

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, March 23, 1987 2:30 p.m.**
 Date: 87/03/23

[The House met at 2:30 p.m.]

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.

Amen.

head: INTRODUCTION OF BILLS

Bill 29

Young Offenders Amendment Act, 1987

MR. DAY: Mr. Speaker, I beg leave to introduce Bill 29, the Young Offenders Amendment Act, 1987.

The amendments contained in this Bill will bring the provisions of our provincial Young Offenders Act into line with the recent amendments to the federal Young Offenders Act. As well, this Bill contains three substantive amendments which are not directly related to the federal Act.

[Leave granted; Bill 29 read a first time]

MR. CRAWFORD: Mr. Speaker, I move that Bill 29 be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

Bill 17
 Surveys Act

MR. SPARROW: Mr. Speaker. I request leave to introduce Bill 17, the Surveys Act.

The principle of the Bill is to modernize, simplify, and deregulate the existing outdated Act, which was written over some 70 years ago. The Bill is a total rewrite of the existing Act at the request of the Alberta Land Surveyors' Association, which has been involved in the rewriting process over the last four years.

[Leave granted; Bill 17 read a first time]

head: TABLING RETURNS AND REPORTS

MR. RUSSELL: Mr. Speaker, I'd like to table the annual report of a very unique Alberta success story, the Alberta Heritage Scholarship Fund.

head: INTRODUCTION OF SPECIAL GUESTS

MR. YOUNIE: Mr. Speaker, it gives me great pleasure today to introduce 73 students from Evansdale school in the riding of Edmonton Glengarry. They've certainly done their share to help fill both galleries today. They are accompanied by four teachers, Mrs. Laudenklos, Mrs. Smith, Mr. Hunter, and Mr. Wild, and I'm looking forward to a chance to meet them in their school at some future point. I would request that they rise in both galleries and the members give them the traditional warm welcome.

MR. MUSGROVE: Mr. Speaker, it is my pleasure today to introduce to you and through you to the Members of the Legislative Assembly, three gentleman from the city of Harbin, from the province of Heilongjiang, China, which is Edmonton's twin city in China. They are here as a result of an invitation last fall when one of my constituents, Nancy Dickie, manager of the Chamber of Commerce in Brooks, and my secretary Irene Kramar, along with five members from the Edmonton Chamber of Commerce visited China. Their promotion of Alberta must have been very positive, because these people are here today to promote friendship and understanding between the twin provinces. Tomorrow they leave for Calgary to see in particular the Olympic facilities, as China will be taking part in the 1988 Olympics.

They are -- and I would ask them to stand when I call out their names -- Mr. Han Li Xin, manager of the Harbin International Travel Bureau of China; Mr. Zhao Xi Chen, deputy director of the Chinese People's Association for Friendship with Foreign Countries, Harbin branch; and Mr. Cui Chonghe, deputy director, promotion department, Harbin Tourism Administration. They're also accompanied by Elaine Yau, the president of Pan-Pacific Travel of Vancouver. I would ask the Assembly to give them the traditional warm welcome.

MR. TRYNCHY: Mr. Speaker, it's my pleasure today to introduce some 39 grade 6, grade 11, and grade 12 students from the Seba Beach school in my constituency. They are accompanied by two teachers. Mrs. Carstairs and Mrs. Man in't Veld. They're seated in the public gallery. I'd ask them to rise and receive the warm welcome of this Assembly.

MR. PIQUETTE: Mr. Speaker, I'm honoured to introduce to you and through you, a proud grandfather, Mr. Marshall Howse, formerly from Kikino, a Metis settlement in my constituency, and his grandson Stacey Tipple, a bright little student attending grade 6 at Ashmont school. Mr. Howse is a now a school liaison officer working for the Louis Bull reserve. Would they both please rise and receive the traditional warm welcome from this Assembly.

MS BARRETT: Mr. Speaker, it's my pleasure today to introduce to you and through you to members of the Assembly, 23 bright and lively students whom I've had the opportunity to meet. They are grade 10 students from Concordia high school, located in the constituency of Edmonton Highlands. I ask all members of the Assembly to join me in providing a warm welcome to them and their teacher, Mr. Keith Kruse.

head: **MINISTERIAL STATEMENTS**

Department of Social Services

MRS. OSTERMAN: Mr. Speaker, on Friday my colleague the Provincial Treasurer announced in general two rate adjustments within the social allowance program, and I would appreciate the opportunity to provide more details to the Assembly.

Mr. Speaker, the government's generous support for those in need is continuing this year, and the caseload is now nearing 70,000 per month. It has meant an additional \$175 million is required over last year's estimates. I would like to thank all my colleagues for the fiscal restraint within their respective departments which has made the additional funding possible. Overall the budget for single-parent families will rise by some 23.7 per cent and the budget for employables will increase by 73.7 per cent. But even so, Mr. Speaker, the rate structure has had to be reprioritized.

The government has taken the position that all those who are in real need should have assistance available to them. When carefully examining the various categories of assistance, it was obvious that in particular one group, single-parent families, have the least flexibility to adjust their circumstances and consequently an additional \$21 per month is being allocated to this group. The increase will be effective May 1, and approximately 22,000 families will benefit.

At the same time, Mr. Speaker, it was recognized that single employable people have the most flexibility. Shelter rates are being adjusted to provide enough funds for room and board or shared accommodation. Approximately 20,500 people will be affected. For those on the caseload less than three months, shelter ceilings will decrease from \$290 per month to \$180, which relates to room and board rates. After three months on assistance, the shelter ceiling will increase to \$215. Therefore, two people sharing accommodation will have the equivalent to rates for couples without children. To give people currently on the caseload time to make decisions, these adjustments will be effective June 1. For people now applying for social allowance, the changes will be effective April 1.

It has been the practice to provide additional food assistance to individuals and smaller family units which cannot take advantage of economies of scale. Because of the emergence of bulk purchasing, this food modifier has been reduced from 20 percent over basic allowance to 15 percent and will mean a \$5 per month reduction. This will apply to single employable and unemployable categories only and will affect 32,000 people on the caseload. This adjustment will be effective April 1 for new applicants and June 1 for those currently on the caseload.

Mr. Speaker, the decreases which I have just announced will make available \$17 million which will be used to provide additional assistance to the single-parent families and additional funding for the increasing caseload. These decisions were taken with both the full understanding of the extra burden being placed on single people and the heavy financial load taxpayers are already being asked to carry.

Thank you, Mr. Speaker.

MR. MARTIN: Mr. Speaker, in replying to this ministerial announcement, the minister refers to generous support for those in need because she's talking about putting another \$175 million into social welfare. I remind this minister that the reason you have to do that is simply because of the mismanagement of the economy by this particular government; it has nothing to do

with generosity. And then nobody's going to quarrel with the increase, although it's hardly an adequate amount, an additional \$21 per month being allocated to single-parent families. Obviously, we're not going to quarrel with that; we don't think it's enough. It seems to me then we're playing off one group of unfortunate people against another group of unfortunate people.

I would remind this minister that this is specifically a lot of young people, with the latest unemployment figures of 17.5 percent of people under 25 years of age. And it seems to me, Mr. Minister, that instead of being punitive, we should be worried about how we can get these people back to work. This is what this government should be doing. But now we're going to penalize them more, the victims of the economy. We're going to penalize them more. Those on the caseload less than three months will decrease from \$290 to \$180. And then if they're on long enough to be really unfortunate, it'll go back up to \$215. We're also going to penalize them in their food. What are we going to do? Put more pressures on the Food Bank, Mr. Speaker?

This is the reality of what this government is doing. I am appalled that in this day and age, in a rich province like this, this government is so niggardly that this is their economic policy, to attack the people because of their mismanagement. We on this side intend to fight measures like this all the way down, Mr. Speaker.

head: **ORAL QUESTION PERIOD**

Tax Increases

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to our Provincial Treasurer. In his Budget Address the Treasurer said, and I quote: "Our budget equitably shares the burden of deficit reduction." More specifically, the Treasurer also said, and I quote: "The burden of tax increases should be shared between businesses and individuals."

Mr. Speaker, in view of the fact that the budget shows that 93 cents of every income tax dollar will come from individuals and only 7 cents from corporations, could the Treasurer explain to average Albertans how this is equitable?

MR. JOHNSTON: Mr. Speaker, I don't at all agree with the number punching the member has done over the weekend, except that we've simply set the record clear. First of all, Albertans pay the lowest taxes of any province in Canada, with no sales tax, and that has to be one of the true facts that cannot be ignored in this discussion about the fiscal plan put forward by this government. Secondly, we have made a reasonable trade-off between the tax paid by individuals and by corporations. We've asked everyone to pay more. We have made some very selective adjustments to protect the income of individuals, and that is clearly outlined in this plan.

MR. MARTIN: Supplementary question. The minister may not like the figures, but the crunching is absolutely correct. I don't think any Albertans are going to think that 93 percent from them and 7 percent from corporations is fair, and I notice that in this fiscal year corporation income tax will actually pay out more money in various credits and rebates than it takes in. My question is: how can this Treasurer possibly explain this unfairness to an average Alberta family being gouged by this budget?

MR. JOHNSTON: Mr. Speaker, there is no gouging in this

budget. One thing the people of Alberta will come to understand is that this budget does not gouge anyone. In fact, the people of Alberta have come to expect the fair and equitable treatment with respect to tax regime, and that is in this budget. Moreover, the level of services which are provided here are among the finest in Canada, and we'll continue that commitment.

MR. MARTIN: Supplementary question, Mr. Speaker. Average Albertans, from our telephone ringing off, know they're being gouged; there's no doubt about that. This government has put more and more into a corporate taxation system which doesn't necessarily create jobs, as we well know; it could be for tax avoidance.

My question is: how can the Treasurer justify these giveaways to the corporate sector while he admits in his budget that unemployment will probably go up and growth will probably go down?

MR. JOHNSTON: Well, Mr. Speaker, I can assure you, not like the socialists across the way, we do not intend to nationalize large banks as they have attempted to do. We know that the investment levels come from the private sector, and that's why in this budget plan the small business corporation, who you're now knocking -- the ones who generate jobs in this province -- do not receive any tax increases. On one hand, he suggests we're not doing anything for jobs; on the other hand, when we bring forward clear, precise policies that stimulate jobs, he can't see the symmetry in that policy. Mr. Speaker, he's talking out of both sides of his mouth.

MR. MARTIN: Well, supplementary question. All these generated jobs done by the corporation sector . . . I come back to this minister. Why is it, then, that he is predicting, with all this excellent work corporations are doing, that we'll have higher unemployment and lower growth rate with that taxation system?

MR. JOHNSTON: With an attitude like that, Mr. Speaker, you can see why nobody will be investing with that kind of an opposition here. What we want to do is to drive investment, and this plan will do just that with the lowest tax regime in Canada protecting the investment dollar, and with the labour market strategy which is in place, you'll see jobs start to flourish, you'll see diversification take place. It's going to happen in this province; we have faith.

MR. TAYLOR: Mr. Speaker, a supplementary to the Treasurer. He makes much of the fact -- and it's true -- that he has not increased the taxes on small business, but in view of the fact that he has increased the taxes on personal income tax, how in the world does he expect anybody to start a small business when that's the only source of money they'll get?

MR. JOHNSTON: Well, Mr. Speaker, I'd love to recite the number of new initiatives which we have over the past year provided the small business sector. We recognize that it is the small entrepreneur that will generate jobs, that will take risks, that shares the sense of optimism about this province which is not prevalent in anybody that has spoken yet this afternoon, and this long series of programs is designed specifically to generate new investment in this province, and it'll work.

Moreover, for those people on the middle income and lower income sides, individuals themselves, this plan clearly protects

them in terms of tax paid. In fact, the Alberta selective tax reduction and a variety of other programs is not at all regressive. More people are taken off the tax rolls than ever before. Mr. Speaker, that's how it's going to work. It's a simple formula, and I appreciate the fact the member does not understand it.

DR. BUCK: Mr. Speaker, the Provincial Treasurer is in great form this afternoon.

Mr. Speaker, a short preamble. When people are booking prepaid tours, they have to make arrangements six or 12 months ahead when they buy in a package. Now that the 5 percent hotel tax has been added on, these groups will have to go back and tell people you have to pay an additional 5 percent. What consultation did the minister's department have with the Alberta Hotel Association in light of the fact that this will cause a complication? Did they have any consultation with the hotel association?

MR. JOHNSTON: Mr. Speaker, perhaps this answer could be responded to more fully by the Minister of Tourism, except to say that they will have to pay the additional tax.

MR. SPEAKER: Second main question, Leader of the Opposition.

MR. MARTIN: Yes, Mr. Speaker, I'd like to designate my second question to the Member for Vegreville.

Farm Fuel Distribution Allowance

MR. FOX: Mr. Speaker, I'd like to ask this question to the Minister of Agriculture. On page 85 of the Budget Address, it's announced that the Alberta farm fuel distribution allowance will on June 1 be reduced from 14 cents a litre to 9 cents a litre, meaning that all farmers in Alberta will pay an extra 23 cents a gallon for gas and diesel fuel. This increase will prove to be the final nail in the coffin of many Alberta farmers. I'd like to ask the minister what studies he did, and if he did any would he table them, to determine the effect that this increase will have on Alberta's grain producers, especially in light of the fact that prices are dropping drastically this year again?

MR. ELZINGA: Mr. Speaker, as the hon. member is aware -- and I'm glad he did refer to page 85, because there we are explaining in a very detailed way the proposition we have put forward whereby we're going to maintain the 14-cent differential for the farming community. We're maintaining that 14-cent differential. We indicated, as the Provincial Treasurer indicated in the Speech from the Throne, that the 5-cent tax on gasoline is not going to be applicable to the agricultural community, and as a result of that we're going to reduce the farm fuel allowance to 9 cents,

MR. FOX: Mr. Speaker, they're trying to play a shell game with the farmers. The fact is the price is going up, and it's going up 23 cents a gallon on June 1. I'd like the minister to tell us what consultations he did with farm groups in the province to determine what effect this disastrous increase will have on our producers.

MR. ELZINGA: Mr. Speaker, the only party in this House that plays a shell game is the New Democratic Party, and I'm more than happy to get into a detailed analysis as to how they play

that shell game when we have an opportunity to debate our budgetary estimates, which we were hoping to do on Tuesday night but out of courtesy to the absence of the hon. member we're going to delay it. But if he wants to get into a shell game, they indicated in their documentation that was just released that net farm income for the province of Alberta was going to drop some 64 percent net realized income. They conveniently forgot to mention the \$1 billion payout at the federal level. Now it's convenient for them to forget it. I refer to their proposals to curb government spending. Do you know what they advocated there?

MR. SPEAKER: The Chair looks forward to the articulation of the government position rather than that of some other party. Supplementary question.

MR. FOX: Mr. Speaker, in three years I'll answer the questions the minister has.

I'd like to know if the minister or his office made any attempt to contact farm fuel dealers in the province of Alberta to determine just how much money farmers owe for fuel used to plant last year's crop before deciding that everyone's going to have to pay 23 cents a gallon for this year's fuel.

MR. ELZINGA: Mr. Speaker, he indicated he will answer the question in three years. That's just why he won't be able to answer, because he won't be here in three years if he keeps with this hokey-pokey.

I would ask him: will he acknowledge that in the previous year net realized income increased substantially over the year 1985? No, we don't hear that. I will ask the hon. member also if the Manitoba government, the New Democratic Party in Manitoba, has any farm fuel allowance, if he'll indicate that cost to us. Mr. Speaker, we're looking. It's easy for this New Democratic Party to simply criticize, but this province is looking for constructive leadership, and they'll never get it from that bunch. [interjections]

MR. FOX: You'll see it soon.

I'm wondering what studies the minister did.

MR. SPEAKER: Hon. member, the Chair hasn't recognized your first supplementary. The Chair would like to have a little more peace in the House so the Chair could indeed hear what the supplementary is. But now, please, supplementary.

MR. FOX: Mr. Speaker, prior to approving this increase of 23 cents a gallon to Alberta farmers in the price of fuel, I'm wondering what studies the minister did to measure the impact this'll have on the already seriously depressed rural economy, the men and women who work in towns and villages. How's it going to affect them?

MR. ELZINGA: Mr. Speaker, this government has on a consistent basis acknowledged the importance that the agricultural sector plays in the way of life for this province. We've acknowledged this in this recent budget by a commitment of close to one-half a billion dollars to the agricultural sector. We're going to do more, and we hope to announce a number of measures that will be beneficial in addition to what has been forthcoming in this budget.

But, Mr. Speaker, the most important aspect that relates to agriculture is not mentioned in the budget, and that relates to

making sure that we have assured trade access to the United States. Unfortunately, again the New Democratic Party is opposed to that. We consistently hear what they're opposed to; we never find out what they stand for.

MR. TAYLOR: Mr. Speaker, a supplemental to the minister. He's quite right. It's not a shell game; it's a swindle. Could he explain to the House in view of the fact that the crop insurance assistance has decreased from \$46 million to \$17.8 million -- that's a reduction of 61 percent. After having the associate minister's tour through this province to ask how we could reinforce crop insurance, how in the world can he justify to Alberta farmers cutting the crop insurance assistance plan by 61 percent?

MRS. CRIPPS: Mr. Speaker, I'd be delighted to answer that question, but before I do, the Member for Vegreville indicated that there would be increased fuel costs for this year's farmers in putting in their crops, and that's not true. I was really pleased to see the Provincial Treasurer not introduce that tax until June 1, because the farmers of this province... [interjections] Mr. Speaker...

MR. SPEAKER: If the minister would like to continue.

MRS. CRIPPS: As many farmers will know, there is still winter fuel in the bulk dealers all across northern Alberta, so if farmers had to purchase their fuel before March 31, they couldn't do it. As it is, they'll have time to get their crop in and purchase fuel for fall harvesting. So don't leave that implication in the Legislature.

With regard to the Member for Westlock-Sturgeon, you're right. We have reduced the crop restoration program, and one of the reasons we've reduced it is because last year's crop was of high quantity -- not high quality, but certainly high quantity -- and the crop restoration program will probably not be as necessary this year. In fact, in 1987 only 3.6 percent of the Alberta crop insurance covered farmers were below basic. In fact, the basic for 1984...

AN HON. MEMBER: That's ancient history.

MRS. CRIPPS: That's exactly what we're talking about, restoring it to 1984.

MR. SPEAKER: Thank you, hon. minister. The reply is getting a bit too lengthy, I'm afraid.

Member for Little Bow, a supplementary.

MR. R. SPEAKER: Mr. Speaker, my supplementary question is to the Premier, and it's with regard to increased fuel prices -- or increased fuel taxes, as the original question was directed. Could the Premier indicate, in light of the discussions that are going on at the present time with regard to an energy aid package, as to whether it is the intent of the government and then whether it would be the intent of the provincial government to support a 3 to 5 cent per litre increase in gasoline taxes not only for Albertans but Canadians, to pay for this energy aid package?

MR. GETTY: Mr. Speaker, it's pretty hypothetical, first, to try and anticipate whether there will be a successful energy aid package and, secondly, how it would be financed.

MR. SPEAKER: Main question. Member for Westlock-Sturgeon.

Unemployment

MR. TAYLOR: My main question. Mr. Speaker, is to the man that's going to make the sun shine so they can plant the crops early. Conspicuously absent in the Treasurer's estimate of the budget documents were detailed estimates of jobs that would be lost due to taxation increases or capital spending reductions and the government's spending cutbacks. Now the reduction to capital spending could result in a loss of up to 30,000 direct and indirect jobs, while the \$1 billion tax increase could add tens of thousands more Albertans to the ranks of the unemployed. To the Provincial Treasurer: why did the Treasurer in his Budget Address choose to make no reference to the number of jobs that would be lost as a result of these budget measures?

MR. JOHNSTON: Mr. Speaker, we don't anticipate a significant drop in job opportunities in this province.

MR. TAYLOR: Well, he's not only going to have the sun shine easy; he's going to provide employment.

What's the government's estimate then of the total jobs that would be lost in the private sector as a result of the billion dollar increase in income taxes, corporate taxes, licences, and premiums? A billion dollars you've taken out of the economy. What will be the job loss?

MR. JOHNSTON: Well, Mr. Speaker, we should not, in a convenient sense, look only at half of the equation here. First of all, we must consider the competitive advantage which exists in this province. I've already noted very clearly that we are maintaining the lowest tax regime of any province in Canada. And if you look at a comparison of disposal income, if you're talking about consumption as opposed to investment, you will find that the disposable income levels in Alberta are the highest in Canada. Therefore, we expect that the retail sales, the consumption portion of the three parts of our gross provincial product, will continue to expand.

But specifically with respect to the other side of the equation -- that is, the government's other side of the equation -- the member talked about the tax side, which is revenues to pay for those really first-rate services which you've come to expect in this province.

But secondly, Mr. Speaker, let's look at the other side of the expenditure equation. First of all, in this budget, as has been carefully noted, there is a capital projects provision for new capital projects in this province on the order of \$2.4 billion. Now I don't think any other province in this country will have a capital budget of that order. And that's direct jobs, direct employment, and direct economic growth for this province.

Moreover, Mr. Speaker, they talk about reduction of the deficit. Of course, that was one of our clear plans. Yet there is a deficit here of about \$1.8 billion. That's expansionary. That's the purchase of goods and services from all across this province, which will in fact provide assistance in terms of economic growth. Therefore, Mr. Speaker, the doom and gloom statement that you hear from this member is just not true.

MR. TAYLOR: Mr. Speaker, a supplementary. I just don't understand where you're getting your figures from.

MR. SPEAKER: Supplementary question, hon. member.

MR. TAYLOR: Mr. Speaker, how are we going to get jobs in the private sector if there's a half billion dollar cut in capital expenditures done by this government? Will you not admit that we're going to spend half a billion dollars less this year in capital expenditures than you did last year?

MR. JOHNSTON: Mr. Speaker, I'm only saying that our expenditure is \$2.4 billion, probably the highest per capita capital expenditure of any province in Canada. And we'll continue with that, because we have an opportunity to do it. That's why the heritage fund is so significant. While we have capped it, we are still undertaking major capital projects in the heritage fund, important for all Albertans. Those doom and gloom sayers who knock the capital projects division should watch carefully, because of course major capital expansion can continue within that fund to generate jobs for all Albertans.

MR. TAYLOR: Capital spending has been cut by 16.3 percent. Given the obvious job losses to the cut in capital spending, the increased taking of more money out of the economy, how can you possibly say that unemployment is going to stay at 11 percent?

MR. JOHNSTON: Well, Mr. Speaker, as I have said in this House before, one of the advantages of being a small opposition party is that you really don't have to trot out your own policies. And frankly, that's been the record of this Liberal group across the way. They have never trotted out their own real policies. We don't know what they stand for. It's convenient for them to stand up and raise their hands and raise all these great balloons about what we're doing and not doing, but you know they have never once offered an alternative policy. What do we have to conclude from that? The only essence of policy that we can see is the Trudeau Liberal policy. And we know what that was, don't we? That was one of profligate spending; that was one of intrusion into Alberta's jurisdiction; that was the worst form of fiscal plan you can see. That's the only record we have.

MR. SPEAKER: Member for Calgary Mountain View, supplementary question.

MR. HAWKESWORTH: Thank you, Mr. Speaker. To the Provincial Treasurer. Given that in the present fiscal year we have a \$3.3 billion deficit, which is twice as expansionary as the one he is planning, and we have 12 percent unemployment, will he now tell us what impact this budget is going to have on increasing the unemployment rate in the fiscal year coming up?

MR. JOHNSTON: Well, Mr. Speaker, I'd be pleased to restate the answer for the hon. member. I know it takes a little longer for some of them to understand simple economics. Let me put forward the equation again.

We are bringing forth a levered strategy in this budget which will assist the private sector in terms of subsidizing some new jobs. And our record there has been very good; about 45 percent have stuck. New jobs created by assistance programs have worked. We have in place a significant capital projects division right across this province -- balanced not for preference but balanced right across the province.

Secondly, we are coupling that with a \$1.8 billion deficit.

That's expansionary. We're putting new money back into the economy for jobs in generations.

Now I know that the memory of some of them across the way is conveniently short, but you'll recall the \$3 billion special funding program which this government put in place as a commitment to the election of May 1986. That's worked. That is working through the system right now, generating jobs for all Albertans.

And the diversification of this economy is growing. The Premier just Friday announced a very major expansion in the pulp and paper industry. The petrochemical industry is expanding, Mr. Speaker, and with lower interest rates we'll continue to have a great opportunity for expansion. We're not the negative ones across the way. We're optimistic and positive, and we're getting on with the job.

Job Creation Programs

MR. R. SPEAKER: Mr. Speaker, my question is to the minister responsible for Career Development and Employment. It's with regard to job opportunities, job retention as well. The budget has announced some \$76 million towards job creation and retention. The concern of small business in this province is that the subsidies assist on a short term but not a long term. Could the minister indicate, in terms of the new programs that may be initiated with this \$76 million, that there is a portion in that program that looks at job retention and continuance of that job rather than just a short-term plan?

MR. ORMAN: Yes. Thank you, Mr. Speaker. I should say that I wish we had the \$60 billion to \$90 billion the Liberals took out of this economy here in Alberta for job creation programs in this year.

But in response to the hon. member's question, our labour market strategy will in fact address the issue of long-term job creation programs. In the past when unemployment has not been as high as it is today, our initiatives have been in the area of training. We will be refocusing in the area of job creation because we see that the restructuring of the economy requires us to be sensitive in that particular area. In fact, when I do announce my new labour market strategy one week from today, the hon. member will see delineated our concern and our thrust towards longer term job creation under our labour market strategy.

MR. R. SPEAKER: Mr. Speaker, supplementary question to the minister. Could the minister indicate in terms of the announcement of that program what percentage of the funds, in terms of the \$143.5 million, are new funds or are going to be allocated to new initiatives rather than a repetition of what happened in the fiscal year of 1986-87?

MR. ORMAN: Well, I think it'll be a subject for discussion in my estimates, but I should say that the previous labour market strategy announced by the Conservative government in 1984, which expired in December '86, is now incorporated into the base budget of the Department of Career Development and Employment. So in terms of total expenditures it may not look like the budget has increased, but in fact through the incorporation of that 24-month labour market strategy in fact we are assured of ongoing funding in that particular area.

I should also say that as I indicated, within our department there are two main focuses, employment initiatives and training

initiatives. We have moved funds away from the training area to be sensitive to the demands of the employment side, the job creation side. So even though there will not be a substantial increase in terms of actual dollars, there will in fact be a redeployment of funds from one area to the other, and that is to the area of job creation.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. The minister has indicated that an announcement will be forthcoming within a week. Will the plans be in place so that those students graduating from the university or moving into summer employment for this summer of 1987 -- will all programs be in place so that they have access to employment opportunity this summer?

MR. ORMAN: Yes, Mr. Speaker. Certainly a number of our programs have been highly successful, particularly in the area of summer job creation through the summer temporary employment program. I should indicate to the member, I guess, as a corollary to the questions he's asked, that we anticipate that our job creation programs and funding for training programs will create in excess of 70,000 positions for the budget year 1987-88.

As far as the summer employment for students is concerned, it's a high priority for me. As a matter of fact, on Thursday with my hon. colleague the Minister of State for Youth, Jean Charest, we will be announcing both in Edmonton and Calgary joint initiatives -- provincial, city, and federal -- that will deal with the problem of youth unemployment in this province.

MR. R. SPEAKER: Mr. Speaker, supplementary question to the minister. In terms of that joint announcement, will the federal government be contributing on an equal basis as to what the province is putting into the program at the present time, or will it be lesser in amount?

MR. ORMAN: Mr. Speaker, the exact amounts are not equal on all different levels. What you find in these joint initiatives is that various levels of government bring various things to the table. So in fact when you look and count dollars, it doesn't necessarily mean that one is inferior to the other. But I'm pleased with the level of participation the federal government is making in this program, and I should also congratulate the cities because they have recognized it and they have also stepped up to the window and they are going to be contributing also to the success of this important initiative.

MR. SPEAKER: Member for Edmonton Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker, Supplementary to the minister. Can the minister advise the Assembly whether or not in the job market strategy there's going to be a revision to the minimum wage rate so that these young people that are seeking jobs will at least make something close to what's now considered the poverty line?

MR. ORMAN: Well, Mr. Speaker, the issue of the minimum wage is not within my area of responsibility; it's in the responsibility of the Minister of Labour. But I should say that I for one am not a supporter of increasing the minimum wage at this particular time. There always is a time to review minimum wage, but I don't think it is today because any studies that I ever viewed -- eight, to be specific -- have indicated that there is a net negative effect on the level of employment by increasing the

level of minimum wage. So if in fact increasing the level of minimum wage today will create higher unemployment in this province, I want nothing to do with it.

MR. TAYLOR: A supplementary, Mr. Speaker, to the minister. Could he not confirm though that in spite of the fact that the government is spending \$143.5 million on job creation, this is actually down 19 percent from last year, where we spent \$176 million? How can you possibly create more jobs by spending less money?

MR. ORMAN: I think it's a matter for the debate of my estimates, Mr. Speaker, and I would like to assure the hon. member that the Department of Career Development and Employment is not spending any less money in the area of job creation in this particular budget year as compared to the '87-87 budget.

Adoption

DR. WEST: Mr. Speaker, my question today is to the Minister of Social Services, and it relates to the issue of adoption. A number of my constituents are on the province's waiting list to adopt and are expressing some frustrations to me about the length it takes to find a child. What action is the minister taking in respect to this lengthy waiting list?

MRS. OSTERMAN: Mr. Speaker, the hon. member raises a very important matter that I believe many members in this House have raised over a period of time and that is the number of families that are on waiting lists, some of them for as long as five years. There are many less children now available for adoption in terms of newborns. The project we now have under way speaks to special needs children, and we identified last fall some 800 of them and have also dedicated some funding of \$300,000 on that project, to make available all information on those children to the parents who are waiting to adopt.

DR. WEST: Supplementary to the minister. Is there anything the minister can do then to influence young mothers in favour of adoption?

MRS. OSTERMAN: Obviously, Mr. Speaker, that is a choice for the individual in question, but I think we have to be very clear that our resources should be dedicated to people who are experiencing an unwanted pregnancy and give them every support necessary in order for them to look at the choices available and make the choice that's appropriate to them and especially their child.

DR. WEST: A final supplementary, Mr. Speaker. The minister has mentioned earlier that she is in favour of taking steps to have older children adopted. Will she tell the House whether additional funding is being provided for this purpose?

MRS. OSTERMAN: Mr. Speaker, I did mention the funding earlier. That is special project funding. It is not funding that had been formerly a part of the 1986-87 budget; it is an additional \$300,000. As well, I think that at every opportunity I should congratulate a number of people in the public and private sector who are supporting such initiatives and who have been in a public service way providing information as well -- for instance, Wednesday's child program.

MSMJOLSNES: Mr. Speaker, to the minister. What system of monitoring the many private adoption agencies has the minister developed?

MRS. OSTERMAN: Obviously, Mr. Speaker, there are regulations in place that affect both the adoptions that are handled by our department and those that are done privately. I'm not entirely satisfied with the system that is in place though. I don't believe we've had a significant number of complaints, but there are more private adoptions of newborns taking place, whereas before most of those adoptions were with respect to older children.

It is my intention to bring the results of a review that's now being undertaken of various pieces of information and studies that have been done as well as a recent court decision, and hopefully we'll have that review complete early this summer. I do say that I wish that information and results of it had been available sooner, but our scheduling just hasn't allowed it.

MR. CHUMIR: To the minister. I was wondering whether the minister was reviewing the rules with respect to private adoptions so that preferences are not given to those who have the financial resources to be able to afford such private adoptions, whether through legal fees or otherwise.

MRS. OSTERMAN: Mr. Speaker, the hon. member raises the question in a way that speaks to whether we discriminate in one way or the other, because there is also such a thing as reverse discrimination. I believe that people with resources shouldn't be discriminated against either, and certainly I would expect a system to be fair in that it would speak to parents being the most appropriate to be able to look after the needs of the child.

MR. SPEAKER: The Member for Edmonton Centre followed by the Member for Edmonton Meadowlark.

Health Care Insurance Plan

REV. ROBERTS: Thank you, Mr. Speaker. We learned last Friday that Albertans will be forced to pay a 23 percent increase in their health care premiums while at the same time the government will hypocritically be paying \$46 million less, a 13 percent decrease out of general revenue for basic health services. Will the Minister of Hospitals and Medical Care confirm that in paying more through their premiums, average Albertans are now in fact bearing the cost of years of Conservative mismanagement of the health care system?

MR. M. MOORE: No, Mr. Speaker.

REV. ROBERTS: Not surprised by that.

Will the minister assure the people of Alberta that he will not follow up on the recommendation of a 1985 utilization committee report and force patients to pay a deductible on their basic health services that they receive?

MR. M. MOORE: I'm not aware, Mr. Speaker, of the recommendation the hon. member is talking about. My recollection is that that particular report made some other very significant comments that would have been and will be very helpful in controlling health care costs.

REV. ROBERTS: I can't wait to hear what those are.

With his plans for deinsurance and private insurance, what advice can the minister give to the many Albertans in my constituency who do not have access to private insurance through group plans and yet need deinsured services?

MR. M. MOORE: Mr. Speaker, the budget that was brought down on Friday does provide for, as the hon. member suggested, some increase in health care insurance premiums. The member would also note that the budget has in it -- for basic health services under the health care insurance plan all of the increase in the premium has been added to the budget. Most of it has been put into the areas involving extended health benefits for seniors, Blue Cross, nongroup benefits, and out-of-province hospital costs. Those have increased rather dramatically. The amount that's been budgeted for the basic health services under the health care insurance plan is basically identical to the projected cost for the current year, being about \$694 million.

Mr. Speaker, the challenge we face now is trying to find ways to reduce the utilization, which is running at about a 7 percent increase now, together with about a 2 percent increase for other reasons, such as shifting in age groups and so on, making an amount of about \$65 million that we have to reduce over the expected utilization of the health care insurance basic plan.

As I indicated the other day, I would be more than pleased to receive suggestions from members of the opposition as to how we accommodate that challenge. I haven't received any yet, but I look forward to receiving those comments within the next few days.

REV. ROBERTS: Certainly one of the ways of decreasing utilization is to close hospital beds. With the reduced global hospital budgets, when will the minister stop blaming the hospital boards for the bed closures and comply with his own departmental regulations which stipulate his own responsibility for approving the closure of beds, particularly the 54 that are to be closed at the University of Alberta hospital next week?

MR. M. MOORE: Mr. Speaker, the hon. member doesn't know from where he is talking. Quite frankly, hospital boards in this province have a responsibility to run their hospitals within the budgetary dollars that are provided by the Department of Hospitals and Medical Care, and in every case that represents 97 percent of the dollars they had last year.

I have said on more than one occasion that it's my belief that there are other ways than closing beds that those cost savings can be effected. However, if some individual hospitals decide that the most effective way they can run their operation is to close some beds, then we look at it on the basis of whether or not we believe that will be detrimental overall to patient care as opposed to other measures they might have used.

We've got 127 active treatment hospitals in this province. We review carefully each of their plans to meet the budgetary targets that are here, and I haven't been overly critical, I don't think, except to say that I have a feeling that most of them should look hard at the administrative costs and go lightly in reducing nursing costs and the people who really give care in the hospital. Generally speaking, that's been followed in a great number of hospitals.

MR. SPEAKER: Member for Edmonton Meadowlark, main question, followed by the Member for Red Deer South.

Budget Deficit

MR. MITCHELL: Thank you, Mr. Speaker. This is a one-track budget. It addresses only deficit reduction and ignores government responsibilities in such areas as job creation and economic development. It's an accountant's budget with a fixation on numbers and a blatant disregard for people and for investment in the future.

To the Treasurer: why did the Treasurer choose a four-year plan to balance the budget when he could have chosen to stretch it out over six or eight years and in doing so free up additional funds for job creation?

MR. JOHNSTON: Mr. Speaker, that was explained in the budget address.

MR. MITCHELL: Can the Treasurer indicate whether he studied other fiscal plans which would have eased the impact of deficit reduction over a greater period of time? It took 15 years to dig the hole; why do Albertans have to take only four years to have themselves dug out of it?

MR. JOHNSTON: Well, it's a similar analogy to what the Conservative Party federally is doing. It's taken a long time for the Conservatives to get hold of a fiscal plan both provincially and federally that makes sense. Look what happened federally, Mr. Speaker. The size of that deficit is a legacy which was left by a Liberal mandate.

MR. MITCHELL: If we want to talk about excessive spending in the '70s and '80s, I think we have a good example right across the floor, Mr. Speaker.

Can the Treasurer indicate how Alberta's debt load will compare to other provinces after four years?

MR. JOHNSTON: Well, Mr. Speaker, it is exactly that debt load plan that . . . [interjection] I know it's a hypothetical question. As with most of the questions raised by the member, they really are in the airy fairy area.

MR. SPEAKER: It's so hypothetical -- four years down the line -- it's extraneous to our discussion. Supplementary question.

MR. MITCHELL: There are assumptions in this budget. Mr. Speaker, that have to be questioned surely.

MR. SPEAKER: The question.

MR. MITCHELL: The fact is that we will still be about the third or fourth lowest debt load in four years, under Conservative assumptions. What is the magic in bringing the deficit down in four years when the provincial debt load after four years will still be reasonably low when compared with other provinces? Why the rush? Why can't we cushion Albertans over a longer period of time?

MR. JOHNSTON: Mr. Speaker, it is exactly the plan of cushioning Albertans that we are in fact undertaking today. All Albertans I've talked to over the past 96 hours have concurred with the general scheme of things. Sure, they want to adjust with respect to some of the minor items, but there is a strong feeling among Albertans that we shall not have a deficit in this province -- a deficit of large proportions -- and that is the es-

sence of this plan. In a very careful way we intend to reduce the deficit from the 3.3 that I announced in my budget on Friday down to a balanced budget so that we do not burden a second generation with the cost of these programs today.

Mr. Speaker, we've gone through a period of very high services; I agree. At a time when we had the resources, we put the money back into infrastructure, back into schools and education. We have to turn that expenditure curb down, and I think all Albertans appreciate that. But at the same time, by maintaining the lowest tax regime -- which does not take too much from the peoples' pockets -- by maintaining the highest level of services, and with a modest amount of debt, that is a balanced position. And that's what the people of Alberta expect, and that's what they'll get from this government.

MR. SPEAKER: Supplementary question, Member for Edmonton Kingsway.

MR. McEACHERN: Mr. Speaker, I would like the Treasurer to explain how, when you take a billion dollars out of the economy that you did not take out last year, you can consider this budget to be an expansionary budget.

MR. JOHNSTON: Mr. Speaker, I delight in giving you an economics 300 lecture again, but I think it might be over the member's head.

MR. SPEAKER: The Chair recognizes the Member for Red Deer South.

If there's time, the Member for Edmonton Kingsway. Member for Red Deer South.

MR. DAY: I think it's Red Deer North, Mr. Speaker.

MR. SPEAKER: Sorry.

MR. DAY: Red Deer North.

MR. SPEAKER: The Chair saw two arms waving earlier in the afternoon. If it isn't Red Deer North . . . Okay, Member for Red Deer North.

Oil and Gas Industry Incentives

MR. DAY: Thank you, Mr. Speaker. I appreciate the double impact that Red Deer is having, and it can be confusing at times.

Our question is to the Minister of Energy. Many of the service and supply companies in our conventional oil industry are facing major difficulties in light of worldwide pricing problems. Many of these companies face increased liabilities, reduced assets, and limited cash flows. Has the minister been able to look into any of the factors that these companies are now facing in dealing with their commitments to the banks?

DR. WEBBER: Well, Mr. Speaker, certainly over the past year we have spent a lot of time in communication with the umbrella groups of the service sector, including many of the individuals and companies involved in the service and supply side. In fact, it was in response to that side of the industry that we initiated the programs of last year in April and again in June, because the incentive programs that we introduced were tied to activity. This was what the industry was wanting and was asking for. So we spent some \$500 million on those incentive programs to spur

activity. And again, of course, in the fall, with the \$1 billion package over a period of three years, we again, through the royalty reductions and the royalty holidays, tried to improve the economics of the play so that the producers out there would spend the money in order for the service and supply side to be busy and active.

There have been a number of other initiatives, Mr. Speaker, that have been taken, and I must at this time compliment the hon. Member for Red Deer North, as well as his colleague for Red Deer South, for arranging meetings in their constituencies and for keeping in close contact with the service and supply side and bringing to us recommendations for action.

MR. SPEAKER: The time for question period has expired. Might we have unanimous consent to complete this full set of questions?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: The Chair heard a no.

The Chair understands there are points of order.

MR. HAWKESWORTH: Mr. Speaker, I rise on a point of order. Last Friday the hon. Minister of Recreation and Parks filed a return to an order of the Assembly adopted on August 14, 1986, for the production of agreements between the government and Ski Kananaskis Incorporated. The return, on its third page, in its third part, refused the production of the documents ordered by the original motion. This is a direct denial of an order adopted by the Assembly and is beyond the competence of the government or the Executive Council or Ski Kananaskis Incorporated.

I would ask you to rule, Mr. Speaker, that the government must produce the documents ordered by the Assembly on August 14, 1986, and that further refusal to do so might well constitute a breach of the privileges of this Assembly.

Mr. Speaker, if you wish to reserve judgment on this matter, I would have no objection. I felt it important to draw it to your attention and to the attention of the Assembly at the earliest opportunity.

MR. SPEAKER: The Chair indeed does intend to have the matter moved over until tomorrow, because obviously all members of the House realize that it is on Tuesdays and Thursdays that we deal with motions for returns. Notice has been given and the matter will be raised again tomorrow.

The Member for Vegreville.

MR. FOX: Mr. Speaker. I rise in my place to request the unanimous consent of the House under the provisions of standing . . .

MR. SPEAKER: Were there other points of order? No other points of order.

ORDERS OF THE DAY

MR. FOX: Thank you. Mr. Speaker. I rise in my place to request unanimous consent of the House under the provisions of Standing Order 40 to consider a motion that I have here for distribution. Basically, the motion recognizes the seriousness of the economic crisis facing Alberta farmers and the impact that a

23-cents-a-gallon increase on the price of fuel will have on all of our producers.

MR. SPEAKER: Under Standing Order 40 the case has been posed with respect to urgency. It's the Chair's understanding that copies of the motion have been delivered to House leaders. Therefore, the question before the House is: is unanimous consent about to be given? So, is unanimous consent to be given to this motion with respect to Standing Order 40?

Those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion fails.

MR. FOX: Do you want to hear -- under the provisions of Standing Order 40, do I not have a chance to make the case for the urgency of this motion?

MR. SPEAKER: I thought that was being taken. Since the Chair was dealing with about three other matters that were floating by here, did the member just simply speak to the motion or just read the motion? Is that the understanding?

MR. FOX: Mr. Speaker, I didn't read the motion. I understood that that would be too much of an indulgence of the House time before it was presented to all hon. members, at which point I would have a chance to make my case on behalf of the farmers of this province.

MR. SPEAKER: Then what comments were made to the House, Table officers?

The Chair begs the indulgence of the House, but would the Member for Vegreville kindly restate what he did then say with regard to the motion under Standing Order 40?

MR. FOX: I just gave notice of motion. Mr. Speaker, and briefly outlined its intent without commenting directly on the urgency, wanting first all members to have a copy of it so they could give it due consideration.

MR. SPEAKER: Thank you. Well, do all members of the Assembly have a copy of the motion?

SOME HON. MEMBERS: No.

MR. SPEAKER: Cause it to be distributed, please.

The Member for Vegreville with respect to urgency of debate.

MR. FOX: Thank you, Mr. Speaker. I'd like all hon. members to know why I consider this motion a matter of urgency, though it deals specifically with an action not to take place until June 1; that is, the reduction of the Alberta farm fuel distribution allowance.

Farmers in this province are right this very day making plans for the upcoming crop year, and faced with a disastrous drop in the initial prices for grain last year, coupled with an additional drop in the price of grain this year, I think farmers need to be

assured that their financial positions aren't going to be further weakened by a 23-cents-a-gallon increase in the price of fuel come June 1. It's a desperate situation in rural Alberta. Many producers have not paid back the money they owe their trade accounts from last year. Many of them do not have the opportunity to access trade accounts or operating lines of credit through the bank because they borrowed all they can. It's a desperate situation. It needs to be addressed now, and I'm giving the government the opportunity to back down on what I think is one of the biggest mistakes that I've seen a government make in the last number of years.

MR. SPEAKER: The Minister of Agriculture on urgency of debate.

MR. ELZINGA: Yes. Mr. Speaker, and we will abide by your guidelines, sir.

I think the hon. Member for Vegreville has refuted his own argument as to the urgency of it in that he has referred to the June 1 date. I would just point out to the hon. member that I would look forward to debating the agricultural estimates. Again, I underscore what I indicated earlier: it was at his preference that we referred to them a later date rather than tomorrow evening, which we were anxious to do. And also to underscore, I understand that the hon. Member for Edmonton Norwood is going to be participating in the Budget Address. I acknowledge that he's not much of a spokesman for agriculture, but surely he could underscore a few of the concerns as it relates to the New Democratic Party, if he wished to do so, because I'm more than happy to debate in a very open way the strong support that this government gives to the agricultural sector, as compared to any other province in this country.

We acknowledge the urgency of the concern but not of this specific issue. Mr. Speaker.

MR. SPEAKER: The request has been made for unanimous consent, the urgency of debate. Those in favour of giving unanimous consent, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: It fails.

head: **GOVERNMENT MOTIONS**

6. Moved by Mr. Johnston:

Be it resolved that the Legislative Assembly approve in general the fiscal policies of the government.

[Adjourned debate March 20: Mr. Martin]

MR. MARTIN: Mr. Speaker, I would like to say that it's a pleasure to stand up and debate the budget. I would be wrong in saying it's a pleasure, but I would tell you it's certainly a necessity, after seeing that particular budget.

Mr. Speaker, I would remind this government that it was 16 years ago that the winds of change blew across the province, and at that time a tired, complacent Social Credit administration was swept from office by what was termed at the time as a dy-

namic new political force. Well, let's take a look at this new political force that was on the rampage 16 years ago. I would suggest that Friday's budget reveals that the force is now a spent political force and that the force that is with you today is a force, frankly, that's going to drive you from office, if I may say that to the government.

Mr. Speaker, in a very fundamental way, Albertans are tiring of the excuses of this government. There are other resource-based provinces who have had to deal with poor markets. There are others who have dealt with budget deficits, unemployment, and all the other slings and arrows which a world economy has to offer. But the successful ones have invested in future growth in their economies, while preserving essential services. The failures -- and I think if we could look to the one province to the west of us, probably the only worse economy around is in British Columbia -- are the ones who decided to get tough, macho. They were going to get tough. Like this government, they have cut back in services, hiked all sorts of taxes, and left the economy to fend for itself.

Mr. Speaker, this is an acute restraint budget. It attempts to balance the books without balancing the economy, which is the key point: it doesn't balance the economy. It is a budget in which Albertans are punished for the past mistakes of the government: failure to diversify and failure to pursue fair energy prices are the budget's underpinnings.

Mr. Speaker, the economic record of this government is already abysmal. In the period since the present Premier took office there are 30,000 more unemployed, 15,000 more on welfare, and 112,000 people who have left Alberta. Now, over the same period of time there is no Canadian provincial government which can match this record of incompetence. I have asked the question: have they learned their lesson? The answer is unequivocally no. The budget can only worsen the economic record. It can only make the economy worse. As bad as the past 18 months have been, the budget promises the next 12 months will be worse. It's tough stuff.

In my remarks today I intend to analyze the budget in some detail. My purpose is to probe beneath the double-talk of the budget documents and shed light on the government's hidden agenda, Mr. Speaker, I think it's important that Albertans have a clear view of the critical decisions embodied in the budget. I will probe the likely impact of this budget and finally, as is my practice -- contrary to what the government says -- I will offer the government some positive suggestions.

First of all, let's look at the hidden agenda as I see it. Thousands of taxpayers' dollars have gone into downplaying the significant impact of this budget on average Albertans. The budget highlights document is itself, I might say, a masterpiece of misdirection. The document suggests that full

employment, education and health, and help for the disadvantaged and those in need

are the funding priorities of the government, I might just recall the minister's announcement earlier today to see what a priority that was. But it is clear from my reading of the budget that the impact of the budget is to create more unemployment, to reduce educational opportunities, to cut back in medicare and hospital services and, frankly, to create more disadvantaged people in our province.

The Treasurer reported -- with what sounded like pride, as I listened -- that he would increase the social allowance program by \$175 million for next year. Now, rather than pride, they should be ashamed, Mr. Speaker. Their creating an increase in welfare expenditure of this magnitude for the coming year is

really an indictment of the government's economic policy, and this is after we've spent another \$105 million since the last time the Legislature sat.

Mr. Speaker, the rhetoric, the expensive brochures are all designed to mask a two-pronged attack on the deficit. I think the minister admitted this today a little more openly than he did in the budget documents. It is an accountant's view. There is nothing wrong with accountants. I perhaps wouldn't want my daughter to marry one, but there is nothing wrong with accountants. But the key point I want to make to the Treasurer is that the reality is that we need to balance the economy along with the budget. That's the reality.

In this budget, deficit reduction is achieved at the expense of the personal income of average families in our province. It is done at the expense of major cuts in necessary services and programs. As I said before, Mr. Speaker, this is tough stuff. This is a budget that gives up on the prospect of economic recovery. I would like to have seen a discussion paper from the government on where it sees the economy going, because apparently we've given up on the previous white paper; we don't even mention it anymore. But no such document was produced, because the government is less than candid about the direction it is taking us in.

But there are some interesting things, Mr. Speaker, in the budget. The budget does confess on page 10:

Unfortunately, the labour market is expected to weaken in 1987. The unemployment rate could average in the 11 percent range, a disturbing waste of human talent and spirit.

"A disturbing waste of human talent and spirit." Mr. Speaker, that is probably the best characterization of this budget which I've heard to date, and the Treasurer admitted it. And then on page 11 the Treasurer states: "I expect a small decline in the value of total economic activity . . ." In other words, they expect the economy to shrink over the next year. Now, any budget which shrinks the deficit at the expense of shrinking the economy is not a budget that I can support in the Legislature. I would go on to say, Mr. Speaker, that acute spending restraints and tax increases constitute an abandonment of our future for this province.

Mr. Speaker, who pays the price for these cuts? That's the question. Who pays the price for these cuts? Plainly, it's not the members of this government. It's not the friends of this government. It's not the government's clients in the corporation sector. Average Albertans pay the price for this policy. More important, it's the next generation which pays the price for this government's approach to the economy and to the budget. Cutting back on education, for example, is like selling off the future to pay today's bills. Forcing Albertans to pay more money in medicare premiums, user fees, and taxes for a declining health care system breaks faith with the program upon which this government was elected.

Those people sitting over there, Mr. Speaker, who like to brag about their majority, never once said to the people of Alberta: "Elect us; we'll close your schools. Elect us; we'll close your hospitals." They never once said that. The propaganda message that employment, education, and health are priorities for this government is the clearest indication yet that the government has no intention of leveling with the people. Why won't they be honest, Mr. Speaker? Their priority is to cut, to cause increasing unemployment, and to allow the economy to shrink. Their budget is written in code. When they say: "We must take action now to realign the government's finances" -- I always

like those nice little words -- what they really mean is that they're going to take \$100 a month out of the pockets of average Alberta families. That's what they mean when they say that. When they say, Mr. Speaker, another little quote: "We will downsize" -- I love that word -- "our expenditure base." what they really mean is: hospital beds will close, medical services will be cut, and school classrooms will close. That's what they mean.

Now, Mr. Speaker, we well know watching this government in action that they would never do this when an election is held. That's part of the reason that's almost alluded to today by one of the ministers, why we have the huge deficit. They love to spend money every four years. But they wait a year after the election, when they know that average Albertans cannot do a thing about it. It's the same old sneak attack. And the Premier, I noticed, was honest in the report I saw, where he said: It's true; we tend to do things that are unpleasant after an election. Well, at least they're being a little more honest or a little more forthcoming. But is that good government? I suggest no, and I suggest the people of Alberta won't be fooled by that again.

Mr. Speaker, there's a major new direction in public policy in this budget. And I say to the government, they have no mandate to pursue it. I dare this government now, on this budget, to go to the people. The Treasurer said everybody's calling him and saying what a wonderful job they are doing, how they love the budget. If that's the case, Mr. Speaker, I dare the government to go to the people now on this budget. I dare them. I dare them to be honest about their policy of removing income from families, removing employment prospects from our young, and cutting back on educational opportunities for the people. Campaign on that. Go to the people.

No, Mr. Speaker, I don't think they'll do it. I think they will continue the double-talk. I think they'll continue to try to provide a misleading impression of their policy. I don't think they want to take this budget to the people.

Let us look at it a little more; first of all, the cutbacks policy. Mr. Speaker, our economy is in difficulty in part because of poor OPEC's inability to control the price of oil and in part because Americans are fighting a subsidy war with the European food producers and their governments. We say that's no reason for federal and provincial Tory governments to declare war on working people and farmers in Alberta. There is no substitute for co-ordinated policies at the national and provincial levels to fight these problems. If Alberta now had a floor price for our oil, we would have a better budget picture and less unemployment, and if we had a federal/provincial commitment to continuing support for agriculture rather than the one-shot deal for the political benefit of Saskatchewan Tories, the outlook would be better for our farmers. Instead, the government offers a cutbacks policy. It is a policy which takes ever more from the economy than it gives. It is a policy which is going to prove economically and, I might say, politically unwise.

I suppose, Mr. Speaker, as an opposition politician I should feel good about the budget. But I don't. I would far rather the government did the right thing for Alberta, and I'd hope all of us in the Legislature would feel that.

Mr. Speaker, most Albertans are somewhat aware of the 3 percent cut in funding for health, education, and local government. Many also are aware of the difficulties faced by people who run these and other programs. There's been a lot of coverage over the months. They have the job, I believe, people looking after these programs, of bailing out this government by struggling to maintain services within this framework. These

people are drafted by the government for their war on their deficit. In many cases they are elected people, not in this Assembly but locally elected people, who will become casualties, I predict, as they take the heat and the blame for the decisions made in the Executive Council offices. The reality, Mr. Speaker, is that 3 percent is at least 6 percent and is often as high as 10 percent after inflation. The reality is also that jobs will be lost, vital health and educational services will be lost, and people will be hurt as a result of these decisions.

But, Mr. Speaker, Friday's budget goes even further. In agriculture, for example, there are some astounding cuts. Support for primary production: down 41 percent. There are major cuts in red meat, feed grain, and fertilizer stabilization programs. Field services, down 15 percent; agricultural development lending assistance, down 51 percent; crop insurance, down 61 percent. These are major attacks on our farm community at the time of its greatest need. Then, adding further injury, the government has the gall to add 23 cents a gallon to the cost of farm fuel. I find it unbelievable, with all the things that are occurring with farm input costs, that they would do that, Mr. Speaker. Now, this very partisan Minister of Agriculture has some explaining to do, rather than rhetoric. He's going to have a very hard time, I can assure him, justifying these cuts in rural Alberta. Mr. Speaker, this is no way for this government to repay Alberta farmers for their political support over the years.

Mr. Speaker, the Minister of Hospitals and Medical Care will be withdrawing \$46 million in provincial government funding for medicare, according to page 90 of the budget element details. No wonder he refuses to reveal his hit list for medicare cuts. Medicare premium hikes mean more people will pay more for less services; great organization by this government, Mr. Speaker.

The government has ignored serious warnings about the harmful consequences of cutting education programs. Student fellowships and scholarships have been the means for talented students without wealthy parents to achieve their best. The government is even cutting these back, Mr. Speaker, by 18 percent. Every postsecondary institution save one faces a budget cut. Every school board is in the same boat. Special needs programs are hardest hit. The special needs kids, I guess, are not seen by the government as particularly politically strong; therefore, they are vulnerable. I think this government underestimates public support for education. They certainly underestimate its importance, by the answers to the questions, to the economy.

Now, some of these cuts are all but impossible to believe. For example, there is a 28 percent cut in the teen education program against drugs. There is a 29 percent cut in the impaired driver rehabilitation and education program. What can you say about a government which abandons the fight against these great social evils? I don't have to add anything, Mr. Speaker. These are the blunt instruments of a small-minded fiscal policy.

Mr. Speaker, the government consists of people who take pride in their business acumen: the business government. But then they cut assistance to exporters by more than half, 53 percent. It's ludicrous. How are we going to diversify our manufacturing base if you cut back on the export program?

Seventy-three million has been chopped from the highway construction budget. I note, Mr. Speaker, the biggest chop is in the rural approach roads and access roads. This is nothing more or less than a further slap at rural Alberta.

Even in the areas of supposed priority there are severe cuts. The Department of Career Development and Employment provides an interesting example. An increase of \$25 million in em-

ployment services is almost exactly balanced out by a \$26 million cut in training and career services, a bunch of temporary make-work jobs to balance deep cuts in training programs, and most deeply slashed, Mr. Speaker, is industry-based training, skill development through on-the-job training. The so-called labour market strategy is a sham and a disgrace. You've transferred funds from one pocket to another. There is no real employment initiative. There is a double shuffle of funds and political doublespeak.

Now, Mr. Speaker, at the time of a big point, I suppose, in the history of the Metis people, the government not only fails to support them in their constitutional talks; it has gutted their programs. Support for Metis development is cut 24 percent, the Metis settlement housing program is cut by 82 percent, and other native programs are cut by one-third. Mr. Speaker, this spells political retaliation to me because it's way out of line with even the other areas.

Now, here's an interesting one, Mr. Speaker. I would have thought they'd have looked to British Columbia and learned from this, but obviously they didn't. They've even cut forest fire suppression. If we have a fire season, this government will pay fire fighting costs, and all Albertans will pay the loss in timber. These losses can be minimized, even avoided, through fire suppression. I plead with the government not to make the stupid mistake British Columbia did of axing fire suppression. The decision is the ultimate in penny-wise, dollar-foolish.

Mr. Speaker, the quality of our environment suffers as a result of major cuts in air quality, water quality, and sewage programs. It's a cutback budget without any doubt.

But, unfortunately, the bad news does not stop there, and this is why I'd like to look at the revenue side. First of all, the government proposes an increase of \$992 million in new taxes, premiums, fees, et cetera. I guess they didn't want to quite get to the billion mark. They didn't want to be called the billion dollar tax government: \$992 million. But of that, Mr. Speaker, I notice that only \$117 million will be paid by corporations. The balance of \$875 million will be paid almost entirely by individuals. That's 88 percent of the new revenue. The tax increase is about \$370 per year for every man, woman, and child in this province. For a family of four, that's close to another \$1,500 per year not going to groceries or clothing. Newer corporate income taxes are projected to raise an additional \$117 million, but when various corporate tax credits, investment credits, and tax rebates are considered, corporate tax revenues are marginal at best. Ninety-three cents of every dollar collected in Alberta income taxes comes from individuals; only 7 cents comes from corporations. Mr. Speaker, this is not tax fairness. As I mentioned before, worst of all, the government has decided to punish hard-hit farmers with another 23-cent local fuel tax.

[Mr. Deputy Speaker in the Chair]

But I want to give an example, Mr. Speaker, that we've figured out. These are only some examples of how a family of four earning \$40,000 would be affected by this budget. First of all, the income tax will cost them \$400. I'm talking about a year. Gasoline tax -- we're probably a little light here, but we'll be a little conservative for the government because we don't want to exaggerate it -- \$100; medicare premiums, \$125; liquor price hikes, \$50; renters tax credit, \$400; insurance tax, \$10; hotel room, \$25; tobacco, \$180; and vehicle registration, \$20: that would come to a total of \$1,310. I expect that we may even

be a little light on our figures there, but to give the government credit . . . That's how much it would take from that family. And the government says that on top of that it will boost all kinds of user fees by \$30 million. Now, it doesn't say which ones, and I think the Treasurer should table the whole list in the Legislative Assembly so people get a little better idea of the ways the government's getting at them.

It was recently reported -- and I would agree with this somewhat -- that the Treasurer is so clever that it's going to be very difficult for the opposition to come up with an accurate estimate of what all of the taxes actually cost, because in a sense they're pretty well hidden all over the budget. Mr. Speaker, that's true. The Treasurer is clever; there's no doubt about it. But I want to say to the government and the Treasurer that that's not good government; that's deceit and not very clever deceit either, because as another commentator said, "Even if you don't smoke and you don't drink and you can't afford to go anywhere, you still get nailed." I think that says it as well as anybody.

Mr. Speaker, I want to take a look at the economic consequences. It's one thing to itemize the damage contained in the budget, but people also want to know what's going to happen as a consequence. As the captain of the *Titanic* might have said: it's one thing to know that you've hit an iceberg; what you need to know is whether you're taking on water. Now, Mr. Speaker, Alberta -- make no mistake about it -- is taking on water as a result of this budget. It's not going to be fatal, because Albertans -- and I agree with the Premier on this -- are a hardy and resolute lot, but it is going to be a disaster for a lot of people in this province. The basic numbers are clear in this budget. The government . . .

AN HON. MEMBER: Gloom and doom.

MR. MARTIN: Gloom and doom: maybe not for rich people like you, that have extra jobs from the government, but for a lot of people.

Mr. Speaker, the government admits to net tax hikes of \$992 million. The budgetary expenditure is set at \$10.4 billion. The comparable figure for the previous year is about \$11.1 billion in current dollar terms. So the government is cutting spending by roughly \$700 million. Now, the net impact on the economy of a combination of \$992 million in tax hikes and \$700 million in spending cuts -- that's the real net impact. And I would say that the impact of the budget, whether the Treasurer says so or not, is to reduce economic activity by roughly \$1.6 billion. Withdrawing \$1.6 billion from an open trading economy, that this government talks about, at a time of poor resource prices is a recipe for further unemployment, lower tax revenues, and higher welfare and other safety net costs. The employment losses alone are probably in the tens of thousands. It's no wonder the government predicts higher unemployment and a shrinking economy.

Now, more important than the statistics, however, is the effect on people. This is where the accountants' book -- this is why I said that it's not just a matter of looking at it in facts and figures. This budget is going to affect real, living people. What is the effect? People will have to do without health services merely because this government rules that services are not medically necessary. Highly skilled Albertans will lose their jobs, their pensions, and their careers. I suppose, Mr. Speaker, the government will call this de-employment, to go along with the health minister's deinsurance. Young people will have fewer chances to obtain the type of skill training that they will need to find work in the next economy.

I don't mean to imply, Mr. Speaker, that the budget is not without good news, especially for Tories. Several ministers' offices, such as Transportation, Labour, Economic Development, and others, enjoy hefty increases. Of course, we in the opposition are doing all we can. We're in the process of implementing an 18 percent cut in our staff resources, courtesy of the government. I notice that former M.L.A. Horst Schmid appears to be enjoying a potential \$500,000 budget increase, and the list of favourite contractors and political appointees I'm sure has much to celebrate. That's a double standard, the double standard of this government. It's a tough road for some and easy street for others. The budget lacks fairness and it lacks honesty, and we're going to blow the whistle on it.

The government in the past has enjoyed the goodwill of the people; no doubt about that. That goodwill was starting to dissipate, as we well know, from the number sitting over here after the last election. But, Mr. Speaker, this government has enjoyed too much of a good thing. It's starting to show on you. You're taking unfair advantage of the generous support of average Albertans.

A few ideas -- we will be presenting a number, but I'd like to give the government a few ideas about what should be done. Over the past six months the Official Opposition has presented the government with positive position papers on budgetary and economic measures for the province. We've even presented an alternate throne speech, and I would say that instead of calling us negative and doom and gloomers, any government in the country should be pleased to have such a positive opposition. Mr. Speaker, we're going to do more of the government's job for them; that's just the beginning.

MR. HAWKESWORTH: They can be our opposition.

MR. MARTIN: And we hope they'll be as positive for us after the next election too.

Mr. Speaker, later this spring -- I thought the Treasurer wanted to hear these positive suggestions. Later this spring we'll have a report on our task forces on the family farm and on the gas industry. Judging by the budget, the government has a special need for policy direction in these important areas. Later, there will be a task force on the Alberta economy with solid research, direct consultation with the people, and even more positive suggestions for government policy. Unfortunately, we don't often see much of a response from the government. This is a government apparently born without ears, but there are a few points which should be emphasized.

Mr. Speaker, our small business community is the backbone of the present and future economy, but the budget only pays lip service. The references to small business basically are to brag about the past. I believe it's time to reward small businesspeople who create jobs, perhaps through an employment tax credit; in other words, if new jobs are created, then tax relief could be provided.

Mr. Speaker, I also think the government should respond to organizations such as the Canadian Federation of Independent Business, who have argued, and I quote from their budget submission of January 27:

Entrepreneurial activity requires specialized information and resources different from that used traditionally by government and big business, including: information on market development, technological advances, financing, trade opportunities, business management and entrepreneurial skills, competent consultant

resources, fair and flexible regulatory environment.

Mr. Speaker, not only are these concerns not addressed; they are cut back in the budget.

The government should create a jobs fund to co-ordinate its employment activities with the federal government, municipalities, and the private sector. No such co-ordination now exists, and it's starting to show up in higher welfare costs and worsening unemployment. Mr. Speaker, the Tories' welfare budget has skyrocketed this year and last, and I repeat this message to this government: it's better to pay people to work rather than to pay more and more welfare.

Mr. Speaker, the government should also take decisive measures to achieve a floor price for oil. The government should stop fooling itself. The so-called market price, the OPEC price, is not working for Alberta. If the price goes up, suddenly the Western Accord indicates the payoff is not likely to be there, if we look at clause 9. And we say to this government: let's have a fair price for Alberta oil, a made-in-Canada price. We've suffered enough from federal and provincial Conservatives.

Mr. Speaker, there are many Alberta companies, especially in the small and medium range, which are in trouble in Alberta. Operators from outside the province are picking up real bargains in oil field equipment, construction equipment, and other assets. We need a critical industries commission to work with Alberta companies, their employees, creditors, and government to preserve Alberta enterprises. The alternative is more auction sales and more productive assets leaving the province.

Mr. Speaker, the job-training and education initiatives in this budget are totally inadequate. Education and training are our best hope for the future. We're not going to make it in the next economy unless the next generation is capable of achieving their best. Cutting back in education will jeopardize our future as a province; therefore, the government should take a second look at education funding.

Mr. Speaker, health and community services are part of what makes this a good province to live in, to work in, and to invest in. Cutting back, if I may put it this way, on services will hasten out-migration and harm future investment prospects. The government should develop a goal of preserving services.

[Mr. Speaker in the Chair]

Now, Mr. Speaker, let me conclude by just saying to this government that these are some core ideas which I hope the government will consider. There are many others. We'll be presenting them, and I will be pleased to debate them further as the session progresses. Overall the budget indicates the need was never greater for a strong voice in this Legislature for average Albertans. Whether in the farming community or in the towns and cities, the people who work so hard to make our lives possible must now be heard. I want to say to those people that the Official Opposition has been listening. We are in this Legislative Assembly for a reason. We will express your concerns with regard to this budget and with regard to this government.

This is a tough budget. It is a tough challenge for us in this Legislature. We will do our best, Mr. Speaker, to convince the government it has taken the wrong path. If we are not successful here, we will then do our best to convince the people they need a new government.

Thank you very much, Mr. Speaker.

MR. TAYLOR: Mr. Speaker, in rising to speak in the budget debate, first of all, I'd compliment my confrere on the extreme

left on putting the case so well, but being a politician, I can't refrain from coming along and putting just a little more frosting on the cake that he has so well prepared. Certainly it's a shame that the Treasurer isn't in the House, but then if I were him, I too would be hiding in my office and listening to it over the PA rather than face the music.

MR. SPEAKER: That's an inappropriate comment.

MR. TAYLOR: Did I refer to his absence? I guess I did. I'm sorry then, if I did.

Taking it bit by bit there's no question that this... [interjections] It's amazing; as soon as you bring out a fish, they start flapping their flippers over there.

Anyhow, Mr. Speaker, with respect to the labour market strategy -- and I'm glad that he stayed behind in the House to face the music. But the question -- it says: a 19 percent cut in spending on job creation and training. If there's anything we need now -- and this is one of the problems that we have with this government: breaking through that ideological shell that they have created for themselves.

Mr. Speaker, you are very interested in poetry. Remember Browning's Pippa Passes: God is in His heaven; all's right with the world. Somehow or another this party over here feels the deficit is being attacked, all's right with the world, if you'll pardon me for paraphrasing Browning. The point is that they have forgotten what government is about. Government is plain and simple, nothing more, nothing less, than managing the economy so that your citizens and the people that live in it can realize their fullest potential and can raise families and feel at home in the environment that you create politically, economically, socially. Here is a government that is only unilateral in its approach, in that they think that somehow or another if you can reduce the budget, if you can reduce the deficit, that's going to bring untold benefits down the road.

Taking a look, for instance, at the labour market strategy, at their creation of jobs. They were moving towards diversifying the economy, and we have to realize, no matter what we thought a number of years ago -- and I happen to be one of those that did point out the error at the time because possibly I have been involved in natural resources all my life -- that natural resources are like the Klondike gold rush: you can't continue on forever. Except that we used to hear from this government over and over again, "Oil and gas will be the engine of our economy; oil and gas will be the engine of our economy." Well, what an engine. It's not only lost its tires; it's lost its carburetor. If it ever had a driver it's lost that too.

But the point of the matter is that you have to diversify the economy. And the retraining projects that they were going to use in trying to get the people that were formerly involved in food production, agriculture, and in oil and gas into other types of jobs, which is necessary in a diversified economy, have been murdered. They've been eviscerated, reduced by over 60 percent for the short-term sequence of creating jobs in STEP and in work for welfare. Now, there is nothing wrong with carrying on those two programs, but they are more in the social benefit program. The imaginativeness and the aggressiveness that I started to see creeping into our hon. minister's department, partly maybe because he was new to this government and didn't realize how jaundiced they look at any chance of innovation -- nevertheless, he was trying. Some people might say very trying. Nevertheless, he was proceeding with the idea of trying to prepare our labour force to take its place in a diversified economy,

and that's been cut.

Lets look at the other area for job creation. Whenever government goes ahead with a capital project, unlike most private-enterprise projects, there's a high component of labour. Whether you're renewing your central cities, whether you're putting in new highways or roads, or communities out through the area, there is a tremendous job creation by government in that area. Also government, unlike private enterprise, can, because it's present everywhere -- and this government is no exception from any other; it is present everywhere -- by judicious spread and placing of its capital projects, create a great deal of employment and do it in the proper sectors and proper areas of the province.

Here we see this government with a \$448 million decline, a decline of 16 percent, Mr. Speaker. Now, if you take \$448 million and divide it out -- just say the average job runs around \$45,000 in cost to the economy -- that's 10,000 direct jobs that go down the drain. Then use the multiplier that most economists use. Not four to one or five to one, let's just use three to one. If you'll pardon the expression, let's be conservative for a moment and use the multiplier three to one. That's 30,000 jobs; 30,000 jobs wiped out with the stroke of a pen. And that's only the tip of the iceberg, because as you must know, most government capital project costs are done in conjunction with local government, whether it's hospital boards, school boards, or the municipality. So when you knock \$448 million out of the government's expenditures, you are knocking probably another 50 percent of that out of municipal government expenditures and out of school board expenditures. So actually we would be looking at something close to three-quarters of a billion dollars in capital projects being shut down by this government.

Look at agriculture for a minute. The hon. Leader of the Opposition portrayed that quite graphically. The 23 cents a gallon increase has to be a kick in the head for the agricultural industry, an agricultural industry that's now down, that has just been told by the Wheat Board that they may have to accept up to 20 cents less a bushel, an agricultural industry that has the only government lending body that still forecloses.

The meanest, most vicious landlord in this province isn't some faraway mogul from Bay Street, isn't some nabob from across the border, but it's our own Agricultural Development Corporation. Even the federal government -- the federal government that could see no use in helping energy, would not bring out money to help energy, would not see anything to try to regulate the natural gas pricing -- still did not have the heart to tell its Farm Credit Corporation to go ahead and foreclose. They put a moratorium on it. But we can't even get our ministers here, or we can't even get any member of this government, to admit that they're considering at least going as far as the federal government's concerned.

So here we are. The farmers are out there that owe the Agricultural Development Corporation money know full well that tomorrow some member of this government could descend on them and start asking for the money that they're in arrears -- as we well know, over 25 percent in arrears -- and no law to protect them, no debt adjustment board that says foreclosure cannot go ahead.

So there again now we talk to these farmers and say, "23 cents a gallon increase in your fuel cost." Well, if there's anything that distinguishes, Mr. Speaker, a western farmer, it is the high consumption of fuel he uses. We live thousands of miles away from industrial centres with large population. We have a

high transportation cost. We don't have any access to a lot of cheap labour coming in from abroad or importing it abroad. We do not have any of the many advantages of the other food-producing areas of the world; in other words, we also have a short growing season.

So one of the things that the western farmer or the agricultural industry has needed in the centre of North America since it's been established is cheap energy. Hence it was no accident that our farmers industrialized earlier than nearly any other agricultural industry in the world, went to tractors and the various mechanized forms of modern farming quicker than any other industry, 'because they did not have cheap labour; they had to use energy. Energy is the extra hired man on every farm that we have out there, yet this government would strike at the very basis of agriculture by moving gasoline prices up 23 cents a gallon.

Look at senior citizens now. I'm just picking out of -- you know, Mr. Speaker, when you start criticizing this government's budget, you feel very much like a mosquito in a nudist colony. There are so many targets that you just don't know where to start. But I'll glance around a bit. We'll go on to one; for instance, senior citizens. It has to be of some concern to all when you see senior citizens' money cut for a self-contained senior citizens' housing program, the senior citizens' unique housing program cut to zero and the self-contained cut by 21 percent. Sure they put some up for the lodges and the housing.

It shows once again that this government is addicted -- addicted -- to the institutionalization of our senior citizens. It's getting so that if you have gray hair, you don't dare wander down a street of Edmonton or Calgary unattended for fear some bureaucrat's going to hustle you off to a senior citizens' home, those glass and aluminum shelters that are set up there to protect, rather than giving them the pride [interjections] -- and I like the way that I see I can get them stirred up a little bit over there -- of staying in their own homes, giving them assistance for staying in their own homes if they wish. No, that portion of the budget has been cut, once again showing that this government is ideologically blind when it comes to understanding what the citizens want out there.

Mr. Speaker, we move on. Let's look on, take a quick look -- by the way, I skipped out on agriculture. I mentioned earlier, when I tried to question your Minister of Agriculture and associate minister, a cut in farm crop insurance. This has to strike at the very heart of agriculture too, because as you know, the Alberta government has never paid its fair share of one-third of the cost of crop insurance. They've come in with the administration at around 10 to 15 percent, whereas the farmers themselves and the federal government have split the extra, the costs outside the 15 percent. In other words, they've split the 85 percent. The least our government could have done is upped their share of crop insurance to try to make the premiums a little easier on the back of the farmer.

So what we have is increased premiums, increased fuel costs, and we have a voracious Agriculture Development Corporation that is willing to foreclose just about as quick as you can blink your eye. If you have a farmer. Mr. Speaker, still voting Tory after this year, he's got to be very similar to the turkey that prayed for an early Christmas.

Now we move on, just taking a minute here, looking at the government's obsession with interest rates. The government, Mr. Speaker, says, "Well, if we don't reduce the deficit, \$600 million a year in interest." Well, if you say it fast, it sounds fantastic: \$600 million a year in interest. But when we spend \$11

billion to \$12 billion a year, \$600 million is 5 percent. What citizen in Alberta wouldn't be just tickled to death to have only a 5 percent interest charge against his gross income? Big deal. Six hundred million sounds fast. You can run the zeros past fast, but it isn't then insurmountable; it isn't an area that will break the back. And yet for a measly 5 percent of our total budget, we would put tens of thousands of people on unemployment? It shows that this is a government that not only has very much a lack of the understanding of modern economics, but they lack heart as well.

Let's take just a second to take a look at the income. Now, I'm afraid, Mr. Speaker, that the Treasurer has done it once again. Now, mind you, he may be a baseball fan and figures that he has two cuts at the ball or three cuts at the ball before he's considered out. But last year he grossly overestimated the oil and gas income, in spite of what everyone in the opposition said, in spite of what all the official petroleum organizations said, and he's done it again this year. He is talking about an average price of \$18. He's talking about an increase to the Provincial Treasury from oil and gas of \$18 U.S. a barrel. He's talking about an increase in income of 27 percent; he says oil and gas income will increase 27 percent. Well, can you find an oil company -- I defy anybody over there that will find an oil company that says that their oil income and their profits are going to go up 27 percent this year, yet our Treasurer has once again come out with a happy estimate of an increase in oil and gas. You've got to give him, you might say, an A plus for optimism when he can somehow or another see in this morass of oil pricing that we are going to increase our income.

Now, when we look over, in conclusion, Mr. Speaker -- I'm going to make this one a short one because as I told you before, there are so many targets to attack that I feel it is only proper in my position as opposition to allow the rest of these people in the opposition to get out, because never, never will they get a chance to feast on such incompetence, such cruelty, you might almost say, when it comes to treating those that are without a job. They'll never get a chance to attack anyone with less foresight than this group has.

You get occasionally from the front benches, when all else fails, that they haven't heard a cure from the opposition. Well, you've heard the Leader of the Opposition mention cures. We have ourselves; we put out the green paper on the negative income tax for farmers. It's an idea whose time has come. It's not Conservative, it's not NDP, it's not right, it's not left; it's Liberal, it's in the middle of the road, the radical centre, if you want to call it. It's an idea that we're getting up finally and recognizing that the only way this agricultural sector is going to be saved, the only way this agricultural sector will be brought over these bad times so that they can take advantage of the good when it comes around or take advantage of the revolution that is now occurring in agriculture -- different types of food productions, different types of farms down the road -- is a form of income direct to the farm family.

We've suggested the introduction of a negative income tax instead of the Minister of Agriculture's present 53 different programs. Whether you're building a chicken house, digging a well, or putting water to the cows, there's a program in this province administered by a huge bureaucracy, all through the Department of Agriculture. Why not go to a negative income tax that would guarantee the farm family a certain basic flow of cash when times are bad, although it may only be subsistence levels, so they can feel that they can survive the onslaught of the bad prices, bad times, and yes, I'm afraid, Mr. Speaker, also bad

government?

A Canadian energy policy. We've repeatedly cut costs. Fully 50 percent of our caucus has been involved in the oil and gas sector, some with very and greater degrees of success, but no worse, I might add, than some of the people I see on the other side. In other words, it's been a tough business. I know what it's like not to look the sheriff in the eye but the banker in the eye. Sometimes I've blinked; sometimes they have. But the fact of the matter is that when it comes to running the oil and gas industry, we think we've put up some pretty good ideas.

We've told the government to come up with a basic price for a basic 400 or 500 barrels a day; in other words, a national energy policy. And you notice how they quit referring to a national energy policy over there, Mr. Speaker. How glad this oil industry would be, even the most right-wing of them wearing their little blue and orange underwear, how glad they would be to see a national energy policy back in place again and point to the kind of racket they have here. They did well under that. They did well. You could count the bankruptcies on one hand when the national energy policy came in. Now you can count the number of companies surviving on one hand since they've had charge of the system.

About diversification, Mr. Speaker, we've had every chance. Certainly, the government has been oriented toward diversifying the economy, and I think they're going along the right direction there, although many people would say the best way to diversify is put more money into tourism and give the government one-way tickets to the other end of the world. Nevertheless, the real way of diversifying, retraining, has been killed by the minister of manpower over there by junking the diversification programs.

And worse still, if you're going to create a small business, you create it out of the savings you make from the job you hold, from the savings from the job that your wife holds, from the savings from the jobs that your relatives may have. There isn't anybody that's put together a company -- and I can assure you there are some on the other side that have, and I'm sure that some have here -- that sat there worrying about the tax rate. You worry where you're going to get the capital to start a small business. And here we have a government that takes \$1 billion worth of taxes out of the economy and says, "Well, we're going to diversify; we're going to help small business." Help small business, my eye. Help small business by taxing them a small amount after it's grown? What you need is somebody creating businesses. You need somebody out there taking some capital and starting businesses. And there's nothing, absolutely nothing, in this budget that would suggest that they're going to try to diversify the economy and help small businesses get under way.

No, Mr. Speaker, it's been a sad day. I tried to think of something good in the budget. I tried very, very hard to think of something good. There is nothing. They're in an ideological trap. Much like the opponents of Galileo many years ago, that insisted that the sun was going around the earth, these people refuse to believe anything, that there is any way possible that you can run an economy with a deficit and keep job creation. They're the original flat earth people when it comes to economics, thinking in the past.

All we can do is to try to ignite some sort of fire here that will spread through the fifth estate, through the media, to get across to -- because this government has shown that if you can get to its Premier, if you can point across to him, the Premier, how the policy is not working, they will make change. That is a very forlorn but outside hope, and we hope that it will take place.

Thank you very much.

MS BARRETT: Mr. Speaker, I rise to speak on this motion as well, the motion, of course, asking for our support of the budget as it was revealed on Friday last.

Mr. Speaker, I don't think I can support the motion. What we have in Alberta right now is an unemployment rate seasonally adjusted, which is the nicer figure that cushions it, of 10.9 percent. We're the province that's getting the increasing unemployment while the rest of Canada is getting a decreasing unemployment rate. If we were looking at the unadjusted figures, the more raw figures, so to speak, we'd be talking about 11.6 percent unemployment. It's not percentages that count, of course. The fact of the matter is 145,000 people were noted last month as being officially recognized as being out of work. That doesn't count in thousands of other people who are not recognized because they're discouraged or for other reasons not in the active job pursuit market or simply not counted as being unemployed.

Then today, Mr. Speaker, we have an announcement, and I think we are getting the revenge of the hidden agenda. It's going to come bit by bit as a consequence of this budget, and I'm looking forward to next Monday's announcement from the minister responsible for employment, or so-called employment, in this province next week. And today's announcement from the Minister of Social Services talked about reducing the benefits to thousands of unemployed Albertans who rely on that safety net of last resort called social allowance, such that their shelter allowances will be reduced once again. Not only will their shelter allowances be reduced, not only will they now be asked to find accommodation at a cost of \$180 a month, down from \$290 a month, a measure which was itself foolhardy, a measure which was itself implemented the year after the last election -- that is, the 1982 election -- they are also going to have fewer dollars given to them to buy food.

[Mr. Deputy Speaker in the Chair]

Now, the only consequence that I can see of that is to send more people to the food banks. So we're talking now about directly laying off more than 2,000 people currently in the employ of the public service, taking a billion dollars of spending money out of the hands of consumers who are never given credit for the fact that they also drive an economy through the demand factor. Well, we're going to tell the very victims of this protracted recession -- and I want to tell you, Mr. Speaker, my constituents correct me every time I say "recession"; they say "depression." Well, we're going to tell the victims of this protracted recession or depression: "Tough luck, buddy; you just bought yourself a government that doesn't care. You just bought yourself a government that says you're not worth it."

Well, I'll tell you something. I have had calls all weekend -- in fact, I went downstairs 25 minutes ago to try and return some more calls; they are piling up faster than I can handle them -- coming in from people who are being directly and adversely affected by the budget and the its consequent implications. They don't think that the Treasurer is as clever as he and his colleagues apparently think he is.

Last time I spoke on a related matter -- that is, an amendment to the Speech from the Throne as presented by the Official Opposition leader in which we decried the absence of a serious job-creation effort on behalf of the government to have been reflected in the throne speech -- I noted that money is cheaper

than it's been for many years. It's not a difficult concept to grapple with. What I was getting at is that if you've ever got to engage in deficit spending, now is the time to do it. Now is a much better time to do it than in previous years when real interest rates were high.

I made those comments the day after the Bank of Canada rate had dropped again to, at that time, I believe, 7.28 percent. Last Thursday, the day before the provincial budget was delivered, the Bank of Canada rate fell one more time to 7.14 percent. When you take out inflation or projected inflation, which I believe is projected to be just slightly over 4 percent this year, that means a very small real cost of borrowing.

When you borrow from yourself, do you even add on interest? I was explaining that if I have money in my savings account and I don't have any in my chequing account, does that mean that I'm operating at a deficit if I write a cheque? No, it doesn't mean that. It means the money will come from the savings account. I don't charge myself interest when I do that. People don't charge themselves interest; they don't assume that they're charging interest when they borrow from themselves.

Ninety percent of the borrowing that's done in this country on behalf of the public, the public-sector borrowing requirement, is raised internally. When you can raise funds by that kind of borrowing at an effective interest rate of about 3 percent, are you strangling future generations, Mr. Speaker? Are you strangling them even more and even more profoundly when you assign them to the queues of the unemployment lines, the welfare lines, and the food bank lines? When you talk about the productivity of 145,000 people and you take that productivity and the consequent ability to consume from earnings related to that productivity out of an economy, you're talking about promoting a devastating syndrome.

I started to mention the projections that have been made about the Alberta economy about 10 days ago in this House. On February 16 the Legislature Library received the latest executive summary of the provincial outlooks from the Conference Board of Canada. That was a month before the provincial budget was released. This is the only subtitle that reads as negatively as this one. Alberta, quote: "Economic Contraction to Persist in 1987." Boy, if they only knew what the Provincial Treasurer and his colleagues had up their sleeves. I think we had a gross domestic product of something like \$61 billion in 1985, the last year for which those figures are available. I assume that the GDP has fallen substantially since then. To add further to unemployment and take further from people's ability to drive an economy is going to make that projection, that economic contraction that was predicted by the Conference Board, mild in comparison to what reality is about to descend on Albertans.

Part of my riding, Mr. Speaker, has an unemployment rate of 44 percent. That is an astounding figure. I was appalled to watch the expression of the Social Services minister today as she announced the next round of cutbacks coming in her department. What happened to those fancy words about all the people most in need are going to be protected? I don't think there was ever any substance in those words to begin with. Now, to tell them that their food budgets are going to decline is basically telling them that they might as well get on a bus and get to the border, because Alberta doesn't want them anymore. Well, you know a lot of these people contributed their hard work, their labour, and their tax dollars to building this province. I can't understand why this government, through its budget, has chosen to penalize these people. They are the victims; they are not the cause of the current crisis.

I've always maintained that you do not solve an unemployment crisis by adding to it. Given the number of calls I've had in the last 72 hours, I would say that most of my constituents agree with me. Like I said before, I can't keep up with the number of calls, and that's with staff people at the constituency office handling calls and what remains of our staff here in this building handling calls.

Mr. Speaker, the people of Alberta didn't vote for this sort of budget. On the other hand, people of Alberta are starting to develop quite remarkable memories. They remembered what happened in the 1982 election, in which it was suggested through various ways that the recovery was just around the corner, and you know, the New Democrats were just gloomers and doomers. When the House did finally sit -- I think it started in March of '83 even though the election was in November of '82 -- we got a contractionary budget. We got the announcement that the following year a 13 percent personal income tax increase was to come. We got the announcement that medicare premiums were to go up by nearly 50 percent, and we got the famous cutbacks in Social Services. Those cutbacks were meant to bring the amount that social allowance recipients spend on rent into line with so-called market forces. I noticed today that the buzzwords of the Conservative government haven't changed a bit; the market forces were again identified by the Social Services minister today.

Well, the Social Services minister ought to spend a little more time in the Boyle-McCauley area and see what people can get for their money. The landlords in that area, most of whom are absentee landlords, have become pretty adept at gouging. They've become pretty clever at taking every dollar that's available, that's supposed to be used in the aid of social allowance recipients, and collecting it for themselves and lining their pockets, and they've done so at the expense of the people who have been the victims of this recession.

We called upon the Alberta government at that time to abandon its proposal to establish shelter allowance ceilings because this very mechanism, this natural market mechanism, replete with evil as it is, was bound to bring the consequences that it did. The quality of life did not improve for the social allowance recipients; it declined. The guaranteed income for absentee landlords increased.

Now what are we asking these people to do? Rooms that you or I wouldn't pay 75 bucks for they're going to have to live in, and I do mean rooms -- as in a room, as in a bed-sitter, as in no light bulbs working in the hallway, as in hot water tanks that are chronically broken down, as in infested with insects that won't go away, as in states of disrepair that would shock most of the people in this room if you had the guts to go out and look at it. And now we're telling these people: "We've got a deficit budget we've got to get under control. After all, we don't want to impose that deficit on future generations of Albertans."

No, we'd rather impose a different kind of fate upon future generations of Albertans. We'd rather impose a deindustrialization syndrome on future Albertans. We'd rather see the people who have been leaders in research and technology head to the borders as fast or faster than the victims of the recession. We'd like to see the people who can't afford higher priced private medical insurance stand in line and take their chances, so to speak, while the richer folk have access to whatever services they want, whether they're defined by the hon. hospitals minister as medically required or not.

And I suspect that what we will see is those very people jumping queue to get in for surgery and other procedures ahead of those regular other people, the average Albertan. And I suspect we'll see those procedures being performed in public facilities. After we've spent billions and billions of dollars building those facilities. I hope the government will at least have the prudence of ensuring that the rich folk don't get to jump queue on everybody else when it comes to medical and medically required services. I'm not so optimistic, however.

I think the minister himself made comments this weekend that we can be looking to further cuts from his department. I didn't see him rise to the challenge today when it was noted that the contribution from the Alberta government with respect to the health care insurance plan will decline while medical care premiums in this province will once again go up, by 28.5 percent, I believe -- all of this being done without any reference to looking at or actually increasing the minimum wage. What we have as a consequence of the budget is a serious impoverishing of those people who are already at the low income scale, those people who are already without resources, those people who are already the working poor.

You know, there's an ideological problem with this government. It's shortsighted, to put it bluntly -- refuses to recognize that if you invest in real job creation, you reduce the amount of money that you spend on social safety net programs, you increase the productivity of Albertans, you use up that excess capacity in industry in Alberta, which I suspect, having done more research on the matter, must be at least 30 percent, at least 30 percent underutilization of our industrial capacity in this province. But nope, this Conservative government would rather see people driven into the unemployment lines, living on reduced and further reduced social allowances, and let that capacity go to waste.

I hear the ministers talk about how it is we've got to compete for international trade. And they're right; we do. But this is not the way to do it. The way to do it is to have people employed, to have people using their creativity in making production of goods and services better and more effective. This is a one-way syndrome to depression. That's the word that my constituents use, and I'm going to start using it too. You start taking the money of the average Albertan out of circulation, out of their ability to drive demand; you cut back on major economic sponsors such as municipalities, systems of education and advanced education, hospitals and medical care; throw those people out of work; close those services or reduce them; you're asking for what's called a brain drain. And a brain drain is not a basis upon which you're going to attract future investment.

I know that the Provincial Treasurer, when he smirks as if he knows everything there is to know about future investment and assuming that he's doing the right thing, talks about investment opportunities and how -- I heard him say right today in question period -- things are not going to get worse. Well, that's not what he says in his budget. He's predicting an about 11 percent rate of unemployment. That would be up slightly from the current rate of 10.9 percent.

I predict it's going to go higher than that, a lot higher, and that's on the adjusted scale. I predict that net investment in this province will decline, because for all his smirking, the Provincial Treasurer has not given us any reason to assume that the private sector is ready to take up the slack that they've abandoned over the last several years. I can also speculate that if some kind of new deal is struck with the federal government to help this province and its oil industry in particular, the funding

will go to the industry and, again, will not imply strings attached, inasmuch as will not imply jobs must be created. Now, the opposition leader talked earlier about how important it is to provide incentives for jobs which are created. You don't provide incentives for talking about fossil fuels that are in the ground. That's not adding to productivity. That's not adding to employment. That's not adding to anything in this province. The only thing it's going to add to this province is increasing the employment itself and the stopping of attacking the poorest people in this province.

Albertans have experienced a gross distortion of income distribution over the last several years. I believe the lowest earning 20 percent of Albertans have incomes of about 4.9 percent of all total personal income in Alberta, compared to the richest one-fifth, the richest 20 percent of the province, commanding 46.6 percent of total personal income. You tell me how it's fair by any definition that this new 1 percent flat tax is as fair to that lower 20 percent, who command some 4.9 percent of total personal income, as it is to that upper 20 percent, who command nearly 50 percent.

The redistribution of income is effected by how we work on our taxation bases. And what we see is that individuals are increasingly paying the lion's share of taxes through direct taxes, through premiums, through special levies, through a series of smaller instances. But where was the political courage needed to impose a permanent feature, or a long-term feature, of a special tax on the rich? We got something like it. We got the special tax on people who are earning \$40,000 a year or more. But will that be a permanent feature? I'll tell you what. Mr. Speaker. After all the talk over the last few years from the likes of people who had entered the Tory leadership race, federally and provincially, about a flat tax and how it's fair, I tell you I suspect that 1 percent flat tax is permanent. And I don't suspect that that special tax, that so-called high-income tax, is permanent.

We could have garnered a lot more money than we did if we pressed for the federal government to further adjust the tax system and if we as Alberta legislators would stop handing out all of those corporate credits and rebates and deferrals before we even collect the money. If we'd make it more difficult for the large corporations to cash in to the point of a negative income tax system for them, we'd collect a lot more money and we wouldn't be asking the lowest quarters of society to be poorer. But that's exactly what we've got out of this budget. The lowest income earners, the people who are so clearly well below the poverty line, are going to be asked to pay more and live with less while this government continues its program for putting more people out of work.

I don't think the people in my riding like this budget. I haven't had a single call from someone who does. Maybe the Provincial Treasurer would like to change me notes. I'll give him the 40 or 50 pink slips that I've gotten since Friday and let him phone all the people in Highlands who had to say something different about the budget than what he's had to say about the budget, and I'll take the calls that he's gotten ...

MR. JOHNSTON: I've been over the whole province. The response is 3 to 1 in favour.

MS BARRETT: The Provincial Treasurer has just said that having been over the whole province, the response to his budget is 3 to 1 in favour. Is the Provincial Treasurer saying that he just took a trip around the province since last Friday? And he went

all over the province since last Friday?

MR. MARTIN: I saw you on television last night.

MR. JOHNSTON: I've been all over the province. I know opposition people don't understand the message, but listen to the feedback. We're the kind of government that gets out and travels.

MS BARRETT: Well, because the microphone can't pick it up because I have the floor, the minister has said that he's been around the province through the weekend and that he's getting a 3 to 1 favourable reaction for his budget. I'll tell you what, Mr. Treasurer. Last April the Treasurer announced an expansionary budget ...

MR. DEPUTY SPEAKER: Order please. Member for Red Deer North, your point of order.

MR. DAY: I believe the minister is violating procedure by addressing the Treasurer directly rather than going through the Chair.

MRS. MIROSH: The member, not the minister.

MR. HAWKESWORTH: You're now a minister, Pam.

MR. DEPUTY SPEAKER: Order. Order please. Member for Edmonton Highlands.

MS BARRETT: Oh, that little backbencher's so cute. He's a real *Beauchesne* authority. Stand up and recite *Standing Orders*, please.

Mr. Speaker. I don't think that what the Treasurer has had to say is reflective of what most Albertans are thinking about this budget. I can't believe it, and I actually don't believe it. Last year the Provincial Treasurer gave his expansionary budget. He sat down. The Premier stood up and said, "By the way, Mr. Speaker, I've asked the Lieutenant Governor in Council to dissolve this Assembly; I'm calling the election." So I say to the Provincial Treasurer and to the Premier and to all of their colleagues who look so smug about this budget: you had the guts to do it last year. Why don't you do it this year?

MR. DEPUTY SPEAKER: The hon. Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Thank you very much, Mr. Deputy Speaker. I'd like to start off by congratulating the Leader of the Official Opposition for the fine speech he made, because I think that it's the only positive note to day. [interjections]

Another thing that I was thinking about here just a few minutes ago is that the Progressive Conservatives should apply for a name change and call themselves the Regressive Conservatives, because that's exactly what their budget is all about: regressive economics.

I'd like to start off today by addressing the budget by looking at a small place in Alberta, a small constituency. I should say it's a fairly large one, but in terms of the average Albertan that lives in it ... I'd like to start off by indicating that the Athabasca-Lac La Biche constituency, as all of you are aware, is in the geographic centre of Alberta, and since it is in the geographic centre of Alberta, a lot of great things will flow from

it at the next election.

There are basically three different routes that people can visit my constituency. If you travel north of Westlock, you take Highway 44. You'll pass through beautiful little communities like Dapp and Jarvie and then to Fawcett, Flatbush, Chisholm, and then Smith. And the next pit stop is in the next constituency, the Slave Lake community. But in all these little communities people make their living basically in the agricultural industry. When you take the road, for example, heading directly, again Highway 2, north to Athabasca, you go through communities like Rochester, Perryvale, Colinton, Menaik, Athabasca, Baptiste Lake, then ending up in Calling Lake, approximately 63 kilometres north of Athabasca.

We have quite a variety of people living in the western part of the constituency, but the major centre is Athabasca. Athabasca has a world-renowned university called the Athabasca University, and one of the things that I'm very upset about in the budget is that with such a progressive university like the Athabasca University, we look at the budget and they are being cut back by 11.9 percent, which in my mind is a very regressive thing to do in this budget, because the Athabasca University is known as probably the most cost-efficient advanced education institution in Canada. It allows people to remain in their homes without having to pay residential fees or whatever to access education. Here, instead of making this facility affordable to the average Albertan living throughout the province, we are cutting back on this very important facility. I really would like to condemn the government for doing this, because they should have not suffered more than the 3 percent cutback and here we're looking at 11.9. I really don't understand the value of all this.

[Mr. Musgreave in the Chair]

The other route to go to the Lac La Biche area is Highway 63. Going down highways 63 and 55 we go through communities like Newbrook, Boyle, Grassland, Atmore, Plamondon, and Lac La Biche. The other route, which is still unpaved -- and we're looking for pavement to be put on this year -- is Highway 36. On Highway 36 we go through a native community, the Kikino settlement, who are trying to basically get their economic development under way by developing local jobs so people don't have to rely on unemployment and a high welfare rate. But then, again, we look at the budget, where we have Metis housing cut back by 82 percent. The people who are the most defenceless in our society -- we see that they have suffered the highest cutback in terms of this government. When we look, for example, at the Premier's pet hobby of racing, the Racing Commission only faces a 5 percent cutback in its expenditures this year, whereas we're looking at 82 percent for Metis housing. I really don't feel that that's a fair kind of government that we're looking at today.

Going from Kikino, we go through little communities called Hylo and Caslan and Imperial Mills and Rich Lake, and in the centre of that area is the larger town called Lac La Biche. Now, the Lac La Biche economy has always been very much a government centre. We've always suffered a very high welfare rate because we have a fairly high native population. Even during the boom-time economy of this province, we still maintained about a 75 percent unemployment rate for native people in Alberta. We lacked any kind of affirmative job-creation program to make sure that the native people of northern Alberta had access to the economic boom that happened over the last 15 years.

Now that we're entering into an economic depression. I kind of wonder where we're going to be heading in terms of our future policies in terms of native self-government, for example -- native self-government where they want to have in their hands the ability to make economic decisions so that they're not treated by some kind of paternalistic government who gives all the answers and accesses all the funds and can take away from them whenever they feel like it.

And that's the kind of thing with the First Ministers' Conference coming this week. I would urge the members of all parties to urge the ministers involved and the Premiers involved to start addressing the native issues in this province and in Canada. I think this country of Canada is built up on the partnership of many people. We have the English and we have the French, but the native people were also the initial partners in this Confederation. And we owe it to them that we give them back their self-dignity and their self-respect, because we have stripped that away from our native people of Alberta and Canada.

In all of these communities, especially in the western part of my constituency and the central part -- at Boyle, for example, which is the centre of my constituency -- agriculture is the dominant business. When we look at this budget, I really fear for many of the farmers that I know personally. A farmer friend of mine phoned me up last night and indicated that he had worked out -- it's a very average kind of farming operation -- that he's indicating that he's looking at at least \$2,000 extra with the increase of 5 cents a litre for gasoline and diesel this year, without taking into account, for example, the higher vehicle licensing fees that he will have to do. He said that one of the things this budget does very clearly is that it seems to again give a bigger slap in the face of the rural Albertan than it does to urban Albertans, because the farmer does not have a choice about getting to his market, to transport his grain to his market, or even to drive 50 miles to pick up a part. Whereas at least in the city if you can't afford transportation, you can at least take the subway or whatever or the bus. But we do not have that choice in rural Alberta.

[Mr. Speaker in the Chair]

So here this government, who made their commitment in the last election that agriculture was their number one priority, has basically slapped those farmers in the face and said: "Sorry, fellows, but we really conned you. We really played a great shell game on you last election." Because it is a shell game. It is really a shell game for the farmers out there. They were thinking that perhaps this government would actually put in place in this budget not greater input costs but would actually look at setting up some long-range plan where the farmer could at least know that the price of his grain product would at least be able to make a break-even point this year, that this government would take the leadership to match the federal funding on the bailout of the Canadian western farmers. No. We had nothing except higher input costs.

And this is from a Premier, from a government, who a few days ago stood up and said, "But we helped out the energy sector; we gave them \$2 billion and look at the activity we created." Yes, lots of activity was created in this province out of the oil and gas sector for \$2 billion. Let me say that if we were to put a quarter of that money in the agricultural sector in this budget, we would be seeing that at least in rural Alberta the farmers would have been able to remain on their farms and the small businessman, who is dependent on the farmer remaining

viable, would be able to stay in business. But that is not going to be happening.

We have taken away a billion dollars' worth of purchasing powers out of the pockets of the average Albertans and much more out of the rural Albertan, because they are the ones that are going to be paying the high, inordinate cost of 5 cents a litre for the fuel that they use on their farm or getting to and from their markets and their community to shop. So they will be paying back, they will be taking out of their purchasing power, the money that the small businessman needed to expand or to at least remain viable in rural Alberta. So this budget, in my mind, represents really an assault on rural Alberta.

Another thing that the Conservatives have recently come up with, and their kissing cousins in Ottawa, is another thing called the closure of rural post offices. I have not had one provincial Tory stand up and say that this was a bad thing. No, my partner from Vegreville and I were the only two MLAs in rural Alberta to raise the issue.

MR. STEVENS: Don't be silly.

MR. PIQUETTE: At least on the public level.

SOME HON. MEMBERS: Oh, oh.

MR. PIQUETTE: Where were you people on that issue? You were not to be seen. And in my constituency we're looking, for example, at the closure of two rural post offices in the next few months in places called Perryvale and Rochester -- two little communities, again, which will probably have to shut down their stores because people will probably go and pick up their mail and do their shopping elsewhere in Alberta. But, again, we are looking not only at a provincial party which has lost faith in rural Alberta but we are looking at a federal party who has lost faith in rural Alberta.

We look, for example, at the deregulation policies of both the federal -- and accepted by the provincial government. They say it's to make us more competitive. About the only thing that will make us more competitive is that a large firm will be more competitive, taking away the small truckers who live in rural Alberta who depend on having at least fair play in the marketplace to survive. Those jobs are going to be taken away by the policies of deregulation.

Then we have the government closing down the Highway Patrol. They are forgetting about public safety, the whole aspect here that in 1976 this government said that the people at the weigh scale were not the ones to do the proper inspection of vehicles. Now in 1987 they're saying, "No, we're going to give it back to the weigh scale people, and they're good enough to do the job." Well, if it was not good enough in 1976, then why is it good today in 1987? We still have not heard a rational explanation for that cutback.

So in a lot of ways the little guy here is being made to suffer. The Metis, the natives, are being made to suffer for the lack of sound economic planning by this government. We are looking at a cutback of half a billion dollars in public works and replacing it with a work-to-welfare type of program, stripping away human dignity, and that from a government who say they don't believe in welfare, and here we have basically that kind of policy instituted by this government.

It's a surprise that this government has not learned, for example, from a government who did the same thing about four years ago -- the British Columbian government who instituted

the same regressive economic theory, who are still sitting today at 14.5 percent unemployment and not climbing out of it. Now, do we want to institutionalize a permanent 14 to 20 percent unemployment rate in this province? This is exactly what we are doing now, because as soon as you kill people's initiative, you set up a whole series of events that the little guy can no longer climb out of.

The average individual is built on incentive, and when he sees no incentive out there, it doesn't make any difference what kind of rhetoric the government may like to shout about; he will not take a gamble when he sees that his chance of creating his own little business has as much chance as going down to Las Vegas and throwing his money on the merry-go-round of gambling. Right now I daresay he would probably have as much chance to make money in small business today, especially in the retail sector after we strip away \$1 billion out of the pockets of the average Albertan . . . The retail sector that the Premier so proudly said was number one in Canada might be number one in Canada now, but let's see in eight months from now where it is.

And I daresay to you that like our income tax policy in this province, which has all of a sudden come up to the national average, our retail sales will go down to the national average, meaning the closure of thousands of little stores right across this province of Alberta. And this is the kind of recovery that this government is talking about? The New Democrats sat back last fall and came out with a budget alternative that we thought was fair to the average Albertan, and I daresay that if that budget was in the place of this Tory budget right now, we would be in a heck of a lot better shape for this year to come. It would be a lot more positive kind of economy.

Watching the Tory caucus during the Leader of the Official Opposition's speech, I saw a lot of them hang their heads in shame because that's exactly what we have here -- shame. [interjections] I'm saying that right now because at least a few heads are popping up.

Another thing that I see right now is that we've pinned one of the pillars of economic recovery on our tourist industry. Well, after this budget I kind of wonder who in the world from the city of Edmonton will be able to come to the great constituency of Athabasca-Lac la Biche to enjoy our beautiful lakes and bring their money down there to enjoy the scenery this summer, because a lot of people will be having second thoughts when they see their personal wages being basically chiseled away by the tax grab here, especially the high cost of being able to drive your car.

Another thing I can also predict: the price of gas will not only increase by 5 cents a litre but, like any other taxes that are passed on to the consumer, the industry will probably tag on another couple of cents at the same time. Just like when the federal budget came out, they added a couple of cents just for fu-

ture . . . [interjections]

Another observation that this government should make is that the big oil and gas companies, like Esso for example, Imperial Oil, did not report any loss in profit last year. The only people that suffer in this province are the small oil and gas producers. The Albertans that you were elected to protect, that you so . . . [interjections] Nisku industrial park, for example -- I knew almost every single businessman out there when I was working with the Edmonton Chamber of Commerce. When I went through there a few weeks ago, I could not recognize a quarter of them because about half of them are gone now. Those were the real Albertans that this government is supposed to be governing for, and they basically listened to one. When they deregulated prices, when they went on this idea that the free market was the answer, especially when the free market is based on OPEC to begin with . . . It's the average Albertans who really put this province together who are the ones who are now on welfare and on unemployment insurance, who are working at a measly \$3.85 an hour.

Because of the lateness of the debate, I would like to basically adjourn debate on the budget tonight.

MR. SPEAKER: Having heard the motion to adjourn debate, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Motion carries.

MR. CRAWFORD: Mr. Speaker, I didn't give notice of this on Friday, but I wonder if the House would deal with Motion 7 now. It's the motion that deals with the appointment of the committees based on the special committee's report. So I move that, Mr. Speaker, before 5:30.

7. Moved by Mr. Crawford:

Be it resolved that the report of the special committee appointed March 5, 1987, under Standing Order 49 be now received and concurred in and that the committees recommended therein be hereby appointed.

[Motion carried]

MR. CRAWFORD: Mr. Speaker, the Assembly will be in Committee of Supply this evening, so I now move that the Assembly adjourn until the Committee of Supply rises and reports.

[The House recessed at 5:30 p.m.]