

LEGISLATIVE ASSEMBLY OF ALBERTAhead: **ORAL QUESTION PERIOD**Title: **Tuesday, March 29, 1988 2:30 p.m.**

Date: 88/03/29

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

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

We give thanks to God for the rich heritage of this province as found in our people.

We pray that native-born Albertans and those who have come from other places may continue to work together to preserve and enlarge the precious heritage called Alberta.

Amen.

head: **TABLING RETURNS AND REPORTS**

MR. M. MOORE: Mr. Speaker, I'd like to table the annual report of the Alberta Cancer Board for the year ended March 31, 1987.

MR. YOUNG: Mr. Speaker, I wish to table the annual report for 1986-87 for the Alberta Department of Technology, Research and Telecommunications, which has been previously circulated to members, and also the annual report for Alberta Government Telephones for the year 1987.

MR. SPEAKER: Thank you.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. SHRAKE: Mr. Speaker, I have the pleasure to introduce to you and through you to the members of the Assembly, the general manager of the Canadian soccer champions, Mr. Ron Knipschild, and also the coach Peter Welsh. Of course, they're from Calgary. They're sitting in the members' gallery; I'd like for them to rise and receive the warm, traditional welcome of the Legislature.

MR. SCHUMACHER: Mr. Speaker, it's my pleasure today to introduce to you and through you to all members of the Assembly, three members of the Strathmore town council. They are Deputy Mayor Keith Schneider and councillors Roy Brown and Wally Freeman. They are seated in the members' gallery, and I would ask them to rise and receive the traditional warm welcome of the Assembly.

MR. TRYNCHY: Mr. Speaker, it is my pleasure today to introduce some nine students and their teacher from Whitecourt from the St. Joseph high school, grade 10. These students are taking social studies 13, which involves operation of government, and are here today to view the operations of the Alberta Legislature. They're seated in the members' gallery. I would ask them to rise and receive the warm welcome of the Assembly.

Advertising of Fiscal Policies

MR. MARTIN: Mr. Speaker, to the Deputy Premier. Yesterday the Premier tried to defend the government's decision to spend, I'm told, \$127,000 of taxpayers' money to influence the public's perception about the provincial budget. This is a trend that's been ongoing, though, because figures tabled in the Assembly showed an alarming rate of increase in advertising expenditure by this government, some 62.5 percent over a three-year period. Advertising expenditure is going up four times as fast as the provision of services, and this government is now spending \$50,000 per day on advertising. My question to the Deputy Premier: in view of this alarming increase, will the Deputy Premier please tell us who is responsible for checking over the content of these political advertisements? We want to make sure truth is there and we're not just there to improve the government's image, Mr. Speaker.

MR. RUSSELL: Well, there are two aspects of that question I'd like to respond to, Mr. Speaker. The first one is the record of the annual expenditures for advertising. I believe that in fairness the members ought to examine the details of any given year because usually there is some special promotion or advertising campaign on that may be related to tourism; it may be related to job creation; it may be related to any number of things. So there's usually a reason why there will be one or more very large advertising campaigns carried on by the provincial government in any given year.

Secondly, the matter of who proofreads the advertisement: the ultimate responsibility, of course, lies with the minister of the department whose program is being advertised. In the case of the budget ad that responsibility rested with the hon. Treasurer.

MR. MARTIN: Mr. Speaker, it seems the biggest special promotion is to improve the image of the government. That's the major reason we have these.

Let's look at one specific. To either of the ministers, then, whoever wants to answer it. It says "Education is Top Priority." What we're talking about is that it says, "On a school year basis, funds for basic education increased by more than 4%." Mr. Speaker, this is absolutely and totally misleading. In fact, if we look at basic education, the provincial contribution to the school foundation program was a .1 percent increase in the next year. My question is: if the government is going to put ads out, will the Deputy Premier or the Treasurer make sure that at least these ads are telling the truth and are not misleading the public?

MR. RUSSELL: Well, Mr. Speaker, my colleague the Treasurer may want to add to the answer I'm going to give, but the two statements contained in the hon. leader's question are absolutely correct. Education is the number one priority of the government. We've said it; we've made it our number one priority. And that's the truth. It's a truthful statement. [interjection] You're honking again.

The second part of the statement, the dollar or percentage value, we will elaborate on. But when you look at the increase for operating grants for the school year, there is an increase of 4 percent.

MR. MARTIN: Mr. Speaker, we were talking about the budget.

This is supposed to be talking about the budget. It says in there clearly that the grants to the school foundation program went up .1 percent. That's the truth. Why would you put it out and say it went up 4 percent when it doesn't say that in the budget estimates?

MR. JOHNSTON: Mr. Speaker, we've had an opportunity over the past three months to fully communicate with the people of Alberta, starting in January 1988, when all the ministers who are responsible for the grant programs put very full information on the table with respect to what the government was doing. The statements that are found in this very important advertisement touching all Albertans simply confirm the information we put forward in January 1988. Now, Mr. Speaker, when the Leader of the Opposition across the way last year used to jump up and say it was a minus three or cutback budget when in fact our expenditures were expanding, obviously we had to correct it this year so the true information was given to all Albertans.

MR. MARTIN: Mr. Speaker, again they refuse to answer the question because they know they're misleading the people of Alberta. Which is it?

[Mr. Johnston rose]

MS BARRETT: Points of order come at the end of question period.

MR. SPEAKER: No, no. Carry on with the question, and then you can raise a point.

MR. MARTIN: Mr. Speaker, why is it they're getting a little annoyed that they don't tell the truth, and then they have to jump up?

Mr. Speaker, to this minister: which is it? Are the budget estimates wrong, or is what they said here wrong? We can't have it both ways. Which is it?

MR. JOHNSTON: Gee, the Member for Edmonton-Norwood is exciting when he trembles, Mr. Speaker. I like it when the colour rises to his cheeks and he gets hot with this little touch of acting that we see across the way.

The fact is, Mr. Speaker, both facts are right.

MR. SPEAKER: Member for Red Deer-South, followed by Westlock-Sturgeon.

MR. OLDRING: Thank you, Mr. Speaker. I know the Leader of the Opposition doesn't want to see the facts and accurate information get out on this budget because they're inclined to overshadow the doom and gloom they try to spread.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Order. That's enough on both sides of the House.

AN HON. MEMBER: Make him ask the question.

MR. SPEAKER: The Chair will also make other people ask the questions without extended supplementaries.

MR. OLDRING: Mr. Speaker, this was such an effective way

of communicating a very sound fiscal policy of this government, would the Deputy Premier consider, in fact, investing in another page in Alberta newspapers, telling them the good news about the Alberta Heritage Savings Trust Fund?

MR. RUSSELL: Well, Mr. Speaker, there's been consideration given to any number of ideas for communicating through paid advertising.

MR. SPEAKER: Thank you.

MR. TAYLOR: Mr. Speaker, my question is also to the new minister of propaganda or the associate Premier. In view of the fact that the propaganda has now become a political weapon of the government to try to sell people what they may not have, is the government considering putting this rather lucrative contract to sell the government out for bid, or is it going to a favourite publicity agent?

MR. SPEAKER: Order please, minister. We don't have a minister of propaganda listed in the House; nor do we have an associate Premier, so perhaps the Deputy Premier could take it on.

MR. RUSSELL: Mr. Speaker, I know the hon. leader of the Liberals has trouble with correct titles and addresses in the Legislature. I assume he was speaking to me, being the minister responsible for the Public Affairs Bureau, and I'll answer in that context.

The ads which were placed with respect to the budget were prepared in-house under the auspices of the Provincial Treasurer. The space was paid for from the budget of the Public Affairs Bureau. The MLA ads that accompanied the budget ads of course were paid for out of the communications allowances which are available to each and every member of the Legislature, no matter what their party's standing is. There is no agency involved, Mr. Speaker.

DR. BUCK: Supplementary question to the Deputy Premier. Is there a written policy or written guidelines that make a differentiation of what we as members jointly, as the members of the government did, put out an information package -- is there a written guideline for that type of material as opposed to this quasi-government edict that came out last week? Are there specific guidelines?

MR. RUSSELL: Well, Mr. Speaker, I'm aware that the allowances which each individual member has are to be used for communicating in his role as a constituency member of the Legislature and that they don't usually involve party advertising. The government advertising is based on whether or not it is a statement of government policy or an important government message. Of course, all governments use that criteria. In the case of the budget, that's definitely an important government statement which was distributed through Alberta through the medium of paid advertising.

MR. MARTIN: Mr. Speaker, I'd like to designate my second question to the Member for Calgary-Mountain View.

Lottery Funds

MR. HAWKESWORTH: Mr. Speaker, yesterday the Minister of Career Development and Employment made it official. With

the introduction of Bill 10 he proposes to take lottery money the government receives and stash it away in a political slush fund, and he won't even have to come to the Legislature for approval. The most fundamental rule of parliamentary democracy is that government must be accountable to the public and bring its spending plans for approval to the Legislature. To the minister: can this minister identify what it is he believes is wrong with parliamentary democracy that he is unwilling to submit his plans to this Legislature for approval before he spends the money?

MR. ORMAN: Mr. Speaker, I stashed the money away in 16 organizations in this province with 187 boards of directors that distribute money to worthwhile causes through 3,000 organizations across this province. If this individual wishes to pursue the Bill, I'll enjoy his comments during second reading.

MR. HAWKESWORTH: Mr. Speaker, it's not up for debate today. I would ask the minister -- he says in this Bill that the minister is to determine what is the public interest. Is the minister saying to us this afternoon that by giving money to whomever he chooses without coming to the Legislature for approval, that's how he defines the public interest?

MR. ORMAN: Mr. Speaker, if the hon. gentleman is suggesting that specialized hospital equipment, dollars for regional libraries, \$51 million to the Wild Rose Foundation and the Rick Hansen Centre is inappropriate distribution of dollars, then that's a very interesting point, and he can pursue that line of debate during the debate. If he doesn't like the way we're pursuing our policy with lotteries dollars, why doesn't he speak to the 3,000 organizations that are the recipients?

MR. HAWKESWORTH: Mr. Speaker, if this is such good spending he has under this Bill, surely he can bring it to the Legislature and get approval. Or is he saying that now he doesn't need the Legislature anymore and that we should simply turn over the running of government to him without any approval or accountability?

MR. ORMAN: Well, Mr. Speaker, the hon. member, being from Calgary, may remember last summer when the Wild Rose Foundation was able to enhance dollars to the women's shelters. Now, if his decision is that I wait until March and come to this Legislature to make that decision, I'm sorry, but the opportunity may have passed. We just don't want that to happen. The dollars are allocated on a yearly basis, \$51 million. The decisions as to where those dollars go into the community are made by boards of directors appointed from Hay River to Milk River. They make those decisions based on applications by needy organizations, and I think that's appropriate. Is the hon. gentleman suggesting that he is smarter or has better ideas than the Albertans who are making those decisions? I beg to differ.

MR. HAWKESWORTH: Well, Mr. Speaker, I take from the minister's comments that he doesn't like democracy because sometimes it causes delay and is cumbersome. I would like to ask the minister: is he telling this Legislature that because he has to come here and be held accountable for his decisions, that is why he's not bringing this spending before this House?

MR. ORMAN: Mr. Speaker, this government is accountable to the people of Alberta. We're accountable, as are the people who sit on the boards on a volunteer basis and make those decisions.

I think that's extremely appropriate. They make decisions where the dollars go; we aren't. We block fund, and I think it's worked well since 1974. Thousands of organizations from recreation, amateur sports, culture, as I indicated, the Rick Hansen Centre: I think that's the best way to handle the dollars.

In terms of accountability, Mr. Speaker, we've had a fine record of accountability as a government for many years since 1971. If the people of Alberta feel we are not dealing with lotteries dollars in an appropriate way -- they haven't in the past -- they will have that opportunity during the next election. I challenge the member to bring it up during the next election and have a vigorous debate at that time.

MR. SPEAKER: Member for Calgary-Millican, followed by Calgary-Buffalo.

First, with respect, hon. member, the Chair would like to point out that the line of questioning is in order as long as it's dealing with proposed legislation and is not dealing with a past issue as raised by another member of the House.

MR. SHRAKE: Supplementary question, Mr. Speaker. At present I think the CRC grants take on the average about nine months before they ever get the money. Could the minister please tell the House: how many months would it take to get a grant to the people out of this funding if you had to come to the Legislative Assembly in order to get a grant approved?

MR. ORMAN: Mr. Speaker, the dollars with respect to lotteries are for special circumstances. There are other circumstances that are most appropriate to be dealt with in this Legislature. We deal with them. We are dealing with the estimates of departments, by department. Last night we dealt with Advanced Education, and we deal with all of the departments. It's appropriate. With regard to lotteries dollars, it's an unreliable source of income. This government believes the dollars should go back into the community in a most appropriate way and that decisions about those dollars going into the communities should be made by the individuals in their communities. They have, in many cases, far better ideas than we get from the people opposite as to how to run the government, Mr. Speaker.

MR. SPEAKER: Calgary-Buffalo, followed by Clover Bar.

MR. CHUMIR: Thank you. Let's forget the smokescreen, Mr. Speaker. We support the beneficiaries; it's the government's methods we have concern about.

The minister has talked about lottery funds being uncertain, but since oil and gas revenues are no more certain than lottery funds, on what philosophical basis does the minister justify making decisions with respect to lottery funds in the back rooms of the Tory caucus instead of bringing them before this Legislature?

MR. SPEAKER: If the question can be construed as future decisions as opposed to past, I suppose it might be able to stand, but the member persists in being obtuse. I'm sorry. Certainly very diligent and persistent.

Clover Bar.

DR. BUCK: To the hon. minister. In light of the fact that we as members of this Assembly have no means of questioning the allocation of these funds and the minister has indicated there are groups across the province, what mechanism does the minister

have in place that these groups can be brought before the Legislature so we can question the expenditure of those funds? If we can't ask him, how can we ask these groups? What mechanism does he have?

MR. ORMAN: Mr. Speaker, each and every one of these boards and foundations files annual reports. I must admit that there are some 22 members in the opposition, and I don't believe I've had one recommendation in two years as minister responsible for lotteries. So I don't know. What is the problem? If they have an exception, if they are taking exception to the manner in which we spend the dollars and if there is a complaint on behalf of user groups that they're not getting enough or they're getting too much, we're willing to look at it, Mr. Speaker. But I think it's a most accountable system. It's Albertans making decisions for Albertans. [interjections]

MR. SPEAKER: Hon. minister, hon. Leader of the Opposition.

The Chair will now recognize the Member for Westlock-Sturgeon rather than Clover Bar. Thank you.

North Central East School Unit Labour Dispute

MR. TAYLOR: Thank you, Mr. Speaker. It's to the Minister of Labour. As he well knows, more than 5,000 students in the counties of Smoky Lake, Two Hills, and Thorhild have been going without schooling due to the strike that is now into its fourth week. Rather than getting sort of pious hopes from the Education minister saying that she hopes they would settle it and then the Minister of Labour saying that both sides are stupid, would the Minister of Labour now agree to go along with the Minister of Education and call in both sides in the strike -- because things have gone far enough; enough is enough -- and ask them to sit down and see if he can work out a solution with them?

DR. REID: Mr. Speaker, while the hon. leader of the Liberal Party may think I can work miracles, it is difficult to put sense into the heads of people who can deprive students of their education -- especially those in grade 12 on the trimester system, for whom we are all concerned -- to try and put sense into the heads of those who have the legal responsibility on councils and the professional responsibility as teachers, when they are both agreed on the end point being 5.5 percent over a 32-month agreement, and the only difference is on the matter of when and of what size the increments should be. I might add that the difference is about one-half of a percent over the 32 months. I don't think I can put sense into people's heads when they cannot see what the answer is themselves.

MR. TAYLOR: Mr. Speaker, I'm surprised. He gives up easy for a Scotsman.

Has the Minister of Education informed the Minister of Labour that this government makes money out of this strike by holding back 75 percent of the foundation grant as long as the strike is in process? Has she told you that they're making money?

DR. REID: Mr. Speaker, it is not a matter of making money. The grants to the school boards will be reduced by roughly one two-hundredth for each day the schools are closed when they should be open. And while it may appear to be a saving on the minister's budget, that is not the purpose of the strike. There are

many better ways of saving money in this province than depriving students of their right to education, in spite of the representations by the Member for Westlock-Sturgeon.

MRS. BETKOWSKI: Mr. Speaker, if I may supplement the answer. I think it is exceedingly inappropriate that the leader of the Liberal Party would imply that the province is making money off this strike. As he probably knows, and if he doesn't he should, I moved within 24 hours to ensure that the correspondence lessons were in place for these students -- yes, on a priority basis to the grade 12 students, given the very important day-to-day studies that must take place. But to imply that we are making money off the strike is very, very inappropriate. We do not pay the school grants to boards when a strike situation occurs, and I guess the parallel between two equal parties could be deemed to be the fact that the teachers aren't getting paid for those days they are not working either.

MR. TAYLOR: Mr. Speaker, to either minister. Regardless of whatever way they want to colour it, the point is that whether it's one two-hundredth a day or whether it's holding up 75 percent as the minister said, you two ministers are sitting here putting money back in the public Treasury at the expense of 5,000 students out there who could be getting an education. Is that morally correct?

MR. SPEAKER: Well, that's a moral issue . . .

MR. TAYLOR: Moral issues I know they can't answer, b u t . . .

DR. REID: Mr. Speaker, I don't think I'll comment on the morality of the leader of the Liberal Party.

The situation is that there is a dispute between two parties: the group bargaining representatives on behalf of the several counties and jurisdictions and the Alberta Teachers' Association on behalf of the teachers. Those parties have had a history in the past of not agreeing very much in that area. Both parties obviously took to the bargaining tables some previous umbrage. To allow that attitude to interfere with the due educational rights of students, especially those in grade 12 on the semester system, is reprehensible. That's the basic fact of the matter. If the parties cannot see sense within some reasonable time, then the government may have to act. But surely intelligent adults, if that's what they are, should be able to come to the agreement themselves.

MR. TAYLOR: Mr. Speaker, this is a strike; it's in its fourth week. Will not the minister consider this: taking some of the ill-gotten gains this government is pocketing due to the strike and putting it into a fund to help settle the strike?

DR. REID: I think I was referring to intelligence. I cannot understand that arithmetic. The concern of this government is not about dollars. [interjection] Oh, since he's not willing to listen, I'll repeat it. The concern of this government is with the education of the students, not with any financial savings by any party or any financial loss to any party. We have to look at the broad picture, and that's what we have been doing and will continue to do.

MRS. BETKOWSKI: Mr. Speaker, as we spoke to in the first question in the Assembly today during question period, the first priority of this government is on education. It can be seen by

the fact that on January 8 the Premier and I and the Provincial Treasurer announced a 2 percent increase in grants to school boards, effective September 1. That is the largest increase of any of the major grant programs which this government funds, because it is so important.

MR. TAYLOR: What's that got to do with the strike?

MRS. BETKOWSKI: The hon. leader of the Liberal Party asked the question about linking the dollars for education into that school board's ability to pay. A school board is getting the greatest increase of any of the grant programs. As well, a school board has the opportunity to go to its property tax base to supplement what the province provides, and certainly that is an option open to those school boards.

MR. SPEAKER: Thank you.
Redwater-Andrew.

MR. ZARUSKY: Thank you, Mr. Speaker. A supplementary to the Minister of Labour. Have there been any meetings with the parties involved in this dispute -- and, I think, this senseless dispute, because both sides are very stubborn at this point?

DR. REID: Mr. Speaker, the member raises a good point. There have been several meetings at the instigation of the department of personnel and myself. As a result of those meetings, indeed progress was made to the current standpoint. Had it not been for those meetings, the parties might well be further apart than they are. Those efforts will continue in the attempt to get a negotiated settlement between the two parties.

MR. FOX: Mr. Speaker, supplementary to the Minister of Education. Recognizing that this dispute is basically caused by a deliberate reduction in the provincial commitment to funding education in rural Alberta, and that commitment has dropped from 85 percent to 63 percent over the last 12 years, will the minister consider asking her cabinet colleagues to lift the cap on equity grant funding immediately?

MRS. BETKOWSKI: I didn't hear the last part of the question, Mr. Speaker.

MR. FOX: I'm wondering if the minister, Mr. Speaker, is prepared to recommend to her cabinet colleagues that the cap on the equity grant be lifted immediately and renew this government's commitment to funding education in rural Alberta?

MRS. BETKOWSKI: Mr. Speaker, the Member for Vegreville can't get away with that in the Assembly. The commitment to fund education for all students in this province is one which we as a government are extremely pleased about. Certainly the ability of school boards to supplement what the province provides, and provides in a greater degree than any other grant program this year, is an issue which this government certainly has put out a discussion paper on with respect to the principle of equity, a principle which is embodied in the new School Act, which will be reintroduced in the Assembly. The manner by which we meet the equity needs is certainly a debate that's out there and which we will welcome as we return to the House this spring with the new School Act.

MR. SPEAKER: The Member for Clover Bar, followed by Red

Deer-North, followed by Edmonton-Avonmore.

Funding for Construction Industry Negotiations

DR. BUCK: Mr. Speaker, my question is to the Minister of Labour, and this has to do with the \$170,000 that the minister has indicated will be required to pay for transportation and hotel costs for union and contractor negotiations that are going on. To the minister: as a legislator and as a taxpayer I would like to know if it is common practice that the taxpayers' money be used, or is this a precedent-setting, one-time grant to further the expedition of these negotiations?

MR. REID: Mr. Speaker, it's an interesting question the hon. member raises. Members of the Legislature will remember the passage at last spring's sitting of Bill 53, the Construction Industry Collective Bargaining Act. That Bill was introduced in an attempt to get good negotiations going again in the construction industry, where they've been absent for some time. Neither party -- and you have to remember that the federations are a new way of bargaining -- could have anticipated much in advance of the introduction of that Bill, after consultation with the parties, that there would be such negotiations going on.

The special warrant to which the hon. member refers was to enable funding to be given to both federations in the event that it is necessary in partial payment of the costs that have been incurred due to that system of bargaining. As yet we have not received any firm statement from either party indicating what those costs may have been. We have some indefinite information on which that order in council was based, but as yet we haven't got a firm statement and therefore cannot commit how much money, if any, will be given to the parties.

DR. BUCK: Mr. Speaker, a supplementary question. I'd like to know what controls the minister has in place, and I would like to say that possibly, because we've almost offered carte blanche, this may slow the negotiations rather than speed them up. Can the minister indicate what controls there are in place so this is not an ongoing study which may take months and cost the taxpayer even more money?

DR. REID: I can assure the hon. member that I had thought of that myself, and there will in no way be total reimbursement of expenses to the federations. They will have a financial involvement in the process themselves in the event that there is a grant made to both federations. Certainly it will not be a matter of total reimbursement, which might well encourage delays in the process. I would hope that the process will not go on too long, but in any event there would be a limit to the government's payment, and as I indicated to both federations, this is not a precedent-setting matter. It's only for this particular round of negotiations that any payment will be made.

DR. BUCK: Mr. Speaker, to the minister. Are there any interim per diem caps so that there is a top on what will be spent, then, on accommodation and transportation?

DR. REID: So far, Mr. Speaker, as I said, we have not received any detailed accounts or statements from the federations. One must remember that most of these moneys have already been spent by the federations. Whether it has been borrowed or from where, I do not know. But it certainly does not encourage increasing expenditures already made. For future expenditures I

think we have to rely on the good offices of the two federations to not waste funds.

MR. SPEAKER: Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. A supplementary to the minister. Has the minister put a time limit on these negotiations? It's been going on for quite an extensive period of time now. Has that time limit been communicated to the parties involved?

DR. REID: No, Mr. Speaker, at no time have I put a time limit on this. I cannot control the negotiating between the parties, and for that reason alone I would not put a time limit on it.

One has to remember the circumstances, that these two parties have had a difficult relationship for some four years. There is some emotional baggage being carried by both sides, and that of itself is liable to cause delays, and indeed it has done so. But I wouldn't put any time limit on any negotiations between two parties when I am not a party at the table.

MR. SPEAKER: Main question, Red Deer-North, followed by Edmonton-Avonmore, then Calgary-Buffalo.

Radioactive Material

MR. DAY: Thank you, Mr. Speaker. My question is to the Minister of Community and Occupational Health. Recently there's been some concern in the Red Deer area over reports of possible public exposure to radioactive material. The material in question appears to be a form of radioactive sand which is manufactured for pipeline analysis. Is the minister aware that recently there have been two incidents, one in which an employee of one of the companies apparently washed a vehicle off in a public car wash, leaving a radioactive residue, and another incident in which radioactive sand was found by the doorways of one of these premises? Can the minister tell us if he or his department has been made aware of these incidents?

MR. DINNING: Mr. Speaker, I was as concerned as the hon. member when I heard over the weekend of these two incidents. As this matter of radioactive materials is a matter under the control of the Atomic Energy Control Board, I have been advised by officials from the board on the cleanup activity with respect to both these incidents.

As it relates to the car wash, I'm told that the investigators from the Atomic Energy Control Board detected some very low levels of radiation in the car wash sump sediments and that the board was involved in the cleanup that was completed on March 12. In the case of a local Red Deer laboratory where some hot sands were found on the premises of this local lab, there too the Atomic Energy Control Board was involved in the completion, the undertaking of a cleanup. That was done on March 25.

But I want to repeat, Mr. Speaker, that this is a matter under the purview of the federal government, under the Atomic Energy Control Board, and our officials, through the radiation health branch of the department as well as through the Department of the Environment, have been working closely with the board.

MR. DAY: A supplementary question, Mr. Speaker, to the minister. Is the minister aware whether, in the one incident involving washing the vehicle, any charges are being laid?

MR. DINNING: Mr. Speaker, I'm told that following the cleanup both the board and the RCMP are conducting an investigation. Certainly, pending the outcome of that investigation, a decision will have to be made along those lines.

MR. DAY: Mr. Speaker, can the minister tell us, given that this appears to be a federal matter under the atomic energy board, if he has been assured by the atomic energy board that there has been no dangerous public exposure in either of these incidents?

MR. DINNING: Mr. Speaker, the hon. member shares my concern, because that was one of the first things I asked my officials to check into. We asked for those assurances from the Atomic Energy Control Board, and we were given the assurance that in fact no public health and no workers' health was in any way jeopardized by these two incidents.

MR. SPEAKER: The Member for Edmonton-Avonmore, followed by Calgary-Buffalo, then Edmonton-Strathcona.

Battered Women

MS LAING: Mr. Speaker, to the Minister of Social Services. The Federal Provincial Territorial Working Group on Wife Battering, the report on women in agriculture prepared for the Canadian Advisory Council on the Status of Women, and the Alberta Advisory Council on Women's Issues have all recommended a provincewide toll-free help line for battered women. The government's minister responsible for women's issues has indicated that local help lines are preferable to a provincewide line. Is this the position of the Minister of Social Services, and if so, does the minister not recognize that in small communities women may hesitate to call a local crisis line for fear of being recognized?

MRS. OSTERMAN: Mr. Speaker, the whole topic of family violence, which the hon. member has raised, is a very important one and of great concern to us. I think it's important to note that with funding going to communities across the province, particularly from the family and community support services program, communities have been in a position to prioritize the various social areas they wish to address, and many of them have taken action in this area.

MS LAING: Mr. Speaker, to the minister. At the present time there may be as few as eight 24-hour crisis lines in operation in Alberta. What effort is the minister making to ensure that there is a crisis line available to every woman, even in the remotest areas of this province?

MRS. OSTERMAN: Mr. Speaker, again in dealing with the overall area and putting in context the request for consideration that the hon. member is making, I think it's important to note that there are limited dollars to deal with this program area, notwithstanding the fact that both in terms of counseling for children who have been victims and in our support for shelters, Alberta funds probably among the highest in Canada. I think it's important that local communities also play a role.

MS LAING: Mr. Speaker, the answer that there are limited dollars is small comfort to the women who are being battered and their children.

The minister has made a commitment to increase core fund-

ing to existing shelters, but satellites which offer rural women shelter are facing closure. Does the minister not recognize the need of rural women for avenues of escape from battering situations?

MRS. OSTERMAN: Mr. Speaker, once again there are mechanisms for addressing individual community concerns. Again I refer to the family and community support services program, which is one unlike any other in Canada. Certainly communities individually must make decisions, as all of us must, in terms of prioritizing the various needs that must be addressed.

MS LAING: Mr. Speaker, there may be mechanisms, but they're not in place. In fact, the situation in Whitecourt is desperate. The satellite has no funding other than for job development grant money, and there are no rooms in the motels for battered women, as they are all occupied by construction workers for the new pulp mill. What does the minister have to offer these women?

MRS. OSTERMAN: Mr. Speaker, it certainly has not been brought to my attention that there is a particular community and individuals in that community who have come forward seeking assistance from the Department of Social Services, because certainly we do provide that emergency assistance. In an overall provincial context I think it's important to note that there is great discussion amongst professionals and others about the most appropriate way to address this problem. I believe that in that context it's important for us to address it in the overall, and our department is doing a review of that now.

MRS. HEWES: Mr. Speaker, to the minister. These are crisis circumstances, and we're experiencing them with increasing frequency, particularly in rural areas. Will the minister move to formalize the funding to the satellite centres, where the need may be more isolated and smaller but no less urgent?

MRS. OSTERMAN: Mr. Speaker, I believe I have addressed that problem. If the hon. member has looked at the budget of the Department of Social Services, you will see that there has been an increase in the funds made available to the shelters presently in place. With respect to other areas around the province that may be outside in terms of closeness in region, again I say to the hon. member that there are funds available for communities in terms of their ability to prioritize and address those areas. If hon. members have information about a particular area where they are saying emergency social services have not been available, then I'd appreciate that information.

MR. SPEAKER: The Member for Calgary-Buffalo, followed by Edmonton-Strathcona, then Vegreville.

Immigration Policy

MR. CHUMIR: Thank you, Mr. Speaker. I have a question for the Minister of Career Development and Employment. The current situation relating to the Turkish refugee claimants shows how a decision by Quebec in relation to 37 refugees can throw the national immigration system in relation to 40,000 refugees into a state of chaos. The immigration provisions of the Meech Lake accord permit and indeed encourage all provinces to seek special powers in relation to numbers and selection of immigrants. In fact, the Meech Lake accord is going to leave us

with a country having 10 separate immigration policies, a very balkanized country. I'm wondering whether the minister can tell this House what additional rights the provincial government plans to seek pursuant to the Meech Lake changes that we don't have now.

MR. ORMAN: Mr. Speaker, I don't want to comment on an arrangement that is being struck between Quebec and Canada, but the hon. gentleman's premise is wrong. Quebec has no jurisdiction in the matter of refugees in Canada.

MR. CHUMIR: Might I repeat my question, Mr. Speaker, and that is: what additional rights does the provincial government plan to seek pursuant to the Meech Lake changes that we don't have now? Why did the provincial government support this major change in national immigration policy which is to be provided for in the new Constitution?

MR. ORMAN: Mr. Speaker, I'm still confused as to how Quebec came into this, but let me allow a moment to indicate the direction that Alberta is going with regard to immigration. Under the Meech Lake accord we will be offered broader powers under certain aspects of immigration. Let me reiterate, as I did in my comments speaking to Meech Lake in December of '87, that family reunification, family class immigrants, and refugees should all remain the domain and the responsibility of a federal policy.

With regard particularly to the business immigration side, Mr. Speaker, which I might say in 1986 brought \$10 million to this province, in 1987 brought \$100 million to this province and almost 1,000 jobs, those are the reasons why we want to broaden our involvement in the immigration side. It's under business immigration, and it's for economic reasons.

MR. CHUMIR: Well, I understand the minister to be saying that we're agreeing to a fundamental change in the structure of national immigration policy just so we can have greater input into selection of business immigrants. Now, I'm wondering why this can't be accomplished by negotiation, as the province of Quebec has accomplished it to date, instead of agreeing to a fundamental change which presents a danger to this country.

MR. ORMAN: Mr. Speaker, there is no fundamental change with regard to the situation in Quebec with the Turkish refugees. It is a 100 percent jurisdiction of the federal government. The federal government has chosen to listen to Quebec on the issue, and if Quebec makes a decision with regard to settling the Turkish refugees, then I think it's appropriate. I see nothing wrong with the federal government consulting with the province of Quebec. As a matter of fact, it's under the air of Meech Lake accord; it's the co-operation between the two levels of government that is really the example that is being set, beyond the issue in the Quebec/Canada arrangement.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

MR. CHUMIR: Well, in case the minister didn't look, the im-

migration policies in this country are now in chaos. I'm wondering whether the minister can tell this House how we can possibly have a national immigration policy when each province is to have the authority to set its own immigration rules, as they have in Quebec presently and as is to be provided for each province under the Meech Lake accord, which this government has brought back to the people of this province.

MR. ORMAN: Mr. Speaker, for the third time, the hon. gentleman does not know what he's talking about. The responsibility for immigration is and will remain with the federal government, and I believe that all provinces agree with that. To suggest that each province would set their own levels and own criteria for refugee uptake and for family reunification is a silly one. I don't think anybody feels that's appropriate. We've been able to deal successfully with the federal government in matters of refugees and family reunification on an appropriate basis. Last year family reunification increased by 3 percent in this province. We take consistently between 10 and 15 percent of the refugees, with 9 percent of the population. It's an arrangement where we sit down and consult with them. We work within the guidelines that they set and within the targets they set for new immigrations. It's a very fine arrangement.

With regard to business immigration, Mr. Speaker, I believe that when it comes to an economic matter, the condition in this province, we should be sensitive to it rather than allowing those decisions on business immigrants to be made in Ottawa when conditions may change from time to time.

So I just don't know what he's talking about, and I suppose that's because he doesn't.

MR. HORSMAN: Mr. Speaker, may I supplement the . . .

MR. SPEAKER: The Attorney General, followed by the Member for Edmonton-Mill Woods.

MR. HORSMAN: The hon. Member for Calgary-Buffalo has incorrectly read the Meech Lake accord, apparently. It is quite clear that the Parliament of Canada has paramount legislative authority and constitutional authority to set national standards, objectives, classes, and levels of immigration. This paramountcy is proposed to continue under the Meech Lake accord insofar as provincial agreements that they may enter into with the federal government cannot be repugnant to federal legislation in the same field. It is quite clear. The hon. member should go back to his law books and read the Meech Lake accord again.

MR. GIBEAULT: Mr. Speaker, to the Minister of Career Development and Employment. Can the minister advise if the increase in business immigration to our province is having the effect of denying places here for refugees fleeing from oppression around the world?

MR. ORMAN: Now, there's a good question, Mr. Speaker. I should say that there is a misconception that the number of business immigrants replaces family reunification, family class, or refugees. In fact, it doesn't. The two levels are completely different. In Alberta the business class makes up about 1.3 percent of the total immigrants to this province and, in the same context, brings about \$100 million worth of investment. Now, it is not an addition/subtraction game. The levels for refugees are set by the sponsoring agencies in this province that choose to sponsor

refugees. That's clear under the legislation. With regard to family reunification, it is the responsibility of the federal government, certainly in consultation with the provinces on an annual basis, to determine levels. So there is no replacement factor whatsoever as a result of business immigration.

MR. SPEAKER: Final supplementary, Vermilion-Viking.

DR. WEST: Yes, to the minister. Will the Meech Lake accord enhance Alberta's position in targeting investment capital through immigration in the future, such as the years leading up to 1997 in Hong Kong, for example?

MR. ORMAN: Well, Mr. Speaker, as I indicated earlier, since this government made the conscious decision of moving our business immigration officer from London to Hong Kong, we have had a tenfold increase in the amount of dollars invested in this province. It is being sensitive to where business immigration is, the potential for investment in this province is. Certainly it is consistent with the rest of the business community that is looking to southeast Asia for business opportunities. As we approach 1997 and the People's Republic of China taking responsibility for Hong Kong, there may or may not be an increase in business immigration from that area. But I can say to the hon. member that in excess of 50 percent of our business immigrants come from Hong Kong.

ORDERS OF THE DAY

MR. SPEAKER: Might we have consent of the House to revert to Introduction of Bills?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.
The Chair recognizes the Member for Vegreville.

head: INTRODUCTION OF BILLS

Bill 236 Family Farm Protection Act

MR. FOX: Thank you, Mr. Speaker. I request leave to introduce private member's Bill 236, the Family Farm Protection Act.

This Bill is modeled closely along the lines of legislation in place in the province of Manitoba and has a variety of procedures that basically introduce the debt mediation procedure with teeth.

[Leave granted; Bill 236 read a first time]

Bill 247 Alberta Lands Inventory and Protection Act

MR. FOX: Further, Mr. Speaker, I request leave to introduce Bill 247, the Alberta Lands Inventory and Protection Act.

This Bill would establish a commission charged with the undertaking of the creation of an inventory of all land in Alberta, categorized according to its agricultural capability, and thereafter charged with the designation of a series of land reserves. The important effect of these reserves would be the preservation in perpetuity of agricultural land for agricultural production.

[Leave granted; Bill 247 read a first time]

Bill 263

Subcontractors' Liens Effectiveness Act

MR. PIQUETTE: Mr. Speaker, I request leave to introduce Bill 263, being the Subcontractors' Liens Effectiveness Act.

This Bill amends the Builders' Lien Act to provide that a lien for material, wages, or performance of services can be registered any time up to 90 days following the supplying of the material or the performance of wage work or services. The current deadline in the Act is 45 days.

[Leave granted; Bill 263 read a first time]

MR. YOUNG: Mr. Speaker, with respect to questions and motions on the Order Paper, I would move that questions 146, 148, 149, 150, and 153 stand and retain their places and that all motions for returns stand and hold their places.

[Motion carried]

head: WRITTEN QUESTIONS

145. Mr. Chumir asked the government the following question:

1. Is the government aware of a report prepared by Mr. J.W.K. Shortreed, QC, possibly in the 1970s, with respect to certain Alberta financial institutions and their regulation?
2. Will the government table a copy of this report if it exists?

MR. JOHNSTON: Mr. Speaker, in responding to Question 145, I draw the Assembly's attention to the fact that this question was handled earlier on in the session, and I see that it's back again. Just so the record is absolutely clear, let me say that with respect to the first part of the question, the answer is: yes, we are aware of it. Two, will the government table a copy? The answer is no. This report is a matter of public record already. It is now before the Code inquiry as a public document.

147. Mr. Ewasiuk asked the government the following question:

What was the total cost of all advertising purchased by the government in each of the categories of:

- (a) television,
- (b) radio,
- (c) daily newspapers,
- (d) weekly newspapers,
- (e) magazines and other periodicals, and
- (f) transit and billboard

during each of the following months:

- (1) January 1980 to June 1982 inclusive,
- (2) March 1983, and
- (3) April 1987 to March 1988 inclusive?

MR. RUSSELL: With respect to Question 147, Mr. Speaker, the answer to subquestion 1 is: the information is not available as requested. The same answer applies to subquestion 2. Subquestion 3: as soon as March 1988 has elapsed, we will prepare the answer and table it.

155. Mr. Mitchell asked the government the following

question:

Why did the government approve Order in Council 745/87 regarding a \$400 million issuance and sale of notes at 9.25 percent semiannually in the U.S., thereby exposing itself to currency exchange risk rather than considering a further Alberta bond issue?

MR. JOHNSTON: Mr. Speaker, in answering 155, I'm assuming that the intention of this question is to deal with the currency exchange risk as opposed to the use of the funds. I could go on forever describing the use of the money, and that has essentially been outlined in the priorities in the budget: education, health, diversification. But I think if it is, in fact, the second part of the question the member is attempting to draw to our attention, then I can indicate that we borrow the money in the United States as part of our balanced strategy to enter a variety of markets in a variety of currencies. It isn't that we've precluded using either the Canadian market or, for that matter, the Alberta capital bond market. We will obviously use our discretion and use both those markets to secure long-term financing for the province to finance the deficit. And as I've indicated earlier in the House, I will be considering the possibility of bringing forth an Alberta capital bond this summer similar to the very successful \$900 million capital bond that was issued in June 1987.

With respect to the currency risk itself, Mr. Speaker, I should advise the House that this \$400 million U.S. bond, which was issued in the fall of 1987 -- if you were to take the current exchange rate between that date and now, recognizing that the Canadian dollar has strengthened against the U.S. dollar, in fact we have saved \$31 million on this transaction. The effective rate of that transaction takes the coupon from 9.75 down to an effective rate of 8.7 percent, far below the current borrowing in the Canadian market, now running around 9.75.

Mr. Speaker, with respect to the general policy, the government uses its discretion to fix its rate, to hedge its currency, and to obviously protect itself against unusual changes in exchange rate fluctuations on a time-to-time basis. But as you can see, it is sometimes appropriate to take the risk, as we have done in this case, wherein the profits to the province of Alberta are significant. The effective borrowing cost to the province in fact improved, and obviously we can pass these benefits on to the people of Alberta through reduced taxation or certainly through limiting the size of our expenditures with respect to debt retirement intraservice costs. That is a policy question that's been addressed here, Mr. Speaker. In as brief a way as possible, I've attempted to provide an answer to the member.

head: MOTIONS OTHER THAN GOVERNMENT MOTIONS

203. Moved by Mr. Gogo:

Be it resolved that the Legislative Assembly urge the government of Alberta to consult with business, labour, and the general public to determine the direction and goals of the Alberta Heritage Savings Trust Fund.

MR. GOGO: Mr. Speaker, I am very pleased indeed to have the opportunity of moving Motion 203 today. I would hope as well that hon. members of the House following the debate, at the conclusion, would see fit to adopt this motion.

I'd like to begin, Mr. Speaker, with perhaps recapping what I deem to be and, I'm sure, most members of the House deem to be a sense of pride to most Albertans. Back in 1974 -- which

was prior to my time -- I believe the idea was born that some of this nonrenewable resource revenue should be put away and saved for the future. In 1975, as a candidate in the election, I remember vividly that it was an election issue and an election promise. Here we have today in the House some 83 members, of which 10, who ran in that election, are today sitting in Executive Council, which is the investment committee of the fund. In addition, we have the dean of the House, the Member for Little Bow, the Member for Clover Bar, the hon. Member for Whitecourt, the hon. Member for Taber-Warner, the hon. Member for Pincher Creek-Crowsnest, Cypress-Redcliff, the hon. Member for Calgary-McKnight, and myself. In total, of the 83 members of the House, 18 members who are members today sat in this House and passed that very special statute, the Alberta Heritage Savings Trust Fund.

[Mr. Musgreave in the Chair]

It's interesting, Mr. Speaker, to look back and consider the fact that in 1975 there was no legislative requirement of any kind to establish that fund. Indeed, the nonrenewable resource revenue or all revenue taken in by the government of the day could have gone straight to general revenue. Yet there were those around in that era who could foresee without a crystal ball that part of all that revenue that came out of the ground, which heaven only knows who put there, should be put away for future generations and perhaps for times when the economy isn't as robust as it was at that time.

Now, many of us, Mr. Speaker, remember clearly in 1973-1974 when OPEC was formed and then began to organize a strategy in order to maximize what it viewed to be a market value for oil worldwide, and we saw the dramatic escalation of oil prices throughout the world. It wasn't long after that that the province of Alberta in its wisdom felt, with good reason, that perhaps the natural gas that was coming out of the ground should in some way be priced in a similar way to the hydrocarbons or the oil.

It's interesting, Mr. Speaker, to think back to the debates in those days. I recall being with the hon. Merv Leitch, at the time the Provincial Treasurer, and speaking to a group in Lethbridge. He had made many, many trips around Alberta speaking about the heritage fund. I recall vividly that the final draft that was approved and came before this House was the 52nd draft of the Heritage Savings Trust Fund Bill, which would indicate a great deal of debate took place with those who made the decisions in those days to put it in its final form. Recognition obviously would have to go to the first Conservative Premier of Alberta, the man who in many ways had the foresight to see that we should be looking after future generations.

In remembering that debate, Mr. Speaker, I recall there were comments made such as, "Well, we should do something with this money in order to ensure a permanence so that governments of the future can't simply spend that money for parochial or political reasons." If it were in general revenue, it was quite available to be spent as any other funds. Secondly, there should have been some types of guidelines established for the management of the resources themselves which went into the fund; and thirdly, to establish some system of accountability that would be acceptable to the Legislature. If one looks through the statute, one begins to discover that indeed these were the factors that were considered within the legislation.

Again, Mr. Speaker, it's probably important to just take a moment to review the purpose of the fund. My recollection is

that it was threefold: one, to save money today for future years. In other words, nonrenewable resource revenue wouldn't last forever. We would be beset by adverse conditions sometime in the future, so we should put money away for the future. Secondly, one of the objectives of the fund was to strengthen and diversify a province which at that time had less than 8 percent of Canada's people. And thirdly, to improve the quality of life for Albertans presently living. I'm talking now in the year 1975. Then, to get the fund started, they took from general revenue \$1.5 billion.

Well, Mr. Speaker, initially there were several divisions formed: the Alberta investment division, because you had to have a vehicle by which to have the money invested to provide returns; secondly, the capital projects division; then the Canada investment division, because Alberta had the view at that time that they should be a strong partner of the Canadian Confederation. And if they were indeed going to get a return on the fund, one of the objectives would be to lend money at interest to other jurisdictions, other provinces, or rent the money out in such a way that they would have revenue coming back into the fund and, at the same time, be able to treat all of Canada's provinces equally, which is extremely important, because my recollection in those days was that Newfoundland, according to Moody of New York, would have to pay a premium of about 3 percent to borrow in the New York market. Alberta insisted at that time that Newfoundland should be able to borrow at the same rate as Canada's best credit-rated province, which at that time was Ontario. Then later we formed two additional divisions, Mr. Speaker: the commercial investment division and the energy investment division.

Well, how well has it done? In debating today whether it should be reviewed by these groups, that's obviously going to be the issue at heart, as to how well it's done. Well, let's begin by looking at the value of the fund today: give or take a few dollars, hon. Member for Edmonton-Kingsway, \$15.4 billion, as in the annual report all members received a short while ago. Of that amount, the financial investment, the financial portion of that -- i.e., the part that pays us interest -- the financial assets are approaching \$13 billion.

It's very interesting, Mr. Speaker, to consider that this past year alone I see that the revenue from the fund that went to general revenue was \$1.4 billion, down a little bit from the previous year, but that amount alone was greater than the total budget of this province in 1972-73. The total budget of the province is just one year's revenue from the Heritage Savings Trust Fund. Since 1982 the government has been using that money in order to pay for various bills in its operating budget.

Members will recall, Mr. Speaker, that back in those heydays we passed a Bill each year that would see that 30 percent of the revenue from nonrenewable resources went into the fund. That went along very well until 1986, when for a variety of reasons the government felt we needed some of that money, so the contribution was reduced to 15 percent. Then as all members are well aware, last year, in 1987, contributions going into the fund stopped, again for obvious reasons; in other words, the fund was capped. Some of us agreed with that and some of us didn't agree. I for one believe that nothing stands still. Unless you compensate for inflation, the corpus of that fund is going to decrease. However, the wisdom of the government was that they shouldn't be adding anything for inflation, and that's the way it is today.

Mr. Speaker, we should take just a moment to indicate to members where some of the funds have gone. I don't want to

take much time, because the purpose of the debate is to determine whether or not it should be reviewed in terms of its goals and objectives. But in terms of health care alone, I guess it would go without saying that the medical research foundation, the endowment fund of \$300 million, is unique throughout the world. I believe just the other day there was reference by the hon. Premier to over 100 medical scientists who are involved in that project in Alberta.

As we go through, I would simply refer hon. members to the annual report, about five pages with regard to the capital projects division alone. Provision was made for some 20 percent of the corpus of the fund to provide a nonmonetary return to Albertans. As we look across Alberta we see so many examples of investments of the heritage fund into what I would call the quality of life, beginning right here in Edmonton with the Capital City Park, expanding on to processed food research. I think the aggregate alone has been about \$1.9 billion into agriculture, our primary industry. So, Mr. Speaker, one only has to look at the annual report to see how well the fund has done for Albertans over the years.

Well, Mr. Speaker, for those who were critical -- and it seems to be Calgary-Buffalo historically that has always taken the position that this House should debate in detail the investments of the heritage fund. The member obviously knows that such a thing frankly couldn't be done any more than a city council can debate whether they will purchase given land within the city. I for one have always looked to Calgary-Buffalo for great debate as to what should and should not be public. Mr. Speaker, as members know, the heritage fund Act states that the investment committee will be members of Executive Council. Some members take issue with that, but that's the way it is. However, it has its checks and balances, and that's why the select committee of the Legislature, chaired by the hon. Member for Red Deer-South, sits as a 15-member committee to call ministers before that committee as witnesses not only to explain but to justify how they spend those dollars within their own portfolios. Then, Mr. Speaker, as you know, by statute that committee is mandated to submit, as was done last week, a report to the Legislature, and that's been done. I would mention in passing that the motion before us today indeed has been passed by that select committee and recommended to the House for its consideration, so it's appropriate that within a week of tabling the report, this item comes up for debate in the House.

Mr. Speaker, I think all Albertans, or certainly most Albertans, are proud of the Heritage Savings Trust Fund without question. There are those who say that perhaps with that money we should have bought the Calgary Power company and nationalized the power industry. That not only finds favour on the other side of the House; in certain quarters it even produces smiles, because many of them recall what happened in Ontario with Ontario Hydro, which has perhaps a \$25 billion heritage fund under the name of Ontario Hydro. Quebec Hydro is another matter obviously.

Mr. Speaker, I believe the time has come when the government of Alberta should be seeking the views of various people throughout Alberta. If we're going to have oil and gas in terms of a major activity which produced so much into this fund, should those people not be consulted about the direction of the fund? Should the public of Alberta -- not in public hearings -- not be consulted not only as to what the fund consists of but where it should be going? I remember the hon. Member for Calgary-Fish Creek in a ministerial responsibility did a questionnaire to Albertans. The results were very surprising, almost

shocking -- the tremendous lack of knowledge by Albertans as to where the fund came from and where the fund was employed.

Mr. Speaker, I would feel extremely comfortable if the government took upon itself to conduct surveys, questionnaires, meetings with these three groups -- business, labour, and the general public -- to get their ideas, as owners of the fund, where the fund should be invested. Are the five divisions that we have today appropriate for the heritage fund? Should there be more divisions? Should there be fewer divisions? Should there be more emphasis on certain types of investments, certain types of research? I for one am a strong believer, Mr. Speaker, that there should be more endowments. Unfortunately, we don't have the resources at the moment to afford them, but perhaps if we changed the composition of the fund, we could. Why do we insist on nonrenewable resource revenue such as oil, gas, and coal going into the fund? What about forestry, if it's the great wave of the future? Should we now be shifting our emphasis in terms of contributions into the fund and then determining where those funds should be invested?

I for one, Mr. Speaker, feel very strongly that instead of debt instruments there should be more equities. As a result, I moved a motion, which was carried, that there should be a greater emphasis on Canadian equities. Other members of the committee say no, it should be more in international equities because the future is somewhere else. Maybe that's the way it should go. I simply don't know. What I do know is that we've now had 11, going on 12, years on May 19 since the birth of that fund. We now have the people who certainly in theory will determine the future of that fund, and that's the Legislative Assembly. As I say, we only have 18 members today of the total of 83 who were in fact members on the day that statute was placed.

So, Mr. Speaker, I think it would be a very wise idea and a very positive suggestion if this Legislature adopted the motion urging the government of the day to consult with business, labour, and the general public of Alberta as to the future goals and objectives of the Heritage Savings Trust Fund. Thank you very much.

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

MR. McEACHERN: Thank you, Mr. Speaker. I rise to support Motion 203. The Member for Lethbridge-West made some very good points in defending his motion, and in fact he didn't go nearly far enough. There are many more things wrong with the fund than he implied and a lot of problems that demand it's time for a re-evaluation of the fund.

I, too, commend the government for setting up the fund for the basic idea behind it. Of course, that was a good thing to do with surplus revenues many years ago. But one of the problems of the fund right since its inception was that it was never really quite clear what the purpose of the fund was. There were always three or four different goals, and it varied from time to time which one would be emphasized. It caused a certain number of problems and confusion in the government's mind, I think, as well as in the minds of the people of Alberta, as to just why the heritage trust fund or what its purpose was. Was it a savings account? Well, in some ways, yes. Or was it a diversification fund? Yeah, it was that too in some ways, or it tried to be. Or was it for social programs like seniors' homes through the Alberta Mortgage and Housing Corporation? Yeah, it did a bit of that as well. Was it for deficit reduction? Obviously it's being used for that now. Well, no, it's not really. I mean, we're

leaving all the deficit in the general revenue account, aren't we, and still bragging that the fund is making a lot of money when in fact the numbers the government gives us are gerrymandered and rather ridiculous, quite frankly.

For example, they claim that in the 1986-87 fiscal year, which is the last one we have hard numbers for, there was \$1.445 billion generated by the fund and transferred into the general revenue account. Well, that's true as far as it goes, but it's only part of the story. To tell the people of Alberta that the fund was worth \$1.445 billion to them in that year is sheer nonsense. This government knows that, but they keep on saying it, keep on claiming that in fact in the period 1982-87 there was \$7 billion transferred into the fund -- and it's technically true -- and it's worth the equivalent of a 7 percent sales tax. But that, Mr. Speaker, is not correct. You see, if you take the year 1986-87 as an example and look at it a little more closely, the \$1.445 billion that was transferred is only part of the picture. At the same time, we transferred into that fund in that year \$216 million of resource revenues. So that went out of the General Revenue Fund into the heritage trust fund. Surely you must subtract that at least to get the balance of what it was worth.

Then don't forget that we also gave three Crown corporations which have heritage trust fund investments money: the Alberta Mortgage and Housing Corporation, the Agricultural Development Corporation, and the AOC, the Alberta Opportunity Company. We gave them \$318 million at the same time too. So if you take those two sums and subtract them from the \$1.445 billion we transferred out of the heritage trust fund into general revenues, if we subtract those moneys that went from the general revenues into the fund so to speak, then we end up with \$911 million net benefit. Now, if you do that same process through the years '82-87, what you find is that the \$7 billion total that was transferred from the fund into the general revenue account -- at that same time we transferred from the general revenue account into the fund \$3.7 billion in resource revenues, and that's not counting the money into those three corporations. For those three corporations we transferred in \$1.5 billion.

Now, if you take your \$7 billion and subtract your \$5.2 billion for those two items, you end up with a \$1.76 billion advantage. That's a lot of money, and one shouldn't be saying that's not important and not a great contribution to the revenues of this province. But it's not a \$7 billion contribution, and for the government to say so and say it's equivalent to a 7 percent sales tax is sheer nonsense.

Mr. Speaker, that's the way the fund's been set up, that's the way it's being administered, and that's the way it's being told to the people of Alberta that things are going on. So it's obviously time that we stopped and re-evaluated what we're doing with the fund. It's become nothing more than a propaganda gimmick for the Tories to say what a wonderful job they're doing of running this province when in fact they're not. They've loused it up rather badly, quite frankly.

I'd like to complete the record. The Tories just told a quarter of the record about that transfer back and forth, so I'll tell the rest of it too. The \$1.76 billion net into the general revenue account is important, but there is another \$1.3 billion in growth of the capital of the fund at the same time. Okay? So we could say maybe there's been a net benefit, then, of some \$3 billion. Okay? I'm not going to just tell part of the story; I'm going to tell it all. That's also a credit to the heritage trust fund idea and to the fact that we've saved some money.

Mr. Speaker, this motion was passed once before by the heritage trust fund committee, of which I'm a member. In the

1986-87 year we also passed this exact motion by the same member in the committee and passed it on to the investment committee of the heritage trust fund, which is the cabinet or the Executive Council. The cabinet has had more than a year now to decide whether or not they want to do anything with it. I couldn't see anything happening, so when the Premier came before the committee this fall I asked him if he had done anything. And before I tell that story, I want to say that that motion was the least important, I guess you might say, or the least comprehensive of the various motions asking for studies and public hearings put forward at those hearings in the 1986-87 fiscal year.

[Mr. Deputy Speaker in the Chair]

In fact, our party put forward a much more comprehensive one, one that would make a lot more sense than the one the member is introducing, and it was turned down for the more innocuous one, and I'll tell you what happened to even the innocuous one. First, I would like to tell you what our proposal was, because you can see we really were serious about reviewing the fund. After all, the fund for 10 years had been growing, and suddenly we were faced with a great drop in oil revenues and it was not going to be growing from there on. The temptation for the Treasurer to use some of that fund and manipulate the money in different directions, which he has been doing in spite of the fact that they said they weren't going to touch the fund. . . . Oh, he puts IOU notes in, so then he says he hasn't touched it.

In any case, we put forward a proposal that was much more comprehensive and makes much more sense, and I'd like to read it into the record.

Whereas the end of the first 10-year period of the Alberta Heritage Savings Trust Fund presents an important opportunity for an extensive review of the fund's performance, and whereas this milestone also presents an opportunity to consider new directions and emphasis for the fund, the standing committee recommends that:

- (1) a comprehensive audit and review be made of the structure, investments, performance, management, and economic impact of the Alberta Heritage Savings Trust Fund by an independent accounting and consulting firm, and that this evaluation be tabled in the Legislative Assembly within 15 sitting days of its receipt by the Provincial Treasurer;
- (2) the standing committee, as part of the 10-year review, shall hold and attend at public hearings at locations in the province that it considers necessary, which shall:
 - (a) be advertised in advance and open to the public,
 - (b) have as their primary function the solicitation of observations by the public on the current management of the fund and future alternatives,
 - (c) be held at no fewer than 12 separate locations within the province, and
 - (d) be held in accordance with such other guidelines as the standing committee may establish.

Mr. Speaker, I suggest that would have been a much more sensible thing to do than to pass a rather watered-down resolution that says:

Be it resolved that the Legislative Assembly urge the government of Alberta to consult with business, labour, and the general public to determine the direction and goals of the Alberta Heritage Savings Trust Fund.

Mr. Speaker, the commitment expected for Motion 203 could be fulfilled by the Treasurer going to have lunch with the president of the Federation of Labour and with some business friend like Peter Pocklington and walking out on the street and asking

one person what they thought. It was obviously not adequate, but still it's better than nothing. So that is why I rise to speak in favour of this motion. At least it's something, and it might get the government to shed some light on what's happening with the heritage trust fund.

Now, I'd indicated earlier that this motion, when it was accepted by the committee, was then passed on to the cabinet in the 1986-87 fiscal year. So this year I asked the Premier, "Have you done that?" I read him the recommendation -- it was number 22 of the committee's recommendations -- and said, "Now, what have you done?" I want to read you part of his answer. This is from *Hansard*, November 6, 1987, and the Premier in answer to my question says:

We haven't, as you know, held public hearings, and that's still an open question as to whether it might be helpful. Certainly whenever this committee makes a recommendation, we look at it very seriously. But on a regular basis I make sure that our MLAs are constantly meeting with their constituents and all Albertans all over the province to ensure that they are getting input from Albertans on all policy matters facing our government, whether it be . . .

This, that, or the other thing.

[Mr. Musgreave in the Chair]

Did you guys know that? You're being pressured by the Premier to go out and consult with your constituents. I'll bet you didn't know. And then he goes on to say:

As I said, I'm still of an open mind about whether a more formal type of hearing might be advisable. But we get constant feedback, whether it's labour, business, or just citizens at the grass-roots level, whether it be by cabinet tours or my meetings all across the province and all of our MLAs'. As an MLA myself, I discuss it regularly with my constituents.

Mr. Speaker, I can just imagine the Premier. He gets on the phone and he says: "Hello, Mrs. Jones. It's the Premier here. I wonder if you could tell me what to do with the heritage trust fund." "Well, no, maybe we won't do that. Thank you. Good-bye" -- if he catches her at an awkward moment. Or maybe what he says is: "Oh hello, Peter. Good to talk to you again. Just wondering if you're needing any money lately; the heritage trust fund has lots of it. Anything in mind? Florida, eh? Well, that'd be great. A golf course?"

Mr. Speaker, the Premier obviously had done nothing with that recommendation, absolutely nothing. He didn't even seem to be aware of it until I asked him about it. So this government has not only messed around with the heritage trust fund in an incredible number of different ways, but they don't even want to stop and review where they're going with it, what they're doing with it. They want to leave the Treasurer running the heritage trust fund, basically in secret, and manipulating the money in all kinds of directions.

Even the committee, the 15-member committee which he set up -- while we were discussing these recommendations that we were just talking about in the 1986-87 fiscal year, in the fall, in November, the Treasurer had already moved hundreds of millions of dollars around within the heritage trust fund without even telling anybody, all on the strength of an order in council that he'd passed, that he'd put out back in the spring while the House was sitting. Why he has to do something with money by order in council when the House is sitting, I don't know. But he put out an order in council saying that the government could put up to \$2.3 billion of the heritage trust fund money into the farm credit stability program and the Small Business Term Assistance Fund. No, he didn't know how much he was going to do with

that right away, but by December 31 he had put \$1.6 billion into those two programs, and it's varied up and down ever since, from some billion to a billion and a half dollars.

The committee's busy debating away about all kinds of other things it didn't even know he'd done until the quarterly report finally comes out. Once we get the December 31 quarterly report, then we don't see another report until at least November, because they hold up the March 31 and the June 30 quarterly reports until they get the final annual statement ready, and they seem to be late every year -- the last couple of years well into November -- so that we're late holding the hearings.

Mr. Speaker, the accounting for the fund is abysmal, and it is time that it was reviewed and analyzed again. That's why we need professional accountants to go in and do the job right. So although this motion is inadequate, it's better than nothing. For instance, a set of independent accountants could go in and find out whether or not the Treasurer was right or whether the Auditor was right when he said that we lost \$124 million out of the Canadian commercial division of the heritage trust fund in the October stock market crash. Maybe they could recommend to the Treasurer. . . I guess I could recommend to him right now that he table somewhere in the statements -- I don't mind where really, but just anywhere -- what he's doing with the \$300 million in the medical research foundation endowment. There's \$300 million of our money that's been put in there some number of years ago. It has grown to some \$500 million, I gather, but we really don't know how much, and we really don't get any accounting whatsoever for it. There was nothing in any of the statements anywhere this year for that.

The cash and marketable securities section: the money comes and goes from that. The government has swung over a billion dollars out of AGT and the Alberta Municipal Financing Corporation in the last year and a half without so much as telling anybody what they were doing, or why, or what they're going to do with it. Some of it seems to be stuck in some kind of debentures in the Alberta division of the heritage trust fund now. I'm not quite sure what it's doing. I don't know if it's sitting there or if they're using it for something else and paying the Alberta division some interest on it. But these kinds of weird things happen, and the government never explains to anybody beforehand what their intentions are, nor to the committee. The committee never knows what's happening; we're always talking six months out of date on what's been done with the fund, or sometimes a year.

So, Mr. Speaker, this year when I realized that the Premier was not going to do anything in the way of a hearing, anything in the way of a review, we decided -- the New Democrats on the committee -- that we would change our tactics slightly and make a slightly different suggestion for how the fund might be accounted for.

One of the first things I did was ask the Premier. I said, "If you're not willing to listen to the people of Alberta to tell you about the heritage trust fund and what should be done with it and to give you some guidance and directions for future plans for the fund, then maybe the least you can do is tell me your plans." And, Mr. Speaker, if it weren't for the time it would take, I would read you the shoddy answer I got back. The Premier talked for 15 or 20 minutes and had nothing to say. He doesn't know what to do with the heritage trust fund. He had no plans, no sense of direction or purpose, and no idea what to do with it. So what we as a committee finally did was to suggest to the heritage trust 15-member committee that we get at this problem in two different ways.

One, we said, "Why doesn't the cabinet bring into the Assembly of Alberta, into this Legislature, a fiscal plan for the heritage trust fund, much the way they do a budget?" Obviously, in some areas the details wouldn't be as great because there wouldn't be as many things you could say about it. The Canada investment division, which is a very good one and loans money to other provinces and has been making good money -- you wouldn't really need a lot of details there; just the amounts and the times and dates when they were due and so on. That would be very simple. Some parts of it would require a little more detail. But in any case, there is no reason in the world why the Treasurer shouldn't bring before this Assembly an outline of what he plans to do with the fund for the coming year. And nobody's nailing him down quite the same way that you nail people down for expenditures under the budget or anything, but just to put forward to this Assembly some ideas of what he would like to do with the heritage trust fund.

Now, would you believe that a sensible idea like that, a simple and reasonable idea like that, was turned down by the committee without one word of protest, without one word of explanation? There wasn't anybody on the committee that spoke on that suggestion. They're just in silence, and when the day came to vote, up went the hands. They defeated it -- not interested in even passing it on to the cabinet. Well, I pass it on to the cabinet now, and I pass it on to this Assembly as a worthwhile idea. And that's what the government should do.

So much for telling what they intend to do with the fund. That's fundamental and very important, and that's what they should do. But I also put forward a series of recommendations insisting that they account for the fund in much more detail than they do now. I mean, why don't we know whether we lost \$124 million or not. It's totally ridiculous that we don't. Why don't we know how much that \$300 million is worth in the medical endowment fund? Why don't we know how much is in the cash and marketable securities section? Why don't we know exactly how much is in the farm credit stability program and the Small Business Term Assistance Fund, both of which plans -- by the way, this Assembly assumed that most of the money for those plans would come from the banks and that the province would only use the heritage money for a bit of seed money to get it started and for a little bit of money to help administer it, to cover the 2.375 percent administration costs. Nobody said anything about huge amounts of money going into those two programs, and yet there it goes, by order in council and in secret.

Mr. Speaker, that's not an acceptable way to handle the heritage trust fund. So what I did was move a series of recommendations that the fund be accounted for in quarterly detailed statements.

MR. ACTING DEPUTY SPEAKER: Order please. The Chair is having difficulty following the hon. member's line of debate. The motion is that we

urge the government of Alberta to consult with business, labour, and the general public to determine the direction and goals of the Alberta Heritage Savings Trust Fund.

MR. McEACHERN: Mr. Speaker, you're being very frivolous, I think. As a matter of fact, the mover of this motion spent quite a bit of time talking about the . . .

AN HON. MEMBER: Order.

[Mr. Speaker in the Chair]

MR. McEACHERN: They change all the time. What are you talking about?

The mover of this motion spent quite a bit of time talking about the roots of the fund, how it was set up, when it started, even named most of the members in the Legislature at the time, and spent a lot of time laying out a lot of background. As a matter of fact, I hadn't intended when I started to give as many reasons why we need a study of the fund as I have done, but when he made some points along that line, then I decided: okay; we'll give you a little more information to work with, so some of you that weren't on the committee will know what kind of a mess the heritage trust fund is in, and know then that we need to do something about it. And that's why I've been giving you these facts and figures.

Mr. Speaker, I've nearly wound up my comments, but I'd like to end up by saying that the idea that the Assembly should have a chance to judge the plans each year for the heritage trust fund, and the idea that the Treasurer should account for the heritage trust fund in detailed quarterly statements -- that idea is going to be put forward by myself in the form of a Bill later in this session, so we'll get a chance to analyze and debate that in much more detail at that time.

MR. SPEAKER: The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you very much, Mr. Speaker. I rise in support of the motion to undertake a proper review of the Heritage Savings Trust Fund, and I do this for one important reason. The fact is that the Heritage Savings Trust Fund in its conception is an excellent idea, and I would like to applaud the government of the early 1970s that made the decision to set up the Heritage Savings Trust Fund. In concept it was excellent; in concept it was right. Unfortunately . . .

AN HON. MEMBER: But.

MR. MITCHELL: "But." Unfortunately the manner in which the government set about to execute that concept has been patently faulty. Over the years a number of different objectives have apparently been established for the fund. It is clear that none of those objectives has been achieved in the way that this government continues to construe that they have been achieved.

First of all, the fund was established to replace nonrenewable resource income for the future at a time when that resource income will be greatly diminished or, in fact, nonexistent. The fact of the matter is that the heritage fund has not achieved this particular objective. Fully \$8 billion of the purported \$15 billion in the fund has been invested in five Crown corporations. These Crown corporations at various times lose money. The General Revenue Fund, therefore, that receives the income from these Crown corporations through the Heritage Savings Trust Fund in turn has to subsidize the losses of these Crown corporations. The result is that the quality of the income earned by the Heritage Savings Trust Fund is very poor and in no way can be construed as the strong kind of income that is necessary to replace nonrenewable resource income.

Liquidity. The government made a great deal about this being a rainy-day fund; when times got tough, the government could swoop into that fund, scoop up cash, create jobs, encourage the economy. It's interesting to note that the bulk of that fund, if not all of it, has been committed: \$2.5 billion of the

Heritage Savings Trust Fund, in fact, has been invested directly in onetime capital expenditures -- The Kananaskis golf course, the Walter C. Mackenzie hospital. The remainder of the fund has been invested in largely nonliquid investments. You cannot sell the Kananaskis golf course for cash today to create jobs to stimulate an economy. You cannot sell the Walter C. Mackenzie hospital for cash today to stimulate the economy to create jobs. The Heritage Savings Trust Fund has failed in achieving that second objective as well.

The third objective that the government made a great deal of was diversification. Clearly, we have a problem still with diversification in this province. The Heritage Savings Trust Fund has not been directed in any kind of vigorous, rigorous way in order to overcome that. Ten percent of the assets only of the heritage fund have ever been invested in anything that could be construed as diversification. Not only has the fund not achieved the objectives that have been established for it, but perhaps more unfortunately, the fund is now becoming a millstone around this province's collective neck.

This government has undertaken perhaps one of the most successful -- and unfortunately successful -- public relations exercises in the history of Canadian provincial government. Everybody in this country outside of Alberta believes -- actually believes -- that there is \$15 billion in the Heritage Savings Trust Fund. And if they don't believe for certain what the figure is, they know for a fact that Alberta is very, very wealthy. How do they know? Because we have bragged year after year, day after day, week after week about the purported value of the Heritage Savings Trust Fund.

There is not \$15 billion in that fund. Two and a half billion has gone to onetime capital expenditures. Much of it is in assets whose value should be reduced to reflect real market conditions. There is probably \$8 billion in the fund. Continuously, this government has stood up and told the rest of this country: "We are rich. We have \$15 billion." Mr. Mulroney is happy to hear that. That allows him never to have to address the problem of regional imbalance and regional inequality of opportunity in this country in the way that it affects a province like Alberta.

What does Quebec do? There is hardly anybody outside of Quebec that understands that Quebec has a heritage savings trust fund: \$28 billion; bigger proportional to their population than our fund is proportional to our population. Nobody knows that it exists. They use it in exactly the same way we should have used the Heritage Savings Trust Fund over the last number of years. Videotron, a Quebec entrepreneur, recently bought QCTV. Do you know who funded that investment? The Quebec heritage savings trust fund. Nobody knows about it. Ottawa doesn't know about it. They have no concept that Quebec is every bit as rich as Alberta. Do you know why that is? Because they call it their public service pension fund. It doesn't belong to Quebecers. They don't brag about it. It belongs to Quebec public servants. They use it in exactly the same way that we should have used our fund.

Mr. Speaker, instead of standing up and telling the rest of this country that we have \$15 billion, we should reverse that public relations exercise, take out full-page ads in the *Globe and Mail*, and say that this province does not have \$15 billion; it has some of the highest rates of unemployment in the country today; it has some of the highest rates of people on welfare in the country today. We assisted the rest of this country in times when they needed assistance, in our belief in the concept of Canada. It has to cut both ways. We need that assistance now. Between 1984 and 1986, in negotiating so much more effectively with

Ottawa, Quebec received \$489 million in Department of Regional Industrial Expansion grants. In the same period of time Alberta, with a much more distressed economy, received \$13 million. I'm happy for Quebec. Good for Quebec. They're a lot smarter than we are. I'm sick and tired of losing to Quebec time and time and time again. Yes, Mr. Speaker, this has to be reviewed. The people of Alberta have to be able to communicate to this government that no, they no longer want to hear the government brag about this purported success. Instead, they want this government to come to grips with the reality of the Heritage Savings Trust Fund and begin to send the right messages to the rest of this country.

If we are -- and I hope this government does accept its backbench member's motion -- to set up a proper, structured, public inquiry into the Heritage Savings Trust Fund, then it is important that the terms of reference be laid out. Some of my colleagues have already suggested some terms of reference. I would like to add three.

The inquiry should look at ways to replace nonrenewable resource income. It happens that the Alberta Liberal caucus has presented a green paper which outlines very clearly that that important feature of the fund be emphasized. We are suggesting that a clear-cut pool be structured within the Heritage Savings Trust Fund to invest in real income-earning assets, not five Crown corporations, \$8 billion, that lose money time and time again.

Secondly, this board should have a term of reference which directs it to review possibilities for creating and promoting diversification in this province. The Alberta Liberal caucus, in its discussion paper on this matter, proposed that a second pool be structured within the fund, a pool directed specifically at creating diversification opportunities, promoting diversification opportunities in this province.

Thirdly, because of the fact, the experience, that this fund has not achieved the objectives laid out -- it has not achieved those objectives because of political interference -- we should be very certain to establish Albertans' attitudes towards the relationship of the political masters to the Heritage Savings Trust Fund. We have suggested in our green paper that private-sector and public-sector boards be structured to review and direct the processes of investment of the two pools that I have outlined, and that those boards should be structured in a way that gives them some distance from the political process. In Quebec the president of their Heritage Savings Trust Fund is appointed for 10 years and can only be removed with a two-thirds majority of the Legislature. That is an excellent idea that should be considered under the terms of reference of this inquiry.

Mr. Speaker, thank you very much. I would like to establish and reassert that I and my caucus support this particular motion and applaud the Member for Lethbridge-West, who had the foresight to raise it in this Legislature.

MR. JONSON: Mr. Speaker, I'd like to add a few words of support to the Member for Lethbridge-West's motion. I'd like to devote most of my remarks to supporting the timing of this motion. I think that we are at a point in the history of the Alberta Heritage Savings Trust Fund where the emphasis, the focus that this motion provides is certainly appropriate.

We've been through a period of tough economic times. As a result, the use of the fund has been changed in some fundamental ways. The government has responded to the conditions that the province has been facing. We've directed all of the very substantial annual revenue of the fund to helping with the gen-

eral expenditures of the province. In stages the commitment of the amount of resource revenue has been reduced to now being at a situation where there is no resource revenue flowing into that fund. We have an amount of money -- we can debate the actual value of it, I'm sure, at great length -- but the actual situation for the fund, Mr. Speaker, is one of being in a stagnant position as far as any growth is concerned.

One of the reasons I feel the motion is appropriate, Mr. Speaker, is that this particular set of changes has brought to the fore a number of fundamental questions about the future of the fund. Those are the questions that I think should become part of an emphasis on consultation with the groups referred to in the motion. To support my contention, I'd just like to outline some of the questions that I see being put forward, facing the government and facing all who are interested in the future of this fund.

First of all, we have a number of considerations under the general topic of revenue. We could go the traditional route and raise the question of whether or not the revenues of the fund should not be turned back into the fund, reinvested, and lead to an increase in its value. There is the question of reinstating the contribution from the resource revenue of the province. Certainly, if projections go as the government hopes and the economy of the province revives, that is something that should be actively considered, and it's something that should be discussed in a broader context than perhaps just this Assembly.

We also have a number of questions arising with respect to the method of generating revenue. The Canadian investment division of the fund has been an area that has undergone a certain amount of scrutiny over the years. A number of the loans given under that division are coming towards maturity. Should we continue those commitments, provided the interest revenue is maintained with our fellow provinces, or should that section of the fund be turned to some other use?

During the last meetings of the Alberta Heritage Savings Trust Fund Committee, the commercial investment division came under a great deal of debate. The Provincial Treasurer has indicated a desire to broaden the parameters in which that section of the fund is invested. You might say it's a proposal to diversify those investments, to go to the United States and to offshore investment points to diversify and broaden the basis of the commercial investment division. That has met with some support among the public of this province and some criticism, and that is something that needs some additional focus.

We have the very, very large component of the fund, and that is the Alberta investment division. Here we might be able to raise, and there has been raised, a whole group of questions dealing with the future directions for the Crown corporations and the other entities that are funded and provide revenue back to the Heritage Savings Trust Fund for this particular division. I know that within a short time, on the Order Paper of the Legislature, will come up the motion dealing with the Alberta Housing Corporation. Perhaps the emphasis that is being placed for the investment of such a large portion of the fund needs to be re-examined. I feel that the public of the province would have a great deal of input of a valuable nature in that regard.

Then, Mr. Speaker, we have all kinds of suggestions for spending the fund. Despite the fact that, as I've already stated, it is in a rather stable state right now in terms of its overall size, the suggestions continue to come in for the use of that money. It's perhaps a bit surprising. Certainly I find it surprising that people are still coming forward with long lists of proposals for direct expenditures of the money that is there, and I think we have to acknowledge that in the minds of the members of the

public of the province they would like to see that \$15 billion or \$13 billion directed to specific projects, to specific programs.

A public discussion, such as would be provided for by the direction provided in this motion, would certainly allow politicians to get a better feel for what the people of the province feel about that particular type of expenditure. We have proposals for urban parks, we have proposals for a Kananaskis north, and I could go on at great length about the many proposals that have come forward. I might say, Mr. Speaker, some of these are from the opposition side of this House, and I find the continual flow of such proposals a bit at odds with the great interest that seems to be now directed from the opposition benches towards maintaining the fund, increasing its value, and looking at the investment side.

Another area of expenditure questions would have to centre around a discussion about what I might call the endowment phenomenon. We've got the successful example of the medical research foundation, and I believe this has generated a great interest in this particular model for the use of the fund's moneys. We have a proposal that came forward to the committee this year for a social science research endowment fund. I put forward one on an education research endowment fund. There are proposals for an expanded program of scholarships. A number of proposals have been talked about in terms of research related to enhancing the industrial production of this province, and there are proposals for endowment funds for new additional health programs, safety for workers, and all sorts of other possibilities. Mr. Speaker, this is a very attractive type of proposal, and I think we need to have a discussion of the implications of going this route, the possible benefits, and whether there should be a greater portion of the overall Heritage Savings Trust Fund devoted to this particular area.

One of the original objectives for the Alberta Heritage Savings Trust Fund centred around the whole area of diversification. Some have contended here and elsewhere that it has not accomplished that goal. We have ample evidence, I think, to indicate that it has gone some direction towards fulfilling that goal, although there is more that certainly could be done.

Mr. Speaker, when we get into the area of discussing the questions surrounding diversification, there are at least two very fundamental ones which need to be focused upon and debated. One is the suggestion put forward by the Member for Lethbridge-West that the funds should be directed into equity investment to diversify this economy. Another is an often heard suggestion that we should not worry as much as we do about maintaining the integrity of the fund in terms of the rates of interest that we feel should flow back to it from the various investments. There should be some special direction of low-interest financing, and one of the most often suggestions there is that of the 6 or 8 or 3 percent farm loan.

Mr. Speaker, I think this motion has brought forward a very important direction, a direction to which all of the members of the Assembly could devote their efforts in terms of their meetings, be they the formal ones with the various lobby groups and stakeholder groups in this province or constituency meetings with small groups and individuals. This motion could provide a focus for an added effort to consult and to hear what people have to say about the future of the Heritage Savings Trust Fund.

There is no doubt that we're at a point where some very fundamental decisions have to be made about the future of this very, very important initiative of the government back in 1974. I'm sure that if the Legislative Assembly saw fit to pass this motion, the members of the Assembly on the government and on

the opposition sides would use it as proper direction to debate, to discuss, and to bring forward new ideas and directions for the consideration of the Assembly and the government for the future of the Alberta Heritage Savings Trust Fund.

MR. SPEAKER: Member for Athabasca-Lac La Biche, followed by Red Deer-South.

MR. PIQUETTE: Thank you very much, Mr. Speaker. I'd like to congratulate the Member for Lethbridge-West for proposing Motion 203. I think it must be with a lot of frustration that he proposed this motion, and I guess as a member from the opposition we also have that same frustration, that we are part of a committee that appears to be more of a lapdog committee as opposed to a watchdog committee that's supposed to be taking a real close look at what's happening with the Alberta heritage trust fund. So I guess that frustration is being vented today by himself and members from the opposition here.

We as a party have spent a lot of time looking at the future of the Alberta heritage trust fund. For example, as a member indicated, we proposed a 10-year review last year in the '87-86 look at the Alberta heritage trust fund in view of setting forward policies which will answer the needs for diversification for investment purposes in the province of Alberta. But we proposed to do that kind of review by seeking views from average Albertans, not simply to look around their own little inner caucus and decide what is best for Albertans. And this is what this government has done for the last 10 years; they have failed to relate the Alberta heritage trust fund and how it's operated back to the public.

We are accountable to the public about how this fund is to be expended. It comes from the resource taxation royalties that have been collected over the years. It's a nonrenewable source of income which has helped to fund the Alberta heritage trust fund, so one of these days that ability to be able to set aside money will most likely disappear. We have seen that already in the downturn in the economy in the resource sector in the past few years. We have to look at basically if it's a nonrenewable type of funding which will be continuing to generate revenues for this Alberta heritage trust fund; we look very seriously how that money is accountable to the rest of the public. And what we see in terms of how the committee operates and how the government makes use of the fund is that it appears to be very often a slush fund used by the government to initiate, for example, projects which it doesn't have available through general revenues. For example, I would point out irrigation projects which perhaps should have been funded out of general revenues as opposed to the Alberta heritage trust fund, but because we don't have enough money out of there, we simply pass an order in cabinet and away we go with another project.

We in northern Alberta are kind of sitting back there watching the disappearance of a lot of our heritage trust fund in the past number of years in a number of announced projects. We look, for example, at tourism, the great imbalance of tourism money which is flowing to southern Alberta as opposed to being equally distributed throughout Alberta. We feel it's time we asked all the peoples of Alberta in all sectors -- the northern parts of the province, the central part of the province, and the southern part of the province -- to come up with kind of a strategy provincewide which has been put in place through discussion papers and through consultation with various groups, whether it be agricultural, small business, tourism, forestry, et cetera, to take a look at how we can best use whatever resources

we have available to diversify our economy. That was really what was the purpose of the heritage trust fund: to provide a source of revenue when we had a downturn in the economy, to basically make sure we have in place available moneys during times of recession for a rainy day.

However, what we set up back 10 or 11 years ago was a fund which was expended in many ways without any consideration for a rainy-day type of event. We've set up expenditures which are actually taking a lot of provincial revenues to keep the ongoing projects going. We take, for example, that we have to fund from general revenues the Alberta mortgage corporation, which has deficits on an annual basis. We have to take out of the general revenues funds to sustain the Agricultural Development Corporation, and we also have to subsidize in many ways other programs that are capital projects which have been spent upon in the last 11 years.

So what we have created here is basically a monster, a monstrous kind of situation. We really don't know in 10 years from now what will be the implication of all this on our provincial budget, on our general revenue budget. We have to sit back now, after these 10 years, and take a very serious look, making sure that if mistakes have been made in the past in the way the funds have been set up and the way the expenditures have been basically uncontrolled in their nature -- the Legislative Assembly had a lack of accountability in the way that it's been reported back to the Assembly -- we must put in place a whole review process to, number one, address the accountability issue and what do we do with the funds which are left in a liquid state; for example, the investment division. Do we use that fund to help fuel economic development in Japan, or are we going to use investment in Alberta in order to make our small business sector more competitive by allowing a pool of money to be used at, say, low interest rates for the small business sector or our agricultural sector?

For example, just a few months ago I heard that out of the heritage trust fund we put out a loan of \$150 million to NOVA Corporation at 6.5 percent interest. We in the Official Opposition have long argued that we should be offering 6 percent moneys to our farmers in Alberta who are very hard hit by the price crisis in the grain industry in the past few years, but we are told by the Premier and the cabinet that we can't afford to do that. However, we've found the money to be able to give \$150 million worth of loans to Nova Corporation at 6.5 percent interest. We said that we're giving a great break to our small business sector by providing 9 percent money, which was very quickly grabbed by the small business sector. But in many ways we could have created a lot more jobs by offering a pool of money at 6 percent or 7 percent so that they would have some type of a competitive advantage in ensuring that they can diversify the kind of jobs that we need in Alberta.

I've been calculating, for example, the costs of the \$1.4 billion worth of megaprojects that the government has announced in the last year. They amount to approximately \$2.3 million per job. That is the kind of cost that is going on in order to create jobs in the megaprojects sector. And I can guarantee you that it would not cost that amount of money to create one job in the small business sector. In the small business sector a little incentive in terms of interest rate is enough to use the whole creative talent that small businesspeople have in terms of getting their own livelihood under way.

I would see that that whole aspect of the heritage trust fund should be more clearly addressing pools of money available for rural economic development and regional banking institutions,

which would pay back money to the Alberta heritage trust fund and its investment division and would create thousands more jobs than we have done at the present time, where we have megaprojects which maybe create a lot of jobs when the project is on, but in terms of the permanent jobs created, they are very small in numbers.

The other aspect of the review of the Alberta heritage trust fund, as other members have pointed out, is that we have to give a clear reflection of the true value of that Alberta heritage trust fund and not misrepresent the information which is available to the rest of Canada. Right now in the province of Alberta the Treasurer is in a battle with the federal government relating to trying to get federal funding equalization payments back to Alberta because of the disastrous fall in the price of energy in the past four or five years. I know very well what the argument is in eastern Canada: it is that we keep saying that we have approximately \$15.3 billion in the Alberta heritage trust fund. And their reasoning is that if you have this pool of money available there, why don't you simply draw upon it?

But we know very well, as part of the committee, that that is not a true representation at all. We've kept the value of the Alberta Housing Corporation, for example, at a 1982 figure, when we know very well today that the value of the Alberta Housing Corporation is probably 50 percent of what it was back in 1982. And the same thing with the Agricultural Development Corporation; if we take the value of agricultural land today and make a write-down of those assets, again, the value of agricultural land is probably 50 percent or 40 percent of what it was back in 1982. So we haven't adjusted; we haven't been accountable in the real value of these investments to the Alberta public and the Canadian public. And that is not helping us in our arguments with Ottawa. Really, we face probably a larger provincial deficit right now than what we have, in terms of liquid assets, in the Alberta heritage trust fund. But that message is not getting across at all.

My colleagues and I over the past two years, like I indicated before, have spent many long hours as individual members taking a look at the Alberta heritage trust fund to try and make some sense out of the whole operation. However, as committee members we've been frustrated by the fact that it's a very partisan committee, that it doesn't look at whether a recommendation advanced by any committee member makes sense or is logical. It's simply a rubber stamp by the Executive Council that tells, I believe also, a lot of the government members how to vote on some of these issues. Because I do know, for example, that a concern of ours, which was to address the imbalance of money available for tourism in northern Alberta, which was a \$75 million five-year recreation/tourism development for northern Alberta, was supported by a lot of individual members, even government members. But somehow it got shot down by the Executive Council as, I guess, not a logical expenditure to redress some of the imbalances of funding for tourism in Alberta.

So we look at a review process to put in place for Albertans where they will have an input into the whole future of the Alberta heritage trust fund and to put out the real figures about the real value of the fund and not to put out, as the Treasurer has done on a number of occasions, that the general revenue account has benefited to the tune of \$7 billion in the past number of years when, in fact, we have general revenues that have really benefited only to the tune of about \$350 million a year. We keep telling the public misinformation, and I think those are the kinds of things which have to be laid out on the table in a review process and public hearings which should be much more exten-

sive than the Member for Lethbridge-West recommended.

But at least it's a beginning. And I think as an opposition member from the New Democrats who has worked very hard with his colleagues here to try to make some sense out of this whole Alberta heritage trust fund -- because it is really our future we're talking about. It's really not the government's nest egg here, as they have so often tried to put out. You know, it is a kind of trust fund for the future of all Albertans, but that is not the way the accountability and the input has been allowed by this government. They've basically sat on this money, saying, "Because we thought of the idea first of all, well, we'll decide how to spend the money now and forever." And that is not at all the way a responsible government should be acting. If we do have a nest egg somewhere that we have built up because of being lucky in our resource industry because the energy prices were high a few years ago, it is not really the government who put this oil and gas underneath this ground here in Alberta. That was something we inherited, and it is not for the Tories to decide how this fund will be used in its entirety.

I would recommend that really the Alberta heritage trust fund committee should be a nonpartisan committee and should not be a committee which is based simply on a partisan basis. It should look like a lot of our federal committees, where we have almost an equal representation from all political parties, and also invite members from the business sector, from the agricultural, tourism, and forestry sectors, so that they have a permanent seat on this committee so we can have a much fuller feedback mechanism in how we plan the future use of this very important heritage that was set aside for the future of Albertans.

MR. SPEAKER: The Member for Red Deer-South.

MR. OLDRING: Thank you, Mr. Speaker. It's a pleasure for me to be able to rise at this time and join in the debate of Motion 203. I, too, want to compliment the Member for Lethbridge-West for his persistence and efforts in bringing this recommendation forward, not only at the Heritage Savings Trust Fund sub-committee level but here in the Legislative Assembly.

As I read through Motion 203:

Be it resolved that the Legislative Assembly urge the Government of Alberta to consult with business, labour, and the general public to determine the direction and goals of the Alberta Heritage Savings Trust Fund.

I really see this motion, Mr. Speaker, as a reaffirmation of the existing government policy. That is to say that hopefully there are some 83 MLAs that are consulting with business, labour, and the general public as it relates to the Heritage Savings Trust Fund. I know there are some 61 members that are doing that for sure, and perhaps this is to encourage some of the members of the NDP to go out and do those very things without making a big fanfare about it. We saw them go through that process on the Meech Lake accord. They went out and held a handful of public meetings. We went out and held hundreds of meetings in our constituencies. We went out and we held storefront government, we held town hall meetings, and they were effective. We heard from Albertans throughout this province, but we didn't have to have the fanfare that they try to give themselves over there.

Mr. Speaker, I am disturbed. When I heard the Member for Edmonton-Kingsway downplay the significant role of the MLA -- he mocked the idea of consulting individual Albertans, as if there is something wrong with calling up Albertans that we know and asking for their opinion on the trust fund. Surely he

doesn't really believe that's wrong.

Mr. Speaker, the Member for Edmonton-Meadowlark exceeded even his level of incompetence this afternoon in displaying his dismal ignorance of the Alberta Heritage Savings Trust Fund. It seems those two parties opposite thrive on burying their heads in these negative clouds and taking something as successful and constructive and as beneficial to Albertans as the Alberta Heritage Savings Trust Fund has been and trying to discredit it.

Mr. Speaker, the Member for Edmonton-Kingsway indicated that for him it was never quite clear what the purpose was, can't understand the purpose. You know, it amazes me that he serves on the select committee of the Alberta Heritage Savings Trust Fund and can stand up and make a statement like that. Time and time again, in every annual report that's come out, it starts out very clearly:

The Heritage Fund was established in 1976 with three objectives [very clearly laid out]:

1. to save for the future;
2. to strengthen and diversify the economy of Alberta;
3. to improve the quality of life for Albertans.

It's very, very clear, and I'm looking forward to commenting further on just how clearly we've reached those objectives. We've met those objectives, and we've continued to keep those objectives in mind with the unfolding of the Alberta Heritage Savings Trust Fund.

Then we have the Member for Edmonton-Meadowlark, who is going to reinvent the wheel. He came up with these wonderful new ideas, what his party was going to do. The first one he said was that we need to replace nonrenewable income. Well, what's the number one objective of the heritage trust fund? "To save for the future." Anything new there? Nothing; a new title, a new name. Trying to get on a bandwagon of something that was very successful and he recognized it. Their second intent: promote diversification. Whoop-de-do. What's the number two objective clearly stated in the mandate of the Heritage Savings Trust Fund? "To strengthen and diversify the economy of Alberta." So, typical Liberal manoeuvre: they see a good thing; they don't want to admit it's a good thing; they don't want to confess to Albertans how well it's working, so we're going to oppose it, but we're going to come up with something exactly the same and support that.

Mr. Speaker, a number of the members have alluded to the fortitude and the foresight that former governments had in establishing the heritage trust fund. The Member for Lethbridge-West did a good job of sharing some of the pride of his first campaign back in 1975 when he went out and campaigned on the concept of the Heritage Savings Trust Fund, a concept that was introduced to the Legislative Assembly back on February 7, 1975, through a Budget Address. Seven days later, February 14, 1975, the Premier of the day issued an election call on the basis of the Alberta Heritage Savings Trust Fund. Needless to say, they received an overwhelming mandate for the Heritage Savings Trust Fund, and so they should.

I've heard again the members opposite, and they just seem to thrive on discrediting even the good things, even the things that Albertans are so proud of, even the things that Albertans recognize have worked so effectively. I think if we've been somewhat guilty of anything as it relates to the Heritage Savings Trust Fund, perhaps we've been too modest. Perhaps we haven't done as good a job as we should have of communicating just how well this fund is working for Albertans today. Obviously, the members opposite are having a hard time grasping that, but I want to talk about the success of this fund because when I have

that opportunity, it makes me want to sing. I mean, it's such a success story that I want to shout it out to Albertans. So I welcome the opportunity of being able to comment on it this afternoon.

Again, the mandate, the first objective: save for the future. Mr. Speaker, this fund has been there for Albertans. In 1975 it was the future. In 1983 the future arrived. In 1985 it continued to serve Albertans. In 1985-86 \$1.7 billion worth of earnings by this Heritage Savings Trust Fund were delivered or handed over to general revenues, double what we took in from personal income tax, the equivalent at that time of approximately an 8 percent sales tax. You don't think that is serving Albertans? In '86-87 it was \$1.4 billion, one-fifth of the total budgetary revenues coming as a result of the foresight that government had in setting some funds aside to save for the future -- one-fifth. Schools: every day that our schools are open, one out of every five days funded from the earnings of this Heritage Savings Trust Fund. Just over one day a week of all the hospitals in this province is funded by the Alberta Heritage Savings Trust Fund.

[Mr. Musgreave in the Chair]

Since 1982 over \$7 billion worth of earnings have been transferred from the Alberta Heritage Savings Trust Fund into general revenues -- \$7 billion. It's had a major impact on the credit rating of this province, and we're certainly the highest in Canada. Sure it's working for Albertans.

The second objective: strengthening and diversifying Alberta's economy. We've seen over \$6 billion spent on strengthening and diversifying the economy of this province through agriculture, small business, research, energy resources, telecommunications, in major local infrastructures throughout the province. And again I hear the other side talking about lack of job creation. They don't listen. I mean, how can they dispute the facts? The facts are that in Alberta last year, in spite of the tough times we've been through, there were more jobs than there have ever been in the history of this province. Those are the facts. But all they can do is bury their heads in that negative cloud and say that the trust fund isn't working, the economy is still on a downer, we still need more jobs. Then, of course, when we try to communicate that to Albertans, they take exception because it might overshadow some of that negative diatribe they froth at the mouth with.

Finally, Mr. Speaker, the third objective was to improve the quality of life for Albertans today and in the future. It's just countless, the ways we can comment on that. I want to talk about even some of the recent initiatives in terms of life-style here in our province.

The universal rural private telephone line service. Again, I know they take exception to that across the way, yet that's converting approximately 100,000 party lines to individual lines. That means a lot to 100,000 Alberta families in this province. In '86-87 alone we installed 3,800 kilometres of cable toward reaching that objective, funded in part through the Heritage Savings Trust Fund.

The Alberta Opportunity Company. Some 382 loans to small businesses in this province last year, some 6 loan guarantees.

The Alberta Energy Company Ltd. -- and it's of interest to note that the majority of AEC's shareholders are Albertans. The majority of the 51,000 shareholders are Albertans. This company's activities include oil and gas exploration and investments in Syncrude, in pipelines, in forest products, in steel and coal.

Thirty-seven percent owned by the Alberta Heritage Savings Trust Fund and it returned some \$5 million worth of dividend income last year.

The funding we're able to provide through the Alberta Municipal Financing Corporation to schools, hospitals, and municipalities.

The Syncrude project Last year they produced a record 8.3 million cubic metres of synthetic crude oil, approximately 143,500 barrels per day as a result of Syncrude. Our 16.7 percent participation in that project earned \$33.6 million last year for Albertans.

The Food Processing Development Centre at Leduc. Again, some 350 Firms were able to take advantage of the services there in assistance in developing their products and getting their products to market.

AOSTRA, the Alberta Oil Sands Technology and Research Authority. It's helping to develop major technology utilized to recover and process oil from Alberta's oil sands and heavy oil deposits. It's also developing new technology that we're able to export throughout the world.

The microchip design and fabrication facilities. Again, state-of-the-art facilities. These state-of-the-art facilities are providing research and development expertise to industry and to universities and to Alberta companies, and they're helping them to adapt to microelectronic applications for their products and for their operations.

The Alberta Heritage Foundation for Medical Research Endowment Fund -- and I heard them critiquing that this afternoon -- a \$300 million endowment. One of the nice things about this particular endowment is that it's there in perpetuity. One of the things that governments are quick to do, it seems, in downturns is to start cutting the funding for research and development. We can't do that. It's there in perpetuity, \$300 million. And what a success story. We have not only some of the top medical researchers in Alberta or in Canada or in North America but in the world. We have a world-class team of medical researchers here in this province. When you combine that with the Walter C. Mackenzie institute -- a \$388 million facility, 1.8 million square feet, 843 beds -- we pull in these researchers from throughout the world. When they walk through the doors of the Walter C. Mackenzie Health Sciences Centre, they are absolutely blown away by the facilities we have there, tremendous facilities. They're helping to strengthen our economy and diversify the economy, and they're serving Albertans today.

Applied cancer research. Again, funded through the Alberta Heritage Savings Trust Fund. Through that we've attracted some of the top researchers in the world; we're making some inroads here in Alberta. The Cross cancer clinic has one of the top laboratory facilities in the world.

The Electronics Test Centre out at the Alberta Research Council facilities. Again, helping Alberta companies. Some 200 companies involved with close to 300 projects were able to utilize the services of the Electronics Test Centre. Prior to that, where did they have to send their products to be tested? To Los Angeles or to Toronto. But now what's happening is they're sending it from Toronto and Los Angeles and from throughout the world to Alberta because we have the facilities here, and it is diversifying and strengthening our technology industries here in Alberta.

We spend money on occupational health and safety research and education, the applied heart disease research -- all these things funded through the Alberta Heritage Savings Trust Fund.

Education. We've talked about the priority that this govern-

ment has put on education. What about the foresight they had through, again, the Alberta Heritage Savings Trust Fund, through a \$100 million endowment, to assure young Albertans that there were going to be scholarships and funding available to them to help them advance their education? And I shouldn't say just young Albertans, because it's available to Albertans of all ages. But to date some 34,000 Albertans have been able to take advantage of that one component of the fund alone, that one small component. Forty-nine million dollars' worth of scholarships have been handed out since 1981-82 when it was established, and the endowment is still actually growing in size.

The Alberta reforestation nursery projects. Again, this government has put a high emphasis on forestry, and we're seeing the dividends of that already. We're seeing new jobs created in this province already. We're seeing a very small industry becoming a very significant part of our province, but we're also looking down the road, and through the Heritage Savings Trust Fund we've been able to help projects like the Pine Ridge Forest Nursery. Last year alone, in the 1986 season, almost 25 million seedlings were shipped from the nursery and used throughout this province to establish new forests and replenish harvested forests on Crown lands and burnt-over lands. But one of the top reforestation programs in the world is here in Alberta, and it's as a result of and partially funded through the Alberta Heritage Savings Trust Fund, working not just for today's Albertans but for future Albertans.

I heard them critique Kananaskis Country again. That seems to be a pet project of the opposition, to take knocks at Kananaskis Country, to critique the golf course. But let me say that Kananaskis Country is a lot more than just a golf course and an outstanding ski facility. There's some 4,100 square kilometres put aside for multi purposes, for multi uses. Kananaskis Country has more than 3,000 automobile-accessible campsites -- 3,000 campsites available for all Albertans, not just southern Alberta. They're available for all Albertans, some 3,000 campsites located within 29 different campgrounds. That's something that's affordable to all of us; I know that I can still afford to go camping. Twelve group campgrounds -- this is really a unique concept as well, so that if you have a group of Scouts or if you have a group of friends or if you have a particular organization that you're a part of and you want to have a group camp-out, you can do that in Kananaskis Country. That's a new concept, and it's working. On top of that there are some 75 picnic areas available to all Albertans at Kananaskis Country.

I'd be remiss if I didn't comment on the William Watson Lodge. For me it was the highlight of my tour up at Kananaskis Country. Those of you that haven't seen it should make an effort to get out there and see it, because it, again, is truly another success story within the big success story of this Heritage Savings Trust Fund. It's a facility that's there for the handicapped and for senior citizens, and it's very, very affordable.

It has a lot of unique qualities, and one of the things that I do like to refer to is a young man by the name of Ross Watson, who is the assistant manager out there. This particular young man is totally blind, yet he's working very effectively out at William Watson Lodge. He's able to do everything from answering the telephones to taking a reservation and confirming it over the phone. He knows his way around that lodge inside out, and he's a cross-country skier. He's setting an example for other handicapped individuals in terms of, "Come out and use Kananaskis Country." Because he has up to 25 kilometres of trails memorized out there. His only problem is that he doesn't like to go out during the daytime because he might bump into

someone, so he goes out at nighttime. But he skis by himself for up to 25 kilometres.

AN HON. MEMBER: He could lead the opposition around.

MR. OLDRING: That would be the blind leading the blind.

This facility -- if you could talk to some of the individuals that have been able to take advantage of it. It has been oversubscribed each year. We have been adding to it each year and expanding it each year, the facilities that are geared for the handicapped. You can take a nice long path in your wheelchair from your accommodation down to the lake. If you don't think that isn't putting joy in the hearts of a lot of the handicapped in this province, believe me, you haven't talked to them if you feel any differently than that. But it's affordable, and again, it's funded through the Alberta Heritage Savings Trust Fund.

The urban parks program. They critique the deemed assets on that side of the House all the time, you know, as not having a place in the Heritage Savings Trust Fund. I can only say that in my constituency one of the overwhelming successes of this Heritage Savings Trust Fund was the Waskasoo Park network. Some \$28 million was funded to the city of Red Deer. Again, so many intangibles: you can't measure the return that these parks have in terms of dollars and cents. The well-being of the citizens of Red Deer. I know that my family -- my children and my wife and I -- cycle those bicycle paths throughout that park on every given opportunity. I know that we get out and tour the Kerry Wood Nature Centre on every opportunity. We get out and go to Fort Normandeau on every opportunity. It's a tremendous thing.

You know, the other part of it is that we can hardly wait to invite people to Red Deer and take them out and show them Waskasoo Park, because again they're absolutely amazed that a city the size of Red Deer was able to afford these kinds of facilities. We have people now coming from not just Alberta and western Canada; I think that throughout North America now...

MR. McEACHERN: Mr. Speaker, a point of order. The speaker has been talking for a long time about the wonderful things about the heritage trust fund, but he hasn't told us whether that's the reason we should pass this motion or not. He hasn't related to it in any way. You chastised me when I was really talking about some of the problems with the fund, which says that we should therefore do something about it. He talks about how wonderful it is, without anywhere along the line for the last 10 minutes saying anything about whether he's in favour of this motion or against the motion or whether what he's saying has any bearing on that. So really he should stick on the topic or at least relate to it in some way.

MR. ACTING DEPUTY SPEAKER: The Member for Red Deer-South.

MR. OLDRING: Thank you, Mr. Speaker. I know how painful it is for them to listen to the facts and to hear some good news from time to time.

He interrupted me at a very important part of my comments. I was discussing the urban parks program and how it applies to the constituents not only of Red Deer-South and Red Deer-North but to citizens throughout this province and throughout western Canada and, indeed, throughout Canada and the United States as well. I know that in discussing it with the manager of

the Waskasoo Park, she tells me that they receive letters at city hall by the bagful complimenting our community on Waskasoo Park. Again, a success story and they don't like to hear about it.

Mr. Speaker, I could go on and on and on. I can see how frustrating it is for the opposition to have to deal with the facts. I can see that they're squirming and feeling somewhat uncomfortable after having put all that effort into discrediting the Alberta Heritage Savings Trust Fund, but we on this side of the House know that Albertans know differently. They know how well it's working for them. They know that if it wasn't for the Alberta Heritage Savings Trust Fund, we wouldn't be able to say no to a sales tax. They know that one in five days in our school system is being funded by the Alberta Heritage Savings Trust Fund. They know that one-fifth of our hospitals are being funded by the Alberta Heritage Savings Trust Fund.

MR. ACTING DEPUTY SPEAKER: Perhaps the hon. member could address his closing remarks to the motion.

MR. OLDRING: Mr. Speaker, again, the motion urges the government of Alberta to consult with business, labour, and the general public to determine the direction and goals of the Alberta Heritage Savings Trust Fund.

I support the motion. As I said earlier, it is really a reaffirmation of the position that this government has taken all along with the Alberta Heritage Savings Trust Fund: that we will continue to consult with business, labour, and the general public and we will continue to adjust and redirect the goals of the Alberta Heritage Savings Trust Fund if it's appropriate and if it's necessary. We know it's a success. We know it's working today. We know it's working as it was intended to.

I commented earlier in question period; I made a suggestion to the Deputy Premier that we consider more full-page ads, more good news being shared with Albertans. It's a \$15.3 billion trust fund. I think another full-page ad would be dollars well spent, letting Albertans know just how effectively the trust fund is working for them today and how it will be there for future Albertans -- as long as those guys don't get their hands on it and I really can't see that happening. [interjections]

[Mr. Speaker in the Chair]

So, Mr. Speaker, I've said it twice -- and again you can tell they're not listening -- I support the motion as a reaffirmation of the government's current position.

Thank you, Mr. Speaker.

MR. PASHAK: Mr. Speaker, I rise to support this very commendable motion that's brought forward by the Member for Lethbridge-West. It's a motion that very simply calls for this Assembly to

urge the government of Alberta to consult with business, labour, and the general public to determine the direction and goals of the Alberta Heritage Savings Trust Fund.

It will come as no surprise to the members opposite that I disagree with a number of the remarks that were made by the Member for Red Deer-South, particularly his opening and closing statements in which he tried to suggest that this motion is in keeping with the direction of the government. Nothing could be further from the truth. If there was any direction and goal to the Heritage Savings Trust Fund being provided by the government, there would be no need for such a motion, especially from the government side, so this is tantamount to an admission of failure on the part of the government.

It's clear that when that fund was first established, one of its principal functions was to diversify the Alberta economy, and that, in fact, was spelled out in some of the earlier documents relating to the fund. But apparently that goal was deleted from the goals of the fund itself, and it hasn't performed that function. It really hasn't been used to diversify the economy.

A second major failure with the fund was seen quite clearly when Alberta finally had its rainy day and we had to cut back in funding to our health institutions, our schools, our social service programs. The fund was just not there to help Albertans in their hour of need.

In terms of this motion, I think it's fine. I really like the idea that the government would go out and consult with different groups throughout the province, and I think that in putting this idea forward, the Member for Lethbridge-West has taken a giant step towards something that we believe in on this side of the House, which is participatory democracy and social planning. But it doesn't go far enough. It's one thing to consult with these groups, but I think it's even more important that when you have consulted with these groups, you take the ideas that these groups have developed back; you assess them; you develop a plan out of that; you put the plan before the people of the province of Alberta; you get their acceptance for that plan; then you put that plan into action. I think that if we had that kind of global strategy in this province, we'd go a long way to preventing the kind of hardships that befell Albertans in the last few years as a result of government policies.

I know that goes against the government's ideology, to do that kind of thing. When they do engage in planning, because they do it in a haphazard way, they get the kind of situation that has occurred down in High River where \$4 million was loaned to a Cargill operation, which will add to the capacity of the province to slaughter animals when we already have an overkill capacity in this province of about 10,000 animals per week. Because it's a piecemeal strategy, what it means is that the money is in effect wasted. It may create some jobs in the High River area when it comes to building the plant, but how many long-term jobs are associated with it? What will be the impact of building another slaughter plant in the High River area on existing plants in Calgary, Red Deer, and Lethbridge?

There are many other points I wanted to go into. I just rose essentially to deal, though, with some of the problems I heard in the remarks that were made from Red Deer-South. We could talk a b o u t . . . Oh, and one other area, just quickly, where I think the Member for Red Deer-South only gave us half the story: he said that there was \$7 billion transferred to the General Revenue Fund from the heritage trust fund -- and that's commendable; that's in the period 1982 to 1987 -- and, further, that fund generated some \$1.3 billion worth of revenue. That's all commendable, and we acknowledge that that's a good thing. But on the other hand, what the Member for Red Deer-South failed to mention was that there was \$3.7 billion transferred out of the General Revenue Fund to the heritage trust fund in terms

of resource revenues and an additional \$1.5 billion for three losing Crown corporations: the Alberta Mortgage and Housing Corporation, the Alberta Agricultural Development Corporation, and the Alberta Opportunity Company. So the real gain was only in the neighbourhood of \$1.76 billion. I just wanted to set the record straight on that matter.

Thank you very much, Mr. Speaker.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Call for the question.

MR. HAWKESWORTH: Well, Mr. Speaker, I'd just like to add a few brief comments to those of my colleagues and other members in the Legislature this afternoon. I recognize that this was one of the motions that was passed by the committee. But what's missing from this motion is that there's really no mechanism set up for hearing from the public other than if the government chooses to do so, it can go out and perhaps have a meeting here, there, or the other place with individuals throughout the province. However, there's no mechanism to set up public hearings; there's no mechanism to get public briefs. There's no mechanism by which those groups of business and labour that are out there in the general public, in the general community, can make their points of view known to government.

As well, Mr. Speaker, we've heard lots of comments made by members from the other side that this is such a good thing, this Heritage Savings Trust Fund, and that there's no change that would be warranted; it's just as wonderful as anything that ever came along. If that's the case, why are the members opposite afraid to have an all-party committee go out and consult with business, labour, and the general public -- to involve all the parties represented in the Legislature, not just the government? It seems to me that if it was as great as they say and they were not afraid of the public, those kinds of initiatives certainly would have been incorporated and included in this consultation process.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: Question.

MR. SPEAKER: There's a call for the question.

[Motion carried]

MR. KOWALSKI: Mr. Speaker, when the House reassembles at 8:00 this evening, we'll be proceeding to third reading of Government Bills and Orders, and then we'll be going into the estimates with the Department of Agriculture.

[The House recessed at 5:25 p.m.]