

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Tuesday, March 24, 1987 2:30 p.m.**

Date: 87/03/24

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

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

O Lord, we give thanks for the bounty of our province: our land, our resources, and our people.

We pledge ourselves to act as good stewards on behalf of all Albertans.

Amen.

head: INTRODUCTION OF VISITORS

MR. ADAIR: Mr. Speaker, it's my pleasure to introduce to you and through you to the members of this Assembly, a longtime friend of mine and the present ministerial assistant to the Minister of Transportation and Highways for the province of British Columbia, Vic Calvert. Vic was a member of the RCMP some number of years ago and was famous for his hunting expeditions. He was nicknamed "Sergeant Sasquatch" at that time. I would ask him to stand and receive the warm welcome of this Assembly.

head: PRESENTING PETITIONS

MR. SCHUMACHER: Mr. Speaker, I request leave to present the following petitions that have been received for private Bills:

1. the petition of Donald Harold Wheaton, Marion Wheaton, Donald Albert Wheaton, Bryan O'Connell, and Jerry Flaman for the First Canadian Insurance Corporation Act;
2. the petition of Peter Fuhrmann, president, and David Vallance, secretary, for the Alpine Club of Canada Amendment Act, 1987;
3. the petition of the Sisters Servants of Mary Immaculate (Polish) of Alberta for An Act to Incorporate the Sisters Servants of Mary Immaculate (Polish) of Alberta;
4. the petition of King's College for the King's College Amendment Act, 1987;
5. the petition of the United Farmers of Alberta Co-operative Limited for the United Farmers of Alberta Co-operative Ltd. Amendment Act, 1987;
6. the petition of the Alberta Wheat Pool for the Alberta Wheat Pool Amendment Act, 1987;
7. the petition of the Calgary Beautification Foundation for the Calgary Beautification Foundation Amendment Act, 1987;
8. the petition of C.J. McGonigle, city clerk, for the Edmonton Economic Development Authority Amendment Act, 1987;
9. the petition of C.J. McGonigle, city clerk, for the Edmonton Convention and Tourism Authority Amendment Act, 1987;
10. the petition of the Calgary Hebrew School for the Calgary

Hebrew School Amendment Act, 1987;

11. the petition of Scott J. Hammel for the Scott J. Hammel Legal Articles Act;
12. the petition of the German-Canadian Cultural Association (Edmonton) for the German-Canadian Cultural Association (Edmonton) Act;
13. the petition of Thomas Payne, president, Central Western Railway Corporation, for the Central Western Railway Corporation Amendment Act, 1987;
14. the petition of David Lagore, George Lagore, Gregory Schroeder, Ron Goodhew, and Gordie Lagore for the Acts Leadership Training Centre Act;
15. the petition of the Lake Bonavista Homeowners Association Ltd. for the Lake Bonavista Homeowners Association Ltd. Tax Exemption Act;
16. the petition of the Parkland Community Centre Calgary Ltd. for the Parkland Community Centre Calgary Ltd. Tax Exemption Act;
17. the petition of the Lake Bonaventure Residents Association Ltd. for the Lake Bonaventure Residents Association Ltd. Tax Exemption Act;
18. the petition of the Midnapore Lake Residents Association Ltd. for the Midnapore Lake Residents Association Ltd. Tax Exemption Act;
19. the petition of the city of Calgary for the Calgary Assessment of Annexed Lands Act, 1987;
20. the petition of Roy Louis, Jim Omeasoo, Robert Swampy, Stanley Buffalo, Frank Buffalo, and Lawrence Saddleback for the Institute of Canadian Indian Arts Act;
21. the petition of the William Roper Hull Home for the William Roper Hull Home Amendment Act, 1987;
22. the petition of Mervin Francis Lawrence for the Rhea-Lee Williamson Adoption Act.

Thank you, Mr. Speaker.

head: INTRODUCTION OF BILLS**Bill 28****Social Care Facilities Licensing
Amendment Act, 1987**

MRS. OSTERMAN: Mr. Speaker. I beg leave to introduce Bill 28, the Social Care Facilities Licensing Amendment Act, 1987.

Mr. Speaker, the Bill provides legislative authority for the Social Care Facilities Review Committee to inspect family day homes and nursery schools as well as the day care centres that they presently do.

[Leave granted; Bill 28 read a first time]

head: TABLING RETURNS AND REPORTS

MRS. OSTERMAN: Mr. Speaker, I beg leave to file the 1986 report of the Provincial Senior Citizens' Advisory Council. The advisory council is now under the able chairmanship of my colleague the Member for Highwood.

MR. ANDERSON: Mr. Speaker, I'm pleased to table for the interest of hon. members the annual report of the Alberta Foundation for the Performing Arts. In addition, I would like to table the Glenbow-Alberta Institute annual report.

MR. STEVENS: Mr. Speaker, as chairman of the Standing Committee on Legislative Offices, I have the honour to table the annual report of the Auditor General for the year 1985-86 pursuant to the Auditor General Act. Copies of the report have previously been distributed to members.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. NELSON: Mr. Speaker, it's indeed a pleasure today to welcome with some pride some of our province's brightest and well-behaved students and friends from the constituency of Calgary McCall, in particular the Higgins junior high school. It's not often a group this large travels such a long distance to visit their provincial parliament.

We have in the members' gallery and in the public gallery some 120-odd students -- in fact I was told it was closer to 140 -- that have come up in three buses, and they're led by their teachers Mr. Bill Bruce, Mr. Allen Traxel, Mrs. Jacki Kirk, Mrs. Carol Collier, Mrs. Pat Beeler, and Mrs. Kathy McLean. I would ask that they rise and receive the traditional welcome of the Assembly.

MR. BOGLE: Mr. Speaker, it's a privilege today to introduce to you and through you to members of the Assembly, two residents of the Warner district who are seated in your gallery. They are well known to many members of this Assembly for their longtime community work and work in the provincial field in the province.

Would members join with me in welcoming Michael and Rita Albrecht to our Assembly.

head: **ORAL QUESTION PERIOD**

Farm Input Costs

MR. MARTIN: Mr. Speaker, I'd like to direct my first question to the Premier. At a time of financial crisis for farmers, at a time of extremely soft grain markets, the government has decided to increase farm fuel costs by 23 cents per gallon. In view of the fact that we can't get anything close to a straight answer from the Minister of Agriculture, my question is to the Premier. Will the Premier tell the House and the farmers of Alberta why the government did it?

MR. GETTY: Mr. Speaker, the hon. Minister of Agriculture dealt with this matter yesterday and also invited members to deal with it in his budget estimates as well. As the House knows, our farmers will be shielded of some 14 cents a litre until June 1, at which time the crops will have been put in. Secondly, when a tax comes on then of 5 cents a litre when all Albertans are participating to lower the impact of the huge deficit, they will continue to be shielded from that tax, and therefore their 9 cents shielding effective June 1 plus the shielding from the tax will still give them a 14 cent advantage.

MR. MARTIN: Supplementary question, Mr. Speaker. The result is that it is still going to cost the producers of Alberta \$36 million, and for some of them that'll be in the range of \$2,000 to \$3,000 a year in direct farm fuel costs. In addition, everything else will go up -- fertilizer, household goods, et cetera. My question is to the Premier. In view of the situation in rural Alberta where a quarter of the farmers are in serious difficulty, would the Premier at this point take the opportunity to recognize

that this is a wrongheaded proposal and be prepared to revoke it at this particular time?

MR. GETTY: First, Mr. Speaker, while there are problems in rural Alberta because of the huge subsidy war between the European Economic Community and the United States, let's remember that in the areas of cattle and hog production producers have been coming off one of the best years in history. It is true there are problems in the grain sector, and the province is helping in the grain sector in protection against the real cost of energy, protection against the real cost of money, and protection against the real cost of fertilizer. And Alberta's farmers, from a competitive point of view, have the lowest input costs in Canada.

MR. MARTIN: Mr. Speaker, I don't know what it takes this government to understand that a quarter of these farmers are in serious difficulty; we're talking about grain producers. My question is a very simple one to the Premier. Where does the Premier think that the grain farmers are going to find this additional money to send it over to this government for their mismanagement?

MR. GETTY: As I've said, Mr. Speaker, the grain farmers in this province, who have the lowest input costs of anyone in Canada, are very competitive and very resourceful. They will outcompete anybody in Canada, and we're helping them to do that.

MR. MARTIN: No doubt they're competitive, resourceful, and also broke because of this government's policies. My question to the Premier: in view of the fact that the Premier said the government would go on lobbying Ottawa for more aid and higher prices to Alberta farmers, what credibility does the Premier have in this area now that this government has decided to put the boots to farmers in his own province?

MR. GETTY: Mr. Speaker, obviously the lead-in to the question was completely erroneous and false and misleading the House. Nevertheless, let me answer again. Our farmers are protected in the areas of energy to the greatest extent in Canada; our farmers are protected in the area of the cost of money to the greatest extent in Canada; our farmers are protected in the price of fertilizer. So taking these things together and with the other programs the government provides, Alberta's farmers have the lowest input costs in Canada by a large measure and are the most competitive in Canada.

MR. TAYLOR: Mr. Speaker, a supplementary to the Premier. Since he admits the importance of low input costs but apparently will not withdraw this increase in input costs, would the Premier consider introducing legislation whereby those farmers that do not pay income tax at the end of the year could get the rebate for the 5 cents a litre back?

MR. GETTY: Mr. Speaker, I wonder if the hon. member knows that in this budget there are some 480,000 taxpayers on the low end of the scale who are being removed totally from the taxpaying proposition or being sheltered and paying less tax than they otherwise would have. Four hundred and eighty thousand Albertans -- taxpayers. I hope the hon. member understands that.

DR. BUCK: Mr. Speaker, a supplementary to the Minister of

Agriculture. Several days ago I asked the minister if his department has had any studies or has any information to indicate if there are farmers out there who cannot take advantage of the subsidy programs in fertilizer and fuel because they do not have the capacity to pay for their bills in the first instance.

MR. ELZINGA: Mr. Speaker, in response to the hon. Member for Clover Bar, might I indicate to him that he is aware as it relates to the farm fuel allowance that it's automatically deducted when an individual does receive his farm fuels. As it relates to the fertilizer program, as he indicates, in the event that the fertilizer is not paid for, the deduction does not take place, because it would be very unwise for us to have a rebate program in place whereby it did go to the farmer in the event that the bill was not paid. I haven't had, as I indicated to the hon. member the other day in the House, any representations to myself directly. I did check with our department. I haven't had a response yet from the department as to whether that concern has been raised with them, but immediately upon receipt of their response I shall get back to the hon. member.

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

Aboriginal Rights

MR. MARTIN: Yes, Mr. Speaker. I'd like to direct the second question also to the Premier, and I think it's appropriate before the Premier goes off to the First Ministers' Conference dealing with aboriginal rights.

Mr. Speaker, the government has previously rejected serious consideration of self-government proposals for aboriginal people on the spurious ground that -- I believe they say that the proposals are not well enough defined. In view of that, why has the government refused to meet with the Metis Association of Alberta in advance of the first ministers' meeting to discuss these serious proposals?

MR. GETTY: Mr. Speaker, I never refused to meet with them. As a matter of fact, a week ago Friday I met with the president of the Metis Association for some two hours.

MR. MARTIN: I said the Metis Association. Surely the Premier is aware that there is a difference.

MR. GETTY: Mr. Speaker, that's the president I met with.

MR. MARTIN: They seem to have a different view of the meeting, Mr. Speaker.

Well, second question. Let me say to the Premier that the government has tried it's best to frighten people -- I believe especially one of the ministers here -- about unspecified proposals and the deep, dark consequences which may flow from proposals for aboriginal self-government. The Metis Association has made it clear. They're not seeking sovereignty, and they're not seeking any form of separation. As a result of that, will the Premier advise who the government has consulted with on the question of self-government and who it has excluded from the process?

MR. GETTY: Mr. Speaker, we're meeting with everyone who requests meetings with us. As I said, I met a week ago last Friday with the president of the Metis Association for a long

period of time, plus an advisor. He was a lawyer, but he says he doesn't charge them like a lawyer, which I thought was a nice touch. Then I met last week with the Metis settlements association, again for a long period of time. Both of those meetings were very good meetings because they have good input and we had a good understanding. The meeting with the settlements group was extremely productive and one of the finest presentations I've had an opportunity to sit through.

MR. MARTIN: Well, as a result of this newfound wisdom then, Mr. Speaker, is the Premier saying that he now supports native self-government?

MR. GETTY: Mr. Speaker, we have assured the Metis settlements association that we will work with them to come up with the unique type of self-government they are talking about, and I think we will do it. I know that with the goodwill they expressed and the goodwill of the government, we are going to make the progress that's necessary. As the hon. Minister of Federal and Intergovernmental Affairs said last week in this House when we dealt with the same subject, this government is doing something about it and the others just talk about it.

MR. MARTIN: That's not what the natives across Canada are saying, Mr. Speaker -- and I didn't mean to choke up the Premier before.

But my question specifically -- it's nice that we're consulting and all the rest of it -- why wasn't this done ahead of the First Ministers' Conference? There was a commitment by this government previously in 1985 to do it. Now we're having the First Ministers' Conference and we've just got around to consulting. Why wasn't this done ahead of time?

MR. GETTY: Well, that's totally incorrect again, Mr. Speaker. The hon. Leader of the Opposition with all that money he gets for research is obviously wasting it.

We have been meeting with the groups, Mr. Speaker. There is ongoing consultation. We are determined to move towards a unique type of self-government in our province, and we're going to do it. One thing we are not going to do, though, is impose something that nobody understands in a defined way in the Constitution without knowing it. Even the native people, when you talk to them -- do you want something that we don't even know what it is and let's put it in the Constitution? Obviously not.

MR. TAYLOR: Mr. Speaker, a supplementary to the Premier. Could he give indirectly through the House to the Metis any insurance that he will be introducing an amendment to the Alberta Act in this session which would handle land entitlement for the Metis? In other words, are we going to give them their land rights? Let's forget about self-government for [inaudible]; let's give them land rights.

MR. GETTY: Well, that was discussed on Friday too, Mr. Speaker. We are working out with the Metis settlements association a means of providing them with the territorial integrity that they require and that the government can live with in order to fulfill its responsibilities within the province. We're going to develop that means and therefore work out with them that proposal. When we do, it will lead finally to an amendment to the Alberta Act.

MR. TAYLOR: Can you do it this session?

MR. SPEAKER: The question was already asked. Order please. Main question, Member for Westlock-Sturgeon.

MR. TAYLOR: Sorry, Mr. Speaker. I was trying to sneak one in past you there.

Job Creation Programs

MR. TAYLOR: My only question, Mr. Speaker, is to the minister of career development. The April '86 budget claims this budget contains the "largest job effort" in the history of the province, while the throne speech for that month stated: "My government will spare no effort to stimulate jobs for Albertans." Now, yesterday the minister in this House assured members of the Assembly that his department will not be spending any less, no less money, creating jobs this year than was spent last year. To the minister then: can the minister tell the House how much was spent by his department in the fiscal year '86-87 in job creation projects?

MR. ORMAN: Yes, Mr. Speaker. I noticed that the hon. Member for Edmonton Meadowlark was able to get a headline in the *Edmonton Journal* by misrepresenting or in fact misleading one of the reporters in terms of . . .

AN HON. MEMBER: Question.

MR. ORMAN: . . . comparing apples and oranges. The Budget Address that the hon. Member for Westlock-Sturgeon refers to indicated that last year we'd spent \$178 million on job creation and training. This year we have announced that we will spend \$143.5 million on the labour market strategy. If I were to use the same criteria for the \$178 million that we used in '76, Mr. Speaker, 1987 would total up to \$180 million. So again, it's a wasted use of research funds, and I'm surprised that the opposition would use that type of tactic to get a headline.

MR. SPEAKER: The Chair will supplement that doesn't get us into details . . .

MR. TAYLOR: Mr. Speaker, I don't blame you for looking as puzzled as I am, but to the minister: could he indicate then how much of the \$143 million, his so-called labour market strategy funding, will be spent on job creation in this next fiscal year?

MR. ORMAN: Mr. Speaker, all of the money will be spent on either job creation or training programs, and that is an area of either funding positions so people can get training experience to make themselves more marketable in the labour force or creating jobs to give recent work experience to people who do not have recent work experience, because our experience is that without those two components you are not competitive in the labour force. And that's why this labour market strategy is so very important to the people of Alberta, to the people who are unemployed, so that we can make them competitive and marketable in the labour force, and that's the intent of the strategy. I said yesterday that I will unveil and give the details in this House on Monday, a week yesterday, and I look forward to that day. In concert, Mr. Speaker, we are obviously talking about matters of my estimates, and if the opposition would like to designate my department for those discussions, I'd be pleased to do that.

MR. TAYLOR: Supplementary, Mr. Speaker, to the minister. He just said \$143 million; all of it will be spent on job creation. Yesterday he said he will be creating in excess of 70,000 positions. Now any math will tell you that \$143,000 million divided by . . .

MR. SPEAKER: Let's get to the question please, hon. member. It's three sentences in a supplementary.

MR. TAYLOR: No, it's not a supplementary, Mr. Speaker.

MR. SPEAKER: Yes, it is.

MR. TAYLOR: Mr. Speaker, \$143 million divided by 70,000 is \$2,000 a job. What does he expect to create for \$2,000 a job?

MR. ORMAN: Mr. Speaker, this government feels that job creation is in the main created by the private sector. The initiatives that we develop as a government are designed to encourage and stimulate the private sector to hire individuals who are not working or to train them on the job. So we do not bear the full burden of the cost of those individuals, nor should we, nor do the taxpayers of this province want us to. Job creation and long-term, solid jobs come in the private sector. We work to stimulate, we work in areas of wage subsidy and assisting those individuals to get that experience. We do not have to pay individuals full salary to get them a job in the private sector. We simply have to subsidize it to allow particularly small business to increase their labour force by one or two individuals so that they can have the additional manpower to expand their business so that we can get the experience so that a long-term job is meaningful.

The hon. member should also know that we have a tremendous success retention rate in those programs. In the wage subsidy program, Mr. Speaker, it's in excess of 60 percent. Sixty percent of the people that go under the wage subsidy program end up with a full-time job once the program expires. And I think that is the way that government should get involved in job creation programs, purely because it works and it's meaningful.

MR. TAYLOR: Mr. Speaker, to the minister. I'm certainly glad I didn't take math from him in high school. Can the minister indicate if he's targeting particular sectors for job creation? If he is targeting -- not just spraying the woods, as he is this House -- which sectors is he targeting?

MR. ORMAN: Well, Mr. Speaker, we could on and on about the increased employment in the service producing sector of the economy as opposed to the goods producing sector. And we could talk about Adam Smith and his approach, that without an expanding goods producing sector there would be no service producing sector. But we feel that the service producing sector can expand and compete on a universal basis. So we are targeting our programs in the area of diversification so that the service producing side of the economy can compete outside of the bounds of this province in Canada, the United States, and particularly the Pacific Rim.

My hon. colleague the Minister of Economic Development and Trade has some 56 initiatives directed at diversifying the Alberta economy and strengthening small business. Those are the areas that we will be targeting, and that is the direction that we are going in terms of not only diversifying the economy but at the same time providing work experience and training pro-

grams for the unemployed of this province.

MR. SIGURDSON: Mr. Speaker, using the minister's mathematics, then, with 145,000 unemployed Albertans less 70,000 jobs that are to be created, that leaves 85,000 unemployed Albertans. When do we expect to see the level of unemployment at 85,000?

MR. ORMAN: Maybe the Member for Westlock-Sturgeon shouldn't have taken his math from the Member for Edmonton Belmont, Mr. Speaker.

I do not accept the Member for Edmonton Belmont's proposition that we should be targeting to have 80,000 unemployed people in this province, Mr. Speaker. That's not acceptable. Our target is to have zero unemployment. Now it will not be accomplished in the short term. It will take strong economic initiatives. It will take strong employment and training initiatives, and it will take the will of the people of this province to bring that about.

Unemployment is everybody's responsibility in this province. Not just ours, not just theirs; it's everybody's responsibility, and we all have to work together to bring down the level of unemployment to an acceptable rate. On this side of the floor, including my 12 friends in the corner, the acceptable level of unemployment is zero in this province, and that's where we're headed.

Toxic Waste

DR. BUCK: Mr. Speaker, my question is to the hon. Minister of the Environment, and this has to do with toxic waste dump site management. I'd like to know if the minister is considering that when he's doing this inventory, rather than threaten the oil companies and all the companies that have had old dump sites, he encourage these companies to co-operate and inform us of where these old sites are rather than their being found and the public having to report these sites.

MR. KOWALSKI: Mr. Speaker, the position we've taken is the second one that was outlined by the hon. member, that in fact we are asking industry in this province to co-operate with us. Within several weeks from now I will be announcing that in fact I will be making a certificate program available to acknowledge good responses and positive responses from industries that have co-operated.

DR. BUCK: Mr. Speaker, to the minister. In his communication with the companies, could the minister indicate very clearly that he would be considering a grace period, in case there is something that does show up, so that these people would not be afraid to come forward for fear of prosecution?

MR. KOWALSKI: Mr. Speaker, to this point in time I have not heard any negatives from any industry in the province of Alberta that would suggest that there is any hesitation whatsoever on their part to come forward with the important information that we requested.

In addition to providing the letters, we have hired under contract a retired gentleman who is a former refinery operator, a person from the industry, and one of his jobs is to basically make personal visitations with people in the industry to explain the program, to seek their co-operation. His response back to me is that he has been receiving just superb co-operation from

those involved.

DR. BUCK: Mr. Speaker, at the same time the minister is using the velvet-glove approach, would he consider that when sites are discovered and the companies have made absolutely no effort to inform the Minister of the Environment that these sites are present, stiff penalties be invoked when these sites are found and you've had no co-operation with the companies?

MR. KOWALSKI: Well, Mr. Speaker, what we're talking about here is a voluntary response from groups, firms, individuals, industry in the province. And we're going back into the history of the province of Alberta and asking people to report to us the location of an abandoned dump — a dump that may have been abandoned in the 1920s, the '30s, the '40s, the '50s, '60s, and the '70s. We have information now, as a result of our Clean Air and Clean Water Acts and the Hazardous Chemicals Act now in the province of Alberta, that causes such dumps to be registered; so we now have that information.

Our intent, of course, is to try and solve a problem. If a firm has been clearly identified as having such a dump and if they are not co-operative in terms of cleaning it up, then I will use a baseball bat if necessary, ultimately. But I would want to use the good offices to resolve the problem in an amicable way for the protection of our environment.

MR. TAYLOR: Mr. Speaker, could the minister tell me if he has sought any legal advice as to how far back we can prosecute those that have left dumps or hazardous waste, provided they are still operating within the province? Has he looked for any legal advice on that?

MR. KOWALSKI: Mr. Speaker, as I indicated to the Member for Clover Bar, basically we're asking people to co-operate in the self-interest position. I think it's of benefit to a firm that would have abandoned a site 20 and 30 years ago, from their public relations point of view, basically to co-operate in terms of the cleaning up of the site. I believe that under the various statutes I would administer as the Minister of the Environment, ultimately I probably could get pretty tough with people. Presumably though, if the event occurred before our statutes came into effect, the ultimate authority I would have is using good offices rather than a legal weapon.

MR. PASHAK: What steps has the minister taken to ensure that toxic waste in the form of oil spills from the Hub Oil plant in east Calgary is not filtering into the groundwater table?

MR. KOWALSKI: Mr. Speaker, as the hon. member knows, Hub Oil is monitored on a regular basis. Monitoring occurred last fall; monitoring occurred this spring again. It's my understanding that basically there has been an improvement in the quality and the protection of the environment at the Hub Oil site. In 1985 and the early part of 1986 there were several complaints from residents in the area about odours emanating from the Hub Oil plant. Hub Oil was visited, shown how they can correct and improve their situation, and my understanding is that the most recent testing that was done in January of 1987 showed there had been an improvement.

MR. SPEAKER: Main question, Member for Lacombe, followed by the Member for Calgary Forest Lawn.

Workers' Compensation

MR. R. MOORE: Thank you, Mr. Speaker. My question is to the Minister of Community and Occupational Health. I've had concerns expressed to me as early as this morning related to workers' compensation. It seems that over time workers' compensation has evolved from a wage loss insurance program into a social program. And my question to the minister, for clarification, is: is workers' compensation indeed a social program or a wage loss insurance program?

MR. DINNING: Well, Mr. Speaker, the Workers' Compensation Board is there to provide income replacement to those Albertans who are injured on the job and to help those workers get back to work. That is the mandate of the corporation. It's an insurance corporation, and we can't forget that. It's an insurance corporation with a heart, and its intention is to support those workers while they're off the job but to get them back on the job as quickly as possible.

MR. R. MOORE: Supplementary to the minister, Mr. Speaker. I wonder if the minister would advise this House if it's his intention to set up a select committee to review all workers' compensation.

MR. DINNING: Well, Mr. Speaker, it's not our intention at this time to propose to the Assembly the establishment of such a select committee.

MR. R. MOORE: Supplementary to the minister. Why not?

MR. DINNING: Mr. Speaker, it's not our intention to proceed because the last report of the select committee came down in this Assembly in 1984 and recommended at that time a new assessment system based on experience rating. That system is only fully in place as of January 1 of this year, and it's my hope that we could have some experience under our belts before we brought that back to the Assembly for a select committee to do a review of it.

MR. SPEAKER: Member for Edmonton Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker. To the minister then: when is it the intention of the minister or that of the board to return to the principles of remuneration established by Justice Meredith?

MR. DINNING: Mr. Speaker, the purpose of the Workers' Compensation Board is to provide compensation to those workers injured on the job, because they're entitled to those benefits under the law and under the regulations that this Assembly has written. It's not based on the need of the worker; it's based on entitlement. If after determining that entitlement a worker still needs assistance, then we in the Workers' Compensation Board will assist that injured worker with the Social Services people or with the Unemployment Insurance people.

MRS. HEWES: Mr. Speaker, to the minister. Can the minister tell us frankly if his department has received numerous complaints about the system from employers and employees alike, as all of the rest of the hon. members are?

MR. DINNING: Yes, Mr. Speaker. Quite frankly, I have. I

continue to receive those concerns, and we are dealing with them as best we can. I have instructed the Workers' Compensation Board to deal with all workers and all employers and all members of the Legislature, with full information as quickly as possible, and we will continue to do that.

But I must say, Mr. Speaker, just to remind all hon. members, that the board is under increasing pressure with the significant rise in cost of claims as opposed to not such a significant rise in the number of claims. And I want to stress, as the hon. Member for Lacombe did in his original statement, that this is an insurance corporation -- yes, with a heart. It is not a social service agency; it is an insurance corporation.

MR. SPEAKER: The Member for Calgary Forest Lawn followed by the Member for Edmonton Meadowlark.

Nonrenewable Resource Revenues

MR. PASHAK: Thank you, Mr. Speaker. My question is to the Provincial Treasurer. The Treasurer now says that our 1986-87 nonrenewable resource revenue will be about a billion dollars less than he predicted one year ago. What assurance can the Provincial Treasurer give that his predictions for 1987-88 are not similarly inaccurate?

MR. JOHNSTON: First of all, Mr. Speaker, the budget assumption calls for an average oil price of \$17 U.S. through the planning period. As I'm sure the hon. member knows, the price of fairly light condensates today in the New York Mercantile is trading at about \$18.48.

MR. PASHAK: Well, that's very interesting. Thank you very much.

For the fiscal year 1987-88, does the Treasurer expect to receive one cent of the nonrenewable resource revenue from the feverish activity of December 1986, that was bought at the cost of \$400 million and the lives of nine men?

MR. JOHNSTON: Mr. Speaker, this government has faith in the investment levels in the oil and gas sector, and the hon. member knows very well that we have made a major commitment to ensure the stability of that sector. It is funny that when they call on us at one time to generate jobs and with the next set of words suggest we shouldn't be doing something to stimulate an energy sector, they are immediately placing themselves in conflict. This government, instead of talking about things, effects actions, moves to stabilize the sector, and uses the resources available to us to do just that, and we'll continue to do it.

MR. PASHAK: Mr. Speaker, we think the government is squandering money.

But my question now is to the Minister of Energy. Can the minister confirm that even with low oil prices the large profits that the integrators are making on their downstream operations, while Alberta producers languish and the Alberta Treasury suffers a financial hemorrhage -- can the minister ... [interjections]

MR. SPEAKER: Order please, hon. member, order. Perhaps this pause in the proceedings will allow you to find the question you are about to ask.

MR. PASHAK: Thank you very much, Mr. Speaker. My question is to the Minister of Energy. Can he confirm these super profits that the large integrated oil companies are making while our Alberta producers languish and the Alberta Treasury suffers a hemorrhage?

DR. WEBBER: Well, Mr. Speaker, I'm sure the hon. member, with the tremendous research capabilities that he has, can find out what's happening with regard to the annual reports of the different companies. In fact, the past year has shown a significant reduction in cash flow right across the industry, and certainly the integrated majors with downstream operations have been able to recoup some of the losses they've encountered with the lower world oil prices.

Certainly we've recognized in this government the importance of having the smaller and intermediate size companies have the cash flow to get out there and invest, and in fact our programs have been directed towards those companies. However, Mr. Speaker, we recognize that the smaller companies, with the inordinate percentage of debt that exists in the industry, are having a tough time trying to get the cash flow to invest, and that's why we have over the past number of months been after the federal government for earned depletion with flow through shares.

MR. PASHAK: A final supplementary, Mr. Speaker. Well, given the dramatic fall in revenues from the gas sector of the energy industry, is the minister now considering restoration of the Alberta border price or some such equivalent?

DR. WEBBER: Well, Mr. Speaker, with the Energy estimates up this evening, I look forward to getting involved in a discussion on the deregulation of natural gas. As all members know, partial deregulation took place over a period of a year, from November 1, 1985, to November 1, 1986. And certainly there are many problems that have developed -- not unexpectedly -- in the course of deregulation, the primary one of course being the low international oil prices that occurred during the past year. They've firmed up since. But I would be happy to get into a number of the important issues on the gas side this evening.

MR. SPEAKER: Supplementary, Member for Calgary Buffalo.

MR. CHUMIR: Thank you. Supplementary to the minister. In reality gas revenues are in fact in a free fall. Would the minister tell the House about the discussion he's been having with the industry about reregulating gas prices, particularly with respect to imposing a regulated price for royalty purposes in order to protect provincial revenues, in effect admitting that the total deregulation of the industry was truly an error?

DR. WEBBER: Well, Mr. Speaker, the industry as well as ourselves certainly are concerned with the erosion of prices on the gas side, and no one was to foresee when deregulation occurred that that fall was going to occur. However, the industry and ourselves are working together to see what can be done to try to firm up prices in the core market, in the residential and the commercial marketplace in central Canada. The contracts that were arrived at were at prices which were very acceptable to the industry people. However, we are seeing an erosion of that market by direct sales in a way which we have some concerns about.

I've had discussions with industry people about what we can

do. Certainly, as the owners of the resource, the people of Alberta owning the nonrenewable natural resource have to have a concern about how low the prices might be, and obviously we are talking with the industry about what we can do so that the return to the Crown is such that it's fair to the people of Alberta.

DR. CASSIN: Mr. Speaker, to the Minister of Community and Occupational Health. I believe that the hon. Member for Calgary Forest Lawn is misleading the House by suggesting that there were nine deaths in the industry during the month of December. I was wondering if the minister may highlight the deaths in the industry.

MR. SPEAKER: The minister may not, under this line of questioning.

Member for Edmonton Meadowlark, followed by the Member for Red Deer North.

Budget Deficit and Fiscal Policies

MR. MITCHELL: Thank you, Mr. Speaker. Yesterday I asked the Treasurer why the government chose to balance the budget in four years, and he said "Read the budget." Well, in this particular budget document there is absolutely no logical justification for the choice of balancing the budget over four years. We need an answer. 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 in order to free up additional funding for job creation and economic development right now when it's needed?

MR. SPEAKER: Hon. member, the House had the same difficulty yesterday with the persistence of the same member about the term of four years when we're dealing with a one-year budget. Now, we went through that at least three times yesterday, and it also came up later in the day, I do believe. So if the member would like to deal in terms of the present budget, it would be much more useful for the House to deal with.

MR. MITCHELL: Mr. Speaker, this was premised upon the idea that he would balance the budget in four years. That is reality; that is not hypothetical. That is an actual fact in this government's thinking.

Perhaps the Treasurer could inform us as to whether he would think a better strategy would have been to stretch the time out so that we could find a balance between deficit reduction, which is of course essential, and the importance of those other responsibilities of government in times like these, such as job creation and economic development. Did the Treasurer consider any other strategy in coming to that kind of conclusion?

MR. JOHNSTON: Mr. Speaker, it's interesting that the second question comes back day after day. There will be a full opportunity if the member wants to speak on the general debate with respect to the budget. But the one thing that can be summarized when listening to the Member for Meadowlark is that, traditional to Liberal policies, both the understanding of a balanced budget and, in this case, the rules of the House are not well understood.

MR. MITCHELL: Clearly, this minister has an ideological obsession with balancing a budget, and that has implications for the quality of programs that a government offers to the people of

this province. Since the Treasurer has not included revenue and expenditure targets in his budget, could he please tell us how anybody can assume that his choice of a four-year projection is anything but arbitrary?

MR. JOHNSTON: Mr. Speaker, the notion of a plan is not well founded in the minds of the Liberal Party.

MR. MITCHELL: Will the Treasurer, Mr. Speaker, simply admit to this Legislature right now that he has made an arbitrary accounting decision in an ideological frenzy to balance the budget without paying any regard to the impact of this kind of budget on people in Alberta and on their need for job creation at this time?

MR. JOHNSTON: Well, Mr. Speaker, when it comes to frenzy, I can see the froth foaming across the way here. When you talk about excitement . . .

The people of Alberta know very well that this government will take a measured and steady approach to dealing with the balancing of this budget. We have laid forth a very serious plan which we think deals with one of the largest concerns in the minds of the people of Alberta right now; that is, both the size of deficit which is before us and the size of the accumulated deficit at the end of that planning period.

Now we have taken a great deal of time to lay before the people of Alberta a plan which is a balanced fiscal strategy, a strategy which deals with a very responsible approach to dealing with expenditures. The people of Alberta expect and we are going to give to them the very finest and highest level of services of any province in Canada. We have set forward in some detail in the Budget Address both our objectives with respect to how to achieve that and the clear priorities as to how those dollars will be spent.

Now with respect to the revenue side, Mr. Speaker, again, there is no accounting fixation, as the member from across the way suggests. This is a very balanced fiscal plan wherein the revenues are fairly evenly distributed across those using the services within this province. Those people on low incomes in particular are saved from the regressive impact of higher taxation both in terms of the personal tax side and in terms of the way in which the medical care premiums are scheduled.

Moreover, Mr. Speaker, as we have said before, because of the very high priority this government attaches to employment initiatives and employment strategies generating jobs for all Albertans -- contrary to the two-sided approach that has been provided to us by both the Liberals and the NDP -- we are bringing forward a very important strategy to initiative jobs, in that the private sector, the small businessman, which is the heart of the job-generation engine of this province, does not suffer any tax at all.

So, Mr. Speaker, you see there a very balanced approach.

MS BARRETT: A supplementary question, Mr. Speaker. I think all members understand the firm commitment of the Treasurer. My supplementary question to the Treasurer is: to couple with that commitment of reducing the deficit to nil within four years, will this government also commit itself to reducing unemployment to nil within four years?

MR. JOHNSTON: Mr. Speaker, we have made a very clear statement right through the planning strategy before you that we have a serious concern about the level of unemployment in this

province, and we have pulled all the engines and levers before us to ensure that unemployment is tackled as a significant and very first priority.

The minister of course has suggested a clear strategy. Now I know it's going to work, and I know that the return, the diversification and new investment in this province over the next three- to four-year period, will deal with that size of the unemployment question for sure. I have the same confidence that that will happen, and I know that this balanced plan will assist us in moving through that strategy.

MR. SPEAKER: Supplementary. Member for Red Deer South.

MR. OLDRING: A supplementary. Mr. Speaker, we recognize how difficult . . .

MR. SPEAKER: Hon. member, first we must obtain the consent of the House.

Time for question period has expired. Might we complete this set of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Member for Red Deer South.

MR. OLDRING: Supplementary. Mr. Speaker. We realize how difficult it is for the Liberals and the New Democrats to grasp the concept of balanced budgeting, but could the Treasurer outline for us the dollars in interest that this province will save once this deficit is reduced and be able to put back into people programs?

MR. JOHNSTON: Mr. Speaker, if you have a look at the estimates this year, you'll find that one of the significant increases in expenditures which we are bound to cover deals with the debt retirement and the amortization of principal on our debt. We do not want to place the people of Alberta in a position where the expenditures are so high and the debt charges so great that we have to continue to increase taxation to pay for those costs. And that is a mandate which we expect and which we think addresses the concerns raised by all Albertans.

You can see that if we were to let our expenditures rise to the levels of other provinces, say on average 15 percent, a simple calculation will show you that \$1.6 billion will be allocated towards payment of debt, payment of interest offshore, and would not be able to be directed towards the clear priorities of this government such as education, health, and manpower development. Those are the clear priorities. We want to have the income flexibility to do that. We do not want to burden the taxpayer with unnecessary debt coverage, and this plan provides for just that.

MR. SIGURDSON: Mr. Speaker, a point of order.

MR. SPEAKER: Point of order, Member for Edmonton Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker. I rise to request that you direct the Minister of Career Development and Employment to table the eight studies he referred to yesterday in response to my supplementary question. Yesterday the minister

specifically said that there were eight studies that had indicated that there is a net negative effect on the level of employment by increasing the level of minimum wage. *Beauchesne*, section 327(1), states that:

A Minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he be prepared to lay it upon the Table.

MR. SPEAKER: Nevertheless, hon. member, there is another time and place for raising this kind of issue because the Member for Edmonton Belmont has every right to ask for a motion for a return. This is not a point of order, and that's it. Sorry.

ORDERS OF THE DAY

MR. CRAWFORD: Mr. Speaker, I move that the questions and motions for returns on the Order Paper stand.

[Motion carried]

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

206. Moved by Mr. Mitchell:

Be it resolved that the Provincial Treasurer

- (1) present to the Legislative Assembly a realistic forecast estimate of the 1987 investment income and the asset value of the Alberta Heritage Savings Trust Fund; and
- (2) prepare the financial statements of the Alberta Heritage Savings Trust Fund in accordance with generally accepted accounting principles and the recommendations contained in the report of the Auditor General for the year ended March 31, 1985.

MR. MITCHELL: Mr. Speaker, this resolution addresses three specific areas requiring attention and discussion by this Legislature and action by this government.

First of all, it requires that this government provide a realistic income forecast for the Alberta Heritage Savings Trust Fund. The fact of the matter is that we do not see a real picture of the quality of earnings inherent in the earnings reported for the Heritage Savings Trust Fund. Currently \$8 billion of the Heritage Savings Trust Fund assets are invested in five Crown corporations. Those five Crown corporations in the year 1985-86 provided \$1.2 billion of income to the Heritage Savings Trust Fund, fully two-thirds of its total \$1.6 billion earnings. The irony is, Mr. Speaker, that those same five Crown corporations lost that year in the order of \$350 million to \$400 million.

The consequence of that is that the people of Alberta, through taxes paid to the General Revenue Fund, are in fact subsidizing the income recorded for the Heritage Savings Trust Fund because they subsidize the losses of these five Crown Corporations. The further political consequence is that this government can stand up and argue that it has 15 percent earnings on the heritage trust fund on the one hand, thereby indicating it's "genius" in managing that fund, while in fact cynically requiring that the people of Alberta subsidize that income, subsidize those earnings, in order that this government can in some strange and forced way sustain political credit when it clearly needs that political credit desperately.

What are the consequences of this failure to record income for the Heritage Savings Trust Fund realistically? First of all,

Mr. Speaker, it belies this fund's achievement or nonachievement of one of its critical objectives. One of its objectives has been to provide income to replace the nonrenewable resource income that this province will suffer as our sources of energy decline over time.

The fact of the matter is that in order to do that successfully, that fund has to have high-quality earnings, and it cannot have earnings that in turn are subsidized by the income taxes paid by people who earn incomes based upon an energy-based economy. The fact of the matter is that these earnings are highly suspect and will become even more suspect and weaker at exactly the time that they are needed more, because in effect the Heritage Savings Trust Fund earnings are subsidized by income taxes from earnings that people make by being employed largely in an energy-based economy. As soon as that economy collapses, as it does from time to time -- and over time it will even more inexorably, because we will lose our resources as soon as that collapses -- that's when we need the replacement income. That replacement income has been subsidized by income taxes, and that will also be exactly the time that people will not be earning the money that they were earning in order to pay the income tax to subsidize the income.

We are failing in the heritage trust fund to achieve that important income replacement objective, and that is happening, Mr. Speaker, because this government has not come to grips with reporting properly what the earnings on that fund are and withholding being held accountable thereby by the public of Alberta on that particular point.

It is also true that there is a second serious consequence. As long as this government believes that it is making the kind of money that it thinks it's making on the Heritage Savings Trust Fund, I believe that it looks at its economic decisions and its social decisions -- its economic decisions in particular -- through rose-coloured glasses. And we can see the kinds of commitments that this government has made in the last year that would sustain the belief in any impartial observer that they did not understand their critical fiscal situation.

It was within the last year that the Premier of this province stood up and said, "Well, Ottawa, if you will renege on the Husky oil upgrader agreement of \$1 billion and if you won't assist us in doing that, we'll do it ourselves." The same Premier said, "If you won't assist us with a \$200 million loan guarantee to Syncrude, not to worry; we'll do it ourselves." What that says to me, Mr. Speaker, is that we have an administration in this government that does not fully understand the facts of its fiscal condition and has not fully understood the facts of its fiscal condition. And that in large part, dealing with incorrect information such as that which we find in the reporting on the heritage trust fund income, leads to those kinds of mistaken judgments.

We have seen it elsewhere. We have seen earlier this week, when the senior member in this government earlier in this session stood up and had some doubts about drilling figures. Well, that can lead to poor judgments in economic decisions and support decisions for our economy, and clearly these judgments are devastating if they are made incorrectly.

The second area that this motion addresses, Mr. Speaker, is the importance of establishing a realistic forecast or assessment of asset values of the funds. Critical to this is the area of deemed assets. The fact of the matter is that \$2.5 billion worth of deemed assets are included in the Heritage Savings Trust Fund. This includes things like the Kananaskis park, the Walter Mackenzie hospital, and certain irrigation projects: all of them

worthy projects in and of themselves, but they do not warrant being included as assets in this or in any other balance sheet. The Auditor General himself has been saying for eight years that they should be excluded; they are not. They obscure the picture that we have of that Heritage Savings Trust Fund.

I recall last week one of the members from Red Deer got up and said, "Well, these are wonderful assets for the future, these hospitals, the Walter Mackenzie hospital." If that were the case -- and it is true, but if we were to take that premise and apply it more generally, then we should include every single hospital built in this province in our Heritage Savings Trust Fund assets. Why would we distinguish one hospital from the other? Simply out of political convenience, Mr. Speaker, because the government does not want to agree that that trust fund is not what it has purported it to be, that it does not have the assets that they have claimed it to have, and that in fact it has not been managed as well as they have construed it's been managed to the people of this province.

The second area critical to the realistic assessment of asset value is simply realistically assessing the assets in certain Crown corporations. I'm thinking of the Alberta Mortgage and Housing Corporation, which does not use generally accepted accounting principles, as appalling, as unbelievable as that is to understand. The fact is that there's only one reason for not doing that, and that is because generally accepted accounting principles would dictate that the mortgages, the mortgage assets, and real estate owned now due to foreclosed mortgages in that particular corporation would have to be written down dramatically, and the government would have to face the political consequences of not having invested that portion of the Heritage Savings Trust Fund properly or responsibly as well.

What are the consequences of not coming to grips with this particular problem? There are several. First of all, Mr. Speaker, we continue to send the wrong messages to the rest of this country concerning the wealth of this province. We do not have \$15 billion in the Heritage Savings Trust Fund. We should stop telling Ottawa, we should stop telling Ontario and Quebec that we do, because they believe that we are a wealthy province. And again we see the disastrous consequences. If we are to be successful in digging ourselves out of the economic and fiscal hole that this government has put us into, yes, we are going to have to get positive reciprocal treatment from the rest of this country.

We contributed a good deal of money, something in the order of \$60 billion, to the rest of Canada. It is not that we should feel we shouldn't have done that. As Canadians that is a contribution that we can make to the strength of this country. It's important, however, that that contribution be reciprocated when we require it. We have to negotiate to get it; we will negotiate only ineffectually and ineffectively if we do not begin to send the right messages to the rest of this country.

Last week I alluded to the skill with which the Quebec government is able to harbour a \$25 billion counterpart to the Heritage Savings Trust Fund, which is proportionately exactly the same size as our Heritage Savings Trust Fund, proportional to their population size. Yet nobody would ever consider, nobody jumps to the conclusion that Quebec is wealthy; in fact, quite the contrary. Quebec benefits from government of Canada policies which emphasize and assist them in their economic development. They received over the last two years, under Department of Regional Industrial Expansion grants, \$489 million with a considerably stronger economy than Alberta's. Alberta, on the other hand, received \$13 million in Department of Regional Industrial Expansion grants.

Mr. Speaker, we are sending the wrong messages. We continue to do that. We miss the opportunity to establish our case in Canada time after time after time. And the Heritage Savings Trust Fund, the promotion of its \$15 billion in nonassets, in many cases is contributing seriously to sending those wrong messages.

Thirdly, Mr. Speaker, this particular motion addresses the question of accounting. We make the point that the Heritage Savings Trust Fund, its financial statements, should be prepared in accordance with generally accepted accounting principles. Given the tremendous importance of the Alberta Mortgage and Housing Corporation to the Heritage Savings Trust Fund, it follows that its reports should be prepared commensurate with generally accepted accounting principles.

Consider for a moment that we invest \$3.5 billion as Albertans in that one corporation. We have no idea what its real assets are because we have no standard guideline, standard basis upon which to evaluate those assets, because that particular corporation does not use generally accepted accounting principles.

Mr. Speaker, it is unfathomable to consider that this government could proceed in dealing with those sums of money, and in dealing with sums of money with that level of significance to the future of this province, without insisting that the reports of that corporation and their implications for the Heritage Savings Trust Fund reporting are not prepared in accordance with generally accepted accounting principles.

Deemed assets I've mentioned earlier. It is true that the Auditor General has said for eight consecutive years that deemed assets must not be included in the Heritage Savings Trust Fund. We simply ask this government, by way of this motion, to listen to their own Auditor General and to be held accountable to his contribution to the process of accountability. And that raises the broader issue, Mr. Speaker. The fact that the government is avoiding being held accountable with respect to deemed assets in the Heritage Savings Trust Fund and with respect to the generally accepted principle and their implications for the Heritage Savings Trust Fund is part of a broader problem that the people of Alberta are confronting with this government's headlong rush to avoid more generally accountability.

I want to underline that it is so important for facts and figures to be right. It is so important for management to see those facts and figures so they know that they're dealing with a reality and they're not kidding themselves and they're not making judgments and decisions based on incorrect information: absolutely critical. If we do not hold this government accountable for the Heritage Savings Trust Fund and we do not have other standard procedures of accountability in place, if this government continues to avoid those procedures, then we will not have responsible government. Government will continue to make incorrect judgments at a time when it has to be pressed to accountability so that its management can be stronger. I am alluding to certain broader problems of accountability, but they fall under the rubric.

[Mr. Musgrave in the Chair]

The heritage trust fund accounting irregularities are just the tip of the iceberg, and I would like to put that iceberg, if you will, in perspective by listing a number of areas in which this government is avoiding accountability. The Public Accounts Committee is a standard feature of parliamentary democracy. It is a way in which an all-party committee, chaired by an opposition member, thereby achieving some form of objectivity and

another perspective that the government doesn't often get the chance to have the benefit of, can evaluate each and every department. Of course. Mr. Speaker, this doesn't happen in the Legislature of Alberta. The Public Accounts Committee is the only one of a number of significant legislative committees, standing committees, that does not meet between sessions.

I ask every member across there to reach down into their heart and justify in their own hearts how it can possibly be that the Public Accounts Committee of this Legislative Assembly reviewed only four departments' expenditures in the fiscal year 1984-85. Absolutely unacceptable. And they will not be allowing that accounts committee -- despite the fact that all-party membership on that committee last year voted for meetings between sessions, the Treasurer and his cabinet in this government will not allow that committee to meet between sessions, to do its job, which is fundamental to the process of accountability for this government.

I can go on. Twenty-five days to debate each department's estimates: it's not enough time. It's easy to solve; time is all that we require. We're all here; we've all committed ourselves to time and to personal resources. It's so easy to solve. I ask the members across the House to consider their conscience and see how it is that we can allow this government to spend the kind of money that it's spending without adequate estimates review on the one hand, knowing full well that neither will this government's expenditures require adequate post review through the Public Accounts Committee.

There are many examples of obscure accounting figures. Perhaps one of the most distressing events was this year's Public Accounts report, in which the government determined to consolidate Alberta Heritage Savings Trust Fund assets with the total assets and liabilities of the government. The effect that this had, Mr. Speaker, was to send competing messages to the people of Alberta. It had the effect of establishing a government trying to have its cake and eat it too. On the one hand, it said that the nonrenewable resource income -- in that year it was \$685 million -- that should have gone to the heritage trust fund didn't really go. Although that government had told us all year long that the heritage trust fund had \$15 billion in it and that part of that \$15 billion was the \$685 million in nonrenewable resource income, after the consolidation of the balance sheet, liabilities and assets, with the Heritage Savings Trust Fund, it became clear that the government had taken that \$685 million back out of the Heritage Savings Trust Fund into its general revenue and expenditure calculations in order, for the politically cynical reason, to reduce its operating deficit from \$700 million to something in the order of \$40 million.

Mr. Speaker, this is a very disturbing turn of events. We see this effort to avoid proper accountability, proper accounting procedures, both in the Heritage Savings Trust Fund and elsewhere in the process of government, to reflect a government attempting to avoid the scrutiny that can only make it a more responsible government.

Mr. Speaker, we present this motion in order to ensure that we get a realistic forecast of income in the Heritage Savings Trust Fund and that we avoid the dire consequences of not doing that properly, that we get a realistic forecast and assessment of asset value in the Heritage Savings Trust Fund, that we avoid the dire consequences of not doing that properly, and that we confront the issue of accountability properly and that we therefore achieve the advantages of proper accountability, which is stronger management by government, which is stronger and more responsible government for the people of Alberta.

Mr. Speaker, thank you.

MR. ACTING DEPUTY SPEAKER: The Member for Stony Plain.

MR. HERON: Thank you. Mr. Speaker. I rise in response to Motion 206 and, if I may borrow an expression from the hon. Member for Westlock-Sturgeon, to speak to what I call a puff-ball motion.

I'd like to just for a moment say that Motion 206 is very, very comparable to the debate we had on Bill 203 last week. And I note from *Hansard* that the hon. Member for Calgary Buffalo said:

The heritage fund is a spectacular example of the misleading and incomplete information presented to the people of Alberta.

I can recall the hon. Member for Red Deer South reading from page 38 of the statement, and I will do it again for the record and to debate the issue which has come up and keeps advocating that these statements are not prepared in accordance with generally accepted accounting principles.

My examination was made in accordance with generally accepted [accounting] standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

The hon. Member for Edmonton Meadowlark went on to talk about the Crown corporations in some detail, and I would probably ask him to recall what Albertans were demanding in the mid-70s. in terms of Alberta and investing in Albertans. But that may be too far back in his high school to recall just what demands were being made on Albertans then.

I ask him to look at the list of Crown corporations. He painted this great doom and gloom scenario with sloppy statistics, talking about the Alberta Home Mortgage Corporation and talking about Alberta opportunity corporation and the other statistics. I ask him to turn to a list of those companies. Does he truthfully believe that the end of the world is about to come, that Alberta Government Telephones is about to go broke, that Alberta Home Mortgage is going to cease to operate, that in fact the people of Alberta are not going to pay their mortgages? I ask him if he really means that the former Premier and the government should not have invested in Albertans. Would he instead advocate that AGT and the like corporations had traveled to New York and negotiated the money there and that we had placed our money in investments of other parts of Canada and that we incurred the transaction costs in the middle? Would we be better off in his estimation?

Oh, I certainly know where they're coming from. We saw here *Hansard* just yesterday. The hon. Member for Westlock-Sturgeon went on to praise the national energy program:

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 . . .

Now, wouldn't that be just wonderful, to have the national energy program, which siphoned \$50 billion to \$60 billion. No, Albertans' memories are far, far too good to ever forget how we were raped out of the \$50 billion to \$60 billion. Oh no, our memories are so good . . .

MR. McEACHERN: A point of order . . .

MR. HERON: . . . that some of us with a couple of gray

hairs . . .

MR. ACTING DEPUTY SPEAKER: Order please. A point of order.

MR. McEACHERN: The topic today is the accounting practices connected with the heritage trust fund. It has nothing to do with the national energy program. I wish the speaker would stick to the topic. We're talking about the accounting procedures of the heritage trust fund and how it's accountable to this Assembly.

MR. HERON: Thank you, Mr. Speaker. I acknowledge that criticism. But I had to mention it in the context of the assets that would have been there had we not had our profits siphoned off by a centralist government that had no idea of accountability, no idea of a clear representation of the facts. And listen to this quote, the Member for Calgary Buffalo, in speaking to Bill 203, An Act to Amend the Alberta Heritage Savings Trust Fund Act. He said: "The Liberal Party is dedicated to the principle of more open and free government." Please tell us how that aging hippie with a flower in his mouth, that moved the flower to his lapel and ran this country \$230 billion in debt, where it takes one dollar in three to pay the interest, could have any impact upon a present-day Liberal who is dedicated to the principle of more open and free government?

Motion 206 completely misses the mark if it endeavours to introduce more accuracy into the Heritage Savings Trust Fund statements. Before elaborating on that point, let me first, by way of background, briefly relate that since inception of the Alberta Heritage Savings Trust Fund in 1976, the Provincial Treasurer has made public annually a report which contains information on the financial standing, investments, and all capital projects. This report is required by the Alberta Heritage Savings Trust Fund Act, section 13(2), which stipulates what must be included in the report. Compare then, if you obtain this list, the minimum requirements stipulated with the very detailed report presented in, say, the 10th year, 1985-86 report.

Let's turn to the hon. Member for Edmonton Meadowlark's motion, which I say I treated lightly to start with, because it has two parts: that the Provincial Treasurer forecast and estimate the income. This motion, like Bill 203 last week, endeavours to introduce a degree of subjectivity into the annual report. This amounts to a request for a clairvoyant Treasurer, who wants to crystal-ball the future.

This is not the purpose of an annual report. Investment portfolio earnings estimates are a complex maze of data, which on a probability basis form working documents, not financial statements. These forecasts and working documents, I am sure, are amended on a daily basis. Estimates or forecasts are not made within the context of generally accepted accounting standards. In my opinion, the inclusion of earnings estimates or forecasts will diminish the quality of the annual report which reports after the fact, in accordance with accounting standards.

The Liberals, as evidenced by Motion 206 and Bill 203, simply do not understand the nature of an annual report, a report prepared within the guidelines of the Canadian Institute of Chartered Accountants handbook. Last week, and again this week, the Liberals are advocating estimates of value and future earnings. If the ideas put forth from the Liberal caucus were implemented, they would involve costly appraisals and estimates prepared on an ongoing basis and subject to considerable debate and differences of opinion as to fair market value.

I ask you: is that what we want in an annual statement for the heritage fund? Really, what are they getting at when they suggest the subjectivity? We can look at the market value on page 50; that's not included in the \$15 billion. There is no attempt at deceit. Turn to page 39, you'll see there total investments of \$12 billion, and they add on the deemed assets. I couldn't find a better representation of what's here for the people of Alberta. Clearly, it's not any attempt to dress up those figures to make them larger or smaller, but figures prepared in accordance with the accounting handbook.

Part 2 of Motion 206, simply put, is a marvelous grasp of the obvious; a very naive request in light of the professional statements which precede the financial data. And I already read the statement from the Auditor General.

I would like you to think for a moment about the very quality of these reports. I suggest that I've looked at a great deal of statements over the years, and these are certainly prepared with the interest of communicating accurate and the best quality data to the Albertans. That said, I must then conclude from the sloppy wording of Motion 206, and I quote: "recommendations contained in the Report of the Auditor General ..." refers to the accounting treatment of deemed assets. In fact, a good part of the hon. Member for Edmonton Meadowlark's presentation made reference to the treatment of deemed assets.

Hansard of March 19 evidences the same hon. member casting doubts upon the authenticity of the Alberta Heritage Savings Trust Fund annual statements. His colleague from Calgary Buffalo made similar criticisms. Because of the accounting treatment of the deemed assets, I would like to make it crystal clear that, by definition, an asset is something that has use potential with a long-term horizon, as opposed to a major expenditure. What is the dilemma? I hope the hon. member is listening. It is the comparison of public accounting measurements to private accounting measurements. And I think this distinction should be crystal clear; that is, a distinction between the two systems. Simply put, this distinction is not made in the Canadian Institute of Chartered Accountants handbook.

The hon. Member for Edmonton Meadowlark went on with the accusation that the statements were prepared on a helter-skelter approach. Not so. But there does exist a genuine point for debate. The Auditor General, who is a chartered accountant, recommends that the deemed assets be treated as expenses and written off, the same accounting treatment as for this pencil, an overpass, or a road sign. Our Provincial Treasurer obviously disagrees with the Provincial Auditor General, and, I might add, a disagreement from a very informed position. And I know that modesty would prevent our Treasurer from challenging the different position on this basis. But I will.

I would like to say that our Provincial Treasurer is also a chartered accountant with a master's degree in business administration, an academic in his own right, in addition to having considerable experience in the private accounting practice. Given the lack of precise direction in the Canadian Institute of Chartered Accountants handbook for public accountants, there does exist an honest difference of opinion. The Provincial Treasurer's position is:

I think for sure that the people of Alberta want us to show those up front, because they have a sense of pride in that fund. They have a uniqueness that they know no other province has, and they want to tell their colleagues across Canada about the advantages and the excitement that the Heritage Fund has brought to this Province.

This, I think, sums up what I call an honest difference of professional opinion: it's simply whether you want the deemed assets to be written off and expense to disappear from any accounting records, or whether you want to show them to the people of Alberta as an asset on an ongoing basis. And certainly, as I pointed out before, there is absolutely no intention to camouflage these assets, for they are shown graphically and in pictorial circle graphs and in the numerical charts, just where they are.

Does the data presented mislead the reader, as it has been suggested over the past several days by the movers of the Bill and motion referring to this topic? Emphatically no. Look at the statements, page 39, for an example of a solid illustration of good, proper accounting data. The Liberals have taken great pains to create an accounting witch-hunt to no avail, for I am sure that Albertans recognize a professional difference of opinion, and they're pleased to see where their assets have gone on a continuing basis. In my opinion, the Liberals have made representation to the Heritage Savings Trust Fund standing select committee on this point. They have made their points, they've debated it, and they lost to the majority. As far as I'm concerned, the motion, while entirely within their right, I would like to point out, is another effort to rehash the topic.

I would just like for a moment, though, since so much attention has been devoted to the very inaccurate, and I quote, assessment of the value in that, I would like to ask you to flip through someday, flip through the statements and look at the 10-year historical reviews: as I mentioned before, the bar graphs in three dimensions, the beautiful descriptive data, the circle graphs, the art work, and of course very detailed financial information. Certainly we didn't hear any talk today from the hon. Member for Edmonton Meadowlark of the funds dealing with the Alberta heritage scholarship foundation. Certainly he talked about potential losses and speculated on what may or may not occur in various economies. But did I hear him just once say, "That was a good idea putting \$100 million into a fund, endowing it"? Did I hear him once say, "Is that \$129 million shown in here or is it shown in accordance with generally accepted accounting principles"? It's shown in here at \$100 million. Did I hear him once say, "It paid out some \$24 million to 22,000 students"? No, I'm sorry.

I'd also like, in looking at some of the positive aspects, to ask if I heard in his debate anything about the Alberta Heritage Foundation for Medical Research, an endowment which has received considerable media praise lately, an endowment which was started with \$300 million from the heritage fund. I think the last time I looked that fund was worth somewhere around \$443 million market value. Is the hon. member suggesting that that should be shown in here at \$443 million, some hocus-pocus number that changes from day to day? No, I'm sorry. These statements are consistent throughout. They show at the cost figures.

In reference to the Canada investment division. I didn't hear the hon. member refer to page 47 of the report and say, "Those loans to other provinces today represent a pretty good investment." The debentures bear interest somewhere from 9.5 to 17.75 percent, \$1.8 billion. The last data representing interest on this fund, I think, was somewhere in excess of \$240 million, or somewhere close to a 14 percent return; not bad, although some, I think, would advocate selling it, taking a penalty, and spending the money today.

No, I think we should look at some of the pros and some of the good news about this fund. I think that it's very important to

say that on balance this fund returned something like \$1.6 million last year. This year, the Provincial Treasurer informed us the other day, it will return something like \$1.3 billion, and I think that can be compared to something in the order of 7 to 8 percent in terms of a sales tax. Have we heard those good points coming out in debating the heritage fund? Oh no, we keep hearing about the loss experiences on the mortgage portfolio, and of course we acknowledge there are loss experiences. There hasn't been a single person placing mortgages on private dwellings in Alberta that hasn't experienced losses. It's the nature of the game when you invest in assets that fall off very dramatically. But I wouldn't want to focus on the doom and gloom and negative and send out the wrong impression to Albertans. I would much rather say, "Look at what it's doing" in a realistic statement prepared in accordance with generally accepted accounting statements and ask then, when we experience the loss, that it be properly recorded if, as, and when it occurs.

Mr. Speaker, I could go on, but I will now thank you for the opportunity of speaking to Motion 206 and resume my seat.

MR. ACTING DEPUTY SPEAKER: Member for Edmonton Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. I rise to support Motion 206, because it is time that the government straightened out some of the problems of the fund. Nobody is saying that there aren't some parts of the fund that are properly accounted for, but the legislation setting up the fund says that the fund should be listed at book value, and it does lead to some rather strange anomalies and problems that the government should really try to get around.

The former speaker ended up talking about the deemed assets. So I would like to start there. He says that page 39 shows that there's \$12.7 billion in the assets of the fund and then puts the deemed assets separately at \$15.1 billion. That's true. It's laid out there that way so that you could decide for yourself. I guess, which figure to use. But it is a bit strange that the Treasurer on Sunday night on TV twice was asked how much was in the fund, and he said \$15 billion. So if you're going to add it to the assets here and throw that number in when you're talking to the public, then you're not admitting that the deemed assets are in fact expenditures, money that is already spent. To list them as assets is just trying to fool yourselves or the people of Alberta as to how much money is in the fund.

Mr. Speaker, the Conservatives themselves are divided on this issue. We had two Conservative members on the committee that followed the advice of the Auditor General and one Liberal member on the committee and myself on the committee: four of us recommended that the deemed assets be removed or listed at \$1 or some such provision. As a matter of fact, the Premier, when he was before the committee, admitted that it might be not a bad idea to do that. It was only the Treasurer that decided to get stubborn and say, "No, no, we're going to tell the people of Alberta there's \$15 billion out there," when in fact there is not \$15 billion in that fund, and to continue to say so is just not accurate.

While we're talking about the deemed assets, they are part of the capital projects division. The other part of the capital projects division, the Vencap investment of \$200 billion, really earned only a 4.5 percent return. Yet we have this government blithely saying that we're making 14 or 15 percent on most of the fund. Now, I'll get back to that, talk about the income of the

fund and how it's misrepresented. in the later part when I talk about the Alberta division and the Crown corporations. But partly because of some comments by the previous speaker, I want to run through the other parts of the fund and talk a little bit about the effect of this motion on those other parts. That's something that has not been done yet in the debate either on Bill 203 or on Motion 206.

The Canada investment division, which was mentioned by the previous speaker, is worth exactly what it says it's worth there. In fact, the loans are bringing in good money, between 10 percent and 17.7 percent, from other provinces or other Crown corporations. The \$1.8 billion there is accounted for properly. We did get the information we needed to break that down, and that is accurate. However, the deposits and marketable securities section, which also has approximately \$1.8 billion in it, is very hard to get a handle on, on how much it's really worth.

While I'm not sure that we need to every year have an evaluation of it, certainly about every three years there should be an evaluation of the performance of that part of the fund. There is no reason that that shouldn't be done. Some accountants could be brought in who could analyze it and compare it to mutual funds, portfolios of other private corporations, and give us some kind of an idea of how that part is doing. But the way it is now and the way it's accounted for and the explanations that we get -- even on the heritage trust fund committee when we asked for details, we were not able to get them in any way that was satisfactory. You know that it's worth a little more than \$1.77; that is, unless they've blown the fund, but you don't know that either. So it would be nice to at least every once in a while have a little update as to just how that fund is making out and who's in charge of it and how they're operating, what sort of rules and basic guidelines they have from the Treasurer in terms of making their investments.

The commercial division of the fund, which is very similar in some ways, I guess, to the deposits and marketable securities division, started out with \$200 million in it. The interest the first year was added, so it became \$217 million. That's now over four or five years worth \$374.6 million. So if the accountants can figure it out for the commercial division, they could certainly also figure it out for the deposits and marketable securities division, and I think that should be done at least every three years, as I said.

The energy division is somewhat irrelevant. It's only \$16 million loaned to Luscar. I might note that the heritage trust fund is supposed to be loaning money to Canadians and Albertans, but Luscar is not a Canadian or an Alberta company. And other than that, it's not really worth mentioning.

But now we come to the Alberta division, which is the area that is the most troublesome in some ways. The most obvious problem is the deemed assets. Everyone can see what the problem is, except the Treasurer, that is, and that's easily understood and then easily dismissed. But the Alberta division, some \$8.2 billion, \$7.5 billion of which is tied up in five Crown corporations, is a really difficult section to get hold of as to just what's wrong with how they're accounting for it. I did describe them to a fellow the other day, and he said that the people that are trying to perpetrate that kind of fiction on the people of Alberta should be thrown in jail. That might be a bit strong, Mr. Speaker, but there is certainly a very basic and fundamental problem.

Part of it goes back to the legislation, which says that all assets of the fund will be listed at book value. Now, that's well

and good for the fund, but what you've got to realize is that we've got three different entities here. We've got five Crown corporations; sort of visualize them up on your top left, all right? The heritage trust fund is top right, all right? And down below and in between, let's say, the general revenue account to the province. Now, we've got the most extraordinary triangle of movement of money around those three positions that it's just absolutely incredible that anybody would create it, and anybody that would perpetuate it must be purposefully misleading the people of this province. I can see no other excuse for doing it.

The five Crown corporations -- two of them are fairly solid, but three of them are not and have been losing money for four or five years. They get debentures from the heritage trust fund. They pay in most cases -- since most of the loans were taken out in the '80-'81 period, most of the interest rates on most of those debentures are around the 14 or 15 percent range. Now, those five Crown corporations have borrowed \$7.5 billion from the heritage trust fund, and hence have issued debentures to the heritage trust fund. The heritage trust fund says, "Gosh, these Crown corporations are earning 14 or 15 percent for us, and every year they give the general revenue account a big sum of money." Right? \$1.66 billion last year. Great, good investment, eh? The only problem is that three of the Crown corporations: Alberta Mortgage and Housing Corporation, the Agricultural Development Corporation, and the Alberta Opportunity Company: those three together make up \$4.5 billion of that \$7 billion, and they have been losing money for four or five years.

So how do they make the payment of 14 or 15 percent to the fund, which then pays to the general revenue account? We do two things. We take money out of the general revenue account every year for the last four or five years and give it to the Crown corporations to prop them up, to keep the cash flow going. We also issue new debentures out of the heritage trust fund so that they can sort of postpone the day of reckoning, so to speak.

I suggested to the Premier when he was before the committee and to the Treasurer and to the Auditor General that those three Crown corporations which are listed as having \$4.5 billion in debentures from the heritage trust fund aren't worth more than, well, \$3 billion at the best; in other words, 60 percent or less. And they didn't disagree with me. Looking back at the words, it was pretty hard to find that either the Premier or the Auditor General said anything that they could be pinned down on as to agreeing with me, but they didn't disagree. The Treasurer actually agreed that that was probably the case. Talking to people in the private-enterprise world, they tell me that it's probably worse than that; they're probably only worth half, so not even \$3 billion, maybe \$2.5 billion, maybe only \$2.25 billion would be the assets.

Now, we have been writing down some of those investments in some of those foreclosed properties in those three Crown corporations over the last three or four years, but evidently not fast enough. In the case of AOC and ADC the write-downs have been fast enough that their capital assets are listed at less than their debenture obligation, not very much less but a little bit less, in their last annual statements.

As to Alberta Mortgage and Housing, it's the one that's in the worst shape, but it's also the one in which the accounting fictions are the greatest because they have not written down those assets as much as they should have. My friend from Stony Plain kept quoting generally accepted accounting principles, but I would like to go back and read what he was reading and finish the statement. He didn't get the whole picture quite. Reading from page 10 of the statement of the Alberta Mortgage and

Housing Corporation statement, signed by Salmon, the Auditor General:

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1986, and the results of its operations and changes in its financial position for the year then ended in accordance with the disclosed basis of accounting, considered appropriate in the circumstances, as described in Note 2 to the financial statements of the Corporate Account and the Mortgage Insurance Fund applied . . .

Fine up to that point.

. . . except for the change in the accounting for the value of investments in land banking and inventory as described in Note 3 to the financial statements of the Corporate Account, on a basis consistent with that of the preceding year.

So we'll go over and find out what note 3 says on page 15:

Change in Accounting Policy

During the year the Corporation changed its accounting policy from not providing for declines in value of an enduring nature in the investments in land banking and inventory, to providing for such losses. This change in accounting policy, which has been applied prospectively, results in an increase in the deficit of the Corporate Account for 1986 of \$81,000,000 with a corresponding reduction in the value of investments.

Now, I guess what it's implying there, Mr. Speaker, as near as I can figure out, is that for the first time the corporation decided it had better write down more of its assets, more of the foreclosed properties than it had been doing in the past. So either the process was not adequate in the past or else it's not adequate now. Something has changed and something isn't quite right. Maybe it's better now than it was before. But it does mean that if this has been going on -- and we know that they've been losing money for four or five years -- we can have very little faith in the capital assets claimed in the accounting figures, which is some \$4.0 billion, which should be more than enough to cover the \$3.4 billion in debentures it has with the heritage trust fund. But we can just have no faith in it. That's what it really means, Mr. Speaker.

So it seems to me that it's time we cut off this crazy triangle we have between these three bodies. We've locked ourselves into saying that we've got \$7.5 billion in the Crown corporations earning 14 or 15 percent when clearly the only way they can meet their obligations to the heritage trust fund is for us to take money out of the general revenue account and keep propping them up, so we do that. So how much are they worth to the people of Alberta, is the question one might ask. They're certainly not worth \$7.5 billion and earning 14 or 15 percent, because we're paying most of it back to ourselves in a crazy circle, a crazy triangle that does not make any sense.

That's why I suggested in one of the recommendations to the heritage trust fund committee that we just make the obligations of the Crown corporations, the debenture obligations that they have with the heritage trust fund, change those obligations to being directly to the general revenue account. Then maybe we could get on with sorting out the details as to what the Crown corporations are actually worth and admit that they're social programs, at least those three that are losing money are, and put in the money that's needed to run them the way should be run and write them down to what they're properly worth so we know where we stand instead of maintaining this fiction that because we have to list them at book value, it inhibits us from

writing them down, or because we have to maintain the fiction that they're still worth the \$4.5 billion they borrowed from the fund, that somehow we can't write them down too much or else it wouldn't look good.

Now, a couple of other sort of general comments. One of the problems that we ran into in the committee was -- the Premier even acknowledged and admitted that a lot of people in Alberta and a lot of people in Canada don't understand the value of the fund. My friend from Stony Plain talked about this slick magazine and how much it tells us about the heritage trust fund. And it does; it's quite good. In fact, I would go so far as to say that it brags a lot about some of things the fund does. Fair enough. I guess, you know, if you did things you're proud of, you should brag about it. But if a lot of people don't understand whether we've got \$15 billion in the fund or whether we've really only got \$12.7 billion or whether even that's not quite a true figure -- maybe the actual value is really only around \$11 billion or \$11.5 billion -- and if those people down in Ontario keep telling us to, you know, use our heritage trust fund before they're willing to help us with the oil industry, then we've got some problems. You know what the Premier suggested we might do to help people understand better what's in the fund? He didn't say that he was going to tell the Treasurer to quit counting the deemed assets in when it's money spent. No, he said: why doesn't this committee consider getting a communication consultant in to tell us how we might better tell the people of Alberta and Canada what the fund is really worth? I picked up this document, which is the annual report of the heritage trust fund, and said, "How can you produce a slicker propaganda instrument than this?" That's what it is. It's beautiful; it's slick. It's good, except that it doesn't tell the truth.

It seems to me that if you're going to tell the people of Alberta, the people of Canada, what the heritage trust fund is really worth, what you've got to do is sort out those two major problems that myself and the Member for Edmonton Meadowlark have raised.

MR. ACTING DEPUTY SPEAKER: Member for
Lloydminster.

MR. CHERRY: Thank you, Mr. Speaker. I couldn't help but think, as I prepared for this debate, of all the controversial issues the hon. members of the opposition have surrounded the trust fund with. I might add that when I was listening to the hon. Member for Edmonton Meadowlark, he quoted: even your own government Auditor General. May I remind him that the Auditor General is not a government employee but an officer of the Legislature and is employed by all MLAs. Perhaps the member could correct that.

Albertans have been misled by the hon. members of the opposition to think that in the fund's 10 years it has been a worthless exercise, that after a decade it has done nothing for Albertans: it has not diversified our economy, it has not provided services for our citizens, and it has not tucked away a single thing which will benefit future generations of Albertans.

Mr. Speaker, we all know that the trust fund is an envied tool of resource management, that it has enriched the lives of Albertans for the past 10 years, is enriching Albertans today, and has provided for generations of Albertans that have not yet been born. Without the diversification initiatives of the fund, 1985, '86, and 1987 would have been and would be much bleaker years. Diversification strategies have developed agricultural processing, development of the secondary resource industries,

the many initiatives of the Technology, Research and Telecommunications department, and is developing technology and skills centres and is enhancing and expanding tourism's potential in our province. The bottom line is that the Alberta Heritage Savings Trust Fund has created an infrastructure for our economy, enhanced our quality of life now, and provided all sorts of legacies for future generations.

My constituents can see and appreciate the Alberta heritage trust fund every day by such diverse activities as watching a heritage railcar roll by full of grain or strolling through Lloydminster's all-seasons park or even just working on their farm or at their business because of the loan secured through the investment of the heritage fund.

Mr. Speaker, this is also the point where I begin to have difficulty with the hon. member's motion and his "realistic forecast estimate" of income and values of the fund. Estimates and forecasts certainly have their value in the decision-making process. If they aren't realistic, then they aren't of value.

I also find it offensive that the hon. members would think something as important as the trust fund is to Albertans and their government wouldn't be treated in a manner which upheld and underscored that importance. Perhaps the concept of the Alberta Heritage Savings Trust Fund is a difficult one for the members of the opposition. As one of this fund's architects, for the lack of a better word, Allan Warrack has said:

The fund can be viewed in many ways. Media and opposition attention has focused on the fund from a financial viewpoint. The financial viewpoint is secondary to what the fund is: a financial instrument for resource management over time.

We enjoyed the book and created the fund so that during tough economic times the fund would be cushioned and, when the resource was eventually gone, that a legacy had been left from those resources. I don't think too many people, Mr. Speaker, are going to argue with that.

We do not want to leave a worst of worlds scenario for future Albertans. We want the heritage fund to still be around when the oil and gas, all those energy resources, have been tapped and the well has run dry. Well, Mr. Speaker, the energy well has a long way to go before it's been totally tapped. That's the rainy day our trust fund is the umbrella for.

AN HON. MEMBER: What about today?

MR. CHERRY: It's being used today.

Some people in the province have led the chant that it's raining now. Figuratively, Mr. Speaker, there certainly has been a lot of raindrops, but now is not the time to use our trust fund. I say that again: not now. I think Warrack says it best, and I'd like to quote him:

There are implementation difficulties in a policy of deferring benefits into the future. Even many individuals have trouble saving for their own (or family) futures. It is far more difficult on a society (government) basis. The future "gain" is distanced, diffused and uncertain. The current "pain" is immediate, specific and certain. Although the economic principle may be sound, the politics may be exactly contradictory.

I don't believe, and I hope everyone is listening, any member of this House could say that they didn't honestly wish the fund was larger, because we'd probably be better off today. But I don't believe either that there should be any regret in investments the fund has made.

I believe, as Warrack wrote in 1985:

For those (of us) who believe the heritage fund concept is correct policy, the profound danger is maintaining the integrity of the concept over the years of shifting political minefields,

mine fields that the hon. members of the opposition place to divert attention from the success and continuing purpose of the trust fund.

Mr. Speaker, that is what this motion appears to me to be: no more than a tactic to try to demean a very successful and important part of Albertans' heritage and legacy for the future generations. The Alberta Heritage Savings Trust Fund is perhaps one of the most scrutinized, talked about, and written about political and economic issues in Canada. Its values go far beyond any dollar value one might care to place on it. I don't think one can put a dollar value on a park, on a scholarship to a young Albertan, on providing a beginning farmer with a loan, on research that takes us close to cures for cancer, on irrigating millions of acres each year, or on many of the various other investments of the fund. I conclude, Mr. Speaker, by saying that I believe in the trust fund, and I'm quite sure Albertans do too.

Mr. Speaker, I would like to adjourn debate.

MR. ACTING DEPUTY SPEAKER: Having heard the motion for adjournment of the debate by the hon. Member for Lloydminster, would those in favour of the motion, please say aye.

SOME HON. MEMBERS: Aye.

MR. ACTING DEPUTY SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. ACTING DEPUTY SPEAKER: The motion is carried. The next debate is Motion 207.

[Several members rose calling for a division. The division bell was rung]

[Eight minutes having elapsed, the House divided]

[Mr. Speaker in the Chair]

For the motion:

Adair	Downey	Musgreave
Ady	Drobot	Musgrove
Alger	Elliott	Nelson
Anderson	Elzinga	Oldring
Betkowski	Fischer	Orman
Bogle	Heron	Osterman
Bradley	Horsman	Payne
Brassard	Hyland	Pengelly
Campbell	Isley	Schumacher
Cassin	Johnston	Shrake
Cherry	Jonson	Sparrow
Clegg	Koper	Stevens
Crawford	Kowalski	West
Cripps	Mirosh	Young
Day	Moore, M.	Zarusky
Dinning	Moore, R.	

Against the motion:

Barrett	McEachern	Sigurdson
Chumir	Mitchell	Strong
Gibeault	Mjolsness	Taylor
Hewes	Pashak	Wright
Laing	Piquette	Younie
Martin	Roberts	

Totals	Ayes - 47	Noes - 17
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[Motion carried]

207. Moved by Mrs. Hewes:

Be it resolved that the Legislative Assembly urge the government to establish an independent public inquiry into the present workers' compensation system in order to assess its operation and effectiveness and to recommend changes where necessary to ensure the maximum degree of fairness to injured workers and employers.

MRS. HEWES: Mr. Speaker, let me emphasize today that what the Liberal Party is calling for is the establishment of an independent public inquiry into the present workers' compensation system. It's our belief that it's necessary to ensure that the system operates effectively and fairly for injured workers and for their employers. In the past this system was reviewed only by legislative committee, the committee composed mostly of Tory backbenchers with some input from the opposition members.

Despite these reviews in the past, both workers and employers continue to have concerns about workers' compensation. Reviews have provoked some change, but essentially they are negligible improvements. The high number of grievances about the system that continue to be registered is evidence enough that the system needs a major revision by competent people outside the bounds of this Legislature. The fact that both workers and employers -- and earlier in question period, Mr. Speaker, we had a question in regard to this from a government member -- are finding problems with this system should be enough to make the government act in this direction.

For the part of employers, they realize that what began as a no-fault insurance program to compensate for time lost as a result of job-related injuries has now evolved into a comprehensive and expensive insurance and social welfare net. In their estimation, all too often full compensation is extended where an accident or an illness results from a pre-existing condition or was caused by the life-style of the beneficiary. Employers are concerned that the cost of higher premiums increases the cost of their doing business and could push a company's profitability down to a critical level, requiring production cutbacks, price increases, or both. At the same time, steps should also be taken to encourage more employers to make safety at the workplace a number one priority, to distribute the workers' compensation funding burden more equitably among employers, and to cut costs while maintaining efficiency.

Progressive industry accepts social responsibility and understands that a safe environment, a healthy environment, is a more productive environment. Employers agree that some form of workers' compensation is essential and that they have a clear obligation to provide the safest possible workplace and to compensate victims of job-related accidents or illness. At the same time, they want to ensure that we have a healthy, prosperous, and expanding economy and that industry is treated with fairness. In their estimation, the chance of having a thriving indus-

trial sector is lessened somewhat if industry has to bear an excessive burden of the cost of social programs.

Under the existing system it's the employers who pay for what they believe is a substitute for welfare benefit. This is not what the workers' compensation was set up to do in the first place, and it is coming to be a heavy cost on employers. They cite examples of injured workers who have returned to fitness but whose job has disappeared, and they are allowed to stay on compensation, according to the employer. They don't disagree with that particular individual's need, but they submit that the need no longer has anything to do with workers' compensation and should be provided for in some other fashion.

Some employer groups are leaning more and more towards a system of private insurance plans to protect individuals and companies against the loss of income arising from some sort of disability. Why would this kind of discussion be occurring, Mr. Speaker, if the present system were satisfactory to Albertans? In advocating such a change, the intent of employers is to get away from a system that, as they see it, is getting out of hand. Whether these calls for something that looks like a more traditional insurance plan have merit or not, the warning must certainly be heeded.

The present system, in fact, could break down if it continues to be misused, overloaded, misunderstood. Employers' confidence in the system is at risk. So on the one hand, we have demonstrable anxiety and concern about the system -- grievances from employers on the one hand. On the other hand, for their part, workers have an even greater number of concerns regarding how they are dealt with by the Workers' Compensation.

One major source of concern is the in-house aspect of compensation. Although the board is making an effort now to use outside doctors, it is still completely an in-house operation. For example, Workers' Compensation handles all its own money. It has all its own lawyers deciding on any questions of litigation that involve the Act. Despite recent attempts to do otherwise, for the most part Workers' Compensation uses its own staff of therapists, rehabilitation therapists, psychologists, doctors, to determine how badly one is hurt. Compensation board staff or board members decide whether someone is still injured, whether compensation should be paid or not, what are the chances of rehabilitation, what percentage of disability is left that is a handicap to undertaking work again, how much should be paid, should the employer or the industry as a whole pay increased premiums as a result. Following these decisions, the board then pays out from its own money. Should a worker feel that he has not been dealt with properly, there is no appeal except to the board itself.

The lack of any sort of independent appeal is a critical fact for workers who feel that they are dealt with unfairly. Many workers with legitimate physical ailments come away from their dealings with the Workers' Compensation Board with a feeling that the board has intimidated them. They've inferred that the worker was there for other than legitimate reasons. They've come away intimidated and surprised by the fact the board appeared to presume that there was in fact no legitimate injury but that the worker was looking for a free ride, that the worker was malingering. The burden of proof of substantial injury is thrust entirely on the worker himself. This has proven to be particularly difficult for some workers who are dealing with back injuries or the results of industrial disease.

Mr. Speaker, it goes without saying that speaking to a Legislature partially full of elected MLAs who have listened to their

constituent's concerns, we are all receiving far too many complaints from workers who have dealt with the board about inefficiencies and the ineffectiveness of that system. We hear complaints from our constituents about claims that have been filed with Workers' Compensation that have taken literally months to process. We hear about appeals that have lingered and lingered, leaving the constituent to wonder whether an unfavourable judgment will be overturned or not, and in the meantime they have to cope with the financial loss that they're suffering from being out of work, the kind of loss that sees psychological damage, the loss of motivation, anger, frustration, a sense of failure, and a real sense of helplessness.

All of us, Mr. Speaker, in the Legislature will remember what happened last summer, the degree to which some workers' compensation claimants were forced to go to make their complaints known in Calgary. Workers with complaints and claims that had been turned down were the first to go on hunger strikes to bring their problems to the attention of others. Why on earth were workers in Alberta forced to go to such extremes? Those that did participate in the hunger strike and others in similar situations have claimed to us that they are stonewalled by the board.

People talk insistently about getting the runaround from every department within the Workers' Compensation Board system. We've heard from many people that they weren't even fully aware that they could appeal adverse decisions. And finally, after getting the runaround from the department, receiving an unfavourable judgment, having their appeal tossed out, the worker has no right of appeal to any outside authority. He is then finished, and more and more it can be stated that the system in a sense has become too complicated. It surely needs simplification.

In Alberta, Mr. Speaker, any Workers' Compensation Board claimant can appeal the decision to the Claims Services Review Committee and then to the board itself. Now, I should remind all hon. members that the board, of course, uses information on that claim and on the claimant from their own in-house staff. If the compensation board persists in its handling of a claim, the claimant can go to the provincial Ombudsman, who is empowered to review board decisions and recommend changes.

Other provinces, Mr. Speaker, have been far more creative than we have in their approach, and with their creativity has come a sense of fairness to employers and workers. Ontario, for instance, tackled this self-adjudication criticism two years ago by creating an independent compensation appeals tribunal. In an attempt to incorporate the interests of both employers and workers, members of the appeal tribunal are drawn from labour, industry, from all walks of life.

It has become apparent to us that people in Alberta need help in dealing with the Workers' Compensation Board. Only through an enhanced system of help, of advocacy, can people be assured that they will get a fair hearing. Other provinces have had studies done in order to find solutions to these problems and have made changes. We haven't. Previous ministers of this government have stated that review by a select committee of the Legislative Assembly, by elected members from government and a few opposition members after a general election, has been superior to reviews carried out in other jurisdictions by non-elected people. We heard the minister this afternoon indicate to the House, Mr. Speaker, that he wasn't even contemplating that kind of a review.

The fact is that other jurisdictions are in fact soliciting input from outside of their Legislatures. They are appealing both to

business and labour, and the fact is that they are starting to solve some of their problems with workers' compensation systems in their jurisdictions. Their willingness to do these things proves the fallacy of the other argument. Select committees of the Legislature are simply not enough to do what needs to happen here. We need an independent study.

Complaints to the Ombudsman's office with respect to workers' compensation have been second in number only to those pertaining to Alberta correctional services. Complaints are consistent and well founded. There are legitimate claims, particularly those involving back injuries, continuing debilitating pain, and occupational disease which are being refused or undercompensated by the board. By agreeing with what some of the hunger-strikers were protesting and asking for last year in Calgary and making the changes requested, the board itself has even shown its own ambivalence in regard to some of these decisions.

The board has often demonstrated a marked insensitivity to the pressure of time faced by workers who live on these requirements. They need food, clothing, and shelter. They're left in limbo, Mr. Speaker. They have to deal with credit, with mortgages, with car payments. Union representatives have spoken concerning the time lag involved in back injury claims. Some unions even have to develop contingency funds to assist such claimants. Many of the claimants are reliant upon welfare for support pending the disposition of their claims. They have run out of assets while waiting. They often experience family stress and even family breakup as they wait for answers. Whether they have no union or only a small union to rely on, the workers are even more likely to be thrown into financial crisis while trying to deal with the bureaucracy and the injury at the same time.

Moreover, because it's the labourer who is most likely to be in a high-risk job and therefore be injured, maybe he's the person who is least capable and the most unfamiliar with dealing with bureaucrats, and he bears the entire burden of asserting his claim. It's our belief, Mr. Speaker, that advocacy workers, advisers, and greater diagnostic techniques must be made available to the claimant in an appeal so that he can make the best possible case before the board so long as the board imposes such a high standard of proof on the part of the claimant before benefits can be received. It's impossible to perceive of justice being done where these things are not readily available to the claimant.

Mr. Speaker, I could go on and on and talk about individual cases, people who have come to me, and I know all hon. members of the House have documentation in their files of people who have had grave difficulty in dealing with Workers' Compensation. The members of the Legislature are all too familiar with these experiences themselves. The system has been flawed for too many years. It has become more expensive to employers and to employees. It would be too easy just to sit back and let the same old system roll over us for a few more years.

Mr. Speaker, it's our hope that members of this Legislature will see the merit of establishing an independent public inquiry into workers' compensation as proposed in our motion today. The success in this motion can only result in a more fair and effective system, one that will be much more capable of addressing the needs of Alberta business, Alberta industry, and those who work for it.

DR. CASSIN: Mr. Speaker, I would also like to speak to Motion 207, and I would like to recognize the Member for Ed-

Edmonton Gold Bar for once again bringing this topic before the Assembly. I'm sure the hon. member recognizes that this has been an ongoing process, that dealing with employer/employee relationships is something that continually changes, that the first time this was dealt with historically was in 1908 with the development of the Workmen's Compensation Act. The objective at that time was to try and provide a mechanism whereby the employer and the employee could resolve their problems without going to the courts. At that time it was found to be a very lengthy and a very expensive procedure on the part of the employee, and the initial Act was to try and resolve that. Unfortunately, it did not resolve the problem as had been anticipated, and in 1918 it became a statute, with a board, with a management, and with direction to try and resolve the problems of the employer/employee.

Since 1927 approximately every four to six years there has been a review by a select committee appointed by the Assembly. As recently as last year our minister indicated that again this would be reviewed. I think all of us as members appreciate that during the last year there was a change, that the Workers' Compensation Board changed from the jurisdiction of Labour into that of Community and Occupational Health.

I would like to also point out to the Member for Edmonton Gold Bar that the last select committee met in 1984 and they made a number of recommendations. One of those recommendations was to look at a job-related experience so that we could reward those employers who had a good performance, provided a safe environment, and looked after their employees. That would affect their rates that they have to pay by some 40 percent. The reverse is true, that those who did not have a good record and did not perhaps look after their people could in fact be penalized up to 40 percent. This came into effect in January of 1987, so it would be very premature at this point in time for this government to suggest bringing in an independent group or organization to deal with this specifically.

However, the department, or the board, has contracted a management group, Stevenson Kellogg Ernst & Whinney, to review the situation in this province. These people have performed admirably for the Alberta Government Telephones, again, in performing an overview by an independent organization, not a group of government MLA backbenchers who have very little else to do except to review various problems and processes. I would like to applaud the department and the board for taking this very aggressive step to resolve or to try and deal with the problems. That report is not going to be available until sometime late in 1987, and I would think that it would be appropriate at that time, as I expect the board will do, to review the situation in this province.

In 1975, again as a result of a select committee, there were a number of recommendations that were introduced, and again these were very progressive recommendations. Number one is that there was coverage for independent operators so that there was some flexibility in the system. The 24-hour notice was changed to 72-hour notice to allow, again, more flexibility from the standpoint of reporting injuries. The question of lump sum settlements was addressed at that point in time. The merit rebate superassessment system was also reviewed. There was a provision for both the employer, the worker, and the medical report to be available to the employee and to the appeal process.

I think it should be pointed out, as well -- and we all recognize, we've all heard from members of our constituencies who feel they've gone head to head with the bureaucracy and that there have been delays and a number of problems. And that

has to be recognized as fact. But it should also be pointed out that out of the 55,000 claims in 1985, which I think was increased to maybe 60,000 claims in 1986, out of that total number, only 2 percent actually went to the appeal process.

I think that one also has to recognize and understand the difficulties pertaining to the appeal process. It's been reported that approximately 25 percent of those injuries are back injuries. I would have to suggest that probably 80 percent of the appeals -- perhaps even more -- pertain to back injuries. It is very difficult, particularly for the individual who has to assess those individuals and cases, whether that be from the standpoint of the medical injury as well as the board, in that our science is not perfect. It's much easier to deal with an amputation or something where you have very good objective findings as opposed to having to work out what's objective; what you can see, feel, and diagnose and demonstrate; and what one perceives on the subjective basis from the standpoint of pain -- always difficult to measure pain. And disability -- a disability may apply in one situation; it may not apply in another.

One also has to recognize the process. If there's been an injury, how long would be required for one to normally anticipate that injury to settle down and to resolve? Are there going to be some long-term problems that may not be apparent at the time?

And then the whole question that comes up -- and again this is a very small percentage of cases, of those who are legitimate malingerers who are trying to use the system. And I think of the 55,000 to 60,000 injuries, the number of cases where individuals have been found and convicted of fraud is something like 22. I understand there's perhaps another nine cases before the courts. Whatever system we have, there's always, you know, those individuals, a small percentage, that give the rest of the workers a bad name. But it's like going through the Customs. We all have to submit ourselves to the Customs, and yet we recognize that that's necessary because some people will abuse the system. I quite honestly don't know how we resolve that problem. That's something we have to live with.

But while I support the member's initiatives in asking us once again to look at developing a select committee to review the process, to make certain that there's fairness both from the standpoint of the employee and the employer, I would think that it would be inappropriate for this Assembly to consider such a decision at this time, considering the activity that's presently taking place in this area and the management report that we would expect sometime in the fall of 1987.

I would also like to point out that we are going through a difficult time, as was indicated this afternoon during question period. And where one might be motivated to return to work, if the job isn't there, it's only human nature that that individual is going to try and drag out a compensation case, considering that the reimbursement and the support for those individuals is much higher than someone on social welfare or unemployment insurance. And that's a sign of the times.

But it has to be remembered that it is an insurance system. It was meant to be an insurance system, to replace wages for the individual who has lost his job through an injury or through a work-related disease or to his family. I think that the board has tried to maintain that objective. And it's important that we identify that objective and we stick to it, because if we are looking at trying to provide social assistance through this program, that is going to add to the cost of the administration and the delivery of the program and, again, will make it that much more difficult for the individuals who employ these people to carry on with their business, considering the additional taxes that are involved.

This province, I think, is the second lowest at this point in time from the standpoint of the employer contribution. Because of the recession, because of the difficult times out there, presently the payment is something like \$1.63 per \$100 compared to what would be a more realistic term of \$2.13. That may not sound like very much, but if you're looking at an employer who employs 100 or 200 people, that can amount to a considerable amount of money over a period of years when one is also calculating the additional cost of carrying out business.

I agree with the hon. Member for Edmonton Gold Bar that we are trying to develop a safe workplace. I'm not certain that's the mandate of the Workers' Compensation Board; it's really the mandate of the ministry of occupational health. But the board does take responsibility not just for providing financial assistance, but it also takes responsibility in trying to help the injured worker through rehab programs to return him to the worksite at the earliest time possible and to work and assist with the family. It has taken on that responsibility and, again, I think that it should continue with that mandate.

So in closing, Mr. Speaker, I would like to again recognize the hon. Member for Edmonton Gold Bar for bringing this once again to the House. I would have to, however, vote against this motion as I think it would be inappropriate to consider it at this point in time.

MR. SPEAKER: Member for Cardston.

MR. ADY: Thank you, Mr. Speaker. I'd like to add a few remarks to Motion 207, which was introduced by the Member for Edmonton Gold Bar. This motion calls for an independent public inquiry to look into the workers' compensation system and to recommend changes to make the system more effective. Well, I don't suppose I have so much trouble with part of the motion in that I'm sure that all of us have letters on our desks and phone calls where there are some problems in the system, but the problem that I have with the motion is that I think it's extreme in what it's recommending.

When we look at the distance that the Workers' Compensation Act has come over the years, the improvements that have been made in the system under the usual four-year review that has ranged from four to six years, it seems to me that it's within the realm of that type of thing to make the necessary repairs to the problems that we may have to make the Workers' Compensation Act effective.

I think some of the problem that may arise is in the dissatisfaction that might be out there with people because they perceive the Workers' Compensation Board and Act to be something that it really isn't. For example, can I quote from the 1985 annual report of the Workers' Compensation Board? It says the system today tries to:

- restore injured workers to their roles as productive members of society;
- reduce human suffering due to work-related injury or disease;
- reduce the cost to society of assisting injured workers; and
- generally provide the fullest range of services possible to the injured worker.

Well, from personal experience I know that workers don't quite understand all of that, because I just visited with a constituent recently. His understanding was that because he had been hurt and thrown out of work, it was the responsibility of the Workers' Compensation Board to continue to pay him at full

rate even though he was pronounced able to go back to work, that they should continue to pay him until he found another job. Well, that's not part of the mandate. After explaining it to him, he accepted that, and I had empathy for him because he still didn't have a job. That's the difficult part of it, but in all reality we have to move that kind of concern somewhere else; it's not the mandate of the Workers' Compensation Board to continue to pay people when they're fit and able to work.

There have been several improvements in the Act over the years, and the hon. member that just preceded me has reiterated many of them, so I won't take time to go over them again. The one thing I did want to say is that there have been changes over the years in the Act and that there have been improvements and that I think the system we have in place of a review every four to six years can effectively bring about the changes that are needed within the Act.

One of the ones that was recently brought in is the lump sum payment which is made accessible to injured workers, and this gives a lot of flexibility to them. If they have an opportunity to take a lump sum and move into an investment situation, a small business or any other type of investment, which will let them provide a livelihood and perhaps a better livelihood than an ongoing monthly payment would do, then I think that that's a vast improvement to the system.

The hon. member reiterated several others, and one of the ones that I think is certainly important is the appeal process that is in place. Now, perhaps it does need some improvements and perhaps there is some stonewalling that goes on, but I think that those things can be addressed and the concerns of the workers satisfied. If we just realize the import of those concerns, then I think we can go ahead and deal with them effectively.

The minister and the Premier have both indicated that there would be a select committee struck during the 21st Legislature. I'm sure and confident that that will take place, but I, like the member who spoke previously, feel that now, this year, is not the time. There are too many things working their way through the system that we need the benefit of having had in hand for a year or so to see what effect they might have, that they can be assessed and put into the context of any study that might come forth so that we can make good decisions on what needs to be done to make this Workers' Compensation Act more responsive and more effective for the workers who rely on it.

I think we need to be sure that we give proper assessment to the new experience rating program that's brought in. There's certainly an area of incentive that's built in there that will be an incentive to employers to provide a safer workplace, and I think that one of the most important things we need to be concerned with is a safe environment for workers to perform their responsibilities in. Always an incentive is better than regulations in those areas.

Well, we've heard quite a bit about the record of the Workers' Compensation Board. I've outlined some of them, and the hon. member previous to me outlined others, and I don't think the performance that we've talked about necessitates the extreme measures that are outlined in the hon. Member for Edmonton Gold Bar's motion. Because if we go that route, we'll find ourselves with a long, expensive process, and I think it would be akin to major surgery for a minor headache. And so I find that I really can't support that motion, and in view of the time I'd like to adjourn debate.

MR. SPEAKER: Having heard the motion by the hon. Member for Cardston to adjourn debate, all those in favour, please say

aye.

HON. MEMBERS: Aye.

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

MR. YOUNG: Mr. Speaker, for the members of the Legislature, the order of business this evening will be Committee of

Supply for the purpose of study of estimates of Energy and. accordingly, Mr. Speaker. I would move that the Legislature does now adjourn until the Committee of Supply rises and reports this evening.

[The House recessed at 5:27 p.m.]

