was 13.5 per cent, and the yield was over 15 per cent on the money market securities. That's pretty competitive with what he's been able to do, a little better in fact because larger amounts are involved here. Also with interest rates going down, he knows the value of his heritage fund fixed-term securities and bonds is going up, and gains are being made in the hundreds of millions every time the interest rate goes down. He's comfortable, as is his friend in the country, that two-thirds of the heritage fund is invested in Alberta to diversify and strengthen the quality of life projects. He's also happy with the fact that the balance in the Canada investment division, Section 9, is earning a good rate of return, and that for his children in the '90s the transition to paying for the basic high quality educational, health, and other

services — there'll be a way to do that without massive increases in taxes and without lowering the quality of the various services.

Mr. Speaker, I'd just like to bring to the attention of members the reality of the heritage fund, how much we are actually spending and how much we are saving from our non-renewable natural resource dollar. I think one way to look at the heritage fund is to look at its source and remember that the vast majority of moneys for the budget of this province comes from non-renewable natural resources. For example, if we take just one dollar bill from the petroleum and oil resources of the province, 70 cents of that dollar is simply spent; it is expenditure daily and weekly on education, hospitals, social services, and roads that we all enjoy in this province. While 70 cents is spent, 16 cents is invested in the Alberta investment division to strengthen and diversify the province. Three cents of that dollar is invested in the capital projects division, which we have discussed, and which relates to the quality of life projects.

What that boils down to, Mr. Speaker, is that 89 cents out of every non-renewable natural resource dollar, that belongs to Albertans and is a revenue source, is spent or invested on projects in Alberta, either to benefit Albertans directly or to strengthen and diversify the Alberta economy now and in the years ahead. The balance of 11 cents is of course an investor return to Albertans, an indirect benefit, but a very real one in terms of the dollars coming back for the future of the heritage fund.

Mr. Speaker, I'd just conclude by urging members to consider, weigh carefully, and vote for the transfer again next year of 30 per cent of those revenues — only 30 per cent — to the heritage fund so we can continue the benefits, continue to strengthen and diversify the province, continue the investments, and in effect help guarantee a strong Alberta in the years ahead.

MR. R. SPEAKER: Mr. Speaker, in my initial remarks I'd like to state that in terms of the Bill itself, we support the transfer of 30 per cent of the resource revenue from the General Revenue Fund to the Alberta Heritage Savings Trust Fund. I would like to clear that matter at this point in time. We have no argument with the 30 per cent. We think that amount of money in terms of savings in this province, in terms of investment, in terms of strengthening and diversifying the economy, is an acceptable objective. We have no argument with that specific objective of the government at this point in Alberta's development. That really is acceptable.

But, Mr. Speaker, I believe along with that acceptance is the key to our responsibility here in the opposition. Our responsibility is to assure ourselves of the accountability of government, the accountability of the Provincial Treasurer. The Provincial Treasurer has said very clearly in hearings in this Legislature: I am responsible for the administration of the Heritage Savings Trust Fund; anything that goes wrong with that fund is my responsibility. We must discuss the Heritage Savings Trust Fund on that basis. We must approach it in every and any way we can to assure accountability. That is our responsibility.

We can talk about the components of the Heritage Savings Trust Fund: the Canada investment division, the Alberta investment division, capital projects, and other investments. We can talk about these specific components. In his remarks in the last few moments, the minister referred to those components. We again heard from the Greens and Browns as typical Alberta families. They worked through the bureaucratic system very easily and

received the benefits of the Heritage Savings Trust Fund. It sounds good. Maybe as an urban member of the Legislature, things work out that way. But as a rural member of the Legislature, where I am directly involved in helping new people start new businesses in small towns, where I am directly involved in filling out many applications of young farmers who want to apply for money from the Alberta Agricultural Development Corporation, the process is not that easy. It is not that happy a situation. It's many hours of work, many hours of frustration, many phone calls, many arms twisted to say, get your job done because we need a response by a certain point in time. It's not all that easy, Mr. Speaker.

Government seems to hang on to the money like they own the money. It belongs to the people of Alberta, and supposedly is dispensed in a reasonable manner and not in a bureaucratic way by handling government. That's one of our concerns. We've raised that in this Legislature. I think the Provincial Treasurer, to really get the glasses off, should go out and talk to some of these people on the street, some of these people who have to make applications, and see what some of the problems are; should look at the Alberta Opportunity Company and the approach they often take in helping small businesses. The small business man comes in feeling like he's on his knees and that he is asking for something that may not even be his. At times the support that comes from the Alberta Opportunity Company isn't as much as it should be. It's always: make your application, then we'll make a judgment on you. It's not a participating kind of thing, the way I think it should be.

In all fairness to the Agricultural Development Corporation, I must say there are people at the field level who understand the farmer, understand his problems, and do a good job filling out applications, but often they are frustrated by the bureaucratic red tape that goes on beyond that point. That's a comment on the programs.

One other comment. The minister indicated the loans to other provinces. I look at the Canada investment division loan to the province of Quebec, for example. This is what Albertans are saying about that, Mr. Provincial Treasurer: what that really did is that the government of Quebec didn't have to put their money into that hydroelectric power development. What's happening down there now is that the government of Quebec is subsidizing the farmers, the hog producers, the cattle producers, to compete with Alberta farmers. The situation we're in now in Alberta with regard to the cattle producers is caused by our own Heritage Savings Trust Fund money going to other provinces. [interjections] You listen to the farmers.

MR. CRAWFORD: That's an asinine statement, and you know it.

MR. R. SPEAKER: That's exactly what they say. I'll take the statement on myself, but if my other colleagues wish to speak as to what they hear at the grass roots, that's a statement being made. The Provincial Treasurer should realize that. Why do they come back to the Minister of Agriculture and want help? They say, help has gone to all the other provinces; why not to us here in Alberta? We send our Heritage Savings Trust Fund money to other provinces to compete with us in our own businesses; why not us? That's a fair statement on their behalf. You can growl and say all the things you want about it. But that's the perception at the grass roots level, the man on the street, the farmer in rural Alberta, at the present time. Deny it all you want, but that's some of the

planning that's going on.

Mr. Speaker, one other comment of the Provincial Treasurer was about the non-intervention investment of the Heritage Savings Trust Fund. You know, that really set me feeling rather humorous inside. I thought maybe he was joking when he said that. I look at two obvious areas. One, Pacific Western Airlines: some \$50 million dollars, I believe it was; \$35 million originally invested in an airline.

MR. HYNDMAN: Not in the heritage fund.

MR. R. SPEAKER: Not in the heritage fund? Okay, wherever it came from.

Let's take the Alberta Energy Company. If it isn't out in the field competing in exploration and production, what is it doing out there?

MR. HYNDMAN: It's making money for Albertans.

MR. R. SPEAKER: It's making money for Albertans, but it's still in the field of competition; a good example of a public company competing with the private sector.

Referring back to PWA — and this is sort of symbolic of this government — poor little Time Air down in Lethbridge is trying to compete, to make a living down there. Big PWA, subsidized by \$35 million of public money, is ready to crush them into the ground. We talk about this government being non-interventionist — I could go on, but that's not the subject of my conversation at this point in time, Mr. Speaker.

The real point I want to make in my contribution is in terms of accountability. That's the matter I want to review at this time. We have said — and it is substantiated by the Auditor General, the Provincial Treasurer, and the 1980-81 annual report of the Alberta Heritage Savings Trust Fund — that over the last three-year period there has been a \$60 million realized loss. Mr. Speaker, that's just one area we're trying to explore in terms of accountability. I want to explore that area and put our point of view forward as an example of what our responsibility is in determining whether the Heritage Savings Trust Fund has been invested properly.

We have said that in order to determine whether the cause of the realized loss of \$60 million is real, we must have management papers. We must have the information that occurred behind the scenes. We should have that information not only in the select committee but here in this Legislature. Along with that kind of documentation, we must know as well the management procedures put in place to prevent any type of mismanagement or loss occurring again. Those are the two thrusts to our argument with regard to that \$60 million realized loss. We think it is necessary for us to have that information to do our job.

So, Mr. Speaker, what have we said in the debate to this point? One, we will continue our filibuster in terms of the study of the estimates until the government reconsiders their present position of not giving us that management document. We're giving the government time to reconsider their position. We feel that if they wish to do public business in public, we'll give them that opportunity. If they feel they want to keep things behind closed doors, we're going to see the results of that.

We have called this exercise the fight at the Alamo, and we all recognize what that is. That's a small group of people attempting to defend a position until a point in time. If the government wishes to relive history and

destroy that small group by crushing us and outvoting us, they can go ahead and do that, but live with the consequences. Accountability is what we're talking about, Mr. Speaker. If they really want to have the select committee being accountable, want us in the opposition assisting in the accountability of this government, we must have all the documents.

What has been the argument of this government? The government has attempted to convince this Legislature and others that under Section 27 of The Auditor General Act, audit working papers cannot be tabled in this Legislature. They are attempting to say that management letters received by the Deputy Provincial Treasurer, copied to the Provincial Treasurer, are also part of those audit working papers. Mr. Speaker, I'd like to address that argument at this time and indicate very clearly to this Assembly that it is wrong and does not hold water.

I'd like to refer momentarily to the document I tabled a few days ago in this Legislature; that is, a copy of two pages of the handbook of the Canadian Institute of Chartered Accountants, where they address the question of audit working papers. What do they say about audit working papers? They say working papers mainly serve the following purposes:

- (a) provide support for the content of the auditor's report, including his representation as to compliance with generally accepted auditing standards; and
- (b) aid the auditor in the conduct of his work.

They go on to say:

The form and content of individual working papers are affected by matters such as:

- (a) the terms of engagement ...
- (b) the nature and complexity of the client's business;
- (c) the nature and condition of the client's records ...; and
- (d) the needs in the particular circumstances for supervision and review of the work performed by any assistants.

Working papers provide evidence that an examination was performed in accordance with generally accepted auditing standards and would normally include:

This is the important section, Mr. Speaker.

- (a) notes pertaining to planning the examination such as:
 - (i) correspondence concerning the terms of the engagement; and
 - (ii) a description of the auditing procedures to be carried out;
- (b) a description of the audit evidence obtained such as:
 - (i) a record that the internal controls on which the auditor subsequently relied in determining the nature, extent and timing of auditing procedures had been appropriately studied and evaluated; and
 - (ii) a record of the nature, extent and timing of auditing procedures performed and the results of such procedures ...

It goes on to list others.

- (c) evidence that the work [was] performed ...
- (d) evidence that the financial statements or other information on which the auditor is reporting agree with the accounting records ...

And this is the significant one, Mr. Speaker.

- (e) copies of letters or notes concerning audit matters reported to the client.

That is the important section of this definition of audit working papers. It says "copies of letters". Mr. Speaker, it is the responsibility of an auditor to keep in his working papers, papers that are not necessarily confidential to the client or anyone else, but they are the right of the auditor to maintain and keep. Nobody else can have them; they're his property. I agree with that, and I agree that in The Auditor General Act those do not have to be tabled in this Legislature. But there is a difference when the Auditor General or the auditor sends a letter to his client, the Deputy Provincial Treasurer in this case, and in turn the responsibility is with the Provincial Treasurer. That memo, document, or management letter is not part of the audit working papers. It is not a copy. It is a letter, the final conclusion or directive that has gone to the Provincial Treasurer.

On that basis, Mr. Speaker, the argument of this government does not hold water. The responsibility of that management letter is now the responsibility of the Provincial Treasurer. If the Provincial Treasurer wishes to disclose the contents of that memo to this Legislature, the response thereof, the Provincial Treasurer has full responsibility to do that. The Provincial Treasurer can release that matter to the Legislature without violating any kind of legislation, Mr. Speaker, and that is his responsibility. If the Provincial Treasurer in his remarks today, which seem to be very open, really believes public business should be done in public, that we in the select committee or in this Legislature should know all about the accountability of the Heritage Savings Trust Fund, those papers can be tabled in this Legislature without violating any legislation on the statutes. It is incumbent upon the Provincial Treasurer and this Conservative government to put those documents on the table and prove they really still believe in open government. That is the only way we on this side of the House can assure ourselves that there is accountability in the Heritage Savings Trust Fund.

As indicated in the management paper directed to the Deputy Provincial Treasurer, a copy of which I have in my hand:

there is considerable scope for collusion between an investment trader employed by the Treasury Department and someone in one of the brokerage houses, which could result in fraud.

Mr. Speaker, that is serious. That is not a minor item at all. I was elected to represent a group of people in my constituency. I was placed in the position of House Leader of the Opposition to represent with my colleagues a larger number of Albertans. We as legislators must be assured that there is accountability. We must be assured that all information is on the table, that nothing wrong has happened.

If the records were incomplete, as has been indicated by the Auditor General, we must know that and reprimand the government accordingly. If the records are complete, then we can say to the government, fine, we support what you are doing. If good management procedures have been put in place, that's acceptable. At this point in time, we have not been told what those management procedures are. The Provincial Treasurer has continually said in this House that if that is told, it will break the system down and leave it open to — I forget the word — abuse, if I can use that word as a parallel to the Provincial Treasurer's word.

Mr. Speaker, let's look at the other side of the argu-

ment. If we as legislators do not know what the information is, if we are not convinced that procedures are good, if we do not know that whatever is going on there is right or not — and all this management is going on behind closed doors that we can't get at — how can we assure the public that there is accountability? I think it's more important to have open accountability to the public of Alberta than to have behind closed doors management that we don't know is accountable.

If the Provincial Treasurer is worried about procedures being revealed to the public, that some kind of abuse of those procedures will take place when they are revealed, then it's incumbent upon the Provincial Treasurer to put other rules and regulations in place — watchdogs or whatever — to assure himself that nothing will be violated in terms of those public ground rules for investment. Mr. Speaker, they're not there at the present time. There is no accountability.

How can we as legislators on this side of the House approve any of the estimates before us in the Committee of Supply? We can't allow those to go through, because we don't know what's going on. We must know what's going on. When the Provincial Treasurer is willing to give us that information, we'll allow the estimates to go through. We have no argument about the investments in those areas. We support those investments. But we want to know there is accountability to the public. That is our cause and our determination.

The Bill before us at the present time says that the Provincial Treasurer gets 30 per cent of the Heritage Savings Trust Fund under his care. But, Mr. Speaker, he has to prove to us in this Legislature that, one, he has the management capability to look after those funds and, two, management procedures are in place and we approve them and are assured they do the job. We aren't assured of either one of them. When you assess the Heritage Savings Trust Fund and the way it's set up, 88 per cent of the decisions are made behind closed doors; 88 per cent of the accountability is behind closed doors. That's in terms of the Canada investment division, the Alberta investment division, and general investments.

In the capital area, certainly there is more public accountability. The select committee does its job there, and the Provincial Treasurer says that 80 per cent of our recommendations were accepted. What's 80 per cent of 12 per cent, Mr. Speaker? Not much. The public knows that I as a legislator can only come here . . . The rest of you who sit on the back bench babble, smile, and never stand up and take a position. I've never heard one concern about the Heritage Savings Trust Fund — not one of you. Some of you are put on the payroll, so you keep quiet and aren't critical about the expenditure being made. How can you even live with yourselves as legislators when all you are approving, according to the Provincial Treasurer, is 80 per cent of 12 per cent. [interjections] The hon. Member for St. Paul says, oh. Disprove that statement. Tell me you're not approving only 80 per cent of 12 per cent in public. That's all you get a chance to approve, 80 per cent of 12 per cent. Less than 10 per cent of the business of the Heritage Savings Trust Fund is done publicly in this Legislature. The rest is behind closed doors in a small cabinet committee. I'd even rebel if I was a cabinet minister in the outer wings, because I don't think you have much say in the final determination as well.

We talk about accountability, responsibility, investments for Albertans, savings for Albertans. How do I know whether it's really savings for Albertans, whether

there's really accountability?

We had trouble the last couple of years determining how much revenue is coming in, because the computer system wasn't working well. They said, they're fixing that; the Auditor General was working with the group, and we hope that's in place. We have no assurance of that at the present time. Nobody has accounted to this Legislature about an improved income check system. That's one phase of it. The other phase of it is investing, saving, spending — and that's a bad word; I guess we'll say "investing". We have no accountability in this Legislature about that. Think in terms of the extreme of what could happen. We hope our ministers are responsible; we hope our Premier is responsible. But with the kind of control they have taken of some 88 per cent of \$8.5 billion, we don't know what goes on behind those closed doors. As Albertans, we haven't the slightest idea. And our job here in this Legislature is to determine accountability.

The one area we can focus on, and where we can ask the Provincial Treasurer to submit evidence that there is accountability, is in terms of management letters which legally can be tabled in this Legislature. The \$60 million realized loss of this government in terms of the Heritage Savings Trust Fund is one bit of accountability that can take place, and isn't. I know the Conservatives of this Legislature think they'll talk the matter out, delay, sit around and ignore us, and hope the problem goes away. But I have to say that the problem really exists out in the streets of Alberta. People are saying, where is the \$60 million loss? What happened to that money? The government can try to explain what happened, but we don't even know in this Legislature. I have to say to them, look, I don't even know the reasons for the loss. I don't know the corrective procedures that were put in place. You sent me into the Legislature to do that, but your government won't give that kind of information. Do you think they're really working on your behalf? I'll tell you, Mr. Speaker, that issue is going to stay in rural and urban Alberta for a number of months and a long period of time. Each member sitting across the floor in this Legislature is answerable for that \$60 million realized loss. If they can answer without having all documentation, then fair, go ahead. But I don't think that's totally responsible in the role they have accepted as legislators in the province of Alberta.

Mr. Speaker, our filibuster is going to continue until the government presents that information. It's important to us in this Legislature. We feel very strongly that public business must be done in public, and that in this instance it's incumbent upon the Provincial Treasurer to do that business in public. There is no violation and no reason the documents can't be presented, and I think they should be.

That's the main question I want to focus on this morning, Mr. Speaker, because it's the important question. I could go on into other debate, in terms of the other divisions of the Heritage Savings Trust Fund and in terms of accountability. But I think we have to focus on one issue: either for the government to prove they're open, or for us in the opposition to prove that this government really doesn't want to do public business in public. Mr. Speaker, from the attitude that has prevailed in the last two or three weeks in terms of public business in public, the delay and the types of antics that have gone on, and the lightness with which the government is taking their responsibility of accountability, the conclusion of the debate seems to be that this government will remain as closed and callous as it has been for the last 10 years.

[Several members rose]

MR. SPEAKER: I believe the hon. Member for Edmonton Whitemud caught my eye first, followed by the hon. Member for Calgary Buffalo.

MR. KNAAK: Thank you, Mr. Speaker. I appreciate the opportunity to speak subsequent to the hon. Leader of the Opposition, because it's always such a challenge to clarify the facts after he gets through with them.

One of the first matters I would like to address is the \$60 million loss we've heard so much about. There was no loss in the trust fund. The trust fund earned well over \$700 million during that year. Through the three-year period, well over \$1 billion was earned. The \$60 million referred to as lost wasn't lost. There was a transaction on which a loss was taken on a temporary basis. As I pointed out yesterday through the question, on the assumption that the long-term interest rate also fell, in one day the marketable securities of the trust fund would appreciate by approximately \$100 million. The Provincial Treasurer pointed out that the Alberta Energy Company shares have appreciated from \$70 million to \$230 million. That's accountability. That's performance.

Mr. Speaker, then we talk about accountability to the Legislature. Everyone knows that the Auditor is a chartered accountant, bound by the ethics of that profession. In the Alberta Heritage Savings Trust Fund annual report provided to this Assembly, he has said, "I have examined the balance sheet", and he goes on to say that it accurately reflects the performance of the fund. In other words, he has examined the books and statements and has said that these documents accurately reflect the performance of the fund.

In addition to that, the Auditor General has appeared before the select committee of the Legislature on the Heritage Savings Trust Fund. Under very close scrutiny by both the opposition members and government members on that committee, he was asked the pointed question: was there any evidence of any wrongdoing? Unequivocally, the answer was no. He was asked the question: were there any losses unaccounted for? The Auditor General again unequivocally stated that there were no unaccounted losses; it was merely a transaction where some securities were sold for less than they were purchased. Now that interest rates have fallen over the last couple of days, one can easily see that when the transactions continue there will be very, very sizable gains. It's a normal procedure.

We make a lot of ado over a \$60 million loss over the last three years. I challenge the Leader of the Opposition or any member of the opposition, including the learned 'economist' from Calgary Buffalo — I refer to him as an 'economist' because he's almost an economist — to demonstrate how his investments in the stock or bond markets over the last three years have made any profits. We do that jokingly, by the way, Mr. Speaker; we don't refer to each other that way in an offensive way. In that regard, our trust fund has performed as well or better than any other fund of a similar nature. That's performance.

About doing public business in public: I have to say again that I'm not quite sure I know what that means. Are we supposed to move outside somewhere and invite the public to participate in all our deliberations? They are in a sense invited, with the TV cameras and news media being here sometimes to reflect the deliberations. It appears that the more often the Leader of the Opposition

repeats himself, the more inclined we are to believe what he's saying. Some of us may be, but we are after all a representative government. That's the way our political system works.

What does it mean to be a representative government? It means people have elected us to do a job here and to be accountable to them. How much more accountable can a government be than to disclose fully in a report the profits and losses, in detail; pass an Auditor General Act, appoint an Auditor, have him examine the books and, as a professional, present the statement all auditors put at the back of a report; and invite him to give public evidence before the select committee and answer those questions under public scrutiny. That is about as much accountability as anyone can reasonably request.

The second matter I want to address is the issue of the working papers with respect to the Auditor and whether, in any sense, that's relevant to accountability. This government — I think rightly so — has taken the position that in order to get candid, straightforward advice and criticism from both the people we employ and consultants, the consultant himself has to be assured that his advice to the government will be kept confidential. But the government in turn will be accountable to both this Legislature and the public every four years, with respect to its performance and record. The Auditor General has an important function under The Auditor General Act. He performs that function by giving an Auditor General report and, in fact, discloses to the public a significant number of issues that are of concern to him.

His second capacity, which he disclosed and made public — and of which I wasn't fully aware until he mentioned it — is to give the government advice, working with the departments, on improving audit and control systems. In that capacity, he's an advisor. My own view is that if the Auditor General were not in a position to give candid advice or criticism, in the expectation that every time he sent a letter to the government it would be made public, some of his candid advice would cease and, in fact, some might stop. That would be a real shame, since some improvements have taken place in co-operation with the Auditor General's recommendations.

The final matter I want to address is the 30 per cent transfer to the trust fund. A lot of discussion took place at the beginning of the session, at the commencement of the Heritage Savings Trust Fund deliberations on how the fund should be spent. The official Leader of the Opposition, along with the Member for Spirit River-Fairview, had enough suggestions that would spend the fund in a year or so.

The concentration is on the fund itself. The concentration should be on the non-renewable resource revenue and how it's spent as a whole, and then subdivide it. The Provincial Treasurer has pointed out before that the trust fund is called the Heritage Savings Trust Fund. I want to address the question of heritage. The benefit that my generation derives from oil and gas was created billions of years ago. This generation is pumping it out of the ground almost as quickly as it will flow. Why is this generation entitled to all the benefit from the oil and gas that it took a billion years to put there? That's a good question.

I don't think we are entitled to that. Seventy per cent of all the oil and gas revenue generated is being spent on this generation. We in Alberta have the lowest personal income tax, no sales tax, no gasoline tax, and the lowest property tax. On average, we have the highest incomes. Yes, there are problems. Albertans do have problems and

difficulties, especially arising from the high interest rates. But what problems will our children face if we do not make provision for saving part of that non-renewable resource revenue? It's been stated before, and most Albertans are aware, that if oil were pumped out at the current rate of production, all the oil would be gone in 13 years. That is not a very good heritage to leave my children and your children.

I feel very strongly that a lot of Albertans are misinformed about the relationship of the total non-resource revenue and the component that the Heritage Savings Trust Fund constitutes. I think it's important that we continue to think about future generations, who deserve the kind of heritage we were left. I cannot agree with the opposition's thrust that more and more of those funds should be spent on current consumption.

In concluding, I wish to say that the opposition feel they're a little bit like the Alamo. I suppose that's a catchy phrase. All I can say is that I've been here three years now, and this is the first time in three years that the opposition has been in attendance and has done its proper function on the Heritage Savings Trust Fund. It's not a filibuster; it's just a responsible way of acting as an opposition. I'm glad to see it.

MR. SINDLINGER: Mr. Chairman, I'd like to make some remarks about this Bill, please. First of all, I think the general principle of the heritage fund is sound. Several times today the point has been made that we're spending a great deal of the revenue we get from non-renewable resources, and that's true. We are spending about 70 per cent, and only 30 per cent is going into the fund. I think that's a prudent thing to do.

The fund's a new thing. It's pretty unique, not just to this country but throughout the world. It's understandable that over the first five years of this fund — now almost six — the government, and indeed all of us, have gone through a learning process. Government hasn't been set up to handle this kind of money. It hasn't been set up to earn surpluses. Generally, governments are set up to provide services for their citizens, and to gather money or adequate revenue to cover those services. This is one of those few occasions when a government has a surplus. It's not only a current surplus; it appears to be long term. It's understandable that some mistakes would be made over the last five years. However, in the main, I think the fund has been handled fairly well.

It's not my intention to try to second-guess the investments or the expenditures. In regard to the expenditures through the capital projects division, I suppose it's just a matter of opinion which expenditure should have priority over others. Looking at the capital expenditures over the last five years, I would say they are all worth-while expenditures. In regard to the investments, it's fairly difficult to say whether or not they've been judicious, because we don't have adequate information to assess those investments. Nevertheless, I wouldn't want to take the position where I was trying to second-guess an investment dealer or trader, because, as has been pointed out, in the long run it might be desirable if a short-term decision were taken where there could be a loss. Take a loss in the short term so that over the long term there could be a greater gain. Lose some here for a bigger gain over there. That's understandable.

It's easy to say with hindsight, well, perhaps this law should not have been taken here; if the position had been maintained a bit longer, there would have been an even greater gain over there. Second-guessing the expendi-

tures, each of which has merit in its own right, or trying to second-guess the investments is not really the problem. Unless we have an overall perspective of what's being done with the fund, we can't say whether this short-term decision fits in with the long-term objectives of the fund.

I've been dealing with this matter at some length over the last few months. I've said some things recently that have given rise to a great deal of controversy. The other day, in the standing committee on the heritage fund, I had the opportunity to reiterate precisely what I had been saying publicly about the fund, and in so doing eliminated some of the confusion in the minds of those members. I'd like to do the same this morning, for the benefit of the members here.

What I've been saying publicly is very important, in my judgment. It would be irresponsible to say such things unless there was some substance or support for them. So each time I said those things, I made sure I said the same words over and over. As a matter of fact, I had the words written down so there would be continuity from one statement to the next. I said only a few things. The first one was a general statement, that in general the formal accounting records in regard to the Heritage Savings Trust Fund were poorly maintained. That's just a general statement. The accounting records of the trust fund were poorly maintained.

More specifically, I referred to what is termed in the annual report as a net loss on sale of marketable securities. I think it's important to bear in mind that there's a very distinct difference between what is categorized as net loss in marketable securities and what is categorized as a provision for loss or gain. As the Member for Edmonton Whitemud mentioned yesterday, it is true that there was a gain in the value of some of the securities held by the Heritage Savings Trust Fund as a result of changes in interest rates. The converse holds true: as interest rates changed in the past, there was a loss in the value of those marketable securities. Those things are stated quite clearly in the annual report. However, just as clearly as that is stated, it is also stated that there is a net loss on the sale of marketable securities. That isn't an accounting transaction or a record-keeping change. It is in fact a loss of money. Over the last three years, there has been a loss of money in the order of \$60,282,000. As I said earlier, I'm not trying to second-guess those investment decisions. Quite clearly, it might have been prudent to take the loss in that instance in order to realize a gain in this instance. But we don't know. Nevertheless, I pointed out publicly that there had been that \$60 million loss. In regard to the \$60 million loss, I said it was not possible to obtain a precise reason for these sales. I went on to say that because of this, there is considerable scope for collusion between an investment trader employed by the Treasury Department and someone in one of the brokerage houses, which could result in fraud.

Mr. Speaker, those are the things I said publicly. But they're not my words. They are words written by, first of all, the Provincial Treasurer in the annual report in identifying the net loss and sale of investments, and secondly, they're words as written by the Auditor General. They're not words I made up; they're not words I've gained from research, analysis, or assessment. They are specifically written words by the Auditor General.

So the issue in my mind is not so much the loss of the \$60 million, which may or may not be justified. Until we get a response from the Provincial Treasurer as to the actual securities for which those losses were incurred, we can't make an assessment or judgment. All we have at

this time is a graph presented to the standing committee on the Heritage Savings Trust Fund which addressed those losses in marketable securities. Just ballparking numbers off those things indicates that the government undersold them by as much as 10 per cent, but until we have the securities actually identified we cannot say with absolute precision if that is the case. So I hope the Provincial Treasurer will give sufficient consideration to the question I have on the Order Paper in regard to identifying those particular securities.

The issue comes down not to whether or not, using hindsight, it was a good decision. The issue comes down to accountability. That word was used this morning. It comes not only from the opposition side; it has also come from government members as well over the time we've been considering the capital estimates for 1982-83. The Member for Lethbridge West put it very well, too, when he said that we are here for accountability. I concur with that: we are here for accountability.

When this Heritage Savings Trust Fund was first debated in 1976 and '75, that was the major issue. The major issue then was accountability: how do we ensure legislative accountability in regard to the management of the Heritage Savings Trust Fund? Premier Lougheed addressed that issue squarely. He said that we can have accountability on the Heritage Savings Trust Fund in four different ways. The first way was through the debate on the capital estimates each year in the Legislature. Mr. Speaker, for the last four weeks, we've been going over those capital estimates, and we've been going over them very thoroughly. As we've gone over them very thoroughly, many things have come to light that we hadn't been aware of prior to this year. I think this is a good time they do come to light, now that we have had the heritage fund for over five years. It's a good crossroads, a check-point; a time to stop and review how effective and efficient the government has been in managing the Heritage Savings Trust Fund. I for one will continue to thoroughly analyse those budget estimates as long as I possibly can. Until the government comes through and gives us all the information we need to make that assessment, I will not allow one more nickel to come out of that Heritage Savings Trust Fund.

The second way the Premier said there could be accountability for the Heritage Savings Trust Fund was through the watchdog committee, the select standing committee of the Legislature. Mr. Speaker, I've been sitting on that committee for three years. I have in my hand the most recent report of the select standing committee on the Heritage Savings Trust Fund. In my considered opinion, I must say that I as an individual on that committee, and everyone else on that committee, have not done the job adequately and in the way it should be done. I don't mean that as a personal reflection on my inabilities or anyone else's. The sad fact of the matter is that the members of that committee do not have the competence, the expertise, or the time to analyse that fund the way it has to be analysed. The Alberta Heritage Savings Trust Fund is larger than the annual budget, yet we spend months in this Legislature going over every number in that annual budget prior to voting on it, assessing and evaluating the programs before we approve them. The Heritage Savings Trust Fund is larger than that budget. It's almost \$10 billion now. Our annual budget is somewhere around \$6 billion. In the year 2000, which isn't that far from now, that Heritage Savings Trust Fund will be in the order of \$100 billion. It's not good enough to have the review of that \$100 billion

undertaken by 15 members in committee, over just a few meetings in the fall. Mr. Speaker, I must also say that it's not good enough to have that committee dominated by government members. What we have there, sir, is a situation where students are in effect grading their own exam papers. The members of the government are the managers of the fund. Yet they are being asked to review the fund, to report on the handling and management of the fund. In my judgment, sir, there is a conflict of interest there, and there has to be some sort of independency in regard to the review and analysis of that fund.

This report I have in my hand today does not indicate that I voted against it, but I did. To me, this report is meaningless. It says to the Speaker that over the course of our meetings, we had some ministers come in and talk about their expenditures: Mr. Russell, all the way down to Mr. Leitch. They were asked some questions. It doesn't say what the questions were with any specificity, nor does it give any responses. It just says, here they are, and that's all there is in regard to the Heritage Savings Trust Fund. The report says, we met and we talked about it. It does nothing in the way of analysis, assessment, review, or evaluation. In that sense, it is a great failure, has no meaning, and belongs in only one place.

The third way the Premier said the Legislature or government could deal with accountability was in regard to passing a resolution. If the Legislature wanted to direct the government in any way, it could pass a resolution. Well, in the six years of the heritage fund, I haven't seen any resolutions dealing with specific advice in regard to direction or investments, and I doubt I will in the next year.

The fourth way the government could be held accountable was through the Bill we have before us today; that is, the transfer of 30 per cent from non-natural resource revenues into the Heritage Savings Trust Fund. I'm not too sure how far we can go in regard to that. I agree with the Provincial Treasurer that it is a very important Bill and that this is the point in time when we should stop, review, and decide whether the government has done a good job and whether it should be allowed to have more of this money put in the Heritage Savings Trust Fund. Mr. Speaker, I remember very well the words of the Provincial Treasurer when he appeared before the select standing committee of the Legislature on the Heritage Savings Trust Fund this fall. In discussion of the various items at that time, the Provincial Treasurer said that in the final analysis only one individual and one individual alone can be held accountable for the Heritage Savings Trust Fund, and that is the Provincial Treasurer. I think those are very key and important words, and it's my intention to hold the Provincial Treasurer to those words. We're not going through and spending all our time on these capital estimates for nothing. We're going through them meticulously because it's our responsibility. It's our obligation as legislators to do that, and we're doing it. As we go through them, we're going to identify all those things for which the Provincial Treasurer must be held accountable. We will do that for each one of those votes and will pursue it diligently and to the end.

The last point, the end I can see for that, is that after we are voted down eventually — and we will be voted down eventually, vote after vote after vote — we will come to the Committee of the Whole on this Bill. Then we will bring to the attention of the Provincial Treasurer these things which, in our judgment, need to be accounted for. We will ask the Provincial Treasurer: Mr. Provincial Treasurer, now how do you stand in regard to

your personal responsibility? Now, Mr. Provincial Treasurer, how do you stand in regard to your accountability? Now, Mr. Provincial Treasurer, what have you done about these things? And now, Mr. Provincial Treasurer, what do you intend to do about them? Until we get that accounting, that reckoning, and until we get those answers from the Provincial Treasurer, he's not going to get one more nickel out of the Heritage Savings Trust Fund.

MR. PAHL: Mr. Speaker, I want to rise in support of the Bill. I had a number of comments, but I think the hon. Member for Edmonton Whitemud did a good job of responding to some of the misinformation that has been laid on the table. I would like to follow up on some of the remarks of the hon. Leader of the Opposition and those of the independent member representing Calgary Buffalo.

In this debate, Mr. Speaker, I think there's been a lot of emphasis on accountability. I think this has to raise the question of the accountability of the opposition. Although they support it in principle, they then support the reduction of red tape for the delivery of programs to farmers in Little Bow. But I guess they certainly would like more red tape in the management of marketable securities.

I think the cute tricks of the hon. Leader of the Opposition with respect to a lost \$60 million ... You know, out on the streets in Vauxhall that's a loss. I guess it fell between the cracks in the sidewalk, or perhaps it was lost by the slip of the pin. That's very cute. The hon. Leader of the Opposition can't understand the loss. The money was lost. The matter is quite different from an accountable loss on a transaction. I think the citizens represented by that hon. gentleman will not feel quite so charitable about his concept of accountability when that game becomes more clear to them, and that's part of the purpose for my remarks.

With respect to accountability, in the matter of accountable losses that occur when bonds are sold in a declining market for bonds, where the interest rate rises, I ask the Leader of the Opposition: where was his amendment to the legislation in 1977, 1978, recommending that the Heritage Savings Trust Fund invest in equities as well as debentures? There's a question of accountability, and the hon. Member for Calgary Buffalo quite rightly pointed out that there were all kinds of opportunities for resolutions, for amendments. I didn't see that amendment, so there has to be a measure of accountability there.

The point I would like to focus on more, Mr. Speaker, because a lot has already been said, is in terms of the remarks of the hon. Member for Calgary Buffalo. With his professional perspective, he has conceded that the Heritage Savings Trust Fund has been handled reasonably well. He said the investment performance was good, and I compliment him on his intellectual honesty, which I don't think has been universal across this debate, with respect to ...

MR. SPEAKER: With respect, may I draw the hon. member's attention to the great discomfort of the Speaker when he hears hon. members refer to exceptions in the intellectual honesty of other members.

MR. PAHL: Mr. Speaker, I very much request the indulgence of the House to withdraw that remark and simply continue beyond that point.

Mr. Speaker, with respect to the remarks of the hon. Member for Calgary Buffalo, we know what he said. He

knows what he said, and he was very careful about what he said his concerns were. And quite clearly, Mr. Speaker, the events of the last few weeks have indicated where he's received his concerns. He's received his information and concerns from an internal document — I understand a memorandum — which the Leader of the Opposition knows full well is not a public document. It appears very much ... [interjection] Well, the precedents prove it very much so. I don't have the document. [interjection] A memorandum is not a public document in this House or any other House. The point is that we are aware of where the information comes from, and the hon. Member for Calgary Buffalo, and I assume the hon. Leader of the Opposition, accept the veracity of that memorandum.

Yet, on the other side of the coin, Mr. Speaker, I find it very, very difficult to understand why both hon. gentlemen do not accept the statements of a servant of this Legislature, the Auditor General, when he testifies in front of the select committee on the Heritage Savings Trust Fund. We're concerned about what's carried on in terms of the investments. He says: we carry out a systems-based approach, and there was no lack of records that we experienced at all. I think that was a question raised by the hon. Member for Calgary Buffalo. With respect to the hon. member's concerns, he also says, "I can categorically state that I had no evidence whatsoever of any wrongdoing, of any fraud at all." He says: "Mr. Chairman, the losses were not attributable to fraud through collusion or poor control. They result solely from investment decisions." He goes on to say: "There was no evidence of collusion. Accounting and management controls were satisfactorily in place." I compare that to the concerns expressed by the member. Apparently a servant of this Legislature, a professional man — whose integrity I don't think has been questioned to this point — has answered the concerns. He says: "even before the recommendations for their improvement and their documentation, those controls were not unsatisfactory." Finally, and I think this is the point the people in Vauxhall and other centres across this province are going to be concerned about, he says: "Mr. Chairman, I can state as clearly as I can that there are no funds unaccounted for." Not lost.

So, Mr. Speaker, it causes me great difficulty that, on one hand, the gentlemen in the opposition accept the concerns expressed in a confidential document — how they got access to it, I don't know — but on the other hand, they do not accept the testimony of a servant of this legislature in open committee discussion. I find very, very great difficulty with that. I would then raise the issue of accountability to the hon. Member for Calgary Buffalo. I point out that although I would find, and I think most reasonable people would find, that his concerns were answered by the testimony of the Auditor General and other remarks, I guess he has an economist's interest in knowing where all the decimal points are. Mr. Speaker and members of this Assembly, I would submit that in the Heritage Savings Trust Fund and in the Committee of Supply, and in fact in this second reading, we're legislators. We're not economists; we're not accountants.

It reminds me of a quote that I only have a vague recollection of, but my seatmate tells me it originated in Corinthians I, chapter 13. It says in effect:

When I was a child ... I thought as a child; but when I became a man, I put away childish things.

Mr. Speaker, the analogy is simply this. When you bring to this Assembly your experiences as a farmer, an economist, a businessman, an educator, whatever, to some extent you have a responsibility to put away those

things you had in your earlier responsibility and become accountable and responsible to this Legislature and to the people who sent you here. Although the hon. Member for Calgary Buffalo may have what I consider — even though I have some limited economic background — an inordinate interest in the details, I think he has a responsibility to his constituents to act as a legislator and to look at the broad view and satisfy in his own mind, within a reasonable level, that the Assembly and its servants and members of the government are accountable for their actions.

I submit, Mr. Speaker, that that test has been met by the testimony of the Auditor General. I hope very much that members on all sides of the House could take a serious look at their responsibility to their constituents in terms of bringing forward the business of this Legislature. With those remarks, I very much urge all members to support second reading of this Bill.

MR. BRADLEY: Mr. Speaker, I hadn't intended to get into the debate today, but when the hon. Leader of the Opposition rose and made certain statements, I felt it was incumbent upon me to perhaps comment on some of the things the hon. Leader of the Opposition said.

I can only say that seldom in my time in this Assembly have I been disappointed. But I was disappointed with the remarks of the hon. Leader of the Opposition today. I was going to suggest that perhaps his view of the facts was distorted or a distortion, but I know that's unparliamentary, so I won't say it. Let's put it this way, Mr. Speaker. His view of the facts and my view of the facts don't agree, so I'm going to present a different view.

MR. R. SPEAKER: You want to hide yours, and I bring mine out.

MR. BRADLEY: He made some remarks with regard to the Alberta Opportunity Company and intervention by government in the economy, I suggest. With regard to the Alberta Opportunity Company, he suggested that perhaps Albertans should be able to walk into the Alberta Opportunity Company and get dollars on demand. Basically, the Alberta Opportunity Company should be like any other bank; we should be able to go in there, put in our loan application, and get dollars out.

The Alberta Opportunity Company wasn't set up on that basis. It was set up as a lender of last resort. Perhaps the member might be expressing disappointment, or we might be expressing disappointment, that the Alberta Opportunity Company isn't losing more money on its loans to Albertans, because it was set up as a lender of last resort to finance projects that perhaps didn't meet the terms of the current lenders, the chartered banks. Perhaps we'd just give that extra help to people with innovative ideas who the banks turn down; we'd give them an extra chance. That is not an interventionist approach by the Alberta Opportunity Company. But the way the hon. Leader of the Opposition was speaking, perhaps that's what he wanted AOC to do.

He went on to comment about PWA, and it was actually pointed out by some members on the side that the Pacific Western Airlines investment is not in the trust fund. Later in his remarks he talked about Time Air, that there was this \$35 million subsidy by this government to PWA in order to assist it in competing against Time Air. Now, if the hon. member can show where this government has subsidized PWA to the tune of \$35 million, I would like to see it.

MR. SINDLINGER: That's the purchase price.

MR. BRADLEY: That's right. It's the purchase price, the cost the government paid to the people who own PWA to purchase it. In no way can it be suggested that it is a subsidy.

With regard to Time Air, the province has in fact guaranteed loans to Time Air to purchase aircraft. But how the hon. member can say that the purchase price of the shares of PWA for \$35 million is a subsidy to PWA — in no way do I find that accurate from my point of view. I've heard the hon. member state in several places that the government of Alberta is subsidizing PWA against Time Air to the tune of — in one article it was \$50 million or \$60 million; now he's come down to \$35 million. I would like to know where the hon. member in fact gets that sort of information. I don't want to say it's a distortion. I just want to say that his view of the facts is different from mine. I have not been able to find where this government has subsidized PWA.

MR. R. SPEAKER: You tell Time Air that.

MR. BRADLEY: Surely the hon. Leader of the Opposition has a responsibility to present accurate facts. But he goes around and says we're subsidizing PWA. That is just not the truth of the matter whatsoever.

Then, Mr. Speaker, we go on to another point. He talked about the Alberta Energy Company. I'm sure all hon. members here feel that was one of the innovative, bold things this government did to allow Albertans to invest in our natural resources and to have an opportunity to benefit through ownership of our natural resources. One just has to look at the record of performance of that company on the stock market, the increase in it. Yes, it is in the Heritage Savings Trust Fund and it's only valued at its purchase price of \$70 million, but those shares today are worth — I'm not sure; the Provincial Treasurer said some \$350 million. But the Alberta Energy Company certainly stands as a symbol of the imagination and boldness of this government to give Albertans an opportunity to participate in the ownership of natural resources.

If the hon. member wants to suggest that's interventionist, I guess he can. I wouldn't suggest it's interventionist. I would say that in terms of allowing people to participate in ownership, it's a different approach from that taken by the federal administration with regard to their actually purchasing active companies in the business. This was a new injection of funds into the market place. I think Albertans support the Alberta Energy Company.

Then we come to another point the hon. member was trying to put out: because of the investments by the provincial government, the loans to other governments, we were somehow subsidizing the agricultural policies of other provinces. The Heritage Savings Trust Fund was subsidizing other provinces to compete against Alberta agriculture. For some time I've been trying to find where this statement came from. It obviously came from the hon. Leader of the Opposition. I don't know how anyone using a logical thought process could come to that conclusion. It just evades me. But the hon. leader is putting it out there, and in fact it's just not true. There is no way that this government could influence the agricultural policies of other governments with regard to the Heritage Savings Trust Fund. To suggest that is absolutely inaccurate. Sure, some people might think it. But I think it's

incumbent upon the hon. Leader of the Opposition to put out the facts. If in fact a loan to Hydro-Quebec, which is an agency of the government of Quebec — if the hon. member can somehow correlate that that loan somehow paid for the policies of the government of Quebec with regard to agricultural matters or any other program they had. It's beyond me how you can draw that conclusion. The government of Quebec can borrow money, as it does, on the New York money market. That's where it gets the funds to finance those programs. There's no way you can tie conditions to a loan which would suggest you do this or that. But the fact of the matter is that the loan wasn't to the government of Quebec; it was to Hydro-Quebec. I'd just like to clear that matter up.

Then we get to this question of \$60 million lost from the Heritage Savings Trust Fund. I think the hon. members from Whitemud and Mill Woods have accurately reflected what happened there. I think if a person were to say there has been a loss from the trust fund, one would have to look at the marketable securities and the year end and say, okay, from the total amount of money invested by the province of Alberta, at the end of the year there was a \$60 million loss. Then you could say that. But that isn't what happened. It was with regard to a transaction. In terms of the bond market and the stock market, people who are familiar with investing money will know that on some investments you may have to sell short in order to avoid future losses. But at the end of the year, you look at your portfolio and say, well, how did I make out? The evidence is clear: at the end of the year, there was a gain in the trust fund. I think it was 11.6 per cent; I'm not sure of the exact dollars. It's been stated — I'm not exactly sure of these facts — that with regard to trading securities and transactions and interest earned, the actual gain in the trust fund has been \$1.6 billion. That's a \$1.6 billion gain; that's the total. I find those arguments with regard to the suggestion that money from the trust fund is lost or missing absolutely ridiculous.

What it really comes down to is that the Leader of the Opposition and the opposition are attacking the credibility of a servant of this Legislature, the Auditor General. He has clearly stated — and the hon. Member for Edmonton Mill Woods has just read his testimony before the Heritage Savings Trust Fund committee — that there wasn't any collusion or fraud, there wasn't one cent unaccounted for. But the Leader of the Opposition and the opposition members continue to attack the credibility of that public servant. I'm very sincerely disappointed in that, Mr. Speaker.

Then we come to the question of the leaked management letter. Again, the hon. Leader of the Opposition says the Provincial Treasurer should table these letters in the House, et cetera. The Auditor General Act clearly states that to do so the Provincial Treasurer would be breaking the law. Then we get this retort from the Leader of the Opposition: no, that's not the case. I ask him and his colleagues why they tried to parade in this Legislature an amendment to Section 27 of The Auditor General Act which, in my interpretation, would reverse Section 27 of the Act. On one hand, they introduce legislation to change the Act to lend credibility to their argument. On the other hand, they say the Provincial Treasurer would not break the law.

MR. R. SPEAKER: You'd better read the Bill, Fred.

MR. BRADLEY: I just ask the hon. member why he introduced that amendment to the Act, because in my mind it clearly ...

MR. R. SPEAKER: You didn't read the Bill.

MR. BRADLEY: Yes, I did read the Bill.

MR. R. SPEAKER: Stick to the facts.

MR. BRADLEY: I am sticking to the facts, Mr. Speaker. I just ask the hon. member that if he thought the Provincial Treasurer wasn't breaking the law by presenting these letters and audit working papers to the Legislature, why did he in fact introduce a piece of legislation which amends that section. I just don't understand the hon. member.

Notwithstanding these arguments which have been put forward ... [interjections] The hon. Leader of the Opposition had his opportunity to speak on this without interruption. If one of my hon. colleagues will get me a copy of that Bill, I will continue, because that is exactly what the hon. member's amendment does.

Then we get to this question of internal controls. This entire argument really disturbs me. This discussion or filibuster — or 'billifuster', as some hon. members have called it — is all about the members of the opposition wanting to weaken the internal control systems, the safeguards we have in place with regard to public investments, whether they be in the Heritage Savings Trust Fund or the General Revenue Fund. That's clearly the other argument we have here, that they would wish to weaken those internal controls. If all these management procedures were made public, if all these internal control procedures were out there for the public to examine, anybody who knew them could, through their imaginations or abilities, put in place procedures by which they could circumvent and go around those internal control procedures. Those procedures are there to protect public investment. If they were publicly known, any person who wished to perpetrate a fraud or whatever, would have that opportunity because they would know our control system and would be able to work their way around it. As I see it, that's the entire argument before this Legislature. Members of the opposition wish to open up these controls and procedures to allow some person who wished to circumvent those procedures the opportunity to do so.

Mr. Speaker, I'd now like to turn to some other arguments by the Leader of the Opposition. With regard to the Heritage Savings Trust Fund select standing committee report and the recommendations therein, the Provincial Treasurer said that 80 per cent of the recommendations had been accepted by the provincial government. Then the Leader of the Opposition tried to suggest that 80 per cent of the recommendations pertained to only 12 per cent of the fund because the select committee was looking at only the capital projects division. I have here the report of the Heritage Savings Trust Fund select committee, and they don't just make recommendations with regard to the capital projects division. There are three recommendations with regard to the general part, a number of recommendations with regard to the capital projects division, and eight recommendations with regard to the Alberta investment division. So the select committee on the trust fund isn't just looking at the 12 per cent, the argument the hon. leader was trying to put forward.

In terms of marketable securities, I don't know how we can invest if we're to sit as a committee of this Legislature

and look at all the buy/sell decisions being made on a daily basis. I think that's absolutely ridiculous. The crux of this argument is that as members of the Legislature we have to rely on the Auditor General, who is an independent servant of this Legislature, to provide us with advice with regard to how the fund is being managed. He has said — and the hon. Member for Edmonton Mill Woods stated what he said — that in fact those procedures were in place, there wasn't any collusion or fraud, and all the funds were accounted for. Basically this whole argument comes down to two things: attacks by the opposition on the credibility of the Auditor General as an independent servant of this Legislature; and, the second component, they want to weaken the internal control systems in place to protect public investment.

MR. KUSHNER: Mr. Speaker, I'm rising to a challenge by the hon. Leader of the Opposition. The thing I can't understand that's been spewing out of the hon. leader's mouth is that he's been claiming management letters are not part of audit working papers. Letters to management, prepared during the course of an audit, are usually a result of an audit. Because the final report . . .

MR. SPEAKER: I hesitate to interrupt the hon. member, but it would be a matter of some distress if the act of speaking or even talking in the Legislature were labelled as "spewing".

MR. KUSHNER: Thank you, Mr. Speaker, I beg the indulgence of the Assembly. I'd like to withdraw that remark.

As I was saying, because the final audit report with recommendations is prepared as a result of various audit checks, various letters going back and forth from the auditor to management, a lot of that information is basically information seeking. Does it not make common sense that some of this information is of a confidential nature? Does it also not make common sense that because this information seeking, these documents are used to prepare the audit report and are also made up of the information required to prepare that audit, that is part of the audit working papers?

Now that I have that one straight, there's a booklet called *Improving Accountability*, Canadian Public Accounts Committees and Legislative Auditors, prepared by the Canadian Comprehensive Auditing Foundation. Seeing that the hon. leader is talking about accountability, if there's any question of who the members or founding board of governors of the Canadian Comprehensive Auditing Foundation are, if I could bear the indulgence of the Assembly today, I would like to read at least half of these people. The vice chairman is Kenneth Belbeck, president of Thorne Stevenson & Kellogg. We have a vice chairman, who is also chairman of the board of Touche Ross; Norman Scott, the Provincial Auditor of Ontario; Yvan Gaudette, the Assistant Auditor General of Canada; Larry Meyers, the Deputy Auditor General of Canada; Richard Mineau, the vice-chairman, Management Consulting Services, of Price Waterhouse International; and it goes on and on. These people are very credible individuals. This book was prepared in 1981 by the Canadian Comprehensive Auditing Foundation, of which our Provincial Auditor General, Mr. Rogers, is a member.

I'd like to just read, for the benefit of the Leader of the Opposition . . . I hope we have finally gotten through to him that management letters, or letters to management by

the auditor for the purposes of seeking information, are in fact part of the audit working papers, whether in the form of a memo or a formal letter. There is a final report, and that report is a result of those letters and the various audit checks that have been done.

The gentlemen from the Canadian Comprehensive Auditing Foundation have made various recommendations. The title of the book is *Improving Accountability*. This is for Canadian public accounts committees and legislative auditors. I might remind the hon. leader that a member of his caucus is chairman of that committee for this particular Assembly. I'd like to read a few excerpts with regard to audit working papers:

To be able to report fully, the Auditor must be able to examine all documents that relate to an audit being conducted . . . In general the provisions regarding access to information seem to be satisfactory to all concerned.

With a right to access, however, goes a responsibility to be discreet. For that reason confidential material to which the Auditor becomes privy in the course of an audit should be kept confidential, and most of the acts make provision for the Auditors and their staffs to maintain the same degree of confidentiality of the material they have access to as is maintained by the public servants who have custody of that material.

Now this is important. It says here also that:

The Auditor must not be used as a means of obtaining information from the government that would not otherwise be [made] available. It is for that reason, among others, that all Auditors consider their working papers to be confidential. They recognize that making such material available would damage their relationship with the departments and agencies and, ultimately, impair their ability to serve the legislature.

The statutes of both Ontario and Alberta specifically provide that the Auditor's working papers may not be made public, even on demand of the legislature. In our view, such provisions are quite appropriate and clarify an issue that could at some time be a cause of unnecessary and unfortunate conflict between the Auditor and the legislature or the Public Accounts Committee. It is a provision that should be included in the legislation in all jurisdictions. Accordingly, we recommend that:

41. Legislation make specific provision for the confidentiality of the Auditor's working papers.

Mr. Speaker, I can't see how much clearer we can be. This 'billifustering' or filibustering is a total waste of time of this Legislature. It's a total waste of money of the general public, because it's not cheap to keep all 79 people plus the staff in this building working, and we can't get important legislation through. Rather than trying to bow to their whims and whimsical ways . . . I just can't understand how . . . I'm so frustrated, excuse me. Thank you very much.

MR. GOGO: Mr. Speaker, the issue before us in Bill 69 is quite simple. We authorize the Provincial Treasurer to transfer 30 per cent of non-renewable resource revenue received in '82-83 into the Alberta Heritage Savings Trust Fund. Obviously we're not going to be able to proceed with the many programs throughout this province unless we do it, and I recommend that members support this Bill.

[Motion carried; Bill 69 read a second time]

Bill 80

**Transportation of Dangerous Goods
Control Act**

MR. MOORE: Mr. Speaker, I'm pleased to begin debate on Bill No. 80, the Transportation of Dangerous Goods Control Act. I want to say at the outset that it's my intention to make some remarks this morning outlining the purpose and intent of the Bill. I hope other members, who may have an interest in it, could make some remarks as well. It is then the intention of the government that the Bill will stay at committee stage throughout the fall session and be returned for the spring session in 1982. At that time, the Bill would go through second reading, committee, Royal Assent, and be put in place.

I wanted to outline that initially, to indicate to members that what we have in this Bill is substantially the end result we want to obtain. Over the course of the next two or three months, we are anxious to have input to the legislation from groups, individuals, municipalities, and others who are concerned and interested in the transportation of dangerous goods in Alberta and throughout Canada.

The main purposes of this Bill are to make provisions for the adoption of uniform standards throughout Canada for the marking, documenting, and handling of dangerous goods while in various modes of transport. Specifically, with regard to Alberta, the Bill details the manner in which dangerous goods would be handled while in the road transport system.

In addition, the Bill outlines the manner in which we would determine improvements in safety standards in the handling and transporting of dangerous goods. It details the manner in which there would be a requirement for prompt reporting of and emergency response to accidental spills or releases of dangerous goods. And, Mr. Speaker, it deals with the provisions that would allow the government of Alberta to enter into an agreement with the government of Canada for the administration of federal legislation of a very similar nature which applies to modes of transport under federal authority.

The Bill deals with the handling of dangerous goods while they are being offered for transportation and while they are in the route of transportation. It is not a purpose of this Bill to deal with the storage of dangerous goods if they are stored in some other place or for some other reason other than transport. Now that's a fairly fine line, but I guess it can be best described this way. Other legislation and other requirements provide for the safe storage of goods on the manufacturer's premises. It is important that this Bill deal with the storage of those goods when they are being offered for transport, because the kinds of decals and information that might be applied to those containers before they are loaded onto transportation are important.

Mr. Speaker, I want to indicate to the House that this Bill parallels the federal Transportation of Dangerous Goods Act. In fact, many sections of this legislation are identical or almost identical to the federal Transportation of Dangerous Goods Act, which was proclaimed in Ottawa on November 1, 1980. As members would know from my comments, that Act governs the transportation of dangerous goods by rail, air, and marine modes, and could have been applied in Alberta to the road mode of transportation if we had elected to adopt the federal legis-

lation and sign an agreement with the government of Canada that would have had that level of government controlling the transportation of dangerous goods by road mode in Alberta. Mr. Speaker, the Bill provides for the use of one code of regulations and standards in Alberta that have been developed by federal and provincial officials for use right across Canada. It places the responsibility for the safety of persons having charge of dangerous goods with the handler, shipper, carrier, or whoever happens to be in control of the dangerous goods at that time.

Mr. Speaker, it is important that members have some concept of what's involved here. For that purpose, I want to indicate briefly the categories and numbers of dangerous goods we're looking at that likely could be transported within Alberta under this legislation. In total roughly 3,500 dangerous goods have been identified as goods which should be controlled by this legislation. They move somewhere in Canada, many of them in Alberta. Those 3,500 different dangerous goods have been segregated into nine classes. Those classes can be described very briefly as explosives, compressed gases, flammable and combustible liquids, flammable solids, oxidizing substances, poisonous and infectious substances, radioactive materials, corrosives, and miscellaneous products, including dangerous wastes and environmentally damaging substances.

All the substances I refer to here, the 3,500 segregated into nine classes, under this legislation will be identified by a unique product identification number, which is an international number; in other words, a symbol that can be recognized by people of many different languages. That is important, because not only is an effort being made in this legislation to have uniformity throughout Canada, but indeed the government of Canada has advised us that there have been extensive negotiations on an international level, in particular with our neighbors to the south, with a view that there would be consistent legislation throughout North America with regard to the transportation of dangerous goods.

It should be noted that the carriage of consumer packages by retailers or people who make purchases will not be regulated to any great extent by this legislation, and will not require placarding. That's a matter of administration that takes some judgment throughout the development of the regulations. I want to assure the House that it is not our intention to interfere with the normal trade of goods that might be described as dangerous when they're carried in very small, relatively harmless quantities.

I could add a couple of comments about the federal legislation as it applies to Alberta. The federal legislation is not applicable to pipelines which are under either the provincial Energy Resources Conservation Board control or under National Energy Board jurisdiction. I said earlier that the Bill provides for entering into an agreement with the government of Canada to administer and enforce the federal Act as it pertains to the province of Alberta. The government of Alberta has chosen to seek maximum delegation from the government of Canada to be able to ensure rapid and consistent response in our province, whether the problems involve the road mode of transport or rail, marine, or aircraft.

The Bill really provides that matters relating to the transportation of dangerous goods be harmonized into one piece of legislation. I recall a couple of days ago, during comments on another piece of legislation, answering questions from the hon. members about the para-

mounty of this Bill or some other Bill. I would just want to indicate that the Transportation of Dangerous Goods Control Act does have paramountcy over other pieces of legislation. It would be in place over and above various legislation now in effect with regard to the control of dangerous goods.

I want to close with these comments, and say first of all that I had hoped that by now this legislation would have been approved by this House. It's been difficult to bring the legislation forward, because until recently we did not know the intentions of the government of Canada in terms of entering into agreements with the provinces. While we have not yet signed an agreement with the government of Canada, we now have a good feeling that the delegation of federal authority to the province of Alberta will occur.

I want to say as well that we have not rushed into the matter simply because there is a concern about the transportation of dangerous goods across Canada. Indeed, in this province as elsewhere in our country, we do not have at the present time an absence of any control on the transportation of dangerous goods. We have a variety of controls which have served us pretty well over many years. We recognize there is a need for improvement and updating, and a need for co-ordinating these matters across the country through various provinces so there is some consistency.

In that regard, we do not apologize for having moved slowly. We have to recognize as well that moving quickly in a field of this nature, in terms of unrealistic requirements on the industry, in many cases would be a detriment to not only the industry but consumers, farmers, small business men, and individuals throughout the country who use the kind of goods we're referring to. We did not want to create a situation where those individuals suffered because goods could not be carried to them. We've moved carefully in that regard by consulting industry all along the way. Mr. Speaker, it will probably be necessary to take another two to three full years before the system is in complete order, before there is a fully documented list of the 3,500 goods, all classified, the symbols in place, and all the other required things. We will move as fast as we can with regard to those standards in the negotiations between ourselves, other provinces, and the government of Canada.

Finally, it will be necessary in this province to enter into a training program of various degrees. We envision a single staff of about 24 people who would have no other involvement except in the transportation of dangerous goods. It would be located in regional offices throughout the province. In addition to that, and assisting that staff of about 24 people, will be several hundred existing police, fire inspectors, Solicitor General highway traffic officers, Department of Labour people, and others presently in either provincial or municipal systems of government, who will be trained all the way from short one- and two-day courses to several weeks long in assisting in the administration and enforcement of this legislation. I'm confident that we will achieve the co-operation of municipal governments throughout Alberta as we've done over the past months in the development of this legislation, and the co-operation of other government departments and our provincial police force and city and municipal police forces throughout the province.

Mr. Speaker, that is a brief outline of some very important legislation that I commend to the members and support at second reading. I ask members, if they have concerns, suggestions, or proposals about this legislation,

to feel free to contact me and express their views throughout the course of the next two or three months.

MR. SINDLINGER: I'd just like to make a few brief comments about this Bill, Mr. Speaker. Last time, when we were discussing another Bill, we talked about the regional services commission, the authority that commission would have, and the overlap there might be in regard to the transportation of hazardous goods. The minister addressed that subject and resolved it quite clearly today. I think it's a commendable thing to introduce a Bill like this, and certainly it is necessary. The minister talked about standards. I might add another word to that and suggest uniform standards. There should be some uniformity in regard to the standards across the country. The minister has made several references to the compatibility of this Bill to federal legislation.

The authorities in Australia had a similar problem inasmuch as their federal government had absolute authority over this matter but, on the other hand, the provincial legislatures there also had concurrent authority. The problems that created were exemplified not only in the transportation of hazardous goods but also in the construction of the railways. The illustration I can best use is that each one of the provinces had authority over the railways and gave the companies the right to construct their railways. What happened was that each of the four provinces across the southern part of that continent allowed the railway to build rail lines with different widths of track; the gauges were different for each province. When one province had its railway with a 58-inch gauge coming to the border of the next province and that one had a 61-inch gauge, then going to the next province there was one with 54-inch gauge, it created a problem. If you ran the train from one province to the border, the train had to stop there because the tracks on the other side of the border were wider or narrower. So in the earlier years of those railways, they had to run the train to the border, unload the train and carry it across the border, and then put it on another train and carry it across to the next border, which of course wasn't a very efficient way to do it. That's why the minister has paid a great deal of attention to adopting standards that could be compatible with federal standards and regulations in this area. Certainly, there is a need to do that.

In regard to the handling of transportation of hazardous goods, there has always been a great deal of uncertainty as to the regulations. More often than not, the attention paid to the handling of hazardous goods has been not in the handling of them but in what to do with them after there has been an accident. If a truck spilled them or a plant dropped them in a river or handled them improperly, people would run about, waving their arms in the air saying, oh my goodness, what do we do now? One good example occurred around Revelstoke, I think, about 10 years ago, when there was a train derailment. Several propane cars were derailed, some sulphur cars mixed in between. The sulphur cars burned around the propane cars for weeks, and people were understandably concerned because the heat from the burning sulphur could expand the propane in the propane cars and create quite an explosion. I recall that at the time advisory committees were set up, not only through the governments but also through the different commodity groups — in this case, the Propane Gas Association of Canada. Nevertheless, despite procedures which they had set up for handling situations like that, no one at the scene had knowledge of these or had means of or knew how to

contact people who could oversee such an emergency.

Ultimately, somebody came up with the idea that if they were to relieve the pressure in one of the tank cars, that would ameliorate the chances of an explosion. The problem then became how to relieve the pressure in the tank cars. Someone came up with the idea that perhaps they should blow a 4-inch hole in the end of the tank cars so the pressure could be relieved that way. They crept up through the fire, with their asbestos suits on, and put a little charge of dynamite on the tank car. Then they all ran and hid behind the embankment. They set it off, and of course it relieved the pressure but not in the way it was desired. The tank car took off, and it flew for three-quarters of a mile down the railway track at an altitude of 200 feet. To me, that demonstrates the need for legislation of this type. It's not only in the handling, but what we do in situations where remedial action is required.

A similar thing happened at Suffield just three years ago, when there was a train derailment. Again, sulphur was interspersed with propane and butane tank cars. The only way they could figure out how to settle that one was to evacuate the area for 10 miles and call in the military. The military, being as prudent as it is, went back not only 10 miles but 15 miles behind the line, and with their howitzers bombarded the tank cars until they blew them all up. That solved that problem there.

I think there have been many examples throughout the years of problems created with the handling of hazardous goods. Most of the ones prior to the last few years occurred in the United States, where there had been major catastrophes. For example, in St. Louis a big explosion blew up about 10 square blocks of the downtown area, which caused a lot of people a lot of concern. At the time, the thought that came to my mind was what could possibly happen in Calgary, given the fact that there is even more traffic of propane, butane, chemicals, and all those things that go through that city daily. Thousands of cars go through the city daily. They pass underneath the Palliser Hotel and Gulf Square. It's not just the commodities in the cars themselves but even after the commodities have been removed, the vehicles remain just as dangerous as they were before because of the presence of toxic and explosive gases. As a matter of fact, an empty tank car that explodes can have a greater force and be more devastating than a tank car that's full. The magnitude of the explosion of a tank car that is full of a hazardous commodity is usually not as great, and the aftermath will be more of a fire than a devastating explosion.

The necessity for this type of legislation was really brought home in Canada almost two years ago, when there was the derailment in Mississauga. If I recall correctly, Mississauga has a population of about 0.25 million. However, when there was a derailment there and propane cars blew up — there was also a PCB car, and another car contained chlorine and there was a danger of a leak there — the entire city had to be evacuated. It was the largest peacetime evacuation ever.

Things like that raise the question of responsibility. Who bears the responsibility in the event something like that occurs? When we talk about legislation in regard to handling hazardous materials, we have to concern ourselves not only with remedial actions once the event has occurred but what we do after it has happened. Who pays the cost? That question has been tossed around considerably since Mississauga. Who pays the cost of that calamity?

The federal Parliament has tried on several occasions,

and succeeded in some parts, to bring in legislation on this matter. They have done just what this government is doing today; that is, putting a piece of legislation out and holding it over so comments on it can be received and amendments made, so that for all practical purposes there will be the best legislation. The problem they have continuously had with that proposed legislation is in regard to who bears the responsibility. Their latest legislation attempts to place the responsibility for calamity and cost on the shoulders of almost everybody. It deals in terms of those who actually produce the commodity or the item that causes the calamity, through to the person who processes or manufactures it, packages it, loads it, transports it, unloads it, stores it, consigns it, and then sells it. That's a very broad spectrum, Mr. Speaker, and understandably it gave a great deal of concern to many people. For example, the person who had packaged or processed the commodity or item would not want to be held accountable for negligence on the part of one who, say, just unloaded the item or commodity or just sold it. Nevertheless, there was that association of responsibility throughout the entire process, and that was one of the major things that held up the legislation in the federal Parliament.

The industries themselves have tried to handle this problem, and the one I think of right away is the railroad industry. The development of the tank car did not occur through the efforts of the railroads. The transportation of chemicals and hazardous commodities, particularly liquids, came about at the initiation and insistence of those producing and consuming them. When the railways first developed in this country, there was enough business to keep them going, to keep all their box cars loaded, and to return them the revenue they required to continue in a profitable manner.

In the earlier days of this country, when somebody wanted to move a liquid commodity more than likely they would phone the railways. The railways may or may not have answered their telephone and, in all likelihood, would not have answered their call. Because of this neglect on the part of the railways, dissatisfaction they had in their present operations, the people who were producing and consuming hazardous goods, primarily of a liquid nature, had to resort to their own means. It was through their own means and initiatives that tank cars were developed. That is why all the tank cars one sees on the railroad today are shipper owned. They're not provided by the railroads. On the other hand, in the past the railroads had provided equipment for their shippers.

In the late '50s, the railways attempted to confront this problem, especially in regard to propane and butane, because they were having a lot of problems. I believe around 1969 there had been a major disaster in Crescent City in the United States, where a collision of tank cars resulted in an explosion and fireball that was likened to the small atom bomb dropped on Japan. That was no exaggeration, because they had films of what occurred there and it was a tremendous catastrophe. The railways were attempting to ensure that nothing like that happened in Canada as well.

They were spurred on by a head-on collision just west of Calgary in the Balzac area where two trains somehow got on the same track and came together. They were able to slow down considerably, so when they did impact head on, the engines did not go off the track, but further down the train there was a little jackknifing where a couple of propane cars exploded and released their contents into the railroad ditch. Now as it happens, propane is heavier

than air, so when it is released, rather than escaping into the atmosphere, it rolls down into the lower areas, into the ditches. Knowing they had this hazardous commodity on the train, the people operating the train climbed down from the engine, ran into the fields, and jumped in a small hollow in an attempt to avert any harm coming their way. Unfortunately for them, the propane just fell down into the hollow, and they were killed in that instance. The reason something like that happened, though, is that adequate legislation is not in place that will ensure people are knowledgeable about these things so, first of all, they can be avoided and, secondly, in the event they do occur, despite all those attempts to avoid them, they are in the best position to ameliorate the effects or remedy the situation posthaste.

The railways, in their judgment, tried to do certain things that would ensure these things did not happen in the '60s and '70s. One of the things they did was to change the coupler on the tank cars they had. The couplers railway cars have are just like knuckles; in fact, they're called knuckles. They come together just like this. Their purpose is to take the pressure in a horizontal direction, either pull or push, but they were so constructed that a coupler could slip up or down. In the event of derailments, that's exactly what happened. Couplers would uncouple, their gooseneck would go forward and puncture the cars beside them, and they would explode.

The railways took that coupler and put a cap on it, just like I have my thumbs over my hands, so that when there was a derailment the coupler would stay in place, not only in a horizontal fashion but in a vertical one as well. Now that was fine, except that they did that under their own initiative and did it only for railroad tank cars. What happened was that not all railway cars are railway tank cars, and a railway tank car was coupled to railway boxcars or flatcars. Whereas the tank car had a coupler that, if coupled to another similar type of coupler, would remain coupled together, the boxcars didn't. So even then, if there were a derailment, the other boxcars would rise up, puncture the tank cars, and there would be an explosion again. I believe the federal legislation and the regulations pending in that regard deal with that matter, and there is going to be an attempt to make all couplers compatible so they don't rupture other tank cars.

Another thing they tried to do was to build head shields on the tank cars. They felt, if we can't stop the couplers from riding up and running into each tank car, perhaps we ought to put head shields on each tank car so when the couplers come up they won't go through the head shields. In addition, they also decided they would build another steel shell around the tank cars. That is, if there's a tank car there already, put another steel shell around it for two purposes: one, so they would have something akin to a thermos bottle, and once the product was inside the tank car, if there was a mishap, it would still maintain its ambience and not be activated or energized by heat. The second was that they felt if it had this second shield around it, it would be more difficult to puncture or rupture the tank car to begin with.

All those things were fine in theory. The Canadian Transport Commission, the Interstate Commerce Commission in the United States, and the Department of Transport, in their judgment, as a result of some of these explosions, decided these things should be mandated, and they were. So a mass renovation program, where all these improvements would have to be made, was instituted about six years for all tank cars in North America.

Two things came out of that. One was that it was very costly. Of course, the cost had to be pushed on to the consumer. It was found that these renovations — just the coupler, head shield, and second jacket around a tank car — cost more than the tank cars cost in the first place. Also, they became much heavier, so the railways were hauling more equipment than product inside the equipment. The second thing was that those who, in their judgment, had mandated this be done, hadn't followed through with proper or sufficient pretesting to determine whether this was a desirable and effective thing to do. Unfortunately, as it turned out, it wasn't. Experience has shown that despite these renovations to the tank cars, despite the attempts to render them explosion-proof, despite the attempts to render them disaster-proof, there have still been explosions with those vehicles, and there have still been disasters.

The finger is now being pointed not so much at the equipment that handles the hazardous commodities, but more at the railways, the carriers, the highways, for example. Regulations are being contemplated to reduce the speed of these types of carriers or transporters handling hazardous commodities. In terms of railways, speed limits are being set for trains going through populous areas. My understanding is that that's now in the area of about 25 miles per hour. In regard to highway vehicles carrying hazardous commodities, routes are set up through which they can be handled. In regard to assistance in the event of a calamity, more co-ordination is being done in that area.

There are only two thoughts I have about this particular Bill. One has already been recognized by the minister: that there is an attempt to co-ordinate the legislation and the regulations here with that in other parts of the country, so there will be uniform standards throughout the country. Secondly is the question of responsibility. Who bears the responsibility for the costs occurred in the event of a calamity? That isn't an easy one to handle, because it's very difficult in the final analysis to determine precisely who was responsible for the calamity. Nevertheless, it's a subject that has to be addressed, but should not be addressed or defined in loose terms. Saying that the responsibility lies with any one or all of the individuals or parties, beginning with the production process right through to the consumption process, is just too broad and too encumbering on those individuals who fit in somewhere on that particular chain.

With that, I look forward to seeing what the minister comes up with next spring, providing we're all here at that time. We'll take it from there.

Thank you, Mr. Speaker.

DR. BUCK: Mr. Speaker, just a few brief comments. I'd say I'm pleased to see the minister has brought the Bill forward. In Fort Saskatchewan, the petrochemical centre of Alberta, we have always displayed our concern; the companies in that area have displayed their concern. I'm sure the minister is aware that all the plants in the Fort Saskatchewan area have a 24-hour emergency service. Dow Chemical, Sherritt Gordon, Thio-Pet, all the industries out there, have a 24-hour emergency service.

I am concerned, Mr. Speaker, that possibly we should look at special training for transport drivers dealing exclusively with hazardous goods. Being an old truck driver myself, I know that you think you're capable of handling just about any kind of rig; it doesn't matter what's in it. But I think there is some area of concern there. We should be looking at making these people specialists in

their field of transporting hazardous chemicals.

Very quickly, Mr. Speaker, an area that concerns me — the minister mentioned the uniformity of labelling. Even though the minister said we wouldn't be responsible for storing these, we will be storing some of these containers in boxcars or in transport vehicles. There should be uniformity so that if there is a catastrophe, or even a minor catastrophe, the firemen dealing with the products will know immediately the yellow label means such and such a product, the red label means such and such; help them identify very, very quickly and very readily what product they're dealing with.

We're making some advances in the hazardous goods routes going through our major centres. Mr. Speaker, to me that is excellent. I look forward to the progression of the studies. I'd like to say to the minister that I am sure any of the industries in Fort Saskatchewan would be more than pleased to provide the minister with any input they have. All the different groups are well organized out there. They are just as concerned, Mr. Minister, as we as legislators are.

With those brief comments, Mr. Speaker, I look forward to the input we have from the industry, the people concerned. This is certainly a step in the right direction. I very enthusiastically support the Bill.

MR. SPEAKER: May the hon. Member for Calgary North Hill revert to Introduction of Special Guests?

HON. MEMBERS: Agreed.

head: **INTRODUCTION OF SPECIAL GUESTS**
(*reversion*)

MR. OMAN: Mr. Speaker, while I can't see them, I believe two members of Calgary's Olympic organization, Mr. Frank King, the president, and Mr. Steve Corbett, who is in the office as director and accountant, are in the members gallery above me. Mr. King, as you may or may not know, received the Premier's Award for service last Saturday night at the awards' banquet. I'd like them to stand and be given a welcome by the House.

head: **GOVERNMENT BILLS AND ORDERS**
(**Second Reading**)

Bill 80
Transportation of Dangerous Goods
Control Act
(*continued*)

MR. SPEAKER: May the hon. minister conclude the debate?

HON. MEMBERS: Agreed.

MR. MOORE: Mr. Speaker, just a few very brief comments. First of all, I want to say that in my opening remarks perhaps I had neglected to say that over the course of the last couple of years in developing this legislation we have had extremely good co-operation from industries throughout Alberta — indeed from the Fort Saskatchewan area, where there is a lot of chemical manufacturing and a lot of transportation of goods emanating from that area, very good co-operation which I hope and know will continue.

In concluding the debate, I also want to say that the matter of co-ordinating all the government's efforts in this regard is being carried out by the Disaster Services group in this province. I am introducing this legislation and seeing it through the Legislature as Minister responsible for Disaster Services, not Municipal Affairs. In that regard, I want to mention that Mr. Ernie Tyler, the director of Alberta Disaster Services, has spent a great deal of his time, both in Alberta and throughout Canada, trying to achieve a co-ordinated effort for the entire country and I think is recognized as the leader in terms of understanding the transportation of dangerous goods problem throughout our country. I want to pay some respect to his work as well in concluding the debate, Mr. Speaker.

[Leave granted; Bill 80 read a second time]

MR. CRAWFORD: Mr. Speaker, as to business on Monday, the House will be in Committee of Supply on Monday afternoon with the Department of Environment. I'm not able to indicate to hon. members yet whether or not the House will sit Monday evening.

Mr. Speaker, I move we call it 1 o'clock.

MR. SPEAKER: Does the Assembly agree?

HON. MEMBERS: Agreed.

[At 12:55 p.m., pursuant to Standing Order 5, the House adjourned to Monday at 2:30 p.m.]

