

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Tuesday, March 22, 1988 2:30 p.m.**
 Date: 88/03/22

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

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

As Canadians and as Albertans, we give thanks for the precious gifts of freedom and peace which we enjoy.

As Members of this Legislative Assembly, we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country.

Amen.

head: **READING AND RECEIVING PETITIONS**

MR. TAYLOR: I would like to request that the petition I presented yesterday on the Volunteer Incorporations Act be read and received.

CLERK:

We, the undersigned, request that the Assembly urge the Government to establish a task force to call for and examine submissions regarding the effects of Bill 54 on non-profit organizations in this province.

head: **NOTICES OF MOTIONS**

REV. ROBERTS: Mr. Speaker, I rise to give oral notice of a motion, pursuant to Standing Order 40, that I'd like to present for unanimous consent at the end of question period, pertaining to AIDS Awareness Week.

MR. SPEAKER: Thank you.

head: **INTRODUCTION OF BILLS**

Bill 7
Tourism Education Council Act

MR. SPEAKER: The minister of forestry.

MR. SPARROW: Mr. Speaker, I request leave to introduce Bill 7, the Tourism Education Council Act. This being a money Bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of this Bill, recommends the

same to the Assembly.

Mr. Speaker, this Bill establishes the Alberta Tourism Education Council under its own legislation. The council brings government, industry, and educators together to co-ordinate education and training opportunities for Alberta's tourism industry.

MR. SPEAKER: The Chair apologizes to the minister for the wrong designation, but the Chair never claimed to be perfect anyway.

[Leave granted; Bill 7 read a first time]

Bill 5
Oil Sands Technology and Research Authority
Amendment Act, 1988

MR. ZARUSKY: Mr. Speaker, I beg leave to introduce Bill 5, the Oil Sands Technology and Research Authority Amendment Act, 1988.

The purpose of it is basically to transfer moneys from one fund to another.

[Leave granted; Bill 5 read a first time]

Bill 227
Motor Dealer Act

MR. HYLAND: Mr. Speaker, I beg leave to introduce Bill 227, Motor Dealer Act.

[Leave granted; Bill 227 read a first time]

Bill 230
An Act to Amend the Alberta Bill of Rights

MR. TAYLOR: Mr. Speaker, I beg leave to introduce Bill 230, An Act to Amend the Alberta Bill of Rights.

This Bill would provide all Albertans with the right to a healthy environment and to the protection of that environment. This Bill also outlines the means by which Albertans may seek damages when those rights are violated, including the ability to sue the government.

[Leave granted; Bill 230 read a first time]

Bill 6
Health Disciplines Amendment Act, 1988

MR. DAY: Mr. Speaker, I beg leave to introduce Bill 6, being the Health Disciplines Amendment Act, 1988.

This Bill deals with procedures to be followed by the registrar and with certain designations under the Act.

[Leave granted; Bill 6 read a first time]

Bill 234
Public Ambulance Act

MRS. HEWES: Mr. Speaker, I beg leave to introduce Bill 234, the Public Ambulance Act

This Bill would establish effective ambulance services in the province. The Act deals with standards, licensing, funding, an

overseeing body, a provincewide communications system, and ongoing training for ambulance personnel.

[Leave granted; Bill 234 read a first time]

Bill 221
Mental Health Protection Act

REV. ROBERTS: Mr. Speaker, I beg leave to introduce Bill 221, the Mental Health Protection Act.

This comprehensive and progressive legislation is based on the work done by the Uniform Law Conference to bring mental health statutes into conformity with the Charter of Rights and Freedoms. In addition, the purposes of this Act are to protect persons from dangerous behavior caused by mental disorder, to provide treatment for such persons, to provide for them a patient-advocacy service, and to provide for the return of patients to the community as soon as possible.

[Leave granted; Bill 221 read a first time]

MR. YOUNG: Mr. Speaker, I move that Bills 5 and 6 be placed on the Order Paper for second reading under Government Bills and Orders.

[Motion carried]

head: **TABLING RETURNS AND REPORTS**

MR. JOHNSTON: Mr. Speaker, pursuant to the land purchases Act I am pleased to file with the Legislative Assembly statements on the Land Purchase Fund for the year ended March 31, 1987.

MR. RUSSELL: Mr. Speaker, I beg leave to table some reports required by statute, being the annual report of the Department of Education, the annual report of the Alberta Heritage Scholarship Fund, and the annual reports of Keyano College, the University of Lethbridge, Grant MacEwan Community College, Grande Prairie Regional College, and the Public Service Employee Relations Board.

MR. SHABEN: Mr. Speaker, I wish to file with the Legislature Library the second edition of the *Fashion Alberta* directory. A number of the companies that are featured in this directory are in Toronto this week marketing their products that are manufactured in Alberta, for all of the world to see.

MR. STEVENS: Mr. Speaker, I beg leave to table the annual report, 1986-87, of the Alberta Foundation for the Literary Arts.

REV. ROBERTS: Mr. Speaker, this being AIDS Awareness Week, I'd like to file with the Legislative Assembly copies of the report A.I.D.S. in Alberta -- The Official Opposition Response.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. KOWALSKI: Mr. Speaker, on behalf of our colleague the Hon. Neil Crawford, Minister of Special Projects and MLA for Edmonton-Parkallen, it's my pleasure today to welcome to the Legislative Assembly some 30 bright, vigorous, and enthusiastic young people from Grandview Heights school, grades 5 and 6.

They're accompanied by two teachers Lona Ani and B. Estabrook and one parent Dwight C. Love.

Mr. Speaker, we're all delighted that these young people could visit the Legislative Assembly today. While I know they would have preferred that Mr. Crawford introduce them, I also know they're sending their best wishes to Mr. Crawford during his period of convalescence.

Mr. Speaker, I would ask our guests to rise, and I would ask that all members afford them our customary welcome.

MRS. McCLELLAN: Mr. Speaker, today I have the pleasure of introducing to you and through you to the Members of the Legislative Assembly, Mr. Jack Butler of Chinook constituency. Mr. Butler served this Legislature as MLA for the constituency of Hanna-Oyen from 1975 to 1979. I would ask Mr. Butler, seated in your gallery, Mr. Speaker, to please stand and receive the customary warm welcome of this Assembly.

MR. GOGO: Mr. Speaker, it's indeed a special day today and a privilege for me to introduce to you and to hon. members of the House, a very special person in your gallery. How well many of us remember that exciting night in 1972 when hockey Team Canada beat the Russians. We have in your gallery, Mr. Speaker -- and I would ask him to rise and be recognized by the House -- Mr. Paul Henderson, who in the final minute of the game scored that great winning goal for Canada against Russia. Accompanying Mr. Henderson is Mr. Jerry Sherman of the Christian Embassy of Canada. Would both gentlemen please rise.

In addition, Mr. Speaker, as well in your gallery we have visitors from overseas who are visiting here at the University of Alberta. They are both journalists. Mr. and Mrs. Liu, who are from the People's Republic of China, are visiting the University of Alberta and lecturing. They are accompanied by Dr. Jennifer Jay of the University of Alberta as well as Dr. Charles Burton and Dr. Chen Yu-shih. I would ask all of these people in the gallery to rise and receive the customary warm welcome from the Legislative Assembly.

MR. EWASIUK: Mr. Speaker, it's a pleasure for me this afternoon to introduce to you and to members of the Assembly, 22 energetic grades 5 and 6 students from R.J. Scott elementary school, that is located in Edmonton-Beverly. They're accompanied by their teacher Linda Manson. I'd ask them to rise and receive the welcome of the Legislature.

MR. TAYLOR: Mr. Speaker, Monsieur le président, I have the pleasure to introduce to you and through you to the Legislature, two classes from Legal, in the centre of my constituency: the grade 6 class in English and also the class in French.

[remarks in French]

I would love to present to you students of grades 5 and 6 in the French section of the Legal school. They are here with their teacher Mrs. Denise Cyr. [as submitted]

Also accompanying the classes are Mr. Eugene Krupa, another teacher, and a number of parents -- Mr. Speaker, I beg your indulgence; after all, Westlock-Sturgeon has not been represented by a Liberal for some time -- Mrs. Brenda Bouchard, Mrs. Sophie Stelmack, Mrs. Phyllis Gagné, Mr. Bob Daoust, Mrs. Debbie Russell, Mrs. Colette Bilodeau, Mr. Normand Forcade, Mrs. Lorraine Chouinard, Mr. Richard Maurier, and Mrs. Donna Pelletier. I would ask classes both in the public and members' galleries to stand and receive the warm welcome of

this Legislature.

MR. CLEGG: Mr. Speaker, it gives me pleasure to introduce to you and through you, five members of the Spirit River school district located in the beautiful constituency of Dunvegan. They are chairperson Karen Egge, board members Anne Hemmingway, Terry Kosabeck, Wilma Bird, and Gayle Sorenson. I would ask them to rise -- they are seated in the public gallery -- and receive the customary warm welcome.

head: ORAL QUESTION PERIOD

Loan Guarantees

MR. MARTIN: Mr. Speaker, I'd like to direct the first question to the minister for economic development. This government obviously sees nothing wrong with tossing Albertans' money to its friends in terms of loan guarantees, especially without any sort of guarantees that they will be creating jobs. As the minister of economic development said yesterday about \$67 million given to his friend Peter Pocklington, and I quote, "There is an undertaking to do both of those [things] that I have described to the members of the Assembly." Big deal. People in Alberta want more than an undertaking. My question to the minister: will the minister absolutely guarantee the pork producers of northern Alberta that this assistance to Mr. Pocklington is contingent on there being a hog slaughter facility at Gainers in Edmonton in the years to come?

MR. SHABEN: Mr. Speaker, the Leader of the Opposition in his preamble indicated -- and I think it should be only fair to the members of the Assembly that it be properly stated that this arrangement with Gainers is not a gift. It's a financial arrangement where there's a loan guarantee, where there's a fee collected by the government as well as a loan that commands an interest rate return. So it is not a gift; it is a financial arrangement.

I'd indicated yesterday that the undertaking by the company was to upgrade the facilities in Edmonton that very effectively serve northern Alberta both for the processing of beef and for pork. As the hon. member is aware, there are very few meat packing plants in northern Alberta; the majority are now in southern Alberta. So it's vitally important that producers not have to pay the freight to move their animals to southern Alberta. So, yes, the undertaking is to upgrade the facility in Edmonton as well as to build a processing plant in southern Alberta.

MR. MARTIN: Mr. Speaker, this is what bothers the people of Alberta: that word "undertaking." What I'm asking for are guarantees. There is a lot of taxpayers' money here. My question is: will the minister absolutely guarantee that hog producing will stay in Edmonton and that those jobs will be there in the years to come? Will he absolutely guarantee that with this amount of money that's gone through?

MR. SHABEN: Mr. Speaker, as well, yesterday there was reference made to the agreement between Gainers and the government with respect to the guarantee and the loan, and the agreement does include the undertaking by Gainers to maintain the facilities in Edmonton and to upgrade them. The difficulty -- and you get into this when you're dealing with words -- is "guarantees." You know, one of the aspects I referred to yester-

day was hog supply, the numbers of hogs in order to warrant new processing capability in Alberta. That's critical to the plans of Gainers and Fletcher's as well.

MR. MARTIN: Mr. Speaker, what the minister is basically saying is that if there are hog supplies there, then we may have a guarantee. The point I want to ask this minister then: is the minister saying that Mr. Pocklington can take this money, the \$67 million, and do whatever he wants, that there are absolutely no guarantees on this? "We hope he will do something if there are hog supplies:" is that what the minister is saying?

MR. SHABEN: Mr. Speaker, I thought I had explained the terms and conditions of the guarantee and the loan yesterday and the fact that they are secured by the existing properties of Gainers Limited. Also, I had indicated the undertaking by the company to expand and upgrade the facilities in Edmonton as well as the new plant in southern Alberta. It must be clear to all members that in order for a new plant to be viable, there must be the animals available to be processed, and that would be one of the conditions that would be necessary to be met.

MR. MARTIN: Mr. Speaker, that's all well and dandy. I thought a free enterpriser like Mr. Pocklington wouldn't need government money to do that; he would take his chances. But my question is, because the minister has brought it up: will he guarantee, then, to this Assembly that the loan and loan guarantees are secured by assets equal to their full value and that Alberta taxpayers will not be paying any of Mr. Pocklington's debts in the future? Is there enough in those assets to cover that \$67 million? Are we guaranteed that?

MR. SHABEN: Mr. Speaker, yesterday there was a supplementary question by the Member for Vermilion-Viking that was responded to by the Provincial Treasurer that responded precisely to that question.

MR. TAYLOR: Mr. Speaker, a supplementary to the Minister of Agriculture on this issue. In view of the fact that the processor Mr. Pocklington is going to get the guarantee for the processing side, has the Minister of Agriculture approached the Treasurer to work out a similar set of guarantees for those pork raisers who want to expand their facilities in order to raise pork to supply to this plant?

MR. ELZINGA: Mr. Speaker, as the hon. member is aware -- and if he isn't, he should be -- any negotiations as it relates to these types of agreements are confidential until they're announced, simply so that we do not have competitors intruding on traditional areas that they might be interested in. Yes, negotiations are taking place, but I'm not at liberty to indicate with whom.

MR. NELSON: Mr. Speaker, to the Minister of Economic Development and Trade. It is my understanding that the arrangement with Gainers for a loan guarantee is to give them the opportunity to create jobs and upgrade the facility in Edmonton and to build a facility in southern Alberta. Would it not then be true that the loan guarantee would not be required, at least to the full extent, if these two projects are not commenced, and then it would therefore require, when they are completed, that the government's risk would be at a minimum?

MR. SHABEN: Mr. Speaker, the loan guarantee that I'd indicated earlier is fully secured by the existing assets of Gainers.

MR. MARTIN: Mr. Speaker, I'd like to designate my second question to the Member for Edmonton-Mill Woods.

Postsecondary Education Funding

MR. GIBEAULT: Mr. Speaker, my question is to the Minister of Advanced Education. Several years of inadequate funding of the province's universities have finally led the board of governors of the University of Calgary to take an unprecedented action. They've said, "Enough is enough." They said that in order to maintain some semblance of educational quality, they are going to have to approve a deficit budget despite prohibitions to that effect under section 28 of the Universities Act. In light of such an unprecedented action can the minister now admit the total inadequacy of the government's funding policy and immediately advise a meeting with university officials to determine a more reasonable budget allocation for the universities of this province?

MR. RUSSELL: Well, Mr. Speaker, I'm glad the hon. member raised the matter, because it gives me an opportunity to give the information to the House that Alberta ranks first with respect to all provinces in Canada per full-time equivalent student in our universities, and it also ranks first in Canada on per capita support for postsecondary education. I don't believe . . .

MR. TAYLOR: In 1972.

MR. RUSSELL: Are you able to stand on your feet, or do you just honk away like that from a sitting position out of habit?

AN HON. MEMBER: He's running for leadership.

MR. RUSSELL: Oh, leadership. Yeah, I see; I see.

MR. SPEAKER: We're not about to allow an interesting new provocative procedure of ministers' being able to ask the opposition questions. Perhaps we could go to the supplementary question.

MR. GIBEAULT: Mr. Speaker, given that this government's policy has resulted in a reduction of 10 percent in the purchasing power of Alberta's postsecondary educational institutions, can the minister tell us what further actions boards of governors of Alberta universities have to take to impress upon them the severity of the funding crisis?

MR. RUSSELL: Well, Mr. Speaker, there are several options open to the boards of governors, and I'm sure in his first question the hon. member didn't mean to mislead the House. The boards of governors, of course, can run a deficit budget if they present a fiscal plan to the government through the Minister of Advanced Education, and I'm waiting to receive such a plan and/or request from the University of Calgary. So there's no defiance or breaking of the law there. They're simply following the procedure as is outlined. But to answer the supplementary question, the boards have several choices. They can cut expenditures, try living within their means like the rest of Albertans. They can start making some choices and cut extraneous people and/or programs from their institutions. You know, the list goes

on. But given the background of the rich level of support that is there for them, combined with the tuition fees they have at their disposal plus other supplementary fees, I'm confident the boards will find a way to manage this year.

MR. GIBEAULT: Mr. Speaker, since section 28 of the Universities Act is so clear that a liability must be approved by the minister, is the minister saying he will now ensure that funds are found to pick up deficits of Alberta's universities this year?

MR. RUSSELL: No, Mr. Speaker, and I think you've warned members during question period about seeking legal interpretations of various Bills. But I think it's clear that the process is there for any board to submit a fiscal plan. The University of Alberta is presently borrowing money to pay for an early retirement program. It's a well-thought-out plan. If the University of Calgary has a similar plan, we'll certainly look at it.

MR. GIBEAULT: Mr. Speaker, can the minister stand in his place and tell the people of Alberta how he can possibly justify on behalf of his government that they can find millions to hand out to their friend Peter Pocklington while universities are going on a starvation diet?

MR. RUSSELL: Well, Mr. Speaker, the postsecondary institutions in this province are hardly getting by on a starvation diet when they rank first in Canada.

MR. SPEAKER: The Member for Vermilion-Viking, followed by Calgary-Buffalo.

DR. WEST: Yes. Could the minister indicate where our province's universities rank in raising funds from their alumni, the private sector, or corporations in comparison to other universities and institutions in other provinces?

MR. RUSSELL: Mr. Speaker, I hadn't even alluded to that source of enrichment funds. Of course, the matching endowment and incentive fund set up by this government has been an unqualified and unmatched Canadian success story. [interjections] I can't say that it's the best, because there's nothing else like it in Canada.

I haven't even mentioned the additional millions by way of scholarships and special funds and by way of research support that have gone to the universities through our heritage fund sources. So I really believe that the institutions in Alberta are in a very enviable fiscal position when you look at the Canadian scene.

MR. SPEAKER: Calgary-Buffalo, followed by Little Bow.

MR. CHUMIR: Thank you. A supplementary to the minister. Both the University of Alberta and the University of Calgary have implemented policies capping enrollment this year. Is it the government's policy that the right of qualified Alberta students to get a university education should be limited in this way? If not, why isn't the government ensuring that adequate spaces are available to qualified Alberta students?

MR. RUSSELL: Well, perhaps the hon. member missed that part of the throne speech where we made reference to that particular potential problem in northern Alberta by way of providing additional spaces for university transfer courses at Grant

MacEwan College.

MR. R. SPEAKER: Mr. Speaker, my question is to the minister, and it's with regard to the equity study that took place in 1987. Could the minister indicate whether the recommendations of that study have been carried out, specifically the one with regards to the University of Lethbridge?

MR. RUSSELL: Yes, they have, Mr. Speaker. The last quarter of the present fiscal year contains some adjustment funds to conform with Dr. Dupré's recommendations, and the coming budget will see that those adjustments have been built in. There is special work going on with respect to the University of Lethbridge because their problems are quite severe, and the department is working on a regular and ongoing basis with the administration of that university to make sure they are off on a good, solid foundation again.

Daishowa Pulp Mill

MR. TAYLOR: Mr. Speaker, my first question today is to the Minister of the Environment. In view of the administrative mix-up or mess that seems to be developing on the Daishowa project in Peace River, particularly permits -- and I quote the minister's comment yesterday, where he said:

We've received no application for permits or licences under the Clean Air Act or the Clean Water Act

Would he explain why Peace River papers are calling for contractors now for Daishowa to strip over 700 acres of land just north of the town? Does the minister intend stopping that, or has the permit just come in in the last few hours?

MR. KOWALSKI: Mr. Speaker, this is now the third day in a row on which certain questions have been asked with respect to Daishowa, and yesterday I had an opportunity to provide some information with respect to the background of this project. I'd be absolutely delighted to provide more today, but I think it's kind of difficult to handle in the normal way of the question period. So I would seek unanimous approval of the House to give me the time to respond fully and completely to the question raised by the leader of the Liberal Party.

MR. TAYLOR: Mr. Speaker, for somebody who has the record for more words per minute than anybody else in the House, I don't know why he needs more time.

MR. SPEAKER: The Chair is thrust in a very peculiar situation. Is the minister about to cite Standing Order 40 or something? An emergency debate that we can have lengthy . . . I think we'll just have to continue in the normal flow of question period. The minister will have to respond as best he can and as fully as he can until he gets interrupted by the Chair. In reply to the first question, Mr. Minister.

MR. KOWALSKI: I'll be governed by your decision, Mr. Speaker. Yesterday when I was providing some of the background with respect to this particular matter, I think I noticed in the corner of my eye, Mr. Speaker, that you were rising, so I had to give deference to you. At that point in time I was indicating that to this point in time no applications for permits or licences under the Clean Air Act or the Clean Water Act had been received.

What I'd not had an opportunity to say, however, was that

Daishowa Canada Ltd. had received a development permit, permit 88-22-01 from improvement district No. 22, on February 22, 1988. Now, improvement district No. 22, of course, is the local government, the territory and area within which Daishowa Canada Ltd. will be proceeding with this particular project. That permit was issued following public advertisement on February 14 and following a 14-day appeal period, which is required by the Planning Act, a statute of the province of Alberta. There were no appeals filed of this decision, so the improvement district, the local government, didn't have a development appeal hearing. That development permit contained a number of conditions, including permission from Alberta Environment for certain activities to take place. As a result of that, Mr. Speaker, shortly thereafter and during that time frame Alberta Environment received permit applications from Daishowa pursuant to the Water Resources Act on February 12, 1988, and by way of permit 1813 from Alberta Environment and by interim licence 15568, both issued on March 11, 1988, Daishowa was given certain permissions to undertake some certain land clearing.

MR. TAYLOR: Mr. Speaker, in other words, the minister didn't know what the heck he was talking about yesterday.

MR. SPEAKER: With due respect, hon. member. [interjection] Hon. member, order please.

Yesterday we went through a point of order about trying to speed up the process of question period so all members could get in, and there are at least two members of your own caucus that want to get in. Could we go just straight to the supplementary, please.

MR. TAYLOR: Mr. Speaker, it's a funny interpretation. He just talked for five minutes.

All right then, Mr. Speaker. This is a peculiar department indeed, apparently a toothless tiger. Has Daishowa put up any form of damage deposit in view of the fact that they have not got their final permit yet? Have they put up any form of damage deposit in case the procedure is reversed and they have to put 700 acres of land back in function again?

MR. KOWALSKI: Mr. Speaker, yesterday I responded in part to a question from the leader of the Liberal Party, giving some of the background with respect to this matter. Those comments are now in *Hansard*. Today I provided some additional information with respect to part of the approval process that is being followed by Daishowa Canada Ltd. There is absolutely nothing different with respect to this particular process that is being followed by Daishowa than has been followed by any individual in the province of Alberta or any company or corporation in the province of Alberta. There's an interim basis on which certain activities are being proceeded with.

I also indicated yesterday that we saw no difficulty at all in terms of the application process being followed by Daishowa. In any kind of process dealing with half a billion dollars, a half billion dollar investment in the province of Alberta, there will always be some times requirements will have to be followed, some various questions. There's absolutely nothing out of the ordinary with respect to this, and the process is going along with no burps or hoops and hollows. The only confusion that seems to exist with respect to this matter, Mr. Speaker, seems to be in the mind of the Member for Westlock-Sturgeon.

MR. SPEAKER: Okay; supplementary.

MR. TAYLOR: Mr. Speaker, if I could only get 10 percent of the time the minister had, I would be happy.

MR. SPEAKER: Thank you, hon. member. Let's proceed with the supplementary question.

MR. TAYLOR: Are you trying to tell me I can't ask any more questions, Mr. Speaker?

DR. BUCK: No, just ask them. You're wasting our time.

MR. TAYLOR: Okay, Mr. Speaker and your pal here. Could the minister tell the House or file with the House the so-called deficiency letter he claims to have sent out to Daishowa; in other words, the deficiency letter of things that were not accomplished or things that were not sufficient when the original letter was filed. Will you file that deficiency letter with the House?

MR. KOWALSKI: Mr. Speaker, I'm not sure what the hon. member means by "deficiency letter." We've had, through 1987 and continuing to this point in time, ongoing discussions with Daishowa Canada Ltd. that are no different from the discussions being held with any proponent in the province of Alberta seeking licences or approvals from Alberta Environment. Certain information is provided; certain questions are asked. Certain answers are provided; other questions are asked. This is an ongoing process, absolutely nothing out of the ordinary. We will continue to ask questions until we're absolutely satisfied that everything is being met to our conclusion, and no licences will be approved or provided until all answers have been provided to us in terms of the questions we're asking.

MR. TAYLOR: Mr. Speaker, I would refer the minister to read a press release by his own Environment spokesman Janet Austin, who talks about deficiencies.

Mr. Speaker, may I address the last supplemental -- I believe it's my last supplemental; I've lost count, with the diarrhea of words that have hit me in the last while. Could I ask the Premier whether or not Daishowa has informed him that they will be taking a walk unless the Lubicon native question is solved in the next few months?

MR. GETTY: No, Mr. Speaker.

MR. SPEAKER: Edmonton-Glengarry.

MR. YOUNIE: Thank you, Mr. Speaker. Could the minister, as an act of prudence on behalf of the people of northern Alberta, give a guarantee that he will have back dioxin results for the samples he has been withholding for months before he issues any permits under the Clean Air Act and Clean Water Act?

MR. KOWALSKI: Mr. Speaker, we are withholding no information. I made that abundantly clear yesterday. Secondly, the samples in question are available for public view. If the Member for Edmonton-Glengarry would like to come with me, I'll take him. I'll walk him across the street to the Alberta Environment offices; I'll show him 24 bottles of water that he can look at. I'll extend that same invitation to any citizen in the province of Alberta, through the public media, to come and take a look at the samples. Now, Mr. Speaker, when we have received a conclusive response, I will make that information available; no ifs, ands, or buts about that.

MR. HAWKESWORTH: You've got to send them out to get the samples.

MR. KOWALSKI: I responded to that yesterday, Mr. Speaker, in terms of . . .

MR. SPEAKER: Hon. minister, please don't respond to the back chat.

The Member for Little Bow, followed by the Member for Lloydminster.

North Central East School Unit Labour Dispute

MR. R. SPEAKER: Mr. Speaker, my question is to the Minister of Labour. The school dispute in the north central east section of this province is not being settled. Could the minister indicate what steps have been taken by the minister's office or the minister to give some advice on that strike so that the students can get back to school?

DR. REID: Mr. Speaker, for some time there have been mediators from the department involved in that dispute. They have given some advice, as indeed have I.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. Is the minister considering the next possible step of ordering the teachers back to work so the schools can be opened?

DR. REID: Mr. Speaker, there has been some consideration given to that, but the difficulty is that the two parties have got so close in the process of negotiating that it would seem a little inopportune to have to use provisions of that strength under current circumstances.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the minister. The minister has indicated that the two parties are close at this point in time. Does that mean the negotiations are continuing? My understanding is that the two parties are not prepared to meet each other. If they're not prepared, is the minister taking some steps to get them together?

DR. REID: Yes, indeed, Mr. Speaker. The situation is that both parties have agreed that the end point of a 32-month contract should be a 5.5 percent increase on the current grid. They are currently about .4 percent apart on the total cost over the period of the 32-month agreement, and the department personnel were indeed in contact with both parties this morning, encouraging them to get back to the table.

MR. R. SPEAKER: Mr. Speaker, final supplementary to the Minister of Education. It's with regards to the grade 12 students themselves. Could the minister indicate whether the Correspondence School facilities have been made available? I believe they are. Have the students been provided special attention by Correspondence School staff so that these students can be up to date with other grade 12 students in the province?

MRS. BETKOWSKI: Yes, Mr. Speaker. I can indicate that correspondence courses are being made available now for grades 1 to 12 students in the strike area with particular priority, certainly in starting into the correspondence, on the grade 12 students, recognizing the very difficult effect that a prolonged

strike of this nature can have on their education, particularly within the semester system.

I can say that I'm getting very fed up with the length of time it's taking for both parties to resolve this dispute and call upon both of them to settle the dispute so that the students can have the access to education that they deserve.

MR. STRONG: A supplementary to the Minister of Labour. One of the issues that created the nurses' strike was the lack of funding in Hospitals and Medical Care. My question to the minister is this: is the same problem evident in this teachers' strike? Is there a lack of funding there so that the boards can't bargain in a meaningful way with those teachers? Is that what's causing the problem?

DR. REID: Mr. Speaker, I think it would be a little difficult to say that with a difference of .4 percent that is indeed the problem. The problem appears to be that those negotiating on behalf of the employers and county councils and those negotiating on behalf of the teachers, the ATA, have forgotten their legal and professional responsibilities to the students involved.

MR. CHUMIR: To the Minister of Education, Mr. Speaker. In 1984 the government started an equity funding program, particularly for rural schools, which is only halfway completed and would cost an estimated \$13 million to \$15 million to complete. I'm wondering why the minister doesn't proceed to complete that funding program so that rural school boards can afford to pay a reasonable wage to their teachers as opposed to the third-lowest wage level in the whole province of Alberta, as is the situation for the teachers who are involved in that particular strike at this point in time.

MRS. BETKOWSKI: Mr. Speaker, I'll attempt to answer the three questions that were part of the member's question. First of all, the question of equity and the meeting of equity needs across this province is not restricted to rural areas. In fact, there is an inequity in terms of the manner in which a school board may supplement what the province gives to all students in this province. As the hon. member knows, this government took a leadership role in the fall of 1987 by putting out a paper which discussed the various ways in which we might better meet the equity needs now that the principle of equity has been embodied in the School Act. How we will respond as the government to those various proposals, the hon. Member for Calgary-Buffalo will just have to wait until we table the new School Act during this spring session.

With respect to the effect on wages in various parts of the province, I would remind the hon. member -- and I'm particularly reminded of the point of view he has taken frequently in this House with respect to the role of school boards -- that it is school boards in this province who negotiate with their teachers, school boards who reach what they believe is a fair rate of pay for their teachers, and it is in no way affected, in my view, by a change in funding, because I think we need only look, with respect to the Member for St. Albert's question, at strikes which, thank goodness, have not occurred frequently in this province and look at times when they have occurred even when grants have been increased.

MR. SPEAKER: The Member for Redwater-Andrew.

MR. ZARUSKY: Thank you, Mr. Speaker. My question is to

the Minister of Labour. Since this strike does affect part of the Redwater-Andrew constituency, I'd like to ask the minister if he's made any attempt to have any meetings with some of the groups involved to help settle this long overdue strike.

DR. REID: Yes, Mr. Speaker, I have met with two groups at their request: one group from Smoky Lake and Thorhild and another group from the eastern end of the area, around St. Paul. Both groups asked for the meeting, and in both cases they got it within 24 hours. I have not had any request for a meeting from the teachers.

AIDS Programs

MR. CHERRY: Mr. Speaker, AIDS is a deadly disease that all Albertans are concerned about, and I would ask the Minister of Community and Occupational Health if he would tell the House: what are the objectives of AIDS Awareness Week?

MR. DINNING: Well, Mr. Speaker, I joined with a number of community groups on Friday last to officially announce and officially proclaim this week to be AIDS Awareness Week. I joined with AIDS Calgary and AIDS Network of Edmonton to announce an AIDS Awareness Week, the first one of its kind in this province, the first one of its kind in this country. The purpose of the week is to promote and give visibility to those efforts of our government, to those efforts of those community groups working co-operatively to put an end to this fatal disease.

MR. CHERRY: A supplementary, Mr. Speaker. What is the government doing to support the community groups to counteract this disease?

MR. DINNING: Mr. Speaker, we announced our program last October, and the theme of the program is that of education and caring. We're taking that approach; we're taking the nonmedical approach. Instead, we're taking the health promotion approach because a medical approach won't work in this case. Once an individual, once an Albertan gets AIDS, that's it; it's too late. So by working with community groups, providing them with funding — we've provided \$130,000 this year to each of AIDS Calgary and AIDS Network of Edmonton to assist them in their counseling and their information and education programs. Other groups in Grande Prairie, Red Deer, and Lethbridge are beginning, and we'll work with those groups. We've made a commitment to those groups to fund them.

MR. CHERRY: A supplementary, Mr. Speaker. When are you going to announce the appointment of a provincial AIDS co-ordinator?

MR. DINNING: Mr. Speaker, in our efforts to co-ordinate this three-year, \$6.5 million program, the only one of its kind in magnitude in this country, we want to appoint a co-ordinator, a professional who can assist us to work with those community groups, to work with health professionals, to work with teachers and students and their parents, to work in putting together proper work practices to prevent those employees who are exposed to the highest risk, to work with them and make this program a success. We expect to announce the appointment of that person within the next couple of weeks.

MR. CHERRY: Final supplementary. How do we compare

with other provinces, Mr. Minister?

MR. DINNING: Well, Mr. Speaker, on a per capita basis there is not another province that equals our \$6.5 million, three-year commitment to combat this deadly disease.

REV. ROBERTS: Mr. Speaker, to the Minister of Hospitals and Medical Care. Could he please tell the Assembly what studies his department has done to assess the impact on the hospitals and medical care system of this province if the over 10,000 Albertans who are estimated to be HIV carriers come up with full-blown AIDS in the next five years?

MR. M. MOORE: Mr. Speaker, we have taken the approach that the Minister of Community and Occupational Health would have the major responsibility for co-ordinating our government's actions and responses to the problems created by the AIDS disease. I've worked closely with him and with other care givers to determine the nature of services that might be provided by the active treatment hospital system and by the auxiliary and nursing home hospital system. In due course I would hope we would be able to make further comment on what we expect to have to do in order to accommodate those needs. At the present time there is still a lot of uncertainty with regard to the numbers we might be looking at in future years, but we're certainly prepared to move quickly when the need arises.

MR. SPEAKER: Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. Since it's sometimes rather difficult to know exactly who's in charge, I'll address my supplementary to the Premier. Mr. Premier, can you tell us, please, what are the government's plans or active proposals regarding the provision of appropriate residential and treatment services, including palliative care, to those Albertans who are suffering from AIDS?

MR. GETTY: Mr. Speaker, it's an excellent question that could well be discussed during estimates of the Minister of Community and Occupational Health because it takes some considerable detail.

MR. SPEAKER: The Member for Edmonton-Centre, followed by Edmonton-Gold Bar.

Health Care Funding

REV. ROBERTS: Thank you, Mr. Speaker. To the Minister of Hospitals and Medical Care. During the nurses' strike a couple of hundred bedside nurses were asked how many would encourage their own daughters and sons to go into nursing, and five put up their hands. Yet last year during the budget debate, when government members opposite were asked how many would approve the 7 percent cuts to hospital budgets last year, everyone stood up and said, yes, they'd approve those cuts. Will the Minister of Hospitals and Medical Care now admit that it was his arbitrary cuts of last year which so seriously exacerbated this dissatisfaction among nurses, and will he take his share of responsibility for the frustration and low morale that exist among the bedside nurses of this province?

MR. M. MOORE: Mr. Speaker, we have without question in our province one of the best medical care systems in the

country, and the funding level on a per capita basis or any other measure that the hon. member would wish to use is more adequate than any other province in Canada. We're confident that the funding that's provided to the hospital system can provide adequate compensation to nurses and other health care professionals who work in the system.

For the hon. member to suggest that a lack of funding is cause for great concern with respect to the benefits received by nurses or their working conditions I don't think is totally accurate. There are certainly other areas of concerns that have been expressed to me by nurses that have very little to do with funding, that have to do with their place in the whole health care system and the manner in which they contribute their knowledge as care givers to this system. I think it's those kinds of things that the Hyndman commission is going to be exploring and hopefully coming up with some recommendations for our government and for hospital boards that will be helpful in years to come.

REV. ROBERTS: Well, it's nice to have more taxpayers' dollars going to fund that Tory think tank. But the minister has allowed the funding to increase to hospitals, and they've gone into costs for hospital construction, for higher priced drugs, for higher priced medical technology. Can the minister tell Albertans why he has allowed the deterioration in the support for those who are delivering the hands-on bedside nursing care 24 hours a day? They're not getting the support.

MR. M. MOORE: Mr. Speaker, all of us are aware of the NDP's stated position of not building any facilities in rural Alberta. [interjections]

MR. SPEAKER: Continue the answer to the question.

MR. M. MOORE: Am I given to understand that that position is now changed?

Mr. Speaker, the last time I checked, the nurses and the care givers in 128 different parts of this province where active treatment hospitals are located wanted to have good facilities, and just because we have made substantial progress in that area, in fact very good progress over the last 10 or 12 years, doesn't mean we should not continue. The capital costs of facilities that are currently under construction or planned are a very small part of the overall budget of the Department of Hospitals and Medical Care, and I don't think we should suddenly stop providing services in some communities that need them very, very badly simply to put that money into the operating budget of the department so that it can expand services that hospitals provide through operating dollars. Now, it may well be that the hon. member has some suggestions that could be helpful for us, and I'd appreciate them during the budget debate.

REV. ROBERTS: I thought it was the minister's own recommendation that we reduce the number of beds per thousand that we have in this province.

But on a very specific point, in being building rich and program poor, we know that in hospitals, however well they're built, most patients die between the hours of 3 a.m. and 5 a.m. Does the minister agree with the Alberta Hospital Association's position that two relatively well-staffed units during the day should become one understaffed unit during the night and other shifts?

MR. M. MOORE: First of all, Mr. Speaker, I am continually amazed by the hon. member's suggestion that we shouldn't be putting any capital dollars into hospitals. At Christmastime the hon. Premier and I announced the rebuilding and refurbishing of the Royal Alexandra hospital in Edmonton. The hon. member wants to stand in his place and suggest that should not be done. We have under consideration at the moment some major upgrading of the W.W. Cross cancer centre here in Edmonton. We have under consideration some improvements to the children's hospital in Calgary; all kinds of projects that are badly needed. Let the member stand up and state what the NDP position is on the provision of medical services in this province.

MR. SPEAKER: Final supplementary question.

REV. ROBERTS: Thank you, Mr. Speaker. In answering the minister's question to the hon. member, I'd like to point out what the NDP's position is on this matter.

MR. SPEAKER: The member gives a very interesting example of the concern the Chair has that we're back to supplementary questions but we're roaring around with two and three answers or comments before asking the question. Could we have the question, please.

REV. ROBERTS: Will the Minister of Hospitals and Medical Care please outline his position to this Assembly and to all Albertans with respect to the nursing staff levels on shifts other than day shifts where, during the evening and night shifts particularly, for instance, most people in hospitals die, where nurses are understaffed, where they are vulnerable, both patients and staff, to low . . .

MR. SPEAKER: Hon. member, perhaps both of us are having a little difficulty suffering from an occupational hazard known as preacher's disease. Please.

MR. M. MOORE: Mr. Speaker, the system in our province, as I would be pleased to point out to the hon. member again this year during the budget estimates, is that the Department of Hospitals and Medical Care provides global operating dollars to each individual hospital board across the province. It then is the responsibility of those hospital boards to determine how they expend those dollars and determine levels of staffing. I don't believe there's any one criteria that would fit every hospital, indeed perhaps not even two or three hospitals, in our province. There are a lot of factors that need to be taken into consideration, if the member would care to speak to a hospital administrator. A lot of factors . . .

MR. SPEAKER: Hon. minister, I hesitate to interrupt, but time for question period has expired. Might we have unanimous consent of the House to complete this series of questions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

Supplementary question, Calgary-Glenmore, followed by Edmonton-Gold Bar.

MRS. MIROSH: Mr. Speaker, in regards to the member's first question, I believe nursing is still a popular . . .

SOME HON. MEMBERS: Question.

MR. SPEAKER: Hon. member, I realize there is a difficulty following in this tradition in the House, but perhaps you could go straight to the question.

MRS. MIROSH: To the Minister of Advanced Education. Would the minister please indicate the enrollment in the nursing profession in the schools in Alberta.

MR. RUSSELL: Well, I'll have to get that information and report back.

MR. SPEAKER: Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. My supplementary is to the original question to the minister. Will the minister tell me now if he intends to support my motion to revoke the legislation that took away from nurses their right to strike?

MR. M. MOORE: Mr. Speaker, the answer from my own personal point of view is no, I would not support that. I believe very strongly that the provision of medical services to our citizens is so important that it should not be interrupted by strike activity by anyone. I also believe that if there is a better way to resolve labour disputes than what is currently outlined in our legislation, I for one am perfectly willing to sit down and listen to it and perhaps we can make some changes that will be beneficial. But as far as saying that the citizens of our province should not have medical care because strikes are in progress, I simply don't agree with that.

MR. SPEAKER: The hon. Minister of Agriculture wishes to supplement information given earlier in question period in response to a question by the Member for Westlock-Sturgeon.

Loan Guarantees

(continued)

MR. ELZINGA: Thank you very much, Mr. Speaker. I misinterpreted the question that was put by the hon. Member for Westlock-Sturgeon in that I was under the impression he was seeking information as it related to packing plants or further processing rather than direct support for the farming population. I'm happy to report to the hon. member as it relates to the farming population that we have programs in place to backstop credit needs for our agricultural sector or our farmers to the tune of excess of some \$3 billion. I'm happy to report that to the hon. member.

MR. SPEAKER: Member for Westlock-Sturgeon on a supplementary, to which the minister may respond.

MR. TAYLOR: All I want to know, all the House would like to know, and all the farmers of Alberta would like to know, Mr. Speaker, is what specific programs of loan guarantees for pork producers, who want to expand their pork production to make the minister of economic affairs look good, do you have in place?

MR. ELZINGA: Mr. Speaker, I hope you'll allow me the opportunity to respond fully to him. Number one, we have our Alberta farm credit stability program, which is a \$2 billion pro-

gram the farmers who are involved in the pork industry can apply to. They can receive that money at 9 percent. It's a \$2 billion program. In addition, we have the Agricultural Development Corporation, which has loans out in excess of \$1 billion presently. In the Speech from the Throne, we also announced a further program as it relates to the further processing and sale of our agricultural products within this province. In addition, we have the Alberta processing and marketing agreement. We have a number of programs that are very beneficial to our agricultural sector. To support that, if one looks at the increase in hog numbers over the last number of years because of programs such as the Crow offset program and numerous other programs, we have had an increase in hog production in the province of Alberta, and we want to make sure we have the processing facilities so we can take advantage of that further value-added product.

ORDERS OF THE DAY

MR. SPEAKER: The Member for Edmonton-Centre, with respect to Standing Order 40.

REV. ROBERTS: Yes, Mr. Speaker. I'd like to move the motion before members and speak to the urgency thereof.

MR. DINNING: Mr. Speaker, on a point of order, citing Standing Order 40. In light of the exchange that I had today with the Member for Lloydminster, in light of our proclamation of AIDS Awareness Week last week, in light of the efforts of our government in its \$6.5 million three-year program in AIDS awareness and education and caring, and in light of the work done by all the community groups in this province, I would put to the Assembly and to you, sir, that this motion is redundant. [interjections]

MR. SPEAKER: In spite of all the interesting advice, nevertheless under Standing Order 40 the mover of the proposed motion may indeed stand and speak to the urgency of the debate -- but to the urgency of the debate, not to the issue.

REV. ROBERTS: Thank you, Mr. Speaker. With respect to the urgency of debate around this motion to which I gave oral notice earlier in the day before question period, and in my amazement that there was no such announcement about this in the Legislature yesterday, I should like to make two points about how urgent this motion is.

The first argument has to do with the dreadful fact that the exponential spread of AIDS and the HIV virus throughout the world and here in Alberta does require urgent action from caring people at all levels. The number of people with AIDS in Alberta has doubled over the last four years, and in fact last year doubled yet again. Over 550 Albertans have now tested positive to the HIV virus, and it is estimated that over 10,000 Albertans may be carriers of the virus and develop full-blown AIDS within the next five years. The urgency of the nature of the disease is one thing, Mr. Speaker, but the urgency in the minds of people to have ways to deal with the spread of AIDS is also of paramount importance. Recent polling has shown that Albertans feel more urgent about this concern than any other health care concern.

The other argument, of course, for the notice today is that we are at the beginning of AIDS Awareness Week in Alberta. This motion urgently wants to note and to endorse the designation of this week, to commend the many activities and the programs

being undertaken by AIDS Network of Edmonton and AIDS Calgary and others, as the minister has said, in local communities throughout the province this week. Finally, it is urgent, Mr. Speaker, not just to have questions about this in Oral Question Period or to have ministerial statements and funding put to certain aspects of the program. Rather, it is urgent that all members of this Assembly, from all political parties, join together in a statement not only commending the work of those involved in stopping the spread of this disease but saying that we are with them in their efforts.

In this way, Mr. Speaker, I move this motion and its urgency.

MR. SPEAKER: Other members speaking to urgency.

MR. DINNING: Mr. Speaker, just speaking briefly, I can only restate my point of order that this is not . . . [interjections] I'm not rising on a point of order. I'm rising on the urgency of debate. I only rise to reiterate the efforts this government has put forward on this disease and to appreciate the member's kind words about the efforts of those community groups. I noted some parenthetical support for the efforts of this government in supporting those community groups.

But, Mr. Speaker, again as to the urgency of debate, I feel that the matter has been well aired by the general public of this province. It's been well aired by the community groups, and it's been well aired by the provincial government. So I would again make my point that there are no grounds for an urgent debate on this matter.

MRS. HEWES: Mr. Speaker, I'm absolutely flabbergasted. I can't for the life of me imagine how the urgency can be doubted. Of course it's an urgent matter. It's an emergency. If it were anything else, it would be a critical situation that would call for national response. To say that this is not an urgent matter, that we acknowledge that we need to do more about awareness, I think flies in the face of everything we now know and see. Most of us here have participated in events in our communities, in seminars and activities with professionals and with parents and young people, and I can think of nothing I have seen in the last 30, 40 years that has produced more anxiety. Of course we need to develop more awareness.

Mr. Speaker, I want to commend the government for what they've done so far, not to say that it's enough. But among professionals in our communities and the young people, this is a matter of real anxiety and consternation.

MR. YOUNG: Mr. Speaker, I regret to interrupt the hon. member, but on a point of order, the question at hand is the urgency of debate, not the urgency of or concern for the substantive issue. That's been addressed by everybody in the course of addressing urgency of debate. The point is very narrow: the urgency of debate. I would ask the hon. Member for Edmonton-Gold Bar to start with that topic -- not to return to it but to get there, please.

MRS. HEWES: Thank you, Mr. Speaker, and thanks to the minister for that kind advice.

Mr. Speaker, what I have said and now will repeat is that anything that suggests . . .

MR. SPEAKER: Perhaps not all repetition, thank you.

MRS. HEWES: Thanks, Mr. Speaker. Anything that suggests

this is not urgent and that we should not acknowledge awareness week is regressive in my mind.

MR. PAYNE: Mr. Speaker, with the greatest of respect to those who have participated in the debate this afternoon, what is urgently needed is not debate in the Assembly but government action. It's obvious from the two contributions from the minister that that action is now under way.

MR. MARTIN: Mr. Speaker, we acknowledge that the minister has set AIDS Awareness Week, and for the life of me I cannot understand why we can't have a unanimous vote in the Assembly talking about the seriousness of it. Just because it didn't come to the minister, he doesn't have to be petulant. If he believes in what he's talking about, all we're asking for is that we show through this Assembly how serious the matter is and follow up and do the things we said we'd do. Why would the members opposite be worried about that? Show a little class, and let's put it through the House to back up what he was saying last week. That's all we're saying.

MR. SPEAKER: Well, let us test the House.

[Motion lost]

MR. SPEAKER: Government House Leader, with respect to procedure: Written Questions, Motions for Returns.

MR. YOUNG: Mr. Speaker, with apologies, I move that questions on the Order Paper and also motions for returns stand and retain their places.

[Motion carried]

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

201. Moved by Mr. Day:

Be it resolved that the Legislative Assembly urge the government of Alberta to consider implementing a process of zero-base budgeting on a selected departmental or program basis to determine if this would result in increased fiscal accountability, program efficiency, and a net decrease in costs.

MR. DAY: Thank you, Mr. Speaker. I'd like to address a motion in an area that I believe is of compelling need. I'm going to read it out just for the benefit of those who may not have it in front of them, and then get into some definitions and terminology before we look at the broader issue. It's to do with zero-base budgeting and urging

the government of Alberta to consider implementing a process of zero-base budgeting on a selected departmental or program basis to determine if this would result in increased fiscal accountability, program efficiency, and a net decrease in costs.

I think it's important, Mr. Speaker, to say from the outset that we're not talking in this motion about a blanket proposal to cover every department and every area of spending with the zero-base budgeting approach. Rather, I emphasize "on a selected departmental or program basis," and then to determine if that increased fiscal accountability will result in program efficiency and therefore a net decrease in costs. I'd like to just reiterate what I've just said there about a net decrease in costs. The bottom-line goal of this approach and of this motion is sim-

ply and plainly to see a reduction in taxes. That's the bottom-line goal. And one way, just one way, in which that type of goal can be reached -- and perhaps the main way -- is to see . . . If we're going to see a reduction in our tax load, we need to reduce government expenditures, look at efficiencies and inefficiencies, and yet still maintain the quality of services to people.

[Mr. Deputy Speaker in the Chair]

I'm happy also to report at the outset that we are living in a province which has a provincial tax load which is the lightest of any province in this country. I think that's commendable. But at the same time we're also living in a time where we're seeing some economic challenges facing us, so we can't merely sit back and say that because we are the lowest in the country in terms of our provincial tax load, we don't have any problems and we can just continue on and let things go as they have been going.

So the main way of reducing taxes is reducing government expenditures and improving efficiencies and yet still maintaining the quality of program and quality of services to people. The goal is to reduce the taxes. One way is to reduce expenditures and improve efficiency, and one means towards this way is to identify programs and departments that can use the zero-base budgeting techniques which have been developed in the past and which we're somewhat familiar with.

For the purpose of time and also to save costs in the printing of *Hansard*, I will refrain from this point on from continuing to say "zero-base budgeting" but will rather use an acronym of the initials of each of those three words. If my colleagues will forgive me, I will use the American pronunciation of the letter Z, "zed", and for ease of fluency say "zee, bee, bee." The mathematical ones of my colleagues may prefer to say "ZB²", but "ZBB" will do. That will help to reduce the *Hansard* load somewhat. Therefore, even in using that, I am already saving some costs. [interjections]

Now, I'm hearing from members opposite considerable remarks already. I can understand their concern with this type of motion, because it talks about saving dollars. As we listened to them yesterday listing off their various and sundry Bills, we heard their customary refrain to handling all problems in this province: spend, spend, spend. I have to toss out another acronym, which I'll get to in a minute. But yesterday, Mr. Speaker, as we look today at this area of ZBB, we saw an added twist to spend, spend, spend. We saw holidays, holidays, holidays -- three separate Bills talking about more holidays for the people of Alberta. Now, holidays are a wonderful thing and we all enjoy them. I can see that members opposite, having difficulty in knowing that Albertans don't accept a policy of spend, spend, spend, have said: "How are we going to get people not upset with us for taxing them to death with all our spending programs? I've got it. Let's have more holidays." So they've added to that.

Now, the other acronym I want to throw out and use today to cut down the expenses of *Hansard* and our good people involved in this process -- from time to time I and other members say "the members opposite," Mr. Speaker. I have reluctance to use that broad term, because it includes my hon. colleagues over here -- and I say this carefully -- to the left of the members opposite, and also at this end of the House two hon. colleagues who are considerably to the right. I don't necessarily want to include those members when I say "members opposite." Therefore, for the purposes of this motion and probably other motions

I'll address during this session, I'd like to recognize the fact that the two main opposition parties -- main meaning "numerous" -- are actually very similar in policy. The votes will record that they vote together on almost every item. Therefore, I consider that a Liberal/socialist détente, and I'll use those initials, LSD, to refer to the group across as the LSDs. That will help *Hansard*; that will advance zero-base budgeting. And as I look to the motion now, Mr. Speaker, just so you know, when I say "the LSDs," that's who I'm referring to, the Liberal/socialist détente. The particular drug mentioned also talks about a euphoric state and hallucinations and mind-altering considerations, and people might draw that conclusion. But I use it simply to identify a particular group opposite and do not include my hon. colleagues and those who may someday wish to be our colleagues.

As I've said, the means of reducing government expenditures is to identify programs and departments that could use the ZBB techniques. Again, I'm not talking about a blanket over every department and every aspect of spending. Now, the problem with this approach, the difficulty, is that the very people we invite to engage these particular techniques could indeed be the ones that could be cut by their own analyses. So what we have in the bureaucratic realm is a certain protective element there that has to be overcome. It's a little bit like asking the chickens what they think about Colonel Sanders' new frying technique. I think you would not get a very excited response from them. Now, I use that as an extreme example and only to be facetious, because I recognize that most of the departmental managers I have had to deal with in this government are responsible people who indeed care about restraint. As we've gone into a program of restraint here over the last year, most of the people I have seen and worked with at the various departments have tried to handle this very responsibly.

What I'm talking about when I say we have a problem with protectionism of a person's own program or department is a very human factor. We will have in any situation managers who, in analyzing their departments, if they came across a program that could be done away with, would be reluctant to do that because programs are made up of people. Any manager, I'm sure, cares about their people. Therefore, we have to approach managers with sensitivity when it involves the possibility of people's jobs being removed. Now, there are different ways of addressing that. I think one of the first things we would have to do to overcome that problem of protectionism based on genuine human caring is first of all to define the problem, and of course the problem is increasing government expenditure. Governments cannot continue to spend ad infinitum without a day of reckoning coming. We saw a number of years ago in the province British Columbia that a day of reckoning had to come where civil servants were laid off by the thousands en masse. We saw it in the city of New York when, after years of not addressing and facing up to their budgetary difficulties, finally by the thousands, and almost overnight, people had to be laid off.

What I would like to do is propose to our government and to the people working in the various departments that there are ways in which we can avoid that. If indeed, as ZBB techniques are being used, it is seen that people would actually have to go, then those people need a commitment from this government -- and this type of commitment has been given in the past -- that they would be compensated, trained, upgraded, offered early retirement packages. There are a number of ways in which the people concerned could be addressed, but it does need to be addressed. Government expenditures per se in any government, municipal, provincial, or federal -- that whole question of rising

expenditures has to be addressed or a day of reckoning will come which will result in far more than some programs being altered or some people being compensated or retrained.

So I've said that the goal is to reduce taxes, the way in which this can happen. We've talked about reducing government expenditures and improving efficiencies, and the means would be using the ZBB techniques. We've looked at the problems, and I've suggested some ways those problems could be dealt with. What would be the results? The results from my perspective of initiating ZBB techniques would be among and not limited to increased accountability, increased efficiency. Increased efficiency in any department or operation always leads to an increased pride of service. That leads to increased self-esteem and an increased sense of accomplishment. These are the social results of implementing ZBB techniques, and those results would be on the people themselves, the departmental people who achieve the various levels of accomplishment.

For Albertans in general the results would be a lightening of their tax load and therefore an increased desire to be productive in whatever areas they're engaged. It would also lead to more confidence in government and more appreciation for those in civil service positions who would genuinely be trying to do a good and effective job and continue to limit expenditures. Now, as we break down over the next few moments the concept of ZBB and analyze it, I want it to be continually on our minds emphasizing this whole area of reducing the tax load. As I've said, we have the lowest provincial taxes in Canada; we have no sales tax. But we can't rest on that, and we can't simply compare ourselves to other governments and say, "Look how well we're doing." For instance, when we compare ourselves to the incredible debt load faced by the citizens of Manitoba as brought on by socialist elements of financing over the years, it gives me no comfort to compare myself to that type of financial setting. I say we've got to look at what could be better and continually be vigilant in the area of planning and using these different techniques.

It is instructive to know that taxation is really relative. We can talk about the fact that our taxation is the lowest in Canada, yet we know that depending on where a person's salary range is, overall when we combine provincial and federal taxes in this country, we can be paying anywhere from 25, 35, 45 percent of income on taxes. Now, when I say that comparing taxes is relative, we go back to the year 1915, Mr. Speaker, where in the House of Commons in Ottawa the principle of income taxation was first introduced, largely due to the war effort. It was suggested at that time that a 1 percent levy be placed on people's incomes. One member at that time stood up in the House and said, "One percent? That's terrible. We can't even start to allow that." He said, as he addressed that House, "Ladies and Gentlemen, if we allow 1 percent, you watch, some day governments will want 3 percent." And they just about laughed him out of the place. Well, we're far in excess of that today, Mr. Speaker.

We need to get a grip on the reality that governments do not have a god-given right to tax people to death. Again, I appreciate that this government recognizes that and has kept our provincial tax load low, but we need to get a firm hold on these realities and recognize the effect that taxes have on people in general. It's absolutely necessary to deal with the whole area of government spending. I'm pleased to say that as a government we are, and we have been. But as the economy now turns for the better, we need to have certain of these ZBB techniques in place in an ongoing way to continue to limit our expenditures.

In looking at the actual definition of zero-base budgeting, we can say that it's a goal-oriented, cost/benefit approach to budgeting, and it analyzes and re-evaluates all programs and all functions every year. This process requires each manager to justify his or her entire budget request in detail, and it puts the burden of proof -- and this is what's important here -- on her to justify why her department is spending that money in that particular way.

ZBB also provides top management with detailed information concerning the money that's needed to accomplish the desired ends of that particular department. It helps to spotlight redundancies and duplication of efforts among departments and then focuses on the dollars that are actually needed for the programs rather than on a simple percentage increase from the previous year. Mr. Speaker, we don't -- or I hope we don't -- do our household financing simply on a basis of: "Well, what did we spend last year? Well, now let's just spend X percent more this year." Nor should governments act the same way.

Mr. Speaker, we also need to deal with a particular problem faced by government departments, in which, if you have a good manager over a particular program or area and she really keeps track of those dollars and approaches her year-end and finds herself with a surplus, because there is no recognition for that, because there is no, maybe, merit pay for having been a successful manager and because she will lose those dollars, there is then, as we all know in government, that urge to spend those remaining dollars in whatever way possible because next year we don't want to have our budgets cut. We want to have the same amount that we started with the year before, plus inflation, plus, plus, plus.

Mr. Speaker, that type of economic thinking is counterproductive. We need to develop ways in which good managers can be rewarded and money either carried over or somehow there would be an incentive in place that they could be encouraged -- even with their budgeting techniques -- to save money by the end of the year and not feel they have to simply go out and spend it. And above all, ZBB forces the question: is this activity really necessary? Sometimes, Mr. Speaker, we ask that about our speaking in this very Assembly. We're told it is necessary. But basically, with that type of question going into every area of budgetary planning, we see that we come up with a planning and budgeting technique for optimizing value received for dollars invested.

Basically, here's how it works. There are four steps to the process. First of all, preliminary overall expense targets have to be set for the period being planned; that's the first step. Then decision packages have to be developed that would define the department's activities and the functions and purposes and resources. The third step involves selecting the most desirable decision packages through a process of ranking and cost/benefit analysis. Then the fourth step involves setting the budget as the sum of the approved decision packages. Decision packages that are not approved would receive no funding, and their functions would not be performed, obviously. Those are basically the four steps of how ZBB works.

Then there are three requirements for successfully implementing the program. Number one: it needs support from top management; you have to get the people involved onside, and I've dealt with that question already. Number two: you need effective design of the system to meet the needs of the user organizations. Number three: there has to be effective management of the system and the techniques as they're ongoing.

Now, this gives rise to certain questions. Where should

zero-base budgeting be installed, and at what organizational levels should the decision packages be developed? It's been found that for the first year it's common for decision packages to be developed by a central staff that would summarize the activities of all the operations. Then, in subsequent years, lower level managers could participate in the preparation of those packages.

Then there's the question of what should be the format of the decision package, and do these formats need to differ among departments. In government, Mr. Speaker, programs and methods of funding vary. Therefore, experimentation with format would probably be necessary, and we need to avoid being too restrictive in defining that format.

Then there's the question of what figures should be used for the current year's costs. The decision package format requires the identification of the current year's costs for each activity. But these packages are developed to establish next year's budget and are prepared before the current year is completed. So to calculate the current year's cost, there are three choices: you can use the actual cost-plus forecast, which means using the actual costs through the month or quarter at which the ZBB process began, plus the forecast costs for the remainder of the current budget year; you can use budgeted cost, which is using the cost budgeted for each activity for the current year; or you can use actual-plus budget, which would use the actual cost through the month or the quarter at which the ZBB process begins and then add the budgeted cost for the remainder of the current year. The best choice, as experimentation has shown historically through various places where this has been tried, is the actual-plus forecast cost data, because that reflects the truest picture of what's happening in the current year.

Then there are the questions of what you do with cost adjustments and lapse factors. How do you handle those? Well, after these packages have been approved, the initial estimates may need adjustment. These adjustments can be accounted for by preparing a package for the cost adjustment that explains the change and shows a positive cost if the packages were undercosted or a negative cost if the packages were overcosted. That way all costs would be displayed in the same package format.

Then there's the question of time requirements: what kind of time requirements would be needed to implement it? Well, the very nature of ZBB is such that it can very quickly become unwieldy. Therefore, care and consideration has to be given to implement the process at any level.

Then there's the question which I've already addressed: how are people reductions handled? Again, Mr. Speaker, even as we have demonstrated in the past year, personnel reductions can be handled in a way in which people can be compensated for, can be trained for other positions, can be offered early retirement packages. There's a number of ways in which people concerns could be handled. But the process of ZBB cannot be scrapped simply because it could mean people would be laid off.

You know, around the turn of the century there was an argument from the makers of buggy whips and carriages that if the motorcar continued to develop and production-line techniques used by Mr. Ford were to continue, there was the very real likelihood that buggy whip makers and carriage makers might lose their jobs. But if I can dare suggest today, Mr. Speaker, the development of the motorcar was not stopped because some people might lose their jobs. However, research may well show that a lot of the people that lost their jobs in the buggy whip factories found jobs by some direct or indirect means through the development and technology to do with motorcars. So because there is a threat of personnel losing a position because of ZBB

techniques being used and a department being streamlined -- we can't scrap it just for that purpose or just for that reason. People can be taken care of.

Now, the concept of ZBB was first utilized in the early '60s by the U.S. Department of Agriculture, and a study of that shows that it was a classic case of taking a good technique and a good plan and not handling it properly. Managers were not put onside, people were not convinced of its necessity, and basically it was done in an unwieldy way and was not found to be effective. On the other hand, in the late '60s Texas Instruments dusted off the techniques of ZBB, reinterpreted them, and found that if they were properly implemented, true dollar savings could result.

In the state of Georgia in 1970, Governor Jimmy Carter again made the mistake of taking ZBB and applying it to all government departments right across the board. After a few years that was found to be unwieldy and not that satisfactory. So lessons were learned.

In Ontario, we see that

. . . in the late 1970's and early 1980's managers from the Ministry of Revenue concentrated on developing an annual resource planning and performance review process involving ZBB techniques. . . . The program was considered successful, in that planning and budgeting expertise improved. . . .

The support and endorsement of senior management made an important contribution to the early success of the. . . ZBB. . . process.

It was found, Mr. Speaker, that even in the first year of the province of Ontario using it in a selected way, an estimate was given that savings realized that particular year were about 5 percent. Now, some people would say, "Well, 5 percent savings -- that's really not very much." In our budget, Mr. Speaker, 5 percent is half a billion dollars. If we were to implement the ZBB techniques and only do as well as the Liberal government in Ontario, I think we could at least attain 5 percent savings, which would result in half a billion dollars.

A number of other provinces -- British Columbia has used it to varying degrees of success, and there are other jurisdictions that have also. Saskatchewan's experience, for instance, was positive in the limited way in which they introduced ZBB techniques.

I'd like to wrap up my remarks again, Mr. Speaker, by emphasizing what will be the results of these particular techniques being put into place: increased accountability, increased efficiency, which leads to pride of service, which leads to increased self-esteem and a sense of accomplishment among those working in the departments and using the techniques. For Albertans in general we see a lightening of their tax load, more confidence in government, and more appreciation for those in our civil service. Mr. Speaker, when we lighten people's tax loads and give them the impression that the amount they are being taxed is being very carefully spent, that increases their own productivity, increases their own desire to work and to be a positive part of the economic and social framework of the province.

So I would encourage my colleagues to consider the motion as I have read it: not a broad blanket covering ZBB approach across every department but rather on a selected departmental or program basis to determine if, indeed, that could result in increased fiscal accountability, program efficiency, and a net decrease in costs. I am convinced, Mr. Speaker, based on the history of its use and based on the psychological effect of having to justify and account for every dollar spent, we would see improvement right across the levels of government in any level

in which we use these particular techniques.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. In speaking to the hon. member's motion, I would like to observe, first of all, that with his opening comments, in typical Tory false economy, he probably wasted more words explaining the purpose of using an acronym than he did in achieving the validity of such a use. In fact, he inadvertently contributed to a suspicion that has been held, certainly by the members of this caucus for about two years, and that is that an appropriate acronym to use for members across the way, meaning government, is PCBs; that is, PCs -- Progressive Conservatives -- B class, because even throughout his speech he couldn't get "ZBB" correct and kept referring to "BZ."

Mr. Speaker, it seems to me that I saw this hon. Member for Red Deer-North just a few days ago at a conference with immigrant women. He expressed shock and genuine surprise at being advised that there is such a thing as systemic discrimination, and by God, he assured those people, he was going to take this information to the members of his caucus, because he didn't know anything about it, nor did his government. On the other hand, I remember when the hon. Premier introduced his Bill 1 last year which changed the name of the Department of Culture to the Department of Culture and Multiculturalism. When he particularly responded to my comments with respect to systemic racism in Alberta, he jumped up and veritably shouted that we don't have racism in Alberta. So perhaps the hon. Member for Red Deer-North wasn't present at the time. Nonetheless, I'm sure he has the same access to *Hansard* as the rest of us do.

In promoting his zero-base budgeting notion, the member observed that there came to be in some provinces and elsewhere in the world certain days of reckoning in which thousands of people were laid off because ZBB had been implemented. It is true that thousands of people have been laid off because of certain attitudes as expressed by governments of the day. One needs only to reflect momentarily upon the fate of those people to determine whether or not there was a net savings. The Toronto-Metro Social Planning Council determined in 1985 that it was a false economy to have people, say, on unemployment insurance drawing about \$10,000 a year -- and that's in 1985 dollars -- and not being productive in the economy when in fact one could implement programs, pay those people \$14,000 year and, as a matter of fact, even collect net taxes from them. As well, they would be contributing to the overall economy and, in most instances, would be increasing their demand, thereby increasing aggregate demand, which would therefore increase the call for production and, therefore, jobs.

[Mr. Musgreave in the Chair]

Under the circumstances of a city that's already got unemployment in the 12 percent range, does the hon. member seriously propose that we go about asking public employees to cut off their own jobs so that they can go and live on unemployment insurance -- and perhaps welfare down the road -- because there are no other jobs to go to? Surely anybody with an IQ above about 50 or so, I would speculate, can figure out that that is a false economy.

The member, in sponsoring his motion, also referred to

Manitoba. But he conveniently avoided certain aspects of Manitoba that have in fact become leaders in the Dominion of Canada. For instance, over the last several years, particularly since the onset of the recessionary cycle from which Alberta has yet to escape, Manitoba has recorded consistently the lowest and second-lowest rates of unemployment in the entire country. That's not bad, considering that they have nowhere near the industrial base in Manitoba as Quebec and Ontario boast. Moreover, Mr. Speaker, it is the one single province that has been able to boast steady 2 to 2.5 to 3 percent rates of growth in their province, compared to other provinces which are either stuck in the boom/bust cycle or are permanently consigned to the bottom rung on the ladder -- and I do refer to certain provinces which consistently have unemployment higher than 20 percent. None of those provinces have had the benefit, of course, of New Democrat governments.

AN HON. MEMBER: We'll see.

MS BARRETT: That's right.

Then I look at what happened after -- was it the 1982 election that brought Grant Devine into government in Saskatchewan? What I saw . . .

MR. DAY: Are you talking about Manitoba's government?

MS BARRETT: Oh, I'd love to. Sure. But I do want to get to the other points that the hon. member raised in sponsoring his motion. I'm sure he wouldn't want me to be inefficient, would he?

He avoided talking about Saskatchewan, though, and the havoc that the Devine government has wreaked upon the people in that province, and for which, I'm sure, the Devine government will pay handsomely after the next election, including massively higher unemployment and massively higher taxes, not to mention the most checkerboard and bizarre so-called farm help program I have ever heard of in my life. I can well imagine that the prehistoric societies had a better management system than do the Devine Conservatives.

Mr. Speaker, then the member said, "Well, you know, we do have to look at keeping people's taxes low" -- and nothing could be more important; I agree. But a funny thing happens in this province for the last 16 years -- and you know, I think Albertans have finally caught on. You see, they go out and they're told to re-elect the Conservative government because it's good for them, and about a year after they do that -- being the good, honest, believing, trustworthy souls that Albertans are -- they get hit with their first big round of tax increases and cutbacks in people services. Now, I don't think it's an academic point to observe that people do learn from history; I have every confidence that people have learned from history, and particularly the last 16 years of Conservative rule. It is the equivalent of talking out of both sides of their mouths to talk about how it's unfair to increase taxation while these are the very perpetrators of that particular action, and moreover, Mr. Speaker, to impose for the first time in Alberta a flat tax.

Now, the hon. member reflects upon the first occasion on which an income tax was contemplated in the House of Commons and the laughter that ensued: anybody thinking aloud that it could increase to as high as 3 percent. Well, I don't think it's a laughing matter that Albertans got stuck with a flat tax in 1987, nor do I think it's a laughing matter that it isn't an exclusive rich tax, that it applies to a lot of middle-income people

who, by the way, are already bearing the greatest brunt of the taxes because they have very high property taxes, which are a flat tax. And the reason they have those taxes is because the provincial government which has the ability -- although obviously not the notion -- to collect taxes on a progressive basis absolutely refuses to do so.

Those are the people that are going to be stuck with that flat tax, and even though the Provincial Treasurer put on his ham acting last year and said that it would be temporary, I wonder, Mr. Speaker, for how long. Let's say, even in the hypothetical world, that it was temporary and it was alleviated, say, during election year, for instance. If the Conservative government were re-elected -- not that I think that's possible or probable -- would they bring back that flat tax? Something tells me that history repeats itself, Mr. Speaker, and that is exactly what this Conservative government would do.

Now, Mr. Speaker, the hon. member says that ZBB has the virtue of imposing burden of proof -- that is, for the necessity of expenditures -- upon the department managers. You can imagine my shock at hearing those words from the Member for Red Deer-North, because he has implicitly acknowledged that hitherto, after 16 years of Tory rule in Alberta, that has not been done. These are the people -- these PCBs are going to sell themselves throughout the province as being the financial managers of our economy, when they clearly have never asked for detailed accounting from the individual departments? I am shocked, Mr. Speaker, to learn of this revelation.

Now, I want to acknowledge, though, that the member does bring up a very important issue, and that is that it is inevitable -- and this has been studied for about a hundred years now, to my knowledge -- that organizations will become bureaucratic. One has seen tests of various description that were meant to address that internal problem: it happens in organizations; it is inherent in structures that are occupied by people. But it seems to me that if one really wants to recognize the managers who turn in legitimate surpluses, one must also ask the other side of the equation. Would those surpluses be generated exclusively for the purposes of enhancing the pocketbook of the manager that turned them in, and if so, would that be done on the backs of the people who were meant to be helped by the programs in the first place?

Now, I have seen the callous attitude of this government when it is engaging in its cutback mode. As I've mentioned before, it tends to that right after every election. And I do represent an inner-city riding, Mr. Speaker. I deal with hundreds and thousands of people who have been turfed out of employment and who have never found a place to help them aside from the local volunteer associations in the Boyle Street area and my own community office. We do a lot in fighting the red tape to get these people very often the income support they need and also the food they need, because the income support is -- what? -- \$4.11 a day if you're on social allowance; and shelter, because of course rents are a lot higher than the \$180 a month that they're allocated through Social Services; and other programs for which they need advocacy. They come to us.

Now, these people, the most poor and the most vulnerable, are the very people that were asked to take the burden of this government's financial mismanagement. Would it be fair to ask these people to take a further burden because the Alberta government decided it would be clever to provide a bonus system for managers to turn in surplus budgets? That to me, Mr. Speaker, would betray the ultimate Conservative agenda, as far as I can see.

Now, it seems to me that there are issues that need to be dealt with seriously with respect to internal management and accounting procedures, and that's a good idea. But one also needs to balance the equation again with certain political decisions. You see, Mr. Speaker, I am of the view that it is political decisions that end up costing the taxpayers a lot more. You know how the government wants to make certain sexy, attractive announcements just before an election comes along. Right? Well, you know, each of them comes with a price tag, and it's sort of cleverly hidden and all the rest of it, and everybody rubs their hands with glee because they're going to be getting their next community's X, Y, or Z, the price of which is to be paid after the election and inevitably on the backs of the poor and the vulnerable.

But one of the things that you can't underestimate at this point, Mr. Speaker, is how you're going to bring management onside without offering them bonuses or such things that could lead them to distorting the social values that we have come to call mores in 1988 if they don't have other employment to go to. And with a 12 percent unemployment rate, I would argue that the real issue here is to fix the economy; that is, try to help diversify and stabilize the economy. If you can reduce your unemployment rate, you know what happens? It happened in the 1970s and in the 1960s, and it's a common feature in a mixed economy: competition for labour once again occurs. And what you have then is people who are interested in leaving their job in one location and going to another, because very often those job offers are more attractive than the offer that keeps them at their existing job. But you're dreaming in technicolour and probably smoking LSD if you think, with a high unemployment rate such as Alberta has and a protracted high unemployment rate such as Alberta has had for the last seven years, that anybody is going to voluntarily talk themselves or work themselves out of a job.

So while the efforts of the hon. Member for Red Deer-North are not at all to be dismissed or laughed at, it occurs to me that the efforts of this government would be much more well placed if they would get on with the job of diversifying the economy properly.

AN HON. MEMBER: We are.

MS BARRETT: Well, I don't see it in the unemployment rates here in Edmonton, hon. member.

If they would undertake to offer people significant work in what we might call the third sector of the economy, provided that the private and the public sectors haven't got work; if they would commit themselves to the co-operative recommendation of the Federation of Canadian Municipalities to rebuild the infrastructures of various old cities in Canada and in Alberta, the document of which is called Work, Work, Work; if there were some constructive alternatives, Mr. Speaker, the issue that the member addresses would be a nonissue. That, I think, goes to show you why the hon. member is part of a group that we call PCBs, because if you don't take a long-term perspective, you make a lot of mistakes in the short term.

Thank you.

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

DR. CASSIN: Yes, Mr. Speaker. I'd also like to speak to Motion 201 and to thank the Member for Red Deer-North for introducing this motion. I support and appreciate the goals and

the objectives of this motion, to implement a zero-base budget on a selected departmental or program basis to determine if this would result in increased financial accountability, program efficiency, and a net reduction in cost.

I also understand that the province of Alberta has already implemented some elements of a zero-base budget program for capital expenditures and for special programs. Most recently your own office, in the renovations of this Assembly, applied this principle, and I think in this particular instance it was very successful.

I also, however, understand that the concept of a zero-base budget has been used in various jurisdictions over the last 25 years, and I must really question why it is not used more extensively if it were the answer to our budget woes, particularly in the public sector. Mr. Speaker, the budget process would be a relatively simple procedure if all factors were constant. Unfortunately, they are not. We are continually having to deal with variables within government and within various departments that make the application of a zero-base budget extremely difficult. On the expenditure side we can build in contingencies, but how can one predict the probability of tornadoes, floods, forest fires, unemployment with its demands on social services, or even the amount of snow that will fall in any particular year? Certainly the revenue side presents its own set of problems, particularly in a province such as Alberta where we depend so much on the energy sector for our revenues. Perhaps different from other provinces, we've had the benefit of these additional wells in the ground, and that really reflects the low tax rate that we have in this province and also is reflected in some of the excellent programs and services we've been able to put in place and to enjoy as Albertans.

But we do deal with a boom/bust cycle, and in spite of some of the comments earlier today, in 1986, considering the magnitude of the deficit that this province had to deal with, I believe we handled things very well. I appreciate that there was some dislocation of jobs and that there were more people at the food banks. But I think it reflects well that this province does have an additional source of strength and that there has been a diversification in our economy and that that diversification continues to grow and speaks well for the previous management of this province and also for the present fiscal policy of reducing that deficit over a three- to four-year period.

The usual method of developing a budget based on last year's needs, factoring in an inflationary value, and adding a few new programs is certainly not the way we want to go in this province. Mr. Speaker, if there's anything that will keep inflation rolling, it's the public sector predetermining what that inflation rate will be, building it into their budget, and sending out the signal to the private sector that okay, we're dealing with a 4 or 5 percent inflation, and we'd better build it into our prices. That's certainly one way to continue with inflation and certainly should be stopped.

I agree, Mr. Speaker, with the concept of an analytical review of all programs within each department on an annual basis. We should ask the question "Do we need it?" and remove those programs that are outdated and redundant, so that those moneys are distributed in accordance with changing responsibilities and workloads. What we need to accomplish is a flexibility within the system, and we have to make the adjustments and deal with the problems. I don't particularly believe in problem management, but in politics and in the public sector we have to deal with what comes our way in a very efficient and practical way. I understand that some of this could be corrected, for some of

our problems to be dealt with with a zero-base budget, and I think that it belongs in the area of special projects and capital expenditures.

I have some problems with the conclusion that my colleague from Red Deer-North presented, that a 5 percent decrease would save us some half a billion dollars, because that would imply using a zero-base budget concept across the board. I don't think that is a practical solution. It requires many factors. It requires a very strong and determined task force, committed people who are prepared to work over three to four years to really do a proper assessment of a zero-base budget. Our problem, Mr. Speaker, is really the size of government and what government is attempting to do in providing services that could more properly be handled by others. A government should govern and should set regulations. It should not be in the service sector unless no one else is prepared to provide those services that are needed to our constituents.

Mr. Speaker, I applaud and certainly feel that it's important that we look at means and ways of reducing our taxation. I appreciate the dedicated and hardworking people that represent us in our departments, but I do understand that they are people and that it's going to be very difficult for those individuals to identify programs that may have to be cut. They'll be reflected in the cutting of employees and friends, perhaps in pet projects. This is always difficult, and I think it's hard, if not perhaps impossible, to ask and expect that that kind of process would take place in a large and complex department. Yes, it will work in a small group where the people are well motivated.

I would like to conclude, Mr. Speaker, that the zero-base budgeting concept is good, and it will work in selected areas, perhaps small departments on special projects, but I have some difficulty in seeing the application across the board throughout all departments. Other alternatives must be sought out if we are going to deal with our expenditures and our deficit and continue to provide good leadership and good management in this province.

Thank you.

MR. ACTING DEPUTY SPEAKER: The Member for Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. I suppose no one could be against the idea of having increased fiscal accountability, program efficiency, and a net decreasing cost, except perhaps for the latter. I think that even the Member for Red Deer-North would admit that in some particular cases you might do better to increase your costs and spend more money. Otherwise, why did the government give money to Peter Pocklington the other day? I mean, you can't just go . . . [interjection] Well, they loaned him \$12 million and a loan guarantee for another \$55 million.

But you don't always save money by being tightfisted necessarily. For instance, if you put money into preventative health care, you might save a lot of dollars down the road. So with that caveat I guess everybody would agree that we should have increased fiscal accountability and program efficiency. I'm just not so sure that the zero-base budgeting is necessarily the answer, and I can't resist, of course, answering some of the comments made by the member when he introduced the idea.

It's amazing how this government always likes to brag that we have the lowest taxes in the country. It's not true, you know. Since we had the tax increase last year, we are not the lowest taxed province in the country. Particularly if you consider that

we have a medicare premium that is quite large and add that in, then we definitely are not the province with the lowest taxes. The member across the way talks about -- even though we're the lowest, we might pay 25, 35, or even 45 percent. I might also add that some people that are quite rich don't even pay any in this province, because we haven't got our tax system sorted out. And your colleagues down in Ottawa didn't do much about sorting that out in their so-called tax reform, as even your Treasurer said. In fact, they made a right mess of the so-called tax reform. And when the other shoe drops, so to speak, and he brings in his national sales tax or VAT, whichever the case might be, we're going to be in real trouble. Taxes in Alberta certainly are just as high as anybody else's and will remain so for the foreseeable future.

Also, I might add while I'm on the tax thing that this province has not taxed corporations in order to get a fair share of the taxes from that sector of the economy, leaving the individual Albertans to bear the brunt of the taxes. So I don't see what your ZBB would do for that. Zero-base budgeting would not reform the tax system of this province, which you had some comments about.

It was interesting to note that you made an assumption that some people would be laid off. I don't see why. I mean, if you look at the programs in the health care department, for example, why would you assume automatically that by starting with a zero-base budget concept, you would necessarily lay people off? What that does is it just tells me something about the person that brought in the motion and the attitude he has to running a government. It doesn't say anything about the system as being any better than any other or that if one took a realistic appraisal of what was going on, you would necessarily want to lay people off. You might find that you want to reallocate them. You might find that you want to do some different programs, cut some here and increase some there. But the overall position might be that we don't have enough health care people involved. Certainly all you've got to do is go to education and look at the number of teachers we have. I know the size of the load they're carrying in the classrooms, and certainly cutting more people there would not make a lot of sense. So for the Alberta government to decide ways to start with a zero-base budget and find ways to cut money to education so the school boards would have to lay off teachers would not make any sense. It would make sense, of course, to take a good look at all the programs, and I agree to that so that we, you know, get the most efficiency for the moneys we spend. Nobody is against that.

I think perhaps the problem with the mover of this motion's ideas is that his perception is coloured by looking at the Alberta government for the last 17 years, a government which he is part of. He assumes there is a lot of wastefulness in government, and he's right. He assumes there's been no accountability, and he's right. I can think of some examples. How many embassies abroad do we have, as if we were somehow a nation? Alberta is not a nation; it doesn't need foreign embassies.

AN HON. MEMBER: It doesn't have foreign embassies.

MR. McEACHERN: Well, call them what you like, but they amount to the same thing. Actually, what they are are plums for retired -- or shall I say for defeated? -- Tory cabinet ministers.

What about royalty write-offs? Would we have so many royalty write-offs if we had a cost-effective way of analyzing that program? What about the tax concessions that we've given to companies? Would we have that program if we really ac-

counted for the tax dollars that we don't collect? No. We give royalty write-offs and tax concessions without any accountability whatsoever in this province. From that point of view, certainly maybe we should do a little zero-base budgeting, thinking in terms of accountability anyway.

What about Alberta Mortgage and Housing? What a mess. It could certainly stand to have some analysis and some accountability. They purchased lands and properties in this province at an incredible price, driving up prices back in the '70s and early '80s when the boom was on, and now we're left with the mess. We've got an incredible boondoggle in the Alberta Mortgage and Housing Corporation. That maybe is what the mover of this motion had in mind when he decided we should start becoming more accountable for government dollars.

Or maybe he was thinking about the Treasury Branches and their investment of \$650 million in the Kipnes/Rollingher empire and the fact that the taxpayers of Canada had to pick up the pieces. And even that wasn't enough; the Treasury Branches are still in trouble. But do we see any of that in the annual statement? No, no. A nice little statement: "We made a few dollars this year. Oh, pardon me; we're \$118 million in debt over the last two years" -- the Treasury Branches are. And they've still got money in North West Trust.

[Mr. Deputy Speaker in the Chair]

So you know, the Alberta government has the kind of record that would lead a member to thinking that he should do something. The Public Accounts Committee could do a lot better job and do some of the work that this member wants done if we were a little less partisan, if the committee could call witnesses other than ministers. When ministers come before a committee, they are very, very political and automatically -- you can't help it -- when you ask them questions, you have to become very political too. And the only thing that's achieved is to try to get a little headline in the newspaper somewhere if anybody happens to be watching the committee.

I mean, I know. I've been on the heritage trust fund committee, and I know how ministers answer questions, or don't answer questions, on the heritage trust fund committee. Sometimes -- sometimes -- we could have good debates, but not always. And if we were allowed to, for instance, bring in department officials and lower the whole tone of the committee to one of a working sort of atmosphere, where all members got together and tried to analyze what's happening with the finances of this province, then maybe we could go back to the departments with some recommendations for improvements that would address some of the problems.

The heritage trust fund committee is a classic example. The level of information we get is -- well, just imagine trying to understand the boondoggle. And if you don't believe me, just ask our friend from Calgary-McCall what kind of a mess Alberta Mortgage and Housing is in. And what do we get? We get an annual statement where everything is all doctored up and looks lovely and there's nothing left to be said. I mean, it's all written out there in a nice little slick document that makes everything look hunky-dory, and yet we all know it isn't. And so if we could make the committees more effective in getting to the bottom of what's going on, if we were given a public accounts kind of detailed numbers for the heritage trust fund committee, then maybe we could know what's going on with the heritage trust fund in a little more detail than we do.

I can give you an example of just how bad it is. In October

the stock market crashed. It happens that the heritage trust fund has \$232 million that it put over the last four or five years in the commercial investment division. They're in Canadian securities, okay? They supposedly were worth \$478 million on March 31 of last year, but in October, of course, you know that we all lost money on the stock market. Everybody knows that. The Auditor, when we asked him, said that we lost \$124 million. The Treasurer had said casually, "Oh, we lost about \$50 million," as if that wasn't very much of the taxpayers' money to lose, and that overall we're still doing wonderfully. Well, I asked the Treasurer, "Which one of you is right?" and he said, "I cannot account for the Auditor's statement." But he didn't have another one or a different one, so we still don't know whether we lost \$50 million or \$124 million in the stock market crash back in October. Yet our committee went on with its hearings, dealt with all kinds of other issues -- in fact, gave the Treasurer the right to start investing more money in the stock market, not only in Canada but abroad -- and we haven't even accounted accurately and correctly for the dollars we've got there at this time.

So I guess the Member for Red Deer-North has really been taking a look at what this government's been doing over the last 17 years, and perhaps that's why he thinks we need some accountability in the various departments of this government. I certainly agree with him. There is a lot that could be done, and we could bring in, probably, a number of efficiencies. But I think the biggest problem is not so much even just the accounting problems, although they are major in some particular areas which I have already named, but we have a lot of things that are done for political purposes. I think of the 1982 mortgage assistance program. I mean, all that was was a political ploy at an election time to buy the middle-class vote of a lot of people that wanted to buy homes in Alberta. It was not a well-thought-out program; it was certainly not done from the perspective of cost-effective and that sort of thing.

You know, I think of this purchase of space in Olympia & York's development coming up. I think of the Pocklington thing that we were just onto the other day. A lot of the decisions that have been made have been very political ones that should never have been made. But even if you do institute a zero-base budgeting idea, what that idea ignores -- the side of it that asks for more accountability makes sense, but the thing it ignores and that is probably the biggest problem with it -- it doesn't recognize that many programs are ongoing. For instance, education; can you imagine each year having to start over again totally and justify that you have to pay money to put kids into grade 1?

AN HON. MEMBER: Selected departmental basis.

MR. McEACHERN: I know you did, but suppose you selected Education? Or suppose you selected Social Services or some of the other programs where we know we have long-term commitments? Then zero-base budgeting would not make any sense. I can't think of a department where you don't have some very serious long-term commitments, and so therefore those commitments would have to be met. To stop and every year rethink and rejustify and replan why you've got to, as I said, give money to put kids into grade 1, for example, or put money into day care or put money into social services -- to have to reargue that debate every year within your department is a bit of a waste of time.

Of course, the member did swing to another quite important point: the idea that managers of some of the departments, when

they have a little surplus money left over -- if they've been prudent during the year and have a little money left over -- feel they've got to spend it because if they don't, then next year they'll get their budget cut. Of course, that kind of thinking is ridiculous, and this government, if it has hired managers of that sort, should fire them and start over again and get somebody else that thinks a little differently. We should get the best value for our tax dollars, and if we've got managers -- I mean, the government's been in power for 17 years, so if you've got people doing that, for heaven's sake quit worrying about zero-base budgeting and fire them and get somebody else that won't do that.

The Member for Red Deer-North I think made a mistake when he talked about civil servants. What he should realize is that we in this House are the civil servants of the people of Alberta. The people he was talking about are government employees and, generally speaking, like any other employee, if you treat them right, give them decent benefits, don't do like this government's been doing lately and force an awful lot of them onto part-time contracts so they don't have to give them benefits, which is a major problem that this government has with its employees, then those employees will work hard for the government and do a good job, as any other employee will when they're treated right. What the government needs to do, of course, is to engender some political will and some trust to do a good job in the departments of this government.

We don't need the kind of accountability notions that lead to such things as occupational therapists being asked to account for their time in five-minute units all day. It can't be done, and it just means they sit around trying to fill out forms saying where they were every five minutes of the day and take more time doing that than doing their job, because somebody has a notion of accountability that is rather exaggerated and rather silly.

So, Mr. Speaker, to the extent that this motion tells us that we should try to get the government's house in order, I would agree with that idea, that we should have increased fiscal accountability. But there are ways we can do that without talking about zero-base budgeting, and the zero-base budgeting, I think, ignores the long-term and important commitments that a government has to the service of the people of this province. So if the government does do any experimenting in this way, I certainly hope they make it a very small and very specific sort of project and keep very careful track as to how it works. Personally, I don't think very much of the idea.

MR. DEPUTY SPEAKER: Hon. Member for Red Deer-North. Correction: the hon. member the opposite to Red Deer-North.

MR. OLDRING: Thank you, Mr. Speaker. I'm pleased to be able to rise at this time and participate in the discussion and debate on Motion 201. I've certainly enjoyed the participation and listened very closely to the arguments that have been presented here this afternoon. I want to compliment my colleague from Red Deer-North for bringing forward this motion. I think it's a very timely and very appropriate motion in light of the recent circumstances that we've just had to face as a province. I know that he read it through very closely for all of us, but I want to just read through it one more time for the benefit of the members opposite:

Be it resolved that the Legislative Assembly urge the government of Alberta to consider implementing a process of zero-base budgeting on a selected departmental or program basis to determine [again, "to determine"] if this would result in increased fiscal accountability, program efficiency, and a net

decrease in costs.

I appreciate that the Member for Red Deer-North did point out some of the concerns and some of the potential drawbacks to his recommendation of zero-base budgeting. He addressed the matter of management concerns -- people cutting their own positions, cutting their own departments -- and it is a concern and something that would have to be addressed.

But I want to again come back to the motion. Increased fiscal accountability: I'm not sure if zero-base budgeting would result in increased fiscal accountability. Our Auditor General has given us a pretty clean bill of health for this government. He's made it very clear that the accountability process that is in place is working extremely well, that we are fully and totally accountable. He then goes on to say that we could bring on some program efficiency. I think that's applaudable and something that certainly all of us in this Legislative Assembly would support. He also pointed out that it could lead to reduced expenditures and increased efficiencies, and again I think that's something that's necessary in the economic climate that we're in today. He pointed out that it would help to evaluate the effectiveness of some of our programs. Again, I think that's important in government. I know we're doing that with an awful lot of our programs, but sometimes we look at this thing called government and we talk about government as having this endless money tree.

I know the NDP think that way. They seem to think there's money for whatever. I can see that they'd feel very uncomfortable at the suggestion of reduced expenditures, because as I listened to their programs and their endless suggestions for more and more and more dollars being spent as the solution, I could see them becoming very uncomfortable at the suggestion of reduced expenditures.

Mr. Speaker, I started out by saying that this was a very timely motion, and I think it would be helpful to reflect upon the recent budget that we've just gone through as a government and as a province. I think zero-base budgeting perhaps would have been more timely and more appropriate four and five or six years ago, at a time when it seemed inflation was running rampant and that the common approach by governments at all levels was to take last year's budget and tack on the inflation of the day, be it 5 percent or 6 percent or 10 percent, as we did hit double-digit inflation at times. But given the fiscal program that we've just gone through as a government -- and I want to spend a moment on it, because I applaud our Treasurer and our Premier and this government and the steps we've found necessary to take and the steps we have taken in the past year.

I think it would be helpful to assess the situation that we faced in 1986-1987 to start with. As a province, certainly over the years we've had times when our agricultural sector has been down. We've had times when our energy sector has been down. But never had we had times like we faced last year, when both our agricultural sector and our energy sector received the severe kick in the teeth that they got. It wasn't a result of anything they did. It was a result of an international situation: OPEC, the price of oil. The so-called experts of the day were all predicting oil to be \$85, \$120, \$165 U.S. per barrel by 1987 and 1988. Nobody would have predicted oil to drop as low as \$7 and \$7.50 a barrel. Obviously, that had to have some ramifications on us as a province.

Our agricultural sector has been hammered by a senseless international subsidy war between the European Common Market and the United States. It's a league that we can't afford to participate in and something, hopefully, we're seeing resolved.

I think free trade is a big step in the right direction. The GATT negotiations seem to be focusing in on agriculture for a first time as well. What I'm saying is that as a province we're hit harshly in our two mainstays, energy and agriculture. As a result, our royalties, our major source of income, dropped by 64 percent last year. Two-thirds of our major source of income gone just like that, and nobody could have predicted that. Obviously, it had to have some ramifications on us as a government.

So we had to make some decisions. Did we want to take the NDP approach of Manitoba and just go on spending money -- spend, spend, spend? I mean, we had the best credit rating in Canada. Certainly we could have continued to borrow and pretend that nothing had gone wrong, that everything is still roses, and we could have kept spending. We could have kept the funding of all our services at the level it was at, and we could have continued to increase it. That wouldn't have impacted us as a government. We could probably have done it next term, and it wouldn't have impacted us as a government. But there would be a day of reckoning. Obviously, we recognized that, and we decided to do what was right. We weren't going to emulate the NDP of Manitoba, running a huge deficit.

AN HON. MEMBER: Or the PCs in Ottawa.

MR. OLDRING: Well, one of the NDP just mentioned Ottawa, and it reminds me of the Liberal/NDP coalition days when they continued to run a deficit. Let's talk about Ottawa. The initial deficit position there was only a short-term position: we're only going to go into the red for a very short-term period. Of course, we've seen what it means to Canadians today. One out of every three tax dollars collected federally is now going straight towards interest. Those are the kinds of things that our socialist friends across the way would lead us towards: keep on spending; pretend that everything is roses. No accountability. They talk about increased accountability. What kind of accountability is that? What kind of accountability is that to future Albertans? What kind of accountability is that to my children and their children's children? Keep on spending, and let them pay off the debts.

No, our government has a little more fortitude than that. Our government has a little more courage than that. We were prepared to do something about it. We were prepared to start to live within our means. I know that's difficult for the NDP, to understand that kind of basic economics: living within your means. In doing that we faced some very difficult decisions. It wasn't easy to cut back education, it wasn't easy to cut back social services, it wasn't easy to cut back hospitals, but we recognized that it had to be done. We weren't going to bury our heads in the sand and go along as if everything, as I say, was roses. We made some choices.

If you look at our overall expenditures and where we spend our dollars, approximately a third of it is going towards health care, almost 25 percent of it is going towards education, about another 15 percent is going towards social services. So 70 to 75 percent right off the top is going to some pretty major and significant areas. We recognized that if we were really going to make some inroads in this budget and in this deficit position we were facing, we couldn't help but impact some of those areas as well. So yes, we asked them to do with a little bit less. We asked them to be more innovative. We asked them to increase their scales of efficiencies. I think that's why we were saying earlier -- I'm not sure that the timeliness of this motion is right;

those are some of the things we've done already. I also might point out that ministerial offices were asked to cut their budgets significantly: on average some 16 percent, some as high as 30 and 32 percent.

I heard the members opposite critique us on diversification, that we haven't diversified enough. Well again, you know, their heads are in the sand; they only want to hear what they want to hear. I come from a constituency where we've seen the ramifications of diversification. We have a world-scale petrochemical industry that wasn't there 10 years ago, and I've seen what it's done to the city of Red Deer. I was on city council there from 1974 till 1986, and in those 12 short years we saw our population almost double in size. A lot of it was attributable to the diversification of the petrochemical industry located out at Joffre, and it created a tremendous number of good jobs. They've still been there throughout this economic downturn, and they've been just a real lifesaver to the economy of Red Deer.

Again, in talking about diversification, our Premier made a commitment to Albertans to diversify and strengthen our economy based on our natural advantages, and he highlighted tourism, forestry, and high technology. We've already seen the tremendous inroads we've made as it relates to tourism: some 100,000-plus jobs in Alberta directly related to tourism, in excess of a \$2 billion industry now for the first time -- over \$2 billion here in Alberta. But we also recognize that we can do better. It has the potential to be a \$10 billion industry, and we're determined to see that possibility become a reality by the end of the century. If you look at the successful Olympics that we've just staged, what a terrific way to really build our tourism industry in this province: some 2.2 billion people watching Alberta for two or three hours a day for 16 days straight. You bet our tourism industry is going to continue to grow and prosper and employ Albertans.

MR. McEACHERN: The topic is zero-base budgeting.

MR. OLDRING: Well, the member opposite is starting to squirm a little. They brought up diversification. They said that we didn't have any, and now that we're responding, they're squirming. They don't like to hear about the successes of this government and of this province, and I've only just started to tell them a little bit about it.

I've mentioned tourism. Forestry: we have amongst the largest untapped forestry reserves in the world. We're determined to build upon that, and we've done it; we've done it.

MR. WRIGHT: On a point of order, Mr. Speaker. It is no justification to stray from the point because allegedly the other side did.

MR. DEPUTY SPEAKER: With respect, hon. member, there is some variance in *Beauchesne* 299 with Standing Order 23. Perhaps the hon. member would periodically refer to the motion under discussion, such as the zero-base budget.

MR. OLDRING: Again, Mr. Speaker, I started my comments by commenting on the timeliness of the Member for Red Deer-North's motion. I think there is a lot of relevancy. Certainly there's relevancy in terms of the remarks that were inspired from some of the members opposite. I'm trying to address for their benefit some of the specific concerns that they seem to raise, and I thought it might be helpful for them.

But to try to bring it back onto topic. I listened to the Member for Edmonton-Kingsway discuss the Heritage Savings Trust Fund, and I'm delighted that he brought that up. I guess he brought it up as it relates to this motion on the basis that it's part of our fiscal policy, and we are talking about our fiscal policy and whether it needs changing or not. I'm delighted that he would bring up the Heritage Savings Trust Fund, because I talked about the economic situation we were facing as a government in '86-87, and that trust fund was an incremental part of our response.

I applaud the foresight and the fiscal planning that has gone on in this province in recent years and in particular as it relates to the trust fund, the foresight that the government of the day had and the fortitude and the courage to set aside those funds. Because there's no question that if it was an NDP government, they wouldn't be here today. They'd be spent. No question that they'd be spent. But no, we had those funds to fall back on, and it was part of our fiscal program to make sure that we set some dollars aside for times like 1986-87. We were able to draw upon that trust fund to the extent that in 1986-87 it generated \$1.4 billion, the equivalent of about a 7 percent sales tax. The year before we were able to generate \$1.7 billion or the equivalent of an 8 percent sales tax. That's very significant. Also, \$1.7 billion in that particular year generated double what we had drawn in from personal income taxes. So there's no question that without that good fiscal planning that this government has had in the past, we would have been in dire circumstances. But no, we were able to fall back on the Heritage Savings Trust Fund. We were able to have one-fifth of our total expenditures paid for by the earnings of that fund alone. Pretty significant contribution.

So our fiscal planning has been extremely good in the past. I applaud the Member for Red Deer-North for bringing forward a recommendation that was really calling for alternatives, and I think we do need to be more imaginative. I think we need to be more creative. I think we need to really have a look at where our dollars are being spent today. I think that one of the positive things that's come out of the downturn is that it's forced us to do some of those things already. That's why I say it again, Mr. Speaker. I related it to timing. I think five or six years ago this motion would have been a lot more appropriate than it is today. But we are going to continue to have to look for more creative ways of spending the limited tax dollars that we have, because I know that the solution isn't to continue to increase taxes. I know that's the solution for the NDP, but it's certainly not the solution for us.

We're going to have to be more creative; we're going to have to be more imaginative. We're going to have to continue to evaluate our programs very closely to make sure that we are getting maximum return on our dollars. We're going to have to continue to work with our civil servants throughout this province. They've been under a lot of duress and stress to meet the rigid guidelines we've had to impose upon them in the last year, and I think they've responded extremely well. I think they've done some of the things that the Member for Red Deer-North is asking us to consider in this motion.

Again, Mr. Speaker, I applaud the initiative of the Member for Red Deer-North. His intent is to see some restraint in spending. That's a word that makes the NDP very uncomfortable: restraint. I certainly share his concerns; I share his intent. I'm convinced that we're going to have to show some continued restraint.

Thank you for the opportunity to speak this afternoon.

MRS. KOPER: Mr. Speaker, I wish to join the hon. Member for Red Deer-South in complimenting the hon. Member for Red Deer-North in the timeliness of this motion and for the intent. I feel there is nothing we as government members want more than to try and find ways where we can handle tax dollars with accountability and responsibility, and ZBB certainly is a plan that attempts to do that.

However, Mr. Speaker, I have worked in a system that used ZBB. And I'm sorry; it has to be "zed bee bee" for me, hon. Member for Red Deer-North. Working within a ZBB system gives me great concern. Number one, if we get into that kind of a system with our government, we have to be ready instantly to spend an awful lot more money on reforestation, because the kind of paper produced in a ZBB planning mode is unbelievable. As an administrator under a pure ZBB system I found it very difficult to keep up with the paper flow and, indeed, to do the kind of planning. I felt very much as the person did in a cartoon we saw recently where the boss is sitting behind the desk and he says, "Maybe we could take a moment, Swanson, to chat about how zero-base budgeting is going to affect your career." Because the first thing that happens is that the administrators within the system must step back to square one every year, justify their existence, the adequacy of their programs, the efficiency with which they have conducted them out, and the usefulness of their own employment.

So, Mr. Speaker, I come with mixed feelings. I notice that the motion does say that zero-base budgeting would be implemented "on a selected departmental or program basis," and that would help if that's done. Most critics of the present budgeting process, however, fail to take a few things into account. Most critics say that our approach, the regular approach to budgeting, ignores the need for change and re-evaluation. When we look at the things that are happening in our government today, we can't say that at all. I think our government is changing. It must -- it must -- respond to the need of the electorate.

Mr. Speaker, regular budgeting employs the full use of current appropriations, and I think that's an area where we could possibly make a real difference in the efficient and effective use of moneys. I think that if we wanted to make a change, we could get into the idea of having the budget surpluses in any department rather than being returned to general revenues be used for the expansion of the department. So I see that in our budgeting process here in Alberta we very strongly support the idea of ministries having the flexibility to meet their targeted programs. An amount is designated, and within that amount the ministry may set their goals and change the objectives and bring it back to this House for approval, as we will be doing over the next few weeks.

Mr. Speaker, I also feel that some of the critics of the regular budgeting process are concerned because the involvement of the establishment in a clear statement of results-oriented goals is not being made. I think every department in our government has made a real effort to get the goals out very clearly; as evidence: white papers that have been distributed over the past few years. In fact, last week there was an announcement that came out on core standards for social services. It has already been discussed by other members in this debate that perhaps some of the services could be better provided by someone else. I feel that this announcement by the Minister of Social Services on the proposed core standards is a terrific example of how we can take the idea of zero-base budgeting and perhaps other people can do some of the services that we have taken upon ourselves to offer as a government in the past. Perhaps other people can do it as

well, and by putting out the core standards for service providers, we are doing a great service to trying to meet objectives in our budgeting process.

Mr. Speaker, there are good points about ZBB. I think the strong points are that decision units are established, and under those decision units criteria are established as well. These decision units are very useful in trying to deploy the personnel and the moneys of any program. I guess where the weakness comes is when these decision units have difficulty in establishing the baseline, and the problem is in identifying this base level. No manager worth her salt really wants to lose anything from their department or their established -- they don't want to drop one iota of the funding or the activities they need, because they have designed them.

Very often the target is defined as a percentage of the whole budget. This, in my opinion, invalidates the whole process of ZBB. It definitely makes it very similar to the process we are in right now, where a target is defined and the ministers are asked to very strongly propose issues for enhancement of the target moneys, or any decrease in target moneys and the effect on their department.

So I see elements of ZBB that are presently being used, and of these elements I think we should be very careful to include the goals, but we must not incorporate ZBB as a top-down model. We've got to make sure that it arises from the need, that it isn't an administrative model only and proposed from the top down. Mr. Speaker, I believe that most of our capital projects could be said to be operating on this mode, and we have had immense success in that way. We can point at that. But I believe the basic budgeting, the normal budgeting process, has the kind of flexibility that we as a very large institutional organization need. The objectives are noble: the financial control is essential; the accountability is essential. The management and the

process through which all of the goals are defined: I think that is admirable. The decision-making and the kind of holistic view of the whole process is most commendable.

But, Mr. Speaker, there must be someone that makes a decision. There must be someone that sorts out these decision packages into priority. There must be someone that has the holistic view of the organization, and that, I believe, is the job of this Legislature. I feel that this ranking at the organization level is the most difficult part of the process. I feel that the ranking by unit managers would be very wasteful and time consuming. In my term as an administrator I found, as I was saying previously, the paper flow unbelievable. It was red, yellow, blue, green, canary, goldenrod; every colour imaginable of paper had to be used so that a person could find his way through the system.

Mr. Speaker, I'd like to go on further with some of the reasons the ranking is the most difficult part of the process and why we should be addressing it here, but in view of the time I beg leave to adjourn debate.

MR. DEPUTY SPEAKER: Moved by the hon. Member for Calgary-Foothills that the debate be adjourned on Motion 201. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed? So ordered.

MR. RUSSELL: Mr. Speaker, the House will not sit tonight, and the order of business for tomorrow is continuing consideration of the Speech from the Throne.

[At 5:28 p.m. the House adjourned to Wednesday at 2:30 p.m.]