

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Wednesday, June 1, 1988 2:30 p.m.**
 Date: 88/06/01

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

[Mr. Speaker in the Chair]

PRAYERS

MR. SPEAKER: Let us pray.

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

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

Amen.

head: **PRESENTING REPORTS BY
 STANDING AND SPECIAL COMMITTEES**

MR. SCHUMACHER: Mr. Speaker, pursuant to Standing Order 93, I have taken under consideration the question of the following petitions which did not comply with Standing Order 86 and recommend to the Assembly that the provisions of Standing Order 86 with respect to the deadline for completion of advertising be waived to permit those Bills to be dealt with.

Number one, the petition of Alistair Mackintosh for Bill Pr. 16, Leslie Roy Peck Adoption Act; number two, the petition of Victor Peter Hetmanzuk and Nestor Zenon Papish for Bill Pr. 17, St. Vladimir's Ukrainian Orthodox Congregation at Calgary Tax Exemption Act; three, the petition of Donald Roy Deen for Bill Pr. 18, Donald Roy Deen Compensation Act; four, the petition of the Calgary Municipal Heritage Properties Authority for Bill Pr. 19, the Calgary Municipal Heritage Properties Authority Amendment Act, 1988; and five, the petition of Leo Cattleman, Simon Threefingers, Eddie Littlechild, Jim Omeasoo, and Maurice Wolfe for Bill Pr. 20, Maskwachees Cultural College Act.

I request the concurrence of the Assembly in this recommendation.

MR. SPEAKER: Does the Assembly concur in the report as presented by the hon. Member for Drumheller?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

head: **TABLING RETURNS AND REPORTS**

MR. SPEAKER: Hon. members, I have the pleasure of submitting to the Assembly the first annual report of the Alberta Legislative Assembly Office.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. KOWALSKI: Mr. Speaker, one year ago in this Assembly I had the pleasure of announcing that the village of Ryley would become the first community in Alberta to undertake a

municipalwide composting project, and I introduced the mascot for the project and the community, Captain Compost.

Love is a most powerful force, Mr. Speaker. Anyone who has experienced love will know how capturing, captivating, and all encompassing it can be. Captain Compost has been smitten and with his success in Ryley has earned the respect and love of a delightful young damsel who has now become Mrs. Captain Compost. This couple is in the members' gallery, and they are escorted by His Worship, Mayor Larry Andrukow, Sheila Pitt, Doug McClellan, and Del Albright of the village of Ryley. Hopefully in a year from now the composting project in Ryley will continue its successful accomplishments and we will be able to welcome to the Assembly the gift of the Composts' love, young Junior Captain Compost. Mr. Speaker, would our colleagues in the Assembly kindly welcome all of our guests today.

MR. PIQUETTE: Mr. Speaker, I'm very pleased to introduce to you and to members of the Assembly, Miss Sandy Rein. Sandy Rein is a grade 11 student at Edwin Parr community school in Athabasca, a county of champions. She recently returned from the National Debating Championship held in Newfoundland, where she won the title of top Canadian overall debater. She is only the second Albertan to ever win this title. Sandy has won the top individual debater in the Alberta Provincial Debate Final for the last three years. She has debated in the United States as well as Canada. She's a very worthy Canadian champion. Sandy is sitting in the Speaker's gallery, and she is accompanied by her parents, Fred and Gloria Rein, and also in the members' gallery by Mr. John Baty, executive director of the Alberta Debate and Speech Association. Would they please rise and accept our warm congratulations.

DR. WEST: Mr. Speaker, I would like to introduce to you and to Members of the Legislative Assembly, 27 grade 6 students from the Mannville school, in the constituency of Vermilion-Viking. These students are truly representative of the strong foundation and future that the province of Alberta has. They are accompanied by their teachers Mrs. Susan Kern, Miss LaVerne Pekrul and parents Dorothy Dimitroff, Janice Clewett, and Mr. Ron Kern. Their bus driver is also with them, Mr. Enoch Neilson. They are seated in the members' gallery, and I would ask them to stand and receive the warm welcome of this Assembly.

MR. SPEAKER: The Solicitor General, followed by Calgary-Forest Lawn.

MR. ROSTAD: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to the Assembly, 30 grade 6 students from Bawlf. They're accompanied by their teacher Mrs. Margaret Piro, by parents Bev Huseby, Terry Moore, Maurine Hoffman, and their bus driver Gerald Roth. They're seated in the members' gallery, and I'd ask that they stand and receive the warm welcome of the Assembly.

MR. PASHAK: Mr. Speaker, it's my pleasure today to introduce to you and through you to members of the Assembly, 30 students from the Bishop Kidd school. They're grades 7, 8, and 9 students. The Bishop Kidd school is located in Calgary-Forest Lawn. The students are accompanied by their teachers Larry Hope and Greg Clarice. I'd ask that they rise and receive the usual warm welcome of the Assembly.

MR. SPEAKER: Red Deer-South, followed by

Edmonton-Calder.

MR. OLDRING: Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and through you to the Members of the Legislative Assembly, a friend of mine from the city of Edmonton, Mr. Jim Rossdale. Jim is seated in the public gallery, and I would ask that he stand and receive the warm reception of this Assembly.

MS MJOLNESS: Mr. Speaker, it is my pleasure today to introduce to you and to all members of the Assembly, Angela Bass, a friend visiting our fine province from London, England. I would ask that she stand and receive the warm welcome of the Assembly.

head: **ORAL QUESTION PERIOD**

Principal Group

MR. MARTIN: Yes, Mr. Speaker, to the Premier. Now we know why the government has been stalling on the Principal affair. Documents filed with the Code investigation, I might say over the objections of government lawyers, indicate clearly that the government cabinet ministers overruled regulators consistently in order to keep the failed Principal Group companies in operation. My question to the Premier. I wonder if the Premier will inform the House whether he was aware of this at the time the cabinet revoked the licences of First and Associated, Investors last June.

MR. SPEAKER: Well, sub judice is of great concern.

MR. GETTY: Mr. Speaker, we have to be, of course, sensitive to the fact that it's before a court-ordered hearing. I might point out to the House that this is the government's request to the court to order this hearing, also that the government requested the Ombudsman -- as a matter of fact, ordered the Ombudsman -- to have his hearing into this matter, and I have asked Her Honour the Lieutenant Governor to allow all members of cabinet to be released from their oath of office as members of cabinet so that they can contribute to that Code inquiry to the greatest extent possible.

So halfway through the inquiry or a third of the way or two-thirds -- whatever -- it doesn't seem to make much sense to start trying to second-guess what's coming out. I think we should have the whole inquiry. I'm looking forward to having all the facts and have set it up in a way that we would have all the facts, so it seems unwise to try now and comment halfway through it, except to say that I was interested in noting that Premier Manning had the problem as well. So it certainly has gone back some time.

MR. SPEAKER: Supplementary question, but not sub judice...

MR. MARTIN: Mr. Speaker, I was not talking about what's before the Code inquiry; I was asking about why the government revoked the particular issues. There must have been a reason, Mr. Speaker, but if the Premier doesn't want to answer -- I take it by that nonanswer that he does have an answer.

It's obvious to Albertans already that we have public documents. This point is made clear that over many years -- the Premier goes back to Manning -- members were aware that there

were problems with this company. Now, my question to the Premier. Will the Premier advise, then, what considerations led the cabinet to reverse its position in June of 1987 and lift the licences after all these years?

MR. GETTY: Well, Mr. Speaker, there was a different cabinet under Premier Manning; there was a different cabinet under Premier Strom and a different cabinet under Premier Lougheed. They all obviously must have had considerations and dealt with facts at the time. The facts that we dealt with when I was Premier were such that when we had the facts, we moved to fulfill the responsibilities under the legislation, and we did that.

Now, for the hon. member to preface his question by saying the government "doesn't want to answer" I think is a very, very misleading comment to make. I just said to the House that this hearing is a result of government's request to the courts, that the Ombudsman at the order of the courts is getting information out. All of our cabinet material is available that has never been available before; cabinet members have never had their oath of office recinded before. So I frankly think, Mr. Speaker, that the hon. Leader of the Opposition is trying to present a case that is completely false and that the real thing to do here is to have all the facts out, and let's hear the results of this inquiry. But we're certainly not trying to cover up anything.

MR. MARTIN: Mr. Speaker, how can he say that I'm bringing out things that are false, and then say that everything's before the public inquiry?

MR. SPEAKER: What is the question, hon. member?

MR. MARTIN: My question then, Mr. Speaker, is that we're trying to know what the government knew about the licensing of these companies, going back to the time that this Premier was a cabinet minister. But I'll ask this question: will the Premier advise whether he's aware of any other instances in which cabinet ministers overruled the regulators to grant licences to companies which posed undue risk to the investing public?

MR. GETTY: Again, Mr. Speaker, he is now dealing with incomplete evidence. He has just said, another time when "cabinet ministers overruled the regulators" -- he doesn't even know whether that happened -- because obviously there was some evidence given before an inquiry yesterday. Really, I find it hard to imagine the hon. Leader of the Opposition pursuing this line of questioning at this time. It seems to me that we have done everything possible to get all this information out. All the cabinet documents are now available on this matter. All members of cabinet are available to the inquiry. That's exactly the way it should be done under a court order. I think we're going to get it all out; let's have it. But let's not try and draw mini-conclusions resulting from something he happens to read in the newspaper.

MR. MARTIN: Mr. Speaker, people want you to answer the questions, not hide behind the Code inquiry. That had nothing to do with the Code inquiry, and the Premier's well aware of it, so obviously he knew.

MR. SPEAKER: What is the question, hon. member?

MR. MARTIN: This is a public document and certain of the licences issued to the collapsed investment companies were ap-

parently issued with the disclaimer, and I quote quickly one sentence:

This should not be interpreted as indicating acceptance of the financial or other conditions existing in the company. That was in 1975, when this Premier was a minister. My question is: is this the type of protection which the Alberta government offers innocent investors?

MR. GETTY: Well, obviously, Mr. Speaker, he is referring to a different Alberta government, and I can't speak for a different Alberta government. Whether I was minister of energy or minister of intergovernmental affairs at that time in the past, there was a different cabinet, a different Premier, and I really find that literally an absurd position for the hon. member to be taking at this stage. However, I guess the questions and the kinds of things he finds right now should be asked in the Legislature in the question period have deteriorated that he's dropped to this.

MR. CHUMIR: To the Premier. Many investors are badly in need of funds, and quickly, for living expenses, and it's clear that the government has some responsibility by virtue of its knowledge. I'm wondering whether the government would agree to purchase the assets of Associated and First Investors at the current value, similar to what they did for the credit unions, in order to ensure that the investors get the 65 percent that they need now, not in dribs and drabs, and leave the balance . . .

MR. SPEAKER: Thank you, hon. member. This is a supplementary, not a 20-page paragraph.

MR. CHUMIR: Well, the question needs to be clarified, though.

Leave the ultimate responsibility for the shortfall to be determined through the Code commission or whatever other entity is responsible for that

MR. GETTY: Mr. Speaker, this question has been asked and answered several times in the Legislature in this spring session. I only say this to the hon. member: having put in place a comprehensive investigation under the courts, having put in place the availability of all cabinet ministers to that inquiry, having put in place the availability of all cabinet documents to that inquiry, having ordered the Ombudsman to look into every possible feature of this to make sure that anything the government may have done that could have impacted on this is open and before the public -- having done all of those things, we have taken the position that we should wait for the results of those inquiries before taking any action. I think that's what the public of Alberta would want.

MR. SPEAKER: Thank you.

Second main question, Leader of the Opposition.

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

MR. SPEAKER: Vegreville.

Ethanol Fuels Industry

MR. FOX: Thank you, Mr. Speaker. My questions are to the Premier. This government is constantly downplaying the economic and environmental benefits of an ethanol industry, and at

the same time they're actively promoting and willing to help finance the oil companies' product that competes with ethanol, and that's MTBE. Now, the news yesterday was that this government's negative attitude is driving potential investors out of Alberta. The news today is that the MTBE plant is on hold, and I think this creates a window of opportunity for ethanol. I'd like to ask the Premier if he's willing to commit this government to a 4 cent a litre fuel tax break on ethanol so that if an industry is to develop, it's got as much chance to develop in our province as it does in our neighbouring provinces.

MR. GETTY: Mr. Speaker, I just want to first comment on the hon. member's lead-up to his question, where he says the government is constantly putting down any development in the ethanol industry. That is absolutely incorrect. The government has worked with the applicants to such a proposal. As a matter of fact as a result of the Leader of the Opposition's comments yesterday I committed to the House that I'd look into the dealings with Ethanol Energies Ltd., and I can tell the House that on 10 different occasions, either by letter or meeting, the government discussed the potential investment with the prospective investor. The government left it on this basis: would you please make an application so that we can assist you, if at all possible? That was in October of 1987, that long ago, and nothing has followed through on it. It was a request to positively help this investment in the province, and they did not follow up, and that was the final.

MR. MARTIN: Did you talk to them?

MR. GETTY: Yes.

So I can hardly accept from the hon. member that the government is trying to put this down. Now, there's no question that the Minister of Agriculture and the Member for Vegreville have gone back and forth many times in the House in the spring session. They can go back and forth again, I suppose, and on any further details I may ask the Minister of Agriculture to respond to the hon. member.

MR. FOX: Well, Mr. Speaker, the Premier said in this Assembly yesterday: "The fact of the matter is that even with the assistance, there are no economics" in reference to the ethanol industry. If that's not a negative attitude, I don't know what is.

Now, I'd like to ask the Premier -- he knows that the ethanol industry is alive and doing well in Minnedosa, Manitoba, and the Minister of Agriculture's been invited. Will the Premier instruct the Minister of Agriculture to accept the gracious invitation of the mayor of Minnedosa and go there and see firsthand just what an industry in action can do for a small rural community?

MR. GETTY: Mr. Speaker, the Minister of Agriculture can respond for himself.

I would say, Mr. Speaker, in terms of investments for small rural communities, that this government is attracting investments at a level that has never been seen before in this province.

MR. FOX: Well, Mr. Speaker, the Premier continually likes to make reference to his strong leadership. I'll quote from the document he released at the Western Premiers' Conference, that they're committed to "enhanced cooperation in economic development and diversification among the Western Provinces." Clearly, ethanol is one of the best opportunities we've got and

I'd like to ask the Premier: what kind of leadership is he demonstrating when ethanol was not even discussed or mentioned in their communiqué coming out of this Western Premiers' Conference?

MR. GETTY: I'm sure, Mr. Speaker, even the hon. Member for Vegreville would know that many things were discussed in three days of meetings that didn't get into some 13 communiqués.

MR. FOX: I'm sure the Premier is aware that the Minister of Agriculture recently spent thousands of taxpayers' dollars placing ads in weekly newspapers in Alberta that contained no new information, the same information that he put out in a press release a month earlier. I'd like to ask the Premier if he approves of this practice of a minister in his cabinet wasting money trying to salvage his tarnished reputation out in rural Alberta.

MR. GETTY: Mr. Speaker, the hon. member certainly is incorrect when he's talking about reputations. I've traveled throughout this province, met with many, many people in rural Alberta. This was exemplified clearly in the by-election in Chinook when the NDP lost their deposit virtually in disgrace. We meet with the people throughout rural Alberta. The Minister of Agriculture and the Associate Minister of Agriculture: the people of Alberta raise their names and the job they're doing with me and tell me what a superb job they do representing agriculture in this province.

MR. SPEAKER: Thank you.

MR. MITCHELL: Assuming that the Premier, after looking once again at this kind of project, determined that in fact with a subsidy of, say, 4 cents a litre on ethanol this project would be economically viable, is the Premier prepared to commit today in this Legislature that under the free trade agreement even if he wanted to he would be able to put in that kind of subsidy to make that kind of diversification program work in this province?

MR. GETTY: Mr. Speaker, once again the hon. member tries to turn most subjects into a negative attack on the free trade agreement, which the people of Alberta feel so strongly is something that they really want and can use for future economic growth in this province. It is disappointing and it is a shame that the same party that fought so hard to support the national energy program, that hurt this province, now attacks the free trade agreement, which helps this province. I tell the hon. members of the Liberal Party and their socialist friends beside them that what they should do is get out and meet the people of Alberta and understand that they're the people who want this free trade agreement.

MR. CHAIRMAN: The Chair recognizes Calgary-North West

DR. CASSIN: Thank you, Mr. Speaker. To either the minister of economic development or the Minister of Agriculture. Would either of them be able to comment on the total cost both from the standpoint of capital cost and subsidization of this industry, that would be required if we were to look at it at this point in time?

MR. ELZINGA: Mr. Speaker, the studies that we have done to date indicate that we would require a subsidy of somewhere between 25 cents and 29 cents per litre in the event that we were involved with ethanol production.

Let me just take this opportunity to underscore a couple of comments that the Premier made, whereby we are working with our federal counterparts in developing more concise reports so that we will have a more balanced approach to make a decision as it relates to ethanol, to the extent that we do have meetings with our federal counterparts on June 8 and 9 as it relates to the ethanol industry. I had an opportunity yesterday when we had our agricultural meeting to discuss this issue with the minister responsible for grains, the Hon. Charlie Mayer. We are continuing with it, Mr. Speaker, but we want to do so on the basis of fact. We are going to continue to do so on the basis of fact, recognizing that there are pros and cons. We are going to make sure that we have a full and thorough analysis of it.

MR. SPEAKER: Main question for the Liberal caucus, Westlock-Sturgeon.

Treatment Facilities for Disturbed Children

MR. TAYLOR: Mr. Speaker, your prayers have been answered.

Mr. Speaker, it has become apparent that the Department of Social Services is censuring Don Bosco and not letting anyone know why. Can the minister state whether there are any specific reasons about the quality and type of care, that she has any specific concerns about the quality of care at Bosco Homes?

MRS. OSTERMAN: Mr. Speaker, I hope that I heard the hon. member's entire comments. But we did discuss this subject yesterday, and if the hon. member did not hear, he could read in *Hansard* where I said that I believed they were probably delivering good care. But the hon. member must realize that there are many people who have the opportunity to refer their children to Bosco and other organizations. Social Services is not the only area where services for children are delivered in this province.

MR. TAYLOR: Thank you. I'm glad to hear that. Then would she, if she has such faith in Bosco and its [inaudible] with troubled youth, accept from me a list of over 100 names of parents and individuals who wish to have their children placed in Bosco ranches? Would she accept that list?

MRS. OSTERMAN: Mr. Speaker, the delivery of appropriate services to children who may have some behavioral or other problems is not one that is easy for the minister or the leader of the Liberal Party or indeed parents solely to be able to address. People spend many years studying what would be appropriate services and treatment for these children. Such people work for the Department of Social Services and review and assess very carefully the needs of children who become our responsibility. There are many other children outside of the framework of the Department of Social Services who could avail themselves of Bosco if it were required.

MR. TAYLOR: Mr. Speaker, a supplementary to the minister. But does she not realize that she has put a very unfair, negative light on Bosco ranches by the Edmonton district's refusal to refer any people to Bosco ranches?

MRS. OSTERMAN: Mr. Speaker, there are many organizations, as I stated yesterday, who would like to have guaranteed referrals from the Department of Social Services. Because they do not does not mean that they don't deliver appropriate services. Again, a reminder of my comments at previous times:

we cut institutional beds in the Edmonton region to expand our services directly to families. It is not fair, once having done that and denied other organizations the potential for serving children in an institutional way that are looked after by the Department of Social Services, to then bring in the services of another organization when there was no guarantee that services would be delivered by them. But again, Mr. Speaker, other regions in the province may refer to Bosco if they do not have the appropriate plan in place to serve their children.

MR. TAYLOR: Mr. Speaker, that's just the problem. There's confusion somewhere. Outside districts have been told to refer referrals through the Edmonton office to the Bosco ranch, yet when they try to do that, Edmonton office refuses to go on. So how can an outside district get their charges into Don Bosco ranch if it has to go through an Edmonton office, one that is trying to blackball Don Bosco ranches?

MRS. OSTERMAN: Mr. Speaker, the regional director for the Edmonton region has written what I believe to be a very clear letter to the executive director of Bosco Homes. There is absolutely no impediment in the Edmonton region to services at Bosco. However, when a youngster comes from another region, the Edmonton region has offered -- and this may be difficult for them in a budget sense -- the supervision of that youngster, because obviously if the youngster happens to come from the far south part of the province, a social worker or psychologist is not going to be journeying constantly to Edmonton in order to assess the treatment given. So the Edmonton region has offered to take over that supervision. There is absolutely no impediment, Mr. Speaker.

MS MJOLSNES: Mr. Speaker, a supplementary to the minister. Waiting lists for services for children in the Edmonton region are very serious. I'd like to know what specific action the minister is taking to deal with the lack of services for children.

MRS. OSTERMAN: Mr. Speaker, I would not at all agree with the hon. member's comment that there is a lack of services for children. We will stack up our services for children in the province of Alberta against any province in this country and indeed against any jurisdiction in North America. It does not mean that we couldn't do more, but there has to be a balance in our delivery. I believe the people of Alberta have very generously supported services to children, and indeed in the Edmonton region.

Regional Economic Development

MR. R. SPEAKER: Mr. Speaker, my question is to the Premier, and it's a follow-up to other questions I've asked in terms of the fair share in allocating federal funding to various provinces of Canada. In 1986 the province of Quebec received 50 percent of the equalization payments made by the federal government. In 1987 Quebec got close to 40 percent of all regional industrial grants, in spite of only having 26 percent of Canada's total population. To the Premier. In view of these figures, does the Premier agree that Quebec is consistently outperforming Alberta in securing federal funding? What steps does the province of Alberta plan to take at this current time to correct this situation for us in Alberta?

MR. GETTY: Mr. Speaker, it's interesting that the hon. mem-

ber puts it in the way of performance. I don't know whether it is performance, because equalization obviously flows to provinces that do poorly rather than that do well. So if you're talking about comparisons for performance, equalization would not flow to this province, because we outperform others. It's the people of this province who are strong, tough people, who are able to operate and compete in Canada and throughout the world and don't need those types of subsidies.

Going back to the original part of his question, which was that certain federal payments go to Quebec on a higher than a percentage of population basis: this was raised with the federal government by members of the federal cabinet from Alberta, members of the House of Commons from Alberta, members of our cabinet, myself, and other Premiers, and was raised at the Western Premiers' Conference just last week. I draw the hon. member's attention to the communiqué which covered that portion.

MR. R. SPEAKER: Mr. Speaker, supplementary to the Premier. Quebec has been promised in the last few days a billion dollar regional development package. Given that there's only a limited amount of federal dollars available, will the Premier make a case to the Prime Minister at the first possible opportunity with regards to this program to ensure that a disproportionate share of federal funds does not go to Quebec to the detriment of Alberta in terms of our funds?

MR. GETTY: Well, Mr. Speaker, that position has already been made.

MR. R. SPEAKER: Mr. Speaker, final supplementary. It relates to the Premier's comment with regards to the western Premiers' meeting. Could the Premier indicate if there is a united plan in place at the present time that will be co-ordinated by the four western Premiers, presented to the federal government, to ensure this equity in distribution of federal funding to western Canada?

MR. GETTY: Yes, Mr. Speaker.

MR. SPEAKER: Final supplementary?
Athabasca-Lac La Biche.

MR. PIQUETTE: Yes, Mr. Speaker, to the Premier. Presently only northwestern Alberta enjoys a federal special incentive tax credit to encourage manufacturing and processing industries in the northern part of the province. Why isn't the province fighting harder to extend that SITC to all of northeastern Alberta so that the much-needed manufacturing and processing industry can create more jobs in that area of the province?

MR. GETTY: Well, we are, Mr. Speaker, and we have. But I should also point out to the hon. member that if he's talking about investments in northern Alberta, this province currently has an all-time high of investments in the forestry industry: \$1.5 billion of forestry investments currently under way or about to start in the province. We have on the planning desk right now a potential for some \$12 billion in oil sands plants. We have a \$1.27 billion Husky upgrader. We have the conventional oil industry very, very strong as a result of government's assistance. We have the heavy oil projects in northeastern Alberta at an all-time high. As a matter of fact, some \$14 billion to \$15 billion of investments are flowing throughout this province at a

rate that's never been matched before. I haven't even talked about such things as expansion of the Nova natural gas pipeline system of \$1 billion or the Interprovincial Pipe Line system expansion of another \$1 billion.

There is, as a result of this government's efforts to turn the economy around and diversify it, the best outlook forward now that we've had in a long, long time in this province. It's a whole new period of growth that is about to start in this province, and Albertans are going to participate in it.

MR. SPEAKER: Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. My supplementary question is to the Provincial Treasurer, related to national fairness. To the Treasurer. How are we making out with our so-called strong and aggressive pitch for our lost equalization funds? When can we hope to see the money?

MR. JOHNSTON: As a matter of fact, Mr. Speaker, I signed a letter to Mr. Wilson just yesterday confirming the final calculation. The numbers are larger than I expected, but I'm hesitant to reveal them because, of course, we'd want to be sure we have all the fundamental data in place.

In the context of established programs arrangements, which was the member's question, in fact this is one of the benefits which the province of Alberta will gather back from the central government based on the established programs financing and the concept of fairness within government within Canada. It's a large contribution to us, Mr. Speaker, and it'll be important to our fiscal plan.

MR. SPEAKER: Thank you.

Wainwright, followed by Calgary-Mountain View, then Edmonton-Gold Bar.

Conventional Oil Developments

MR. FISCHER: Thank you, Mr. Speaker. To the Minister of Energy. We continue to hear of the many dollars involved in the heavy oil and the oil sands sector. However, many of us would be interested in hearing more about the conventional sector. Could the minister update the members of the Assembly as to the current drilling activity in this province?

DR. WEBBER: Well, Mr. Speaker, the hon. member provides an opportunity to indicate that we have very significant activity in this province. Of course, I might add that during the course of the spring session not a word from the opposition ranks about activity in the conventional side, because there's nothing but good news.

Drilling activity in this province is almost double what the numbers were last year at this time. As of yesterday there were 195 rigs that were on the move or drilling in this province. At the meeting I had a week ago with the Petroleum Services Association of Canada, their outlook for the rest of the year was very, very promising.

MR. FISCHER: Thank you.

Could the minister indicate what the interest in the province's land sales is? I would be particularly interested in his comments on the reserves from the Wainwright military base.

DR. WEBBER: Well, Mr. Chairman, I welcome the opportu-

nity for another good question from the hon. Member for Wainwright. I had just commented on the amount of drilling activity that had occurred in the province. There are other statistics that one could use relating to the number of well licences issued. For the year up to the end of May we had almost 3,000 well licences issued. That's 200 percent higher than the same time period in 1987. In fact, for the first three months this year it was an all-time record. Wells spudded, Mr. Speaker: up to the end of May some 2,800 wells spudded. That is 110 percent higher than the year before. That is with a three-year royalty holiday in place, whereas the previous year there was a five-year royalty holiday in place. So there is a very significant increase in drilling activity there.

On the land sale side, up to the end of May this year some \$247 million in land sales: again, that's significantly up from last year. Mr. Speaker, there are other statistics, other evidence one could point to, but you ask the people in the supply and service sector and the drilling sector in this province, and they'll tell you that activity is up significantly.

MR. FISCHER: Supplementary. Could the minister tell us when the development of the recent land sales in the Wainwright military base will be taking place, and can he assure us that it will not interfere with the training manoeuvres on the base?

DR. WEBBER: Well, Mr. Speaker, the question about the Wainwright military reserve is, of course, a follow-up to questions the hon. member asked a couple of weeks ago following the very significant agreement that we have with the federal government for exploration and development on the Wainwright military reserve. Following the seismic work that we did and the information being made available to the industry, the first land sale brought in revenues of \$8.5 million. That was a few weeks ago. The second sale occurred this morning, and again another \$8 million in land sales there. So we are very, very happy with the prospects for the Wainwright military reserve.

With respect to exploration and drilling occurring at the same time as manoeuvres are occurring on the military range, the agreement has taken that into account. I can assure the hon. member that the activity in the oil sector will not be interfering with the manoeuvres.

DR. BUCK: Mr. Speaker, a supplementary to the hon. minister. It's a common practice to thank the member for advance notice. Will the minister thank the Member for Wainwright for giving advance notice of that question?

DR. WEBBER: I would also like to thank the hon. member for the advance notice he gives me sometimes too.

MR. SPEAKER: Calgary-Buffalo, supplementary.

MR. CHUMIR: Thank you. Conventional oil is being found in unexpected amounts, and as a result a great deal of this oil is starting to be shut in again because of pipeline incapacity. I'm wondering what the minister is doing to deal with this problem at the same time as it encourages some of the larger megaprojects, which are going to compound that difficulty down the line.

DR. WEBBER: Well, Mr. Speaker, the hon. member, if he'd listened to what the Premier commented earlier about projects in

the future, would have heard that Interprovincial Pipe Line, or now Interhome pipelines, are meeting with industry people with respect to the possible development of a \$1 billion development of pipeline space. Yes, the pipeline capacity has been filled. The shut-in problem of a few years ago was alleviated to a considerable degree a year ago so that shut-in was not a problem, in fact. The hon. member says there's a great deal of shut-in today. That is not true; there's not a great deal of shut-in today. There are very small amounts that are shut in now. However, with the increased production, more production than had been anticipated, and the future production from oil sands and heavy oil, certainly there will be a need for either expansion of pipelines or upgrading to occur in this province to convert the heavy oil to light oil, or both. So, Mr. Speaker, the problems associated with the future production coming on in this province are being addressed.

MR. SPEAKER: Thank you.

Calgary-Forest Lawn, final supplementary on this topic.

MR. PASHAK: Thank you, Mr. Speaker. A supplemental to the Minister of Energy. With respect to that billion dollar pipeline expansion that he referred to, that plan is to move heavy oil to the coast. What action is the minister taking to ensure that more of that heavy oil is refined here in the province of Alberta?

DR. WEBBER: Mr. Speaker, the hon. member is not correct. The Interhome pipeline runs eastward, and the Westcoast Transmission pipeline runs westward. We were talking about the billion dollar pipeline that Interhome has. In addition to that, Westcoast is looking at an expansion as well.

MR. SPEAKER: The Member for Calgary-Mountain View, followed by Edmonton-Gold Bar, Olds-Didsbury, Edmonton-Calder, Bow Valley, Edmonton-Mill Woods.

Lubicon Lake Band Land Claim

MR. HAWKESWORTH: Thank you, Mr. Speaker. Many Albertans were encouraged last March when the Premier decided to get personally involved in trying to solve an outstanding injustice experienced for the past 48 years by the Lubicon Lake people in northern Alberta. Unfortunately, his federal cousin in Ottawa, the minister of Indian affairs, doesn't seem to want to pursue serious negotiations. Instead, he's decided to sue the Alberta government and the Lubicon Band. Will the Premier give the Legislature an update of what, if anything, he's done to get honest, productive negotiations on track since this federal action, or is he content to allow the federal minister to trash negotiations?

MR. SPEAKER: I'm sorry; this is clearly sub judice.

MR. HAWKESWORTH: I'm not talking about the court case; I'm asking what the Premier is doing about negotiations. I'm not asking about the court case, Mr. Speaker.

MR. SPEAKER: I don't see anyone rising, so supplementary. What's the next question? [interjections]

MR. HAWKESWORTH: You mean that we can't get a question about the Premier's initiative to seek out productive nego-

tiations on this issue?

I'd like to ask the Premier if he's appealed directly to the Prime Minister to help in solving this outstanding issue, and if he has, has Mr. Mulroney agreed to become involved in negotiations between the two levels of government?

MR. GETTY: Mr. Speaker, there are, I guess, two questions on the floor, after the first one, which you ruled as sub judice or whatever that term is. I have discussed it with the Prime Minister, and as I've often had to tell members of the House -- and I need to tell them now -- discussions between myself and the Prime Minister or other Premiers I cannot discuss publicly. Those are private discussions, I have discussed it with him, though.

MR. HAWKESWORTH: Thank you, Mr. Speaker. The situation clearly is not a good one for Alberta or for Canada, and it seems to be deteriorating.

Would the Premier today commit to the Legislature that he would do all in his power as Premier to convene a summit meeting between himself, Chief Ominayak, and the Prime Minister in order to try and find common ground between the three parties for a just political solution to this issue?

MR. GETTY: Mr. Speaker, as hon. members know, Chief Ominayak and myself have had discussions, and the Alberta government has aligned itself with the Lubicon Band. We are going to work with them. We did not want to enter an agreement with the federal government that the band did not feel was fair. You will recall that I raised in this Legislature that the number one issue between ourselves and the Lubicon Band on which we agreed was that any movements on behalf of the Alberta government or the band would come as a result of both of us agreeing it was a fair arrangement. We were unable to accept that the federal government's position met the terms of fairness with the Lubicon Band. Therefore, we felt it would be wise to have a tribunal on which the government would put a member, the Lubicon Band would nominate a member, and those two would select a third. That has not found favour with the federal government and therefore the band and ourselves continue to work to seek other solutions.

MR. HAWKESWORTH: Mr. Speaker, if the chief and the Premier can find common ground, surely the Prime Minister, as being a part of that, could as well.

What steps is the Premier prepared to take now, given his answer that the federal government doesn't seem to be willing to move on this? What steps is he preparing to take now to get this issue out of the hands of the lawyers and back into the hands of the politicians, where it belongs, in order to find a just solution?

MR. SPEAKER: That's an inappropriate question.

MR. GETTY: I can only say, Mr. Speaker, that I've answered that previously. I have discussed the matter with the Prime Minister. Our minister of intergovernmental affairs is discussing this matter with the federal government's ministers, and of course there are also negotiators representing the federal government and representing the Alberta government who have discussions as well.

MR. SPEAKER: Thank you.
Edmonton-Gold Bar.

Follow-up for Ex-Psychiatric Patients

MRS. HEWES: Thank you, Mr. Speaker. I've some questions to the Minister of Community and Occupational Health. Albertans are appalled and disgusted to learn about the living conditions of numbers of ex-psychiatric patients in our cities. The government policy to support people to function with dignity outside of institutions fails miserably. Approximately 60 people are discharged monthly, without adequate follow-up, into the city of Edmonton. In many cases they're living in substandard, squalid, unsafe, often exploitive circumstances that lead to a deterioration in their condition and a return to the institution. They're abandoned, isolated, ignored. Mr. Speaker, I want to know on behalf of Albertans what steps the minister has taken to correct this outrageous situation.

MR. DINNING: Mr. Speaker, I take strong exception to the hon. member's comments in the lead-up to her question. Through Alberta mental health services, through the special housing program in Alberta Mortgage and Housing Corporation, through working with the Department of Social Services and with a number of agencies of the government, we have attempted to put in place a comprehensive program that meets some of the needs -- and I'd say a good deal of the needs -- of those individuals who are discharged from our institutions. We will continue to work in that comprehensive, co-ordinated effort, even working with the Edmonton Coalition on Homelessness, working with those organizations, to come up with a comprehensive plan for the residential and day care of these individuals to facilitate their movement away from the institution and get them back into the community.

MRS. HEWES: Mr. Speaker, it's not working. I am reminded of several noble statements in the social policy paper of the government.

What, then, are in fact the government's standards for support and follow-up for ex-psychiatric patients?

MR. DINNING: Mr. Speaker, it is beginning to work, and I would challenge the hon. member to bring to me the name of an individual who, upon coming to Alberta mental health services for assistance, either for a residential program or other needs that they have, but specifically a residential program -- I would challenge the hon. member to give me that name of that person whom we did not try to provide assistance to.

We provide choices. We do our best, Mr. Speaker, to provide choices. Some of those choices are unacceptable to those who are now voluntary patients and are receiving voluntary services through Alberta mental health services. But I challenge the hon. member to give me those names.

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

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.
Edmonton-Gold Bar, supplementary.

MRS. HEWES: Mr. Speaker, the minister talks about meeting with the groups working on homelessness. Will the minister, then, tell the House what precisely the strategy is that he's

worked out with these groups for a co-operative plan? The fire chief recognizes the need for some action. Why can't you?

MR. DINNING: Well, Mr. Speaker, the challenge that we have, again working in a co-ordinated effort with my colleague the Solicitor General, with my colleague the Minister of Social Services, is to put together plans along the lines of services, through Alberta mental health services, of self-funded group homes -- through working in co-operation with my colleagues. I'll give the hon. member a perfect example of Imrie House in this city, and we fund Imrie House to the tune of about \$60,000 a year. Funding is provided to the residents of Imrie House through the AISH program, and we provide assistance by funding a living-skills co-ordinator and a program co-ordinator to help those who live in that home and others who come to it to use these services and to facilitate that transition back into the community.

That's the kind of strategy and the kind of approach we'd like to take, Mr. Speaker. No, I'm not satisfied that we have done enough. There is more to do. But that is an example of the kind of approach we want to take in the days ahead.

MRS. HEWES: Mr. Speaker, we don't need to hear an example of what we're going to take in the days ahead. We need some action now. And for the minister's information those groups that are operating housing are still operating at '81-82 level funding.

Will the minister, then, answer me this? Will the proposed advocacy that is in the new Mental Health Act extend to discharged patients, and if not, why not?

MR. DINNING: Well, Mr. Speaker, perhaps my colleague the Minister of Hospitals and Medical Care might want to supplement my answer, but the Mental Health Act has really been put in place for those patients who are involuntary patients of our mental health system. We are, through Alberta mental health services, working with my colleagues in government working with the likes of the Canadian Mental Health Association and the Calgary Association of Self Help, working with those community agencies to try to put together those programs that I've mentioned. Imrie House is just one example.

We are doing more. We have some 450 residential spaces in place as of today in Edmonton, and I expect 50 more to be in place by the fall. That's the approach we're taking, and we will continue to provide as much as we can within the resources that we have available to us.

MR. M. MOORE: Mr. Speaker, with respect to the role of the patient advocate as proposed under the new Mental Health Act, I would expect that we'll have an opportunity to discuss that matter during committee study within the next few weeks, but I would say that the role of the mental health patient advocate is one that's designed for involuntary patients. I would expect that would extend to involuntary patients once they're released from hospital.

MS MJOLSNESS: Mr. Speaker, a supplementary to the minister. There is in fact a shortage in housing, though, for these people, and there are examples of many agencies that are attempting to deal with these patients, one being the Edmonton People In Need society, which for two years has been trying to get funding from this minister. Why is it that they haven't been successful in getting their funding?

MR. DINNING: Mr. Speaker, the People In Need society provides a very valuable service that is funded through the Social Services department, providing Alberta assured income for the severely handicapped, AISH, assistance to the residents of the People In Need society home, and that's taking the self-funded group home approach. Alberta has pioneered that kind of approach. Rather than the government's going out and setting up all of these homes, we've gone into partnership with the likes of the People In Need society, with the Canadian Mental Health Association. We will continue to do more of that. We believe that is the wisest approach to take.

MR. CHAIRMAN: Point of order, Calgary-Mountain View.

MR. HAWKESWORTH: Point of order, Mr. Speaker. Earlier in question period you ruled a question out of order, I presume as being contrary to Standing Order 23(g), referring to any matter

- (i) that is pending in a court or before a judge for judicial determination.

Mr. Speaker, I would ask you to consult the Blues, but I want you to know that I did not make any reference to the content of the case before the court. I asked about the steps that the Premier was taking towards achieving political negotiations to solve this case. The Premier's actions are not before the court; the Premier's meetings are not before the court. In any event, none of these things in any way prejudice any person by that reference in my questions.

So I would ask you, Mr. Speaker, to consult the Blues. I believe that ruling my first question out of order was not the right decision to take.

MR. SPEAKER: Thank you, hon. member. The Chair really didn't need to hear the last sentence of your comments, but the Chair appreciates your personal opinion as offered. The Chair has already sent for the Blues to review the whole matter and will indeed review the Blues overnight. Nevertheless, the Chair acted in the way the Chair had to do in terms of the issue at that particular time.

The Chair would also like to point out for the benefit of all members of the House that there's a growing practice of referring back and forth in question period to ministers by saying "you" or "she" and "he," and that practice really ought to stop. In parliamentary tradition we refer to members either by their constituency or by the appropriate cabinet designation. That practice really ought to cease, but it's been going on by more than one member.

ORDERS OF THE DAY

MR. SPEAKER: Might we revert briefly to the Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed, if any? Carried unanimously.

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

MR. ALGER: Mr. Speaker and ladies and gentlemen of the Legislature, from Longview school, in the heart of the cattle and

petroleum country in beautiful Highwood constituency, may I present 34 exceptional examples of what children should be like in grades 7 and 8. Their teacher Jim Neis accompanies them, as well as several parents and friends and associates of mine, who are Mrs. Doreen Wambeke, Mrs. Marcia Jeffers, Mrs. Kathy Wight, Mrs. Shirley Mundell, Mrs. Betty Zelmer, Mrs. Conine Zeer, Mrs. Gail Edey, and their bus driver Mr. Greg Rosell. They're seated in the . . . They were seated. They're standing in the members' gallery, Mr. Speaker, and I would ask that all of us recognize them here in the Assembly.

MR. SPEAKER: Stettler.

MR. DOWNEY: Thank you, Mr. Speaker. That's a tough act to follow. But it gives me pleasure to introduce to you and through you to members of the Assembly, 69 grade 9 students from the Stettler junior high school. They are accompanied by teachers Mr. Ambury, Mr. McElroy, Mrs. Bromley, Mr. Anderson, and their bus driver Mr. Mitchell. I would ask that they rise in the members' and public galleries to receive the warm welcome of the House.

head: **GOVERNMENT MOTIONS**

17. Moved by Mr. Young:

Be it resolved that on Thursday, June 9, 1988, notwithstanding Standing Order 4(2), the Legislative Assembly shall adjourn at 4:30 p.m. to allow members to participate in ceremonies unveiling the portrait of the former Premier of Alberta, the Hon. Peter Lougheed.

MR. YOUNG: Mr. Speaker, I would like to advise the House that I have consulted with opposition House leaders and believe all are agreed that this motion should more properly read "shall adjourn at 4:30 p.m. to 8 p.m.," the intention being that the Legislature would adjourn for the latter portion of the afternoon only and in fact there would be an evening sitting.

MR. SPEAKER: First, is there unanimous agreement that the additional clause should be "to 8 p.m."?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

[Motion carried]

15. Moved by Mr. Young:

Be it resolved that the Legislative Assembly, on behalf of the citizens of Alberta, extend greetings and congratulations to the citizens of the communities of Fort Chipewyan and Fort Vermilion on the occasion of their bicentennial year, and

Be it further resolved that the Legislative Assembly request Mr. Speaker to attend the celebrations planned for each community to deliver these messages from the Legislative Assembly to the citizens of Fort Chipewyan and Fort Vermilion.

MR. SPEAKER: Member for Grande Prairie.

DR. ELLIOTT: Thank you, Mr. Speaker. As chairman of the Northern Alberta Development Council, I've had the pleasure of

watching these two communities grow and learning about them. The bicentennial is of tremendous significance to both Fort Chipewyan and Fort Vermilion. All last year both of these communities were busy organizing and planning special events. They promoted themselves not only in their own communities but throughout the entire province. Indeed, Fort Chipewyan and Fort Vermilion are Alberta's first bicentennial communities. In a province which itself is only 83 years old, a 200th birthday party is remarkable.

The history of these communities is, in fact, the prehistory of Alberta: its early fur trade, its exploration, and its settlement. Alberta was developed from the north first. In 1788 a fort was established at Fort Chipewyan and later at Fort Vermilion. It was from northern waterways from these outposts that the Hudson's Bay Company and explorers like Alexander Mackenzie gained a foothold in western and northern Canada. In recent years the Northern Alberta Development Council has noticed the special flavour and progress made by both of these communities as continuously active centres. They've become physically less isolated through new roads, a bridge, and air transportation. Economically both communities have built on their strengths. Fort Chip has a first-class tourist lodge. This year it is researching and developing its unique granite building stone resource. Likewise, Fort Vermilion is an active medical and business service centre to the most northerly significant agriculture region in the world.

Most important, Mr. Speaker, the bicentennial communities are tremendously enthusiastic about sharing 1988 as an Alberta event. They invite Albertans to attend their venues and special events both in the communities and provincewide. The Northern Alberta Development Council will be holding special public meetings in both these communities, and our council will be most pleased to convey the province's appreciation for their role in Alberta's culture and economic history.

MR. WEISS: Mr. Speaker, it is with a great deal of pride that I rise to recognize 1988 as Fort Chipewyan's bicentennial year. I'd like to thank the hon. House leader for proposing Motion 15 and certainly appreciate the comments expressed by the Member for Grande Prairie.

In my time as MLA for Fort Chipewyan, I've always been fascinated by its rich history, its resources, and its people. I'd like to take a little time to refer the House to the historical significance of the bicentennial. Fort Chipewyan's bicentennial 1988 is a very important event for the local community. It is also the legacy of Alberta and the story of the Canadian north. Mr. Speaker, Fort Chipewyan is the oldest settlement in Alberta. It was founded in 1788, as indicated by the previous speaker, by a Roderick Mackenzie, Alexander Mackenzie's cousin, as a trading post then of the North West Company. It has been continuously occupied since that time. Many prominent names can be traced back to Fort Chipewyan -- such famous explorers as Peter Pond. The post was established in a region known as the El Dorado of the fur trade. Early settlers marveled at the natural resources, Lake Athabasca, the Canadian Shield, the Peace/Athabasca delta, and lands to the west which are now Canada's largest park, known as the Wood Buffalo National Park.

Fort Chipewyan then became a major fur trade centre in the Canadian northwest. Due to its strategic location, it was instrumental in the expansion of trade to the Mackenzie basin and the regions that would later become the Yukon, B.C., and northern Saskatchewan. Most 19th century exploratory parties, including Franklin's, passed through Fort Chipewyan and often

wintered there. As well, it became an important regional centre for the Oblate missionary activity.

Now, Mr. Speaker, jurisdiction over the region passed to the Dominion of Canada in 1869 when Canada purchased the Hudson's Bay Company territories. The local regional economy continued to be dominated by the fur trade until after World War II, when the historical highlights of the 80-year period then could include such events as the transformation of the fur trade as a result of the advent of free-traders, the termination of aboriginal title in 1899 through the signing of Treaty 8 by the Indians of the time and the assignment of scrip to Metis, a process that was directly related to the Klondike Gold Rush, which of course then resulted in the opening of the Peace River country along with a new interest by southerners in the nonfur resources of northern Canada and, of course, the entry into the region by nonnative trappers during the 1920s and 1930s. The relocation of a large group of the Metis from the Lac La Biche region to the Fort Chipewyan region, especially Big Point and Camsell Portage and the Slave River, occurred during the 1920s, and latterly the creation of Wood Buffalo Park in 1922, which was north of Peace River, and in 1926 the southern end of the Peace River, and the evolution of a unique multi-use park in which traditional native users continue to hunt and trap. Of course, this region has now been designated as a world heritage site.

The fur trade declined in a serious way following World War II, as I indicated, and the federal and provincial governments encouraged extractive industries to move into the region, such as commercial logging, fishing, and bison meat production. They encouraged the native peoples to work in these new enterprises.

I've described a little bit of the past, Mr. Speaker, and I'd like to outline to members of the Assembly a little bit about Fort Chipewyan today. While Fort Chipewyan is rich in its history and its resources, its true wealth lies in its people. The elders of Fort Chipewyan bring wisdom to bear on today's problems and challenges. The young of Fort Chipewyan are becoming more and more formally educated. Yet to be complete, they must draw from their cultural history which is passed on from generation to generation. Fort Chipewyan is a union of culture groups: Cree, Chipewyan, the Metis, and the nonnative. As the community has developed and progressed, the leaders of these groups had the vision to recognize the value of working together as a single entity. They realized as well that co-operation would not be quite enough; they must also work toward specific goals and projects to bring long-term benefit to the community as a whole.

Many of these goals are now being reached. Water and sewer services have been completed. The multiplex, which is jointly owned by the two bands, is a profit-making enterprise where various provincial agencies rent space. Like town halls of old, other groups such as young people and those wanting to share a coffee break also tend to gravitate there. Since the early '80s, a native labour force has worked for Syncrude in Fort McMurray by way of a fly-in and fly-out system set up by the company: truly a success story. They are proving themselves to be reliable workers. Some have yet to miss a single day of work. For a long time there has been a school at Fort Chipewyan, first a residential church school and then a public one. Northland School Division recently built an attractive new and well-equipped facility offering an excellent quality of education. The school -- which looks like a fort and even has palisades -- is now seeing a high number of grade 12 graduates: truly a significant accomplishment for the community. These achievements could not have been obtained without good

leadership, and Fort Chipewyan has never lacked for that. The community has always reached out for good leaders and has done everything possible to develop these from within its own ranks. Even so, it has not hesitated to look outside, and qualified planners have been called in when needed.

Fort Chipewyan has yet one more asset, one not connected to human beings. It has true natural resources. Canada's biggest and largest national park. Wood Buffalo, sits at its doorstep. The world's largest inland delta is part of its heritage, as it is Alberta's only share of the Canadian Shield. It is the Shield that accounts, Mr. Speaker, for the spectacular scenery, the granite resources which are now being tapped, I predict that some day that wild rose granite will be used extensively and exclusively on many of Alberta's buildings. Of course, there is the beautiful Lake Athabasca, Alberta's largest body of water. The lake provides both sport and commercial fishing.

Mr. Speaker, to summarize, I'd give wholehearted support to congratulating Fort Chipewyan and Fort Vermilion on their bicentennial years. The community bicentennial committee is well organized, has a full slate of events scheduled for 1988. I'd like to indicate that the calendar I have here has all the events categorized. Fort Chipewyan has produced this beautiful calendar. It documents all their history, plus outlines celebrations in 1988. The calendar, it should be noted, is dedicated to the community elders.

Her Honour the Lieutenant Governor and I had the privilege of being present at the kickoff ceremonies on January 2 of this year. Mr. Speaker, if I may be permitted, I'd like to take this opportunity to present to you, via the pages, the celebration calendar, hat, and a memorial piece of wild rose granite to help you remember Fort Chip's bicentennial.

Thanks to all hon. members for their patience.

MR. SPEAKER: Thank you.

Minister of Transportation and Utilities.

MR. ADAIR: Mr. Speaker, as the Member of the Legislative Assembly for the Peace River constituency, which is the largest in the province of Alberta and has within its boundaries the second oldest community in the province, I'm pleased to support most enthusiastically Motion 15 on the Order Paper. I'd like to take a moment or two to just point out that 1988 is also the bicentennial year for Fort Vermilion and district. Fort Vermilion's story is somewhat tied to the history of the Fort Chip area, just presented so well by the hon. Member for Fort McMurray and also, just earlier, the hon. Member for Grande Prairie. So I join with my hon. colleagues in congratulating both Fort Chipewyan and Fort Vermilion, on this their bicentennial year, for their contributions to this great province of Alberta.

In February, Mr. Speaker, just four days before the opening of the very successful XV Winter Olympics in Calgary, I was privileged to be in Fort Vermilion for one of their first bicentennial year celebrations. It was the arrival of the Olympic torch relay run. In minus 47 degree weather, Mr. Speaker, the community of Fort Vermilion turned out and participated, both actively running in it and watching the torch parade, making presentations and then the lighting of their everlasting campfire. The Olympic torch run was an exciting start to Fort Vermilion's bicentennial year.

Mr. Speaker, if I may give this Assembly just a little bit of Fort Vermilion's history, the early history of Fort Vermilion combines fur trading, exploration, and agriculture; 1788 marked

the beginning of recorded exploration, trade, and settlement in the Fort Vermilion area. A trading post known as the Old Establishment was built by Charles Boyer of the North West Company at the mouth of the Boyer River, downstream from present-day Fort Vermilion. From 1788 to 1830 trading posts were built and abandoned at or near the fort and upstream toward the Keg River. The names varied, but Fort Vermilion is the one that survived. During the late 1800s Anglican and Roman Catholic missionaries established churches, schools, and medical missions to serve the Indians, the descendants of the fur traders, and the early settlers. The great flood of 1934 created a crisis for the mission and the community, forcing people from their homes and patients from the hospital.

The main source of transportation in those days, Mr. Speaker, was on the Peace River to and from Fort Vermilion, and it was by riverboat. These craft, including the old *D.A. Thomas*, traveled the waters of the Peace for almost 50 years. The last riverboat, the *Watson Lake*, took its final run to the fort on September 21, 1952. Although noted for its Hudson's Bay post, in 1876, some 112 years ago, the area gained worldwide attention when a sample of wheat was awarded top prize at the Philadelphia centennial exhibition. This sample was shipped via the Little Red River-Fort Chipewyan water route. As a result, many local people and homesteaders arriving from points throughout North America turned the focus of the area to farming. This ongoing potential has been supported since 1908, when an experimental farm was established at the fort by the government of Canada.

[Mr. Deputy Speaker in the Chair]

With the completion of the Mackenzie Highway, river transport became obsolete. A ferry during the summer, an ice bridge in the winter provided the link between the community and the highway. Only during spring breakup and fall freeze-up, when the ferry was pulled out or the ice bridge was unsafe, did the townspeople of Fort Vermilion feel cut off from the outside.

Then the big day in their history: September 1974. The Fort Vermilion bridge was officially opened, providing access across the Peace, bridging communities and ending the isolation of the Fort Vermilion area. Attending that official opening ceremony, Mr. Speaker, were His Honour the Lieutenant Governor of the day, the late Ralph Steinhauer, the late Hon. Clarence Copithorne, Minister of Highways at the time, plus some 4,000 to 5,000 enthusiastic residents of the entire north Peace area, plus yours truly.

Today Fort Vermilion is a prosperous and diverse area. Since the mid-1960s the number of acres of farmland has more than tripled. Fort Vermilion has paved road access, a paved airstrip, an air terminal, a modern hospital, and a good MLA. In the past 10 to 20 years Fort Vermilion and district was transformed from an isolated community to a region of growth and productivity. Fort Vermilion's natural resource base, supported by dedicated people, continues to serve this great province.

Mr. Speaker, it is with honour and pride that I as the Member of the Legislative Assembly for Peace River congratulate both Fort Vermilion and Fort Chipewyan on this their bicentennial year. I wish them both the best in celebrating one of Canada's most unique anniversaries: 200 years.

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

MR. PIQUETTE: Thank you, Mr. Speaker. I also rise as MLA for Athabasca-Lac La Biche to,

on behalf of the citizens of Alberta, extend greetings and congratulations to the citizens of the communities of Fort Chipewyan and Fort Vermilion on the occasion of their bicentennial year.

The people of the communities of Athabasca and Lac La Biche, I believe, would also like to extend congratulations for their bicentennial, because we in the constituency of Athabasca-Lac La Biche historically provided the link to both communities in their historical development in 1788. For example, delving through the history of Alberta, we look at the early settlers, the early mapmakers, who traveled down the Saskatchewan River and then up the Beaver River and the Great Continental divide at Lac La Biche which divides the waters that flow to the west and the waters that flow to the north into the Athabasca and Mackenzie rivers. The Lac La Biche mission, for example, which was founded a few years later in 1853, really was settled on the shore of Lac La Biche to take advantage of the trade coming down from Fort Chipewyan and that part of the country. So for the people of the Lac La Biche area, there are a lot of common interests and a lot of relatives who are present in both communities.

I was quite pleased a few weeks ago to read the history of an Oblate father who wrote about some of the trials and tribulations of the people of Fort Chipewyan and Lac La Biche. They used to exchange letters between two missions in the 1800s. It's a marvel that even though there were great distances in transportation by water, still many of the relatives and many of the family used to visit between those great communities of Fort Chipewyan, Fort McMurray, and Lac La Biche. Of course, Athabasca also has had its part in the development of the north in terms of its contribution to those very many northern communities. Athabasca Landing was a kickoff point many years later, in the late 1800s and early 1900s, in terms of riverboat transportation going up the Athabasca River and up to the Fort Chipewyan area. So I think both communities are very much aware of the long history of the Fort Chipewyan and Fort Vermilion area.

As MLA for that area, I extend my heartiest congratulations, and as well to the MLAs representing the areas, I would appreciate carrying on our message to the people of both communities so that we also, as provincial MLAs, can put our efforts and determination in developing the northern part of our province, because there's no doubt that in the next 83 years of the history of our province, northern Alberta probably will be the most important area where economic growth potential and tourism will be addressed by this province.

Thank you very much.

MR. STEVENS: Mr. Speaker, in speaking in support of motion 15, extending congratulations to the citizens of Fort Chipewyan and Fort Vermilion on this incredible occasion, the bicentennial year, I want to pick up on a point that was made by the members for Grande Prairie and Fort McMurray and Peace River, referring to Sir Alexander Mackenzie.

Alexander Mackenzie's importance to our Canadian heritage lies in his two remarkable journeys carried out to the Arctic Ocean in 1789 and to the Pacific Ocean in 1792-93, both in search of the Northwest Passage. The starting point for these explorations was the North West Company's trading post at Fort Chip, located on the shore of Lake Athabasca in what is now northeast Alberta. Now, this is a remarkable feat in itself, for

Mackenzie and another Scotsman and six French-Canadian voyageurs, and on the second trip two native Canadians and four voyageurs -- two of whom had their wives accompany them -- and a German citizen and several canoes of Indian hunters and interpreters, did something that provided the opportunity for the first white men to cross the North American continent north of Mexico. The reason I mention that today, Mr. Speaker, is that that was a feat that took place some 13 years before the better known and much larger government sponsored expedition of Lewis and Clarke took place in the United States.

Mr. Speaker, in supporting Motion 15, I would like to mention that the Department of Culture and Multiculturalism has assisted James M. Parker in developing this year, in time for the bicentennial celebration, a book entitled *Emporium of the North: Fort Chipewyan and the Fur Trade to 1835*. Also, for people in Edmonton and our visitors to this region, the Provincial Museum of Alberta staff have worked for the past three years on the research, design, and development of a major exhibit commemorating the bicentennial, celebrating the lives of native and nonnative people who have made that region their home. With significantly enhanced collections, our Provincial Museum is now producing a 3,000-square-foot exhibit which will open later this year and be displayed in both Edmonton and Fort Chipewyan. A catalogue is being prepared at this time.

We also have a contract between the department and the Boreal Institute for Northern Studies of the University of Alberta, in which equally we are supporting a fall conference and book on the broadly conceived human history of these areas and a group of six northern research projects on the same subjects.

The third and the major site of the Fort Chipewyan fur trade post was designated a provincial historic resource on August 10 last year. The bicentennial society in this community is now undertaking to build a replica of the 1872 new goods store next to the original site as a community centre with museum components, and our staff will be providing regular advisory assistance with planning, research design, and museum development. Again, staff of the Archaeological Survey of Alberta are conducting field research each summer at certain locations of the designated fort site where significant evidence appears in the below-ground remains to reveal information about the early history of Fort Chipewyan.

I'm also pleased to say, Mr. Speaker, that working with the MLA and with the community, we are developing a roadside point-of-interest sign commemorating the origins and history of Fort Vermilion, and that should be installed sometime this summer. The origins of Fort Vermilion, of course, as mentioned by the member, involved a number of very early temporary fur trade sites, and the staff of the Archaeological Survey of Alberta will conduct their second summer of field research this summer. In the present-day community of Fort Vermilion, our staff are providing planning and restoration design advisory assistance to the Bourassa* House rehabilitation project, and we hope we can do likewise with respect to the Clarke* House. I too, Mr. Speaker, wish to commend and congratulate the communities directly involved and to wish them well as they celebrate this most incredible achievement 200 years of history.

[Motion carried]

16. Moved by Mr. Johnston:

Be it resolved that the Legislative Assembly, pursuant to section 6(4.1) of the Alberta Heritage Savings Trust Fund

*This spelling could not be verified at the time of publication.

Act, authorizes for the fiscal year ending March 31, 1989, the making of investments under section 6(l)(c) of that Act in

- (1) the Alberta Agricultural Development Corporation in an amount not to exceed \$90 million in aggregate;
- (2) the Alberta Mortgage and Housing Corporation in an amount not to exceed \$188 million in aggregate;
- (3) the Alberta Opportunity Company in an amount not to exceed \$112 million in aggregate.

MR. JOHNSTON: Mr. Speaker, as time goes by in terms of the debate on the financial plan of the province of Alberta for the 1988-89 year, one of the requirements of the Assembly is to pass a resolution allowing the Heritage Savings Trust Fund to advance money to up to five of the Crown corporations of the government which provide special services. So it's this resolution, Resolution 16, that I am today moving on behalf of the government.

Mr. Speaker, let me just begin to do a bit of an overview of these corporations, because I think it's important to have the record set clear with respect to this resolution. I should say that in the past little while, the past three years, on two major occasions in the Assembly, on August 22, 1986, and June 11, 1987, we have debated this particular resolution, and I think the record should show right at the outset that the opposition parties have consistently voted against this transfer of heritage fund money to these corporations. I think the record should be shown that that, in fact, is the case. It's a divided vote. And again, when it comes to talking to the people of Alberta, this is going to be another one of the pillars of the financial plan of the New Democratic Party that I'm going to take some pains to describe to the good folks across this province, because it is important. And here's why it's important, Mr. Speaker. There is a history of tradition, a history of success, and a history of caring in the way in which these dollars are used. And unfortunately, on the consistent position the opposition has taken, the only thing we can conclude is that they would not be a caring government, that they are not interested in providing the kinds of services to people of Alberta that are available to us, and that's one of the records which is now before us.

Let's look, Mr. Speaker, at the way these Crown corporations operate. First of all, these dollars show up on the heritage fund in something called the Alberta investment division. That division provides for advances to five Crown corporations, and those Crown corporations include Alberta Government Telephones, the Alberta Municipal Financing Corporation, the Alberta Opportunity Corporation, the Alberta Mortgage and Housing Corporation, and the Alberta Agricultural Development Corporation. I think all of us are clear on the record as to the number of dollars that are involved with respect to that section. If you add in the additional investments in the Alberta investment division in such things as Alberta Energy Company and Syncrude, that division at the end of 1987 totals some \$7.8 billion or so. So the dollars are important, Mr. Speaker. We're using these dollars for the advantages of Albertans, and today we're asking the Assembly to approve additional borrowings for the fiscal year 1988-89 to allow these important services to be carried on, to allow the various organizations to provide funding to housing, to the farmers, and to small businessmen across the province.

On that technical point, Mr. Speaker, this resolution today, although it does call for a considerable amount of dollars -- approximately \$90 million for the Ag Development Corporation,

\$188 million for Alberta Mortgage and Housing, and a further \$112 million for Alberta Opportunity Company -- there is no request this year for funding for Alberta Government Telephones or for the Alberta Municipal Financing Corporation. The Alberta Municipal Financing Corporation will secure its own funds internally from the repayment of debt collected from municipalities, and will, if necessary, secure its external financing from the Canada Pension Plan. Alberta Government Telephones, Mr. Speaker, will not be requesting dollars from the heritage fund this year, although it is clear that Alberta Government Telephones at the end of last year did have some \$1.3 billion in interest-paid debentures into the fund. But this year they will also secure their external financing off the Canadian markets, the domestic markets. As a matter of fact, we go to the capital markets once or twice a year for AGT debentures, and that is their source of funding.

So the debate today, then, deals with the three other corporations; that is, the Ag Development Corporation, the housing corporation, and the Alberta Opportunity Company. Now, as a matter of detail, Mr. Speaker, there is usually some great discussion about the transfer of dollars back and forth, but let's remember that these three corporations may provide loans to Albertans below the normal market rate; that is, they may be below the normal competitive rates of the marketplace. This is, in essence, part of the government policy to provide direct assistance and to allow Albertans to share in the benefits provided by the Heritage Savings Trust Fund, this unique fund which totals some \$15 billion or so that's been in place now for more than 10 years, and which is well understood as one of the foundations of the fiscal plan of this government.

The General Revenue Fund pays some of the costs associated with the programs by these Crown corporations. The costs, of course, include the administrative costs, the interest rate subsidies, and the incentive costs, and some of the losses on the loans experienced by these corporations. So, Mr. Speaker, the General Revenue Fund picks up some of these estimates. Of course, details of those expenditures can, in fact, be found in the estimates. We've already had an opportunity to debate that, because the appropriation Bill is completed, and so there should not be any misunderstanding as to what the interaction is between the General Revenue Fund and the heritage fund, because, of course, that debate is behind us.

Now, as I look ahead to the corporations before us, Mr. Speaker, first let me make a note about the Ag Development Corporation. Again, this corporation is well understood to provide loan guarantees, financing loans, and counseling to Alberta farmers and to agricultural businesses. The programs are designed to foster the establishment of farming operations to maintain the productivity and to ensure, as we've just done, that we respond to the economic times that the farming community is facing. Now, if you analyze carefully the Budget Address, the budget outline going back to March 24, 1988, you will find that in the budget system itself we called for advances to the Ag Development Corporation of either \$46 million or \$47 million. Now, I have to admit in two places we use two different amounts. The amount, I think, should be \$46 million. That's the amount that was provided for. But the resolution calls for \$90 million. The reason for that, Mr. Speaker, is of course because this government, from the time the budget was completed and put to bed and the detailed information was presented to the Assembly, has responded to the very serious situation facing the farm community.

My colleague the Associate Minister of Agriculture has

brought forward an imaginative and responsive program to deal with the financing, particularly for young farmers. Therefore, Mr. Speaker, we are adding to the resolution \$44 million -- \$44 million on top of the \$46 million -- bringing to approximately \$90 million the amount of money required for the Ag Development Corporation this year, largely as a result of the deferred interest program and largely, not only largely but manifestly driven by the response this government has made to the farming community, those people who need assistance with respect to the retirement of debt and the payment of interest and principal mortgage. This government can clearly be seen to be responding.

Now, what greater need is there, Mr. Speaker, than a government providing assistance to the agricultural community? You know, I can't think of one. I really can't think of one where, in fact, the heritage of this province is clear built and developed, founded on the nature of the goodness and the principles that flow from agricultural enterprise, the kind of frontier spirit which developed this province. That's what I consider to be a very important priority of government. That's why, Mr. Speaker, the Ag Development Corporation has used its money very wisely: has taken money from the heritage fund by way of a loan, put it out there to the farming community so they could expand their operations, as we've said here, become efficient, and develop more sustained agricultural production for this province. And for the life of me, I can't see why the opposition would vote against that resolution. But you know, I'm sure that here in a few minutes we're going to see that the same kind of reaction will take place. This opposition party will get up and oppose the farming community, will oppose the transfer of dollars to those farmers who are in trouble, and will...

MR. DEPUTY SPEAKER: Hon. minister, now. Unless the hon. minister is clairvoyant, the hon. minister should stick to the motion before the House.

MR. JOHNSTON: Gee, Mr. Speaker, I get so emotional when I see the opposition taking the position of opposition against the heritage fund. You know, this is such a tradition to this government. The importance in farming, the importance in housing, and the importance in small business are to me the mandate of this government and one that we'll stick by.

Now, you're right. We can't forecast that they're going to oppose it. That would be unfair, Mr. Speaker. But I can bet you, before this debate is over -- a small wager, if you like -- that they'll be up on their feet saying: "This is exploitation; it's wasted money. We don't care about the farmers. We don't care about the housing corporations. We don't care about small business." That's what will happen, and that will show up in one final vote, Mr. Speaker. You'll see it.

But let me go on, Mr. Speaker, to say that therefore \$90 million is being requested. I sure hope there's no opposition to that transfer. The farming commodity market is in tough shape. Not only have we had the difficulty of low prices in the world markets, but now we've found as well that there's a drought, essentially pervasive across the province. We're waiting to see if the rain does come, but of course that's an additional problem. So this government, with respect to the Ag Development Corporation, is requesting \$90 million, up \$44 million from March 24, 1988, in our response to assisting the farming community. We're saying that this is priority spending, an urgent need for us to transfer money into the Ag Development Corporation, and we're strongly in favour of it. Make no mistake, Mr. Speaker

we're strongly in favour of that program.

[Mr. Speaker in the Chair]

Now, let me go on, Mr. Speaker. The second Crown corporation we're asking assistance for... [interjection] Well, we'll hear from you, Calgary-Mountain View, in a minute. We know you'll oppose it, because you negative thinkers over there always oppose these kinds of positive actions.

The Alberta Mortgage and Housing Corporation is asking for additional money as well. We're asking that the Alberta Mortgage and Housing Corporation receive an amount not to exceed \$188 million for the fiscal year ending March 31, 1989. The Alberta Mortgage and Housing Corporation, Mr. Speaker: again a very strong part of providing shelter services to the people of Alberta at reasonable prices. As I've said before, there's provision throughout this legislation to allow these corporations to provide special kinds of assistance to certain groups at certain rates below the market price. If you look at the budget, Mr. Speaker, on page 62 there's considerable detail provided by my colleague the Solicitor General, who is responsible for the AMHC, wherein he sets out the priority capital projects he has outlined and is asking dollars for. What are these projects? I think it's important to have the record show how these projects are being funded.

First of all, Mr. Speaker

Through the Rural and Native Housing Program [approximately] \$9.4 million... for... 150 housing units.

Under the Special Purpose Program... \$3 million to build 75 units for groups such as the mentally and physically disabled, victims of family violence, young offenders and other people with special housing needs.

That's an important social objective, I think, and one that this government certainly ascribes to.

The corporation also expects to issue mortgages to that difficult area of mobile homes. Approximately 1,200 mobile homes will receive mortgage financing. Now, why is that a focus, Mr. Speaker? Well, because the traditional mortgage lenders do not like to provide loans to mobile-home owners. Not this government, Mr. Speaker. Not this government. Our record is clear we've provided assistance to mobile-home owners for some time. An additional 1,200 Albertans will benefit from this \$188 million transfer this year, and that's a clear objective of this government. As well, Mr. Speaker, I can tell you that we will provide shelter for approximately 135 senior citizen units and 47 community housing units with these additional dollars.

Again, for the life of me, Mr. Speaker, I cannot understand how any political party that describes itself as having a social motive could oppose these valuable dollars. It just doesn't make sense. I assure you -- at least with respect to the record so far, going back to August and June of 1986-87 -- that they have opposed these transfers, and I'm going to ensure that Albertans know darned well that that is their record. Not this government. We'll continue to transfer money to those important programs to ensure that the benefits flow to those needy Albertans who need additional assistance, need additional housing. We're responding; we're carrying the banner. We are progressive in our thinking, and will continue to be. [interjections]

Now, Mr. Speaker, from time to time the narrowness of the opposition does creep through in their sentiments. From time to time their cynicism is commonly carried on their sleeve. They will always criticize us as not caring about agriculture, as we've said, about social programs, Mr. Speaker -- which is unbelievable. Moreover, they continue to harp about the diversification

of this province. Now, when from time to time the Premier and other economic ministers talk about the great successes which are taking place, about how unemployment is dropping off, how real economic growth is growing, these poor people across the way hide their heads. They do not like to hear those good sounds, those good words, those positive results. They do not like to hear that, and that's why it's important to us, when we look at the Alberta Opportunity Company, to talk about the successes of diversification, the assistance to small business historically in place and asked for today: to provide the Alberta Opportunity Company more dollars to assist the small businessmen in the province -- more dollars.

That's why this resolution asks that the Alberta Opportunity Company receive an amount of \$112 million from the Heritage Savings Trust Fund: \$112 million to generate jobs, to allow the small businessmen to perform well, to provide economic growth and stimulus to all parts of this province -- and if you look at the statistics, you'll see that's happening -- and as well to use the valuable dollars in this heritage fund for the advantage and benefit of Albertans, so that everyone has an opportunity to participate, so we can strengthen the Alberta investment division of the fund and carry on with the great work and success which this Alberta Opportunity Company has achieved over the past year.

I should note on that, Mr. Speaker, that the Alberta Opportunity Company expects in 1988 to broaden its range of financial alternatives. It has now brought in, as a result of the leadership of my colleague the minister responsible for economic development, a new venture capital fund. These dollars, some \$15 million, will be used for innovative financing responses to the needs of small businessmen, to allow them to diversify and to build, to allow them to invest, and to allow them to be successful and to ride with the future economic strength of this province. A venture capital fund is a special kind of financing. It's the response the Alberta Opportunity Company has made to the demand in the private sector, and it certainly deserves our support to allow those dollars to flow through to the Alberta Opportunity Company.

At the same time, Mr. Speaker, as well as this patient capital, the Alberta Opportunity Company intends to continue its lending activities and is asking approximately \$97 million in addition to carry out the work of providing loans to small businesses.

So, Mr. Speaker, there it is, in a very brief overview of what it means to be involved and to have the great opportunity that we have in this province to provide assistance to these major operations. In particular, as I look through the footnotes to the annual statements, the disclosures which the board members themselves have presented to the people of Alberta -- a statement of the guidelines, a statement of their mandate, a statement of their successes -- I think it's incumbent upon this Legislature to provide the dollars to these organizations to allow them to carry on their good work. We shouldn't hear the harping and the negativism from across the way, Mr. Speaker. It's unfortunate. It really is unfortunate when that happens. But here we have it.

I just would quote a couple of quotes directly from the Alberta Opportunity Company report. I think these sorts of things should be on the record, because often we get these publications and we simply throw them aside. But here is where the AOC has assisted. Here's a quote from an electronics company in Edmonton. It's from the annual report, and if you want me to table it, I'll be glad to do it.

AOC saw the potential that others couldn't and were willing to invest in our company when we were raising funds.

Just one small quote, Mr. Speaker. Here's another one about diversification in motion.

Without AOC we'd only be a service company sending money and jobs outside of the province instead of bringing them in.

Mr. Speaker, those are just two kinds of comments, and this report is replete with the testimonials of small businessmen who have succeeded, who have used the Alberta Opportunity Company, who have invested in the strength of this province, who share the optimism for the future -- not the negativism we'll hear about soon -- and are trying to build a better province. That's what these dollars are for. That's why this resolution is before us, and that's why it's important for us today to pass this resolution, to get on with the building of the future of this province and to assist those three Crown corporations who are doing such good work for this province.

Therefore, Mr. Speaker, I move that this resolution be unanimously adopted by all Members of the Legislative Assembly.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. I wonder why we have to get so much garbage with a bit of information when the hon. Treasurer speaks up. I guess he can't stand the fact that everything isn't perfect in his world, and when somebody makes some criticisms, then he has to go off the deep end and talk about all kinds of things and project things onto us that are not necessarily true. We're quite capable of speaking for ourselves, Mr. Speaker. We do not need the Treasurer to run around making half-truths and falsehoods about what we stand for.

MR. JOHNSTON: We'll see how you vote.

MR. McEACHERN: That's all right. We're quite prepared to stand where we stand in our terms.

MR. SPEAKER: To the Chair, hon. member. This is a motion; it's not Committee of the Whole. Thank you.

MR. McEACHERN: Yes, Mr. Speaker.

The Treasurer is asking for \$390 million for, he said, five corporations, but later finally admitted that it was only two. I'll just refer to the two in that sense for a moment because he did; I hadn't intended to. But AGT used to have \$1.5 billion from the heritage trust fund. It's now down to about a billion as of December 31. I notice he mentioned \$1.3 billion. That was March 31. We may as well use the latest public up-to-date figure that we have. I'm sure he has a more up-to-date one if he would release it, for March 31 of this year. In any case, what he's really saying there is that he's putting less government dollars into Alberta Government Telephones and, I guess, allowing it to seek its funding on the markets -- something we're not particularly against. We'd suggested that AGT might do that before.

The Alberta Municipal Financing Corporation: the amount in that a couple of years ago was \$1.5 billion from the heritage trust fund. It's now down to \$825 million, and they are getting most of their extra funding they need -- they're paying out their debentures to the heritage trust fund and getting it from the Canada Pension Plan. Again, not a bad idea. We have need for our dollars in other places, and I'm sure the Alberta Municipal Financing Corporation and AGT both are doing very well.

However, that brings us back to the motion before us, which does name three corporations that need some money: the Alberta Mortgage and Housing Corporation, the Agricultural Development Corporation, and the Alberta Opportunity Company. This isn't, of course, the first time such a motion has come before the Assembly; each year we do that. And each year, Mr. Speaker, these corporations pay back some of their debentures and get some new ones in place thereof. I looked at that record for the last three or four years and thought I would put some context on some of the remarks made by the Treasurer, plus the numbers as they speak to myself and, I hope, to this Assembly, as I explain what's going on here.

If you take Alberta Opportunity Company, in 1985-86 they got new debentures of some \$34 million and redeemed some \$38.8 million. In '86-87, which is the last year we have hard numbers for -- for the full year anyway -- they got some \$33 million new debentures from the heritage trust fund and redeemed some \$39.8 million. That means they went down in their total portfolio. So I just wanted to say, because of the Treasurer's remarks -- he was bragging about the commitment of the government to small businesses and how AOC was doing such a great job -- that in those two years, which are the last ones we have real accounting for, the amount of investment actually went down from \$162 million to \$156 million. Exactly what's going to happen when the numbers are in for the year just gone by is not clear. There was authorized some \$63 million to go into the Alberta Opportunity Company. So far in the first nine months only \$15 million of that has been taken up, and some \$14.8 million has been paid out. So unless the last quarter shows something pretty startling, I don't expect there's really been much change in that picture in AOC.

So the question I really wanted to ask either the Treasurer or perhaps the Minister of Economic Development and Trade, as he is responsible for AOC: since the government is allocating some \$112 million in this motion, is it the intention of the government to really expand Alberta Opportunity Company that much? I rather hope so. But by looking at the '87-88 figures, I don't have much real expectation that it will take place or, by the comment the Treasurer just made, that venture capital will grow to some \$15 million.

Mr. Speaker, the venture capital idea is one we've pushed for. We've said the Vencap situation was one where Vencap was loaning money to bigger corporations -- or medium-sized, I suppose one should really say -- and there was nothing for really small companies. So one of the responses of the government was this venture capital idea out of AOC for \$20,000, \$50,000 -- those kinds of things -- and we applaud that and have encouraged it. We just say that it's been awfully slow getting off the ground. I hope the \$112 million allocation is an indication that they intend to do that in some kind of substantive way, although I can't see that what has happened so far can encourage one that that will happen.

The Agricultural Development Corporation had somewhat more variation in its pattern, shall I say. I wanted to look at that for a minute. In 1985-86 they got some \$109 million in new debentures and only redeemed \$22.3 million; in other words, took a lot more money from the heritage trust fund and did not redeem some of the old debentures. In 1986-87 a rather peculiar thing happened. I did ask questions in this House about it last year and did not get, as I can recall, any satisfactory answer. The similar motion last year for the Agricultural Development Corporation was to allow the investment of some \$149.5 million in new debentures from the heritage trust fund into the AADC.

Mr. Speaker, that didn't happen; in fact, no new debentures were written. I asked for an explanation on that and never did receive one. They did redeem, however, \$37.4 million. In 1987-88 the motion allowed for a \$75 million new investment of debentures, of which in the first nine months some \$26 million were taken up and only \$15.2 million were paid out. So unless some fairly startling things happened in the last three months of that fiscal year which we don't know about yet, there was a much bigger allocation than was ever taken up, as with the Alberta Opportunity Company.

Now, Alberta Mortgage and Housing presents a little different picture. It's a bigger one and a more stable sort of picture that it presents. The Treasurer this year is asking for \$188 million, which is about the traditional amount. In 1985-86 the allocation was \$185 million and was taken up. They redeemed about \$174 million worth of debentures. In 1986-87 it was \$188 million again, as this year. It was all taken up, and they redeemed \$179.2 million. In 1987-88 the allocation asked for was \$200 million. In the first nine months, only \$109 million of that was taken up and \$118.7 million was paid out. So again, unless some rather frenetic activity in the last three months brings all those numbers closer, we allocated a lot more money last year under this vote than was taken up, if you assume any kind of proportional thing. I suppose the end of the year sees the most activity and perhaps we will find out that, in fact, that money is taken up.

[Mr. Deputy Speaker in the Chair]

Now, Mr. Speaker, if you add up those three allocations for the year 1986-87, which was the last one we have the hard figures for, you find that Alberta Mortgage and Housing, after all the various years of getting debentures from the Heritage Savings Trust Fund, have a total portfolio of \$3.3 billion from the heritage trust fund, the Agricultural Development Corporation has a \$1.1 billion allocation, and the Alberta Opportunity Company \$156 million, for a total of \$4.5 billion, which, by the way, makes up 62 percent of the Alberta investment of the heritage trust fund. That \$7.3 billion portfolio is by far the biggest of any of the divisions of the heritage trust fund. In fact, there's over half of the financial assets of the fund, those financial assets being \$12.6 billion as of March 31, 1987, and also stayed about the same as of December 31, 1987.

That \$4.5 billion amounts to 36 percent of the financial assets of the heritage trust fund. So these three corporations, Mr. Speaker, take up an incredible amount of the heritage trust fund and supposedly earn some of the revenues of the heritage trust fund that then get turned back to the general revenue account.

Well, as you're probably aware, Mr. Speaker, that's a rather naive view that the Treasurer has of how things work. He thinks it's perfectly okay to take three corporations that are losing money and claim that they're making money, and then brag to the people of Alberta: they're making something like 12.7 percent, he says, in the 1986-87 annual statement. The facts are otherwise. The overall claim for the heritage trust fund revenues was some 14.3 percent claimed for 1985-86, and in 1986-87 it was some 12 percent claimed. And here's this major, major portion, over a third of the fund, invested in three Crown corporations that are losing money, and yet the government, by pushing money into the fund through the back door, so to speak, or from the general revenue account, then claims they're making a lot of money.

Now, Mr. Speaker, the particular one of these corporations

that I want to talk the most about is the Alberta Mortgage and Housing Corporation. The Member for Calgary-McCall brought before this committee Motion 205, suggesting that the Alberta Mortgage and Housing Corporation cease investing in all projects except seniors' accommodation. He also suggested that there was a need for a complete review and that the corporation find some innovative ways to give away their assets to private companies. Mr. Speaker, I don't agree with the motion, but it certainly highlights the fact that it isn't just this party that thinks there's a mess in these Crown corporations and the way they're handled; that there is, in fact, a kidding of the people of Alberta that somehow they're earning money for the people of Alberta.

The three Crown corporations are socially useful programs. That's what they really are, and it doesn't make any sense to have socially useful programs funded out of the heritage trust fund and call them an investment fund. The Member for Little Bow said as much at the heritage trust fund hearings just this January. If you're talking about expenditures for social purposes -- and I quite agree with a lot of the things the Alberta Mortgage and Housing Corporation does: its seniors' housing, native housing, programs to subsidize rents for low-income people; those are the kinds of things our party stands for, and for the Treasurer to say that we're against that, of course, is nonsense -- it should be done under the budget.

And it would seem to me, Mr. Speaker, that the Treasurer doesn't -- at least in some of the comments he made today, he either didn't explain himself very well or he's a bit befuddled about what he's doing himself. He wanted to spend some time bragging about the Agricultural Development Corporation, and so he was talking about the wonderful programs it has. Well, we know that the Agricultural Development Corporation is in a lot of trouble, that it's taking quitclaims from people and so on, but I'll not get into a lot of the details; I'll leave that to my colleague from Athabasca-Lac La Biche.

But the Treasurer did say something to the effect that they had budgeted some \$46 million for this category, and now because of the drought they had raised it to \$90 million in debentures. Well, Mr. Speaker, I think he's mixing apples and oranges. I'm not quite sure where he got his \$46 million from, but the budget does not speak to allocations out of the heritage trust fund into the Crown corporations. The budget doesn't do that. So if he's talking about a budget figure of \$46 million, it's some different allocation. It has nothing to do with the \$46 million being increased to \$90 million now because of a drought.

I think the Treasurer probably is talking about the anticipated subsidy that he'll have to give the Agricultural Development Corporation out of general revenues. That may very well be what he's talking about, because if you look back over the years, the Agricultural Development Corporation back in 1982-83 was subsidized to the tune of \$59.5 million. The next year it was subsidized \$65.5 million. The next year it was subsidized \$80.7 million. In 1985-86 it was subsidized \$101.7 million, and the last year that we have hard figures for, '86-87, it was \$114 million subsidy. So maybe he's thinking about the anticipated subsidy for the coming year, as maybe the ADC is winding down or something. But certainly there is no previous number before this committee that had anything to do with the \$90 million.

So the Treasurer should really sort himself out. I guess he somehow wanted to refer to what was going on with the corporation, and he must be forgetting that what we're doing for these three corporations is taking money out of the general revenue account -- I've just read the numbers for the Agricultural Development Corporation -- and feeding it into these corpora-

tions so that they can meet some of their obligations, at least to the heritage trust fund.

Now, the Alberta Opportunity Company has a similar pattern of much smaller numbers, a total of \$48.3 million in those five years. But the Alberta Mortgage and Housing Corporation, being the big one, is the one that I think we should look at the closest. And although it was split into the Housing Corporation and the Home Mortgage Corporation in '83-84 and before, it makes the numbers a little harder to add up, but nonetheless you can work it out. And so in the last three years Alberta Mortgage and Housing Corporation was subsidized to the tune of \$185.9 million; in '85-86 it was \$206 million; and in '86-87 it was \$193 million -- a total for the five-year period, if you go back and include the amount for the two corporations in the two years before that, of just over a billion dollars' subsidy in those five years for Alberta Mortgage and Housing Corporation.

Now, at the same time, the Alberta government is trying to tell us that the Alberta Mortgage and Housing Corporation is making 12 percent on its investment to the heritage trust fund, and so the heritage trust fund is then giving money to the general revenue account. Now, Mr. Speaker, it's rather confusing to try to sort out, but I got hold of the annual report for Alberta Mortgage and Housing, and there are some interesting patterns. I'll start with my old triangle thing that I've tried on this House a couple of times before. And I'm not sure that people understand, so yes, I'll go through it again.

If you think of the Alberta Mortgage and Housing Corporation here and the heritage trust fund here, then down here'll be the general revenues. Okay? Now, the general revenues in 1986-87 pumped into Alberta Mortgage and Housing Corporation \$193.7 million. The Alberta Mortgage and Housing Corporation relationship with the heritage trust fund was rather interesting. They got from the heritage trust fund new debentures to the tune of \$188 million. They paid out some old debentures to the tune of \$179.2 million. But they also owed the heritage trust fund interest on debentures that they had accumulated, this \$3.3 billion total package of debentures that they'd built up over the years. Now, supposedly they owed them something in the neighbourhood of 12.7 percent on them -- I could have gone through and checked the individual ones and tried to get an approximate figure -- but the claim by the Treasurer was that the heritage trust fund out of the Alberta division gained some \$12.7 billion. And here's the biggest half of the fund, of the Alberta investment fund division, so therefore you must assume an interest rate of somewhere around 12 percent at least. Now, 12 percent of \$3.3 billion is \$431 million. The actual figure, according to the annual statement, was \$418 million in interest charges that Alberta Mortgage and Housing Corporation paid to the heritage trust fund.

Now, the heritage trust fund, meantime, has all this big windfall of money -- right? -- that it made, and it gives it back to the general revenue account. Now, how much of it, exactly, came from Alberta Mortgage and Housing is a little bit hard to tell, and here's one of the reasons it's a little hard to tell. The books for the Alberta Mortgage and Housing Corporation are split into two parts. There's what they call the corporation, and then there is the insurance fund. Now, the insurance fund had an accumulated deficit of some \$330.7 million as of the 1986-87 financial statement and the corporation had \$163.5 million. When you combine those two, it's just under a half a billion dollars: \$494 million. Now, that's greater, Mr. Speaker, than the amount of interest paid, but then I'm not being quite fair, because those numbers are cumulative deficits. But if we look at

just the yearly deficit for the insurance fund and the corporation and put the two together -- they're about \$80 million each -- about a \$160 million deficit was added in that year 1986-87 to make the total of about a half a billion dollars debt overall for the Alberta Mortgage and Housing Corporation.

Now, don't forget that we also put in \$193.7 million. So out of the general revenue account we put in nearly \$200 million. There was an increase in the debt of Alberta Mortgage and Housing by \$160 million, so if they paid to the heritage trust fund some \$418 million -- and if I'm reading the statement right, I think that's correct -- then I suppose there was almost \$70 million that the Alberta Mortgage and Housing Corporation paid in its own right, so to speak. Oh, but then don't forget they had \$9 million or \$10 million extra that they got out of the heritage trust fund compared to what they put into it.

So, Mr. Speaker, the problem isn't that the New Democratic Party or caucus is against the social housing and the various programs that I talked about earlier or that the Treasurer referred to. Our problem isn't that we're upset with the Agricultural Development Corporation idea. I don't think the government has used it very well or done a very good job of it, but I'll leave that to my colleagues from Vegreville and Athabasca-Lac La Biche to talk about in more detail. We're quite pleased about the idea that the Alberta Opportunity Company is getting into venture capital for small companies. I hope there will be some take-up on the \$112 million that this government is going to allocate.

But our problem is the way the thing is set up. Why are we running social programs out of the heritage trust fund, calling that an investment fund, and claiming that it makes money? So really, if the Treasurer wants our support for these programs, which are good ones, then he should sort out the accounting mess that he has inherited, find some way to put those programs back under the departments where they belong. The Alberta Mortgage and Housing Corporation really should be under the Minister of Municipal Affairs, who's in charge of housing. The Agricultural Development Corporation should really be under the Minister of Agriculture's portfolio or the associate minister, whichever one they wish, is more convenient.

AN HON. MEMBER: It is.

MR. McEACHERN: Yeah, it is, but the funding is not. The funding is coming from the heritage trust fund, and the claim is that it's making money. And it is making money only in the sense that we subsidize it from the general revenue account to see to it that it does. So what I'm saying is: why are we running social programs? The Alberta Opportunity Company, of course, is under the purview, supposedly, of the Minister of Economic Development and Trade, but he's asking for his money from the heritage trust fund, as are the other two ministers. And the Treasurer is trying to kid us and the people of Alberta that somehow those corporations are making money, when in fact they're social programs.

The minister in charge of the Alberta Mortgage and Housing Corporation appeared before the heritage trust fund committee, and it took us nearly two hours to convince him that there was a problem. He said, "No, no, everything's fine in there." Now, the fact is they show accumulated deficit of nearly half a billion dollars, which is a little less than 20 percent of the total portfolio, \$3.3 billion. And all the other financial institutions that have been involved in real estate throughout the last six or eight years in this province have written down their portfolios to 50 percent or 60 percent of what they were at book value at one

time. So for the minister to claim that somehow this was adequate provision for a debt loss . . . Now, I know they've written some off, \$80 million in the year 1986-87. In fact, on two sides: they wrote off that on the real estate side and also on the mortgage side. But nonetheless, it's fairly clear to most people watching the Alberta Mortgage and Housing Corporation that they have not written down their portfolio as much as they should, that they're carrying an incredible debt on their books that they would not be allowed to carry if they weren't a Crown corporation; they would have been bankrupt long ago.

So if these are social programs, why aren't they put under the department and brought out under the budget? And forget the heritage trust fund investments into these companies, which are losing companies. It's perfectly okay for the heritage trust fund to lend money to AGT and the Alberta Municipal Financing Corporation, because they actually make money and can pay their bills, but these three companies cannot.

So, Mr. Speaker, I just wanted to say that when this caucus says that they're not in favour of this motion, it's not because we don't want those corporations to get the money; we just want it to be done honestly. We want it to be done through the budget the way it should be done. There should be more details brought before the committee to explain why the money is needed, what the programs are in more detail. The annual statement of these three Crown corporations is a pretty sketchy thing. It just glosses over an incredible number of problems that Alberta Mortgage and Housing Corporation has. I suggested to the minister that he should do an investigation; not just a review, as suggested by the Member for Calgary-McCall, but probably some kind of a judicial inquiry into some of the incredible mess that they've made in that corporation over the last five or six years. They have not been handling their portfolio very well.

So we would just ask the Treasurer to sort out the arrangements in a way that's straightforward for the people of Alberta. If you've got an expenditure program, put it under the budget where it belongs, take the revenues out of general revenues, and quit kidding everybody that we're making money out of the heritage trust fund on that portion of the portfolio.

MR. DEPUTY SPEAKER: Are you ready for the question?

Hon. Member for Athabasca-Lac La Biche.

MR. PIQUETTE: Thank you, Mr. Speaker. Again we members of the Alberta heritage trust fund committee, while we stand in the Legislature debating some of the Crown corporations operated out of the Alberta heritage trust fund, like AOC, ADC, and Alberta Mortgage and Housing Corporation, keep on finding year after year a real accounting mess. I guess if we compare that to the Principal affair, we would have closed ourselves down a long time ago. Because really, in a lot of the figuration that we're giving to the public, it's a real lot of gobbledygook, and it really doesn't reflect the real affairs of the province in terms of claiming that we're making a profit back to the general revenue in terms of the Alberta heritage trust fund.

You take, for example, that in ADC we see a \$66,000 deficit in '87, which is being subsidized out of general revenue; \$55.807 million this coming year that we're looking at subsidizing from the general revenue to ADC. For Alberta Mortgage and Housing Corporation, a \$266.172 million subsidy from general revenue in 1987; in 1987-88 we're looking at a subsidy of \$193 million. Then we look at AOC this year a \$13.4 million subsidy from general revenue. Then we claim that you know, these corporations are actually making a profit back to the Al-

berta heritage trust fund.

Again, all of these are very good social programs or business programs. ADC, for example: we have always been on record that we support the concept of the Agricultural Development Corporation. However, when we take a look at the situation that's developing in terms of the province, in terms of the farmers of Alberta who are in financial straits, we find that ADC is much more aggressive in terms of foreclosing on farmers than what we see in the Alberta Mortgage and Housing Corporation. In the Alberta Mortgage and Housing Corporation we basically suspended interest repayments from companies who had borrowed money in terms of building Alberta Mortgage and Housing Corporation apartments, et cetera. We have debt set-aside in that program, but we don't have debt set-aside in terms of the Agricultural Development Corporation. Again, you know, a lack of justice in terms of the whole way that we treat farmers as compared to how we treat the business community.

We had a little secret kind of agreement that we discovered last year that was emanating from the minister responsible for housing in meetings with the business communities who indicated that because of the high vacancy rate, because of the downturn in rental return, they could not service their debts. So, lo and behold, very quickly we have an agreement that we have a debt set-aside with interest set aside for those programs. A real shameful thing to do, when in fact if we compare the difficulties that farmers have been faced with in terms of the return on their investment, the return on the sale of their commodity prices, there has been a much more marked reduction in their take-home pay than in the rental accommodation industry in the province of Alberta.

The commodity prices for the Alberta farmers have suffered in the past five years a reduction of close to 100 percent, and some commodities even more, in terms of return on their investment. But what we find here is that instead of any debt set-aside where the government perhaps forgives interest rates for a small farmer who is having difficulty because of low commodity prices, we're seeing the government basically foreclosing, forcing him off the land, lowering the price of agricultural land because of that whole play that it has in the marketplace, and endangering as well other farmers who have attempted to hang on by their fingertips in terms of trying to remain with their heads above water. But they are finding that what's happening with the Agricultural Development Corporation is that because of their aggressiveness in terms of foreclosing and asking farmers to sign quitclaims, the other farmers who are remaining on the farm, their access to loans from banks has been greatly hampered because of the fall in value of agricultural land holdings in Alberta. So we have, really, two sets of justice here: one for the business community who have borrowed from the government through the Alberta Mortgage and Housing Corporation, and then we have one for farmers, which are treated quite differently in this province.

In many ways the government, in terms of the Agricultural Development Corporation, have contributed to the demise of many farmers in the province of Alberta. We support their beginning farmers program at the 6 percent interest rate. But what we don't understand is the fact that since the low commodity prices -- in terms of farmers who got into farming, say, half a dozen years ago, and they've come to the end of their five-year term -- why hasn't the government extended that 6 percent loan program to cover an additional five years? Because there's no way at this time, at these interest rates, that the farmers are able to pay the 9 percent or the 12 percent loan program that many of

them have to dish out, with today's low commodity prices.

I think the agricultural task force on the future of the Agricultural Development Corporation in terms of the hearing process has heard a lot of very novel ideas, that we have to really restructure the Agricultural Development Corporation to make sure that it serves farmers much more in terms of providing even operational loans and perhaps loan guarantees that could be worked out, rather than simply using the method used in the past by ADC. What we have, though, is that the report, or the government's response to the task force, has basically done very little in terms of addressing many of the concerns expressed by Alberta farmers. They have not answered the many presentations which call for debt set-aside. They did not answer the whole idea that many farming groups were advocating a 5 or 6 percent loan program for all farmers operating under the auspices of the Agricultural Development Corporation. So we have a government that did not listen to the farmers of Alberta.

In terms of the Alberta Mortgage and Housing Corporation we have a situation here that we have a government who tried to basically enter the real estate game and got caught at the game. They instructed the Alberta Mortgage and Housing Corporation to become much more aggressive in land assembly in terms of buying lands for future development, without taking a look that by doing so, we were putting the taxpayers of Alberta very much at risk. If you look, for example, at some of the loss on real estate in the 1986-87 budget year, we had a loss in real estate of \$46.890 million in 1986. We had a \$22.437 million loss in 1987. We still don't have the 1988 report. We had a loss on the mobile home loan insurance program, which was a much more valued kind of program; it was only \$110,000. If a lot of these social programs would have been to help the low income earners afford housing, we would have been a lot better to have invested our money, in terms of providing those kind of subsidies for low income owners, than getting into land assembly, where now we're trying to divert these lots that are located in many towns and cities in the province of Alberta at a very reduced price.

But in actuality, when we look at it -- I take the example of Lac La Biche and Athabasca, where the land assembly costs brought the price of lots over \$30,000 per lot. In fact, if you look at the current market value of these lots today, they're really more in the \$15,000 range. Of course, they're not moving, they're not selling, because the Alberta Mortgage and Housing Corporation are still trying to sell these lots in the vicinity of \$22,000 to \$27,000. So we're basically sitting on this land, encouraging very little development of housing, much needed housing in these communities. Again, I guess we played the real estate game and got caught at it, and the government really doesn't know how to respond to it. Basically, they're hoping that the real estate market somehow comes back up in the next few years and that they hold enough of a land bank, which is what ADC is now becoming, a real land bank. The province of Alberta, in terms of ADC and Alberta Mortgage and Housing Corporation, is the biggest land banker of any corporation in Canada, of any government in Canada; they own hundreds of thousands of acres of land. Then we pretend that we're a free enterprise government.

I think the government should be heeding the call from the Member for Calgary-McCall and asking and really doing an inquiry into the whole operation of the Alberta Mortgage and Housing Corporation. Because if we look in the past five or six years at the balance sheet and the operation of that Crown corporation, that Crown corporation really needs to have a judicial

inquiry into it to discover why some of these decisions were made by the corporation and why so much of the taxpayers' money has been put at stake in terms of investing in areas in Alberta in land banking and real estate that really we had no business in doing.

Now, instead of being honest with the people of Alberta, the government is trying to basically hide the whole process through rhetoric, as expressed by the Treasurer, for example, trying to downplay the concern that's expressed by the Official Opposition. He's trying to say that we're against social programs, against loans to small farmers -- not at all the question we're asking. We're basically asking that if we're going to be operating social programs, they should not be called an investment. They should not be included in the investment portfolio of the Alberta Heritage Savings Trust Fund or in the capital projects division. But they remain year after year, in terms of giving a basically false interpretation of how this province is operating financially.

The AOC, where we're asking this year that we provide an additional amount of money of \$112 million in aggregate -- I would hope that this money available to the Alberta Opportunity Company finally starts operating loan programs to small businesses which are actually accessible to most small companies wishing to diversify. I've received since my election an inordinate number of complaints about the operation of Alberta Opportunity Company, that it doesn't really reflect the realities of small business in rural Alberta, that the process is stacked against them. For many small businesspeople now, it's no longer an avenue of financing because of all the red tape and bureaucracy which is built around the whole process of applying for loans for small business. I believe the ideas that the New Democrats have proposed, where we have operating through the Treasury Branches a small business incubator program, or through a regional economic development council where that money is more regionalized or that funding by AOC becomes much more regionalized in terms of accessibility of funding and much more related to the reality of the rural communities or the urban communities . . .

Instead of having a Crown corporation which tends to become very heavily bureaucratized, we should attempt to develop our economy from the grass-roots level up. I see some good and positive aspects of AOC if only the government had gone one step further, and that was to make sure that along with Alberta Opportunity Company we had in most of the regions, or all of the regions, of the province a regional economic development council with regional business banks operating with access to Alberta Opportunity Company financial resources in order to be able to access small business development loans at the community level. And I can guarantee you that we'd have a lot less foreclosures and business failures using that method of operation than the present method of AOC operating as a centralized government bureaucracy, which does not in many ways respond to the business needs of small communities in Alberta.

I believe the same things can be said about the operation of the Agricultural Development Corporation. Again, if we had the Agricultural Development Corporation, instead of having bureaucratic red tape in how this whole corporation is operated, actually having farmers in terms of farmer committees in regions actually making the loans or business loan decisions or forming loan decisions rather than inexperienced counselors who very often don't even come from farming backgrounds, I think we would not have suffered the same kind of loan giveaways to farmers who did not really want to have large

loans like that in the small beginning farmers program, where we basically hoisted on beginning farmers loans of \$150,000, \$200,000 when in fact these farmers were looking for maybe \$35,000, \$50,000. We had loans given out by ADC which were not reflected in the productive value of the land. It was basically ADC bureaucrats who thought they knew how beginning farmers should farm in Alberta, and it did not relate at all to the locality or the geography or the value of the land or on the type of farming operation that should be diversified in many different parts of the province. So we had, for example, an example that I went through, where I approached ADC when I wanted to take over the family farm, where I wanted to just borrow a few thousand dollars to get going. They indicated to me that unless I had seven, eight quarters of land, they would not lend me one penny.

I think these are the kinds of problems we have today. We have the deficits incurred by this province in the operation of ADC really based on these flawed bureaucratic decisions made by this government, which attempted to put farmers in the same position as businesspeople, but in fact farming is a different type of industry. We're again suffering the consequences. This year we have to provide from the general revenues \$55.807 million, and we have the government saying today that they're going to be providing \$90 million from the Alberta heritage trust fund to provide loans for beginning farmers and agricultural businesses. Without the whole Agricultural Development Corporation redirecting its energies into making sure that we don't make mistakes again that we've done in the past, we're going to be, on an annual basis in the next five or 10 years, continuing to subsidize the Agricultural Development Corporation out of general revenue, because we're still going to be making perhaps the same kind of lending mistakes that we have done in the past.

That is one of the things here that we of the Official Opposition feel, that if the government would have listened in their task force to the recommendations of most farming groups, then we would have had actually a revitalized Agricultural Development Corporation, but that is not what we've done. I think what we need to do at the present time is . . . The mistakes have been made in the past, but let's not repeat them. Let's not continue foreclosing on farmers and forcing farmers into quitclaims. Let's take a look at the past debts and treat that as a loss, but let's keep those young farmers who were attracted to farming five, six years ago on the farm, because those farmers are going to be viable if only they could be able to pay the capital owing on those loans and not the accumulated interest rates which they have been unable to pay in the past number of years because of low commodity prices.

I guess one compliment I'd like to pay the government is that finally they did make some adjustment in terms of adjusting the interest payments -- the capital payment base -- on the commodity price, an initiative introduced by the Associate Minister of Agriculture. It's too bad that program didn't kick in about four or five years ago when the beginning of the farming crisis developed. But even there there's been no forgiveness of interest rates for farmers who are now presently sitting in a quitclaim position or in a foreclosing position with ADC.

We have the government here -- the Treasury minister -- bragging about how much we're doing for native and rural housing, bragging about \$9 million that we are going to be spending in 1988 for native and rural housing. Again, a very good social program that the Alberta Mortgage and Housing Corporation should be undertaking. However, I find that if you look at the number of native people that do need housing right now, there's a lineup of a lot more needed than what the government is

proposing for 1988. If we're going to be putting aside from the Alberta Heritage Savings Trust Fund \$188 million in aggregate this year, \$9 million to be given to native people, many of them living in substandard homes in northern Alberta and elsewhere in the province, that is not good enough. And for him to brag about that, I think, is going on the ludicrous. If we were really attacking the kind of social conditions that exist in many native homes, that should be one of the priorities of the Alberta Mortgage and Housing Corporation. Because if, again, we're operating the social programs, then we should be prioritizing the social programs for the people who need housing at the highest priority and going down the line. So I think that is one area where I'd like to see a much larger focus.

But in actuality, in terms of the Alberta Mortgage and Housing Corporation, we find that the biggest losses suffered by this province have not been in their worthwhile social programs. The original intent of Alberta Mortgage and Housing Corporation I believe was excellent. But where the government has lost the most money is in their real estate investments, an area the government to begin with should have stayed away from when we were in the midst of a real estate boom, when they basically helped to contribute to that escalation of a real estate boom. I can point to a number of examples where the government walked into communities, offering farmers a quarter section of land, swampish in condition, where they paid \$1.5 million or \$5 million for a quarter section of land, way above even what the real estate market was prepared to pay. I don't know who made those decisions from the Alberta Mortgage and Housing Corporation, but a lot of these real estate investments did not even relate to some extent to the real estate value at that time. They helped to escalate it, and then they created the condition around these communities where then they became the standard of what was offered by Alberta mortgage corporation, the standard for future real estate pricing.

So I think that in terms of the judicial inquiry into the operation of the Alberta Mortgage and Housing Corporation, we should start taking a look at who made those bad decisions -- or perhaps not bad decisions, but at least mistaken decisions -- back in the late '70s and early '80s, because I think those people are responsible for having made a bad investment for the people of Alberta. I think that should be thoroughly investigated, and it should be reflecting in the accounting procedures. We're going to be suffering over the next few years a tremendous loss in the Alberta Mortgage and Housing Corporation, and we're still not finding out why these continued deficits will be accruing to the public of Alberta. We are not correcting the mistakes that have been made in the past. And as Official Opposition, if we're going to be running a very competent government, then the government should be making sure that they start an inquiry into some of their failings.

You know, I think you gain a greater respect from the people of Alberta if you admit mistakes as opposed to trying to cover up mistakes. And I think that in the operation of the Alberta Mortgage and Housing Corporation there have been a lot of mistakes made in the past, but the government is not willing to admit it. They're still trying to tell the people of Alberta that the Alberta Mortgage and Housing Corporation is still making money, still making a profit, when in fact we're really subsidizing it by the millions of dollars from the general revenue, to pretend that we're running a good ship for Albertans.

So I'll conclude my address by indicating that the Official Opposition is not against important social programs, are in favour of small business loans. They are in favour of supporting

the family farms for Alberta. But we are against the poor accounting methods shown by this government, the kind of continued cover-up in accounting procedures. And the fact is that we should be running social programs and not calling them investments, that we should be operating the Alberta Mortgage and Housing Corporation under the direct control of the minister responsible for housing as opposed to operating out of the capital projects division of the Alberta heritage trust fund, and making sure that we finally correct the mistakes that we should have learned from in the last 10 years of the creation of the Alberta Heritage Savings Trust Fund.

As Official Opposition we have called for a review of the Alberta Heritage Savings Trust Fund. Again, that could have been all part of making sure that in the next 10 years of the operation of the trust fund we finally solve some of the mistakes we have made in the past and make sure that we have an Alberta heritage trust fund which is sound, fiscally responsible, and that it's not a drain on the general revenues of this province.

MR. DEPUTY SPEAKER: Hon. Member for Calgary-McCall.

MR. NELSON: Thank you, Mr. Speaker. I just want to take a couple of moments to discuss a couple of items on here, and one in particular, the Alberta Mortgage and Housing Corporation. First I should indicate that the Member for Edmonton-Kingsway indicated that through a motion I had presented to the Legislature, I suggested that I'd give away the assets to a private corporation, which is totally incorrect. I don't know where anybody would get such a foolish idea anyway. I don't subscribe to giving away anything.

First of all, I should indicate that I'm going to support the motion as an interim measure, but for God's sake I think it's time we got into this corporation and examined it, got rid of the waste, the duplication, and all those kinds of things. Some day there'll be a day of reckoning unless we do that. I'm urging the government to set up this committee that I've suggested, to get this dam thing on the road. Because we're giving away money. We're throwing good money after bad all the time with this corporation. I don't know why in some cases we may be building more housing units this year, and here Alberta Mortgage and Housing is offering 250 more units to the city of Calgary Housing Authority. There's again no negotiation or discussion with the MLAs, their politicians, and I'm upset about it. It's going to be interesting to see the response to the query I've given to the minister. Because, Mr. Speaker, if we're spending \$188 million and adding additional housing stock and then asking the housing authorities to take over more housing for social housing within the municipalities at additional cost to both the provincial and federal governments, housing stock in new communities where it's not necessary, it's an incredible waste of money and time by these agencies.

I want it on the record, Mr. Speaker, that I do not oppose the assistance given to people who are in need for housing, whether they be senior citizens, native people, or others in the rural or urban centres of this province. But what I object to is wanton waste that this corporation's involved in. I'd like to know: what is committed of this \$188 million, what is it committed to, and what safeguards are being built in to ensure value for the dollars spent? The past record of speculation of this corporation is disastrous. I think it is time -- it is past time -- that this corporation was asked to answer for its mismanagement and its continued bad investments.

I would ask that the minister who is responsible for the Al-

berta Mortgage and Housing Corporation and the Treasurer please make some effort to ensure that prior to the government coming back and asking for additional dollars for this corporation in the next year, an undertaking be given to investigate this corporation completely, with a royal commission or other as deemed necessary, to ensure that it is operating and functioning properly so that we can get on with the proper job that it was intended to do and not this wanton waste that's out there.

Thank you.

MS BARRETT: Mr. Speaker, I'm pleased to hear that the Member for Calgary-McCall in his comments on this motion observed that he objects to the fact that the AMHC is throwing good money after bad without even consulting the politicians. He even said, you know, the politicians or the MLAs. Too bad he didn't say the same thing last week under consideration of Bill 10.

In any event, I'd like to comment on the motion in front of us, inasmuch as I have just read an article in the 1988 April edition of *Ms.* magazine, written by a Mr. Jonathan Kozol, in which he makes anecdotes regarding two individuals in New York City who find themselves for unfortunate reasons being basically homeless. In each instance the parent is a woman with children. What's so bizarre is that, in these descriptions in any event, they end up having to stay in hotels -- not nicely equipped hotels but cheap sort of tenement hotels operated by, I guess, some pretty clever artists who know that social allowance recipients will be sent to them. Because evidently in New York they don't have a policy which says that if you need social help, we'll pay your rental allowance for you so that you don't have to stay in a hotel. The government of New York -- state, I assume -- is paying up to \$2,000 a month to have these families staying in rotting environments in which there's no running water at all when they could be paying \$250 or \$300 a month on behalf of those people to have them in at least more livable shelter, shall we say.

The reason I bring this up, Mr. Speaker, is because I think some members of the Assembly fail to realize that if we don't take a fairly long-term attitude with respect to Alberta Mortgage and Housing Corporation and the goals that it should have, which are hammered out right here in this Assembly, that's the sort of distorted economic environment in which we could find ourselves in a few decades. And what a waste: not only a terrible thing to do to human beings but also an inefficient thing to do with public dollars.

That brings me back to my concerns about AMHC when it comes to helping sponsor the housing requirements of the inner city. Now, they don't have a government-directed policy to do that, and as a result they are not going to make that an emphasis until a few cabinet ministers who have some clout instruct them to do so. More is the pity, Mr. Speaker. I know that the inner city housing society had to do an awful lot of fighting and negotiating and sweating and a lot of paper wars and everything else in order to get the funding to launch the 26-unit housing project they are currently building on 107A Avenue just east of 97th Street. These series of units finally did get the money from CMHC and AMHC. But do you know that even with labour costs being relatively depressed at the moment and even with their doing everything as efficiently and cheaply as they can in constructing what amount to housekeeping rooms, they still will not be able to build this in such a way that an individual will be getting, even on long-term social allowance rates, enough money to pay for that unit by herself or himself? In fact, the

people who need these places the most won't be able to afford them, because the system we have for social allowance is not responsive to the real needs or demands of the marketplace. Or the alternative way of looking at it is because AMHC has not seen fit to cosponsor the endeavour in any way other than a sheltered interest rate. More is the pity I say, because what happens is that those people who can't afford to stay there are going to stay in shelters that very often have to be staffed, and it's going to cost the government more in the long run.

That's what I'm getting to about the Alberta Mortgage and Housing Corporation. You know, this is a device that could be used for really important social planning, and I don't understand why it isn't being used in that way, Mr. Speaker. We've got a serious amount of homelessness in the inner city not only in Edmonton but, I imagine, in all the cities throughout Alberta and, I expect, in some of the places that are still known as towns. But without giving them that political mandate, we're not going to see a change to that rate of homelessness or a change to the fact that people who are financially poor have to spend every last nickel they can command to pay rent to an absentee landlord who, unfortunately, is often an absentee slumlord. The whole system is replete with rip-offs, and I object to that primarily from a humanitarian perspective but also from the perspective of being one of 83 people who annually has to review the budget and estimates, including the trust funds estimates, and this sort of motion that says, you know, "We'll hand over X, Y, or Z number of dollars to ADC, AOC, or AMHC." I don't mind the handing over of the dollars, and I think most Albertans are with me, Mr. Speaker, as long as they're being used in the most socially useful as well as economically useful manner. And of that I am simply not convinced.

The statistics that I could get, Mr. Speaker, unfortunately are not very current. StatsCan has to charge an arm and a leg if I want to have a breakdown of Alberta statistics from the last census, and the Official Opposition, which had its budget reduced by \$170,000 last year and has not had an increase this year, just can't afford to pay StatsCan to do those specialized studies, unfortunately. So I have to quote to you from 1981 statistics as gathered by Statistics Canada. What I see at that point -- and I have no reason to believe that things have changed. Although mortgage rates have come down since then in some instances, the number of poor Canadians has risen, so overall I have no reason to believe that the figures have changed. These are homeowner families in Canada. When we count in all families in Canada that are homeowners, 10.1 percent of those homeowners are paying more than 35 percent of their income on shelter. In the case of female lone-parent families the figure rises to 26 percent. Now, in most industrialized societies, ours included, it's a common assumption that it's best if you do not pay more than 25 percent of your income on shelter. If you go to a mortgage company and want to get out a mortgage, in fact, they're going to offer you mortgages on the basis of your income so that generally speaking you're not going to exceed that 25 percent guideline, or not by very much.

Then I had a look at renters, Mr. Speaker. This is really worrisome, and again I have no reason to believe that things have changed. Even though mortgage rates have come down for construction and in property generally, there are more poor people in Canada in 1988 than there were in 1981. I remind you that poverty doubled in Alberta between 1981 and 1985. For renters, 19.8 percent of all families who were renting in Canada in 1981 paid 35 percent or more of their income on shelter. And that's renting; they don't gain any equity out of that. I looked

and saw that the category that is most likely to be paying more than 35 percent of their income on shelter was, of course, the female lone parent. The instances will probably surprise you. In 49.2 percent of the cases of female lone parents they were paying more than 35 percent of their income on their rental shelter.

Now, I think anyone understands that you can't have miracles occur overnight, that you have to work on them. But there are such things as creating economic miracles and social miracles, and we have the technology, we certainly have the economic knowledge, to do it. In the case of Alberta we actually even have the financial leverage with which to do it. I would make a bid to the Provincial Treasurer and to his colleague the minister responsible for housing in Alberta that they take seriously and not just as an electorally convenient issue the matter of homelessness, the matter of substandard housing, the matter of job creation which can be accomplished through refurbishing of inner-city housing, which at the same time reduces the amount that's coming out from the other end -- that is, through unemployment insurance or social allowance -- and gets

these people good job training and ready for the market; and to consider the alternatives to simply telling AMHC that it can do what it wants. Tell AMHC to do a couple of things that are targeted, that can show better than 15 units or 26 units or 50 units in a year going up. That amount can't keep pace with the need, Mr. Speaker.

So I urge the Treasurer to keep this in mind and not make poor people political footballs but work co-operatively with society to help eliminate one of the more disgraceful elements of poverty, and that is the shambles of so-called households in which they live. It can be done with political will.

SOME HON. MEMBERS: Question.

MR. DEPUTY SPEAKER: Ready for the question?

[Motion carried]

[At 5:26 p.m. the House adjourned to Thursday at 2:30 p.m.]

